



**BALRAMPUR CHINI MILLS LIMITED**

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29<sup>th</sup> February, 2024

<b>National Stock Exchange of India Limited</b> Listing Department 'Exchange Plaza', C/1, G Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400051.	<b>BSE Limited</b> The Corporate Relationship Department 1st Floor, New Trading Wing, Rotunda Building, Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400001.
Symbol: <b>BALRAMCHIN</b>	Scrip Code: <b>500038</b>

Dear Sir/Madam,

**Subject: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - ESG Report FY 2023**

Please find enclosed our ESG Report for FY 2023 which is uploaded on the website at the following link: <https://chini.com/wp-content/uploads/2024/02/ESG-Report-FY23.pdf>

Thanking you,

Yours faithfully,

**For Balrampur Chini Mills Limited**

**Manoj Agarwal**

**Company Secretary and Compliance Officer**

# Bringing Stretch to Sustainability

*Deepening a commitment to generate more from less*

**Balrampur Chini Mills Limited**  
ESG Report FY 2023

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### About the report

This Environment-Social-Governance (ESG) Report is produced with the objective of presenting a holistic perspective of the Company's performance from the sustainability point of view.

### Our reporting approach

Our ESG Report shares our journey of value creation with all stakeholders. It provides transparent and comparable insights into financially and non-financially significant aspects along with our ESG strategy, roadmap and holistic approach to sustainable development.

### Guidelines and standards

This ESG Report FY 2023 has been prepared with reference to the Integrated Annual Report 2023 which is based on GRI Standards 2021, integrated reporting framework and Business Responsibility and Sustainability Reporting based on the National Guidelines for Responsible Business Conduct.

### Reporting cycle

This report pertains to the period from April 1, 2022 to March 31, 2023.

### Responsibility statement

The Board and management acknowledge their collective responsibility towards information integrity. They undersign that the contents are fair, transparent, and balanced.

### Assurance

Independent Limited Assurance Statement on sustainability disclosures in the Integrated Annual Report for FY 2023, was issued by SGS India.

### Feedback

Feedback ([esg@bcml.in](mailto:esg@bcml.in)) is important to us and integral to the continuous improvement of our sustainability reporting journey.

### Scope and boundary

This report covers the operations of Balrampur Chini Mills Limited across ten manufacturing units (products comprising sugar, ethanol, bagasse and co-generated power).

### Forward-looking statements

Certain parts of this report contain forward-looking statements. These may be typically identified by the terminology used, such as 'could', 'should', 'intends', 'believes', 'expects', 'may', 'will', 'estimates', 'plans', 'assumes' and 'anticipates' or negative variations. These forward-looking statements are subject to risks and opportunities that could be beyond the Company's control or currently based on the Company's beliefs and assumptions of future events.



PART ONE

Who we are.  
What we create.  
How we accomplish.

INTRODUCTION

Before you  
proceed with  
this ESG  
Report by our  
company...

The sugar business at our company is integrated and conducted with responsibility.

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This business manufactures by-products that are renewable in nature.

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These by-products are replacing the use of finite fossil fuels; they are also helping moderate India's import bill.

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Our distilleries are compliant with the concept of zero liquid discharge.

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Our business is driven by the concept of generating more from less.



Balrampur Chini Mills Limited is more than just one of India's largest private sector sugar companies.

The company is a respected statesman in the country's sugar sector.

The company is respected for its holistic integrity, forward-looking policies, proactive investments, operational safety, regulatory compliances and environment responsibility.

The result is a recall that 'If it is Balrampur, then it must be completely responsible.'

# At BCML, our commitment to holistic responsibility is derived from our framework of values.

## The coming together of our values is directed to the benefit of all our stakeholders.



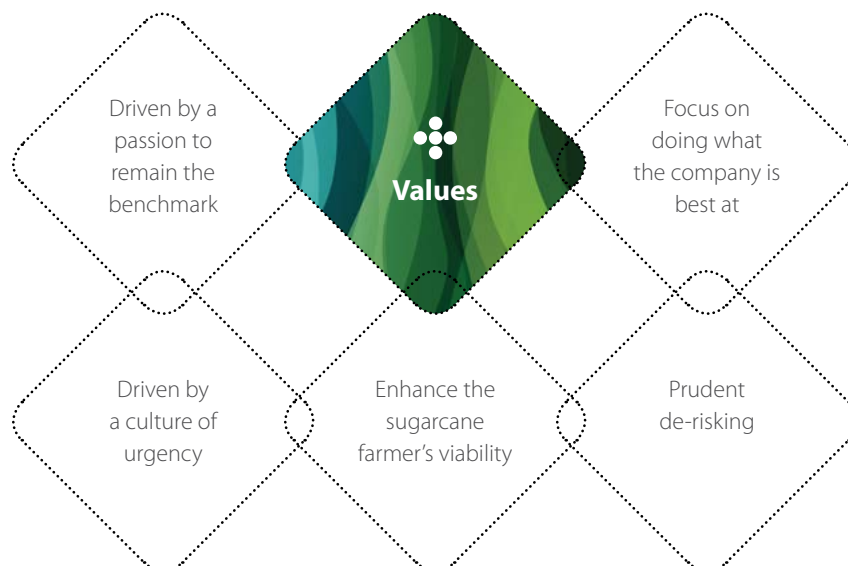
### Vision

Create positive impact on the natural environment through sustainable manufacturing and innovation. BCML is committed to reduce energy consumption, improve the share of renewable energy, manage water and waste, promote circularity in operations and control risks related to climate change.



### Mission

Accelerating and expanding sustainable growth opportunities by promoting circularity and by positively impacting the communities that we operate in.



# BCML is one of the largest private sector integrated sugar companies in India



The Company is driven by a coming together of business priorities that have been directed at enhancing stakeholder value

## Background



Balrampur Chini Mills Limited has been promoted by the Kolkata-based Saraogi family. The Company is led by Mr. Vivek Saraogi and managed by experienced professionals. The company is respected as an industry statesman on account of its forward-looking policies, investments and performance.

## Businesses



The Company is engaged in a mix of businesses derived principally from cane. The company generates revenues largely from sugar and ethanol. It generated 78.50% of revenues from the sugar business and 21.06% from the distillery business during FY 22-23. Going ahead, the percentage of revenues derived from the distillery operations is expected to increase.

## Presence



The Company is headquartered in Kolkata (India). The Company works out of 10 sugar factories located in the cane-rich belts of Eastern and Central Uttar Pradesh; these comprise 5 distilleries and 10 co-generation units, which makes it among the largest integrated companies in India's sugar sector. The Company's manufacturing facilities are located in Balrampur, Babhnan, Tulsipur, Akbarpur, Gularia, Maizapur, Mankapur, Rauzagaon, Haidergarh and Kumbhi.

## Sustainable



The Company made proactive investments in the areas of waste incineration, water consumption moderation, effluents recycling and byproducts utilization.

## Talent pool



The Company employs skilled professionals with a diversely rich experience across agriculture, IT, manufacturing and ESG, among others. The Company's talent pool stood at 6270 as on 31st March 2023. Around 80.67% employees had been associated with the Company for five years or more as on 31 March 2023.



### Associate memberships



- Indian Sugar & Bio-energy Manufacturers Association (previously known as Indian Sugar Mills Association)
- U.P. Sugar Mills Association
- U.P. Sugar Mills Cogen Association
- Confederation of Indian Industry
- Federation of Indian Chambers of Commerce
- Indian Chamber of Commerce
- Bharat Chamber of Commerce
- Young President Organisation
- IMC Chamber of Commerce & Industry
- The Institute of Internal Auditors
- MCC Chamber of Commerce & Industry

### Listing



The Company is listed on the BSE Limited (scrip code: 500038) and National Stock Exchange of India Limited (symbol: BALRAMCHIN) where its equity shares are actively traded. The market capitalisation of the Company was ₹7984.23 crore as on 31st March, 2023; the promoter's shareholding in the Company was 42.90% as on that date.

### Awards and accolades



**Safety** Hero Awards by G.D Goenka University Leadership Award

**Best** performing distillery for freshwater consumption and effluent discharge by Central Pollution Control Board, Delhi

**The** CSR Excellence Award awarded by the ICSI

**The** Golden Peacock CSR Award by the Institute of Directors

**Life-Time** Achievement Award to Padma Shri (Late) Meenakshi Saraogi by the Uttar Pradesh government

### Ratings



The Company's long-term credit rating was maintained at AA+ (Stable outlook); its short-term rating was re-affirmed at A1+ by CRISIL. These ratings were among the highest in India's sugar sector, a validation of the company's leadership position.

### Certifications



Balrampur achieved the prestigious Bonsucro certification for its Rauzagaon unit.

The Company's initiatives improved hygiene and sanitation; this translated into the FSSC 22000 certification for the Mankapur, Rauzagaon and Kumbhi units.



PART TWO

Our perspective  
on the importance  
of responsibility  
and sustainability



THE CHAIRMAN AND MANAGING DIRECTOR'S STATEMENT

The BCML of today is a holistic well-rounded organisation that is better equipped to address sectoral downsides and capitalize on sectoral rebounds, strengthening business sustainability.

# Dear shareholders,

I welcome you to our ESG Report.

Climate change is steering us towards enhanced sustainability across every initiative.

This subject of sustainability has extended beyond an environmental obligation; it has evolved into a pivotal imperative.

The result is that before any investment, the first question that is debated by our Board or senior management is 'Can it be truly sustainable?'

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## Time is right

There are a number of reasons why the time has come for deepening our compliance commitment.

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

**Two**, there is a greater stakeholder demand for companies to be extensively compliant.

**Three**, the upside derived out of responsible compliance can generate a disproportionate increase in stakeholder value.

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

This approach will moderate our dependence on natural resources, enhance ecological sustainability, moderate costs, strengthen operational safety and reinforce our business sustainability.

This integrated approach – external and internal compliance – will enhance pride and productivity.

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

## Robust governance

This environment stewardship is derived from robust governance. Our governance

framework is focused more on processes in the belief that when sustainably implemented, they will translate into positive outcomes.

A large proportion of our governance comprises priorities like 'Can we consume less?'; 'Can we moderate our carbon footprint?'; 'Can we move to lighter resources?'; 'Can we take a life cycle consumption perspective?' and 'Can we address the needs of all stakeholders?'

The result is a completely different way of doing business from the way we worked a few decades ago.

Principally, we have evolved from the singular manufacture of sugar to a point where we manufacture sugar, ethanol and co-generated power. From a point when non-sugar businesses (in other words, environment-friendly businesses) accounted for none of our revenues, we have now reached a point where they account for around 21 percent of our revenues.

While being responsible entails a higher operating cost in the short-term, we have experienced a sustainable upside in terms of extended operations, crop robustness, operational safety, community confidence, protected farm fertility, return on employed capital, cash flows, margins and overall valuation.

## Granular investments

At a more granular level, our investment in technologies has transformed our efficiency.

Our advanced cane varieties have

moderated the cane growing cycle, reducing water consumption, chemical application, and labour deployment.

Our inter-cropping practices have enhanced productivity per land unit.

Our contrarian decision to commission an incinerator boiler has extended our distillery operations by a precious 60 days a year and eliminated discharges.

Our vigilance, investment and commitment has moderated emissions to below statutory limits.

Our prudent investment approach has resulted in virtually all our end products being utilized as resources in downstream operations (no procurement and no wastage).

Our community-centric initiatives have been directed at sustainable socio-economic development among under-served communities.

Our under-borrowed Balance Sheet has translated into a declining use of debt, enhanced cash flows and superior margins.

The result is that the BCML of today is a holistic well-rounded organisation that is better equipped to address sectoral downsides and capitalize on its rebounds.

This validates that a responsible business like ours is a resilient business, attractively placed to deliver multi-year stability and sustainability.

## Vivek Saraogi

Chairman and Managing Director





# 8

## Elements of our responsible business model

BCML has been structured to enhance  
multi-year business sustainability

### Relevance

We are engaged in businesses that will become increasingly relevant in the future

### Synergy

Our company is fundamentally synergic – all businesses are sourced from one principal raw material (cane)

### Presence

We invested in the cane rich belts of Central and Eastern Uttar Pradesh and leveraged our rich understanding of these regions

### Sizing

Our manufacturing capacities are prudently sized and located at closed proximity, thereby reducing cost and eliminating the need for buying downstream resources or selling resources in the open market

### Technology

We have generated superior value from our business through cutting-edge technologies (agricultural, mechanical and electrical)

### Sustainable

We made proactive investments to eliminate discharges and moderate our carbon footprint, often playing a leading industry role

### Integration

One end product represents the raw material for another product

### De-leverage

We seek to grow our business through net worth, progressively eliminating the role of debt (long-term and short-term)

# We are bringing an entrepreneurial approach to our ESG commitment

## Pioneering



Among the first companies to install incineration boilers in India's sugar sector in an extra-statutory initiative

One of the first companies to establish granulation plants to convert ash into potash granules (organic manure) for sale to farmers and IIFCO.

Among the first companies in India's sugar sector to make forward-looking water management investments to reduce ground water extraction.

Among the first Indian sugar companies to graduate all distilleries to zero liquid discharge.

The first company in India to transform a once-sugar unit completely to ethanol production by diverting entire cane towards sugarcane syrup (Maizapur).

## Benchmark



Installed sophisticated firefighting systems (Maizapur, Gularia, Babhnan and Balrampur units)

Developed large employee colonies in its manufacturing units.

Deepened its safety practices, inspiring a cultural change in the sugar sector.

Developed state-of-the-art condensate polishing units, a benchmark in wastewater treatment in the sector.

Catalysed rural development by installing solar energy at scale.

Modernized factories, improving processes, efficiency and safety parameters.

## Water stewardship



Embarked on moderating water discharge and ground water extraction.

Made sizable investments in this non-remunerative side of its business when the industry was in a slowdown.

Installed state-of-the-art units to recycle and reduce condensate water.

Moderated ground water extraction by around 21% in FY 23, thereby protecting water tables.



## Deepening safety



Deepened a culture of protective equipment, integrated permits, dedicated, qualified safety professionals from DGFASALI (Directorate General of Factory Advise Service and Labour Institute) along with fire professionals in all units.

Invested in the upgradation of machine guarding (with 360 degree machine guarding) and strengthening of other infrastructure to create a safe and healthy work environment across all unit.

Spent ₹17.69 crore to install state-of-the-art firefighting systems in Balrampur, Akbarpur, Babhnan and Maizapur.

Provided safety training to employee families residing in worker colonies.

The Company's Akbarpur plant emerged as a model for employee health and safety.

## Digitalised engagement



### An upgraded Balram app

The Company launched Balram app to assist the farmers.

It upgraded the app with features, offering critical information to farmers and enhancing an awareness of business realities.

The app provides farmers information related to the expiry of cane supply tickets.

The app provides farmers alerts; it empowers farmers to ask questions from the Company's cane development team.

The application makes it possible to ascertain the cane quantum in process (weighed at the cane centre, being crushed etc.)

It is an one stop shop for all cane related information.

### Balrampur's cane monitoring application

The application enables the precise measurement of cane quantum at the cane center before it is delivered to the factory.

It showcases the available cane quantum at the in-transit and yard levels.

The application determines the daily cane quantum being crushed in each plant.

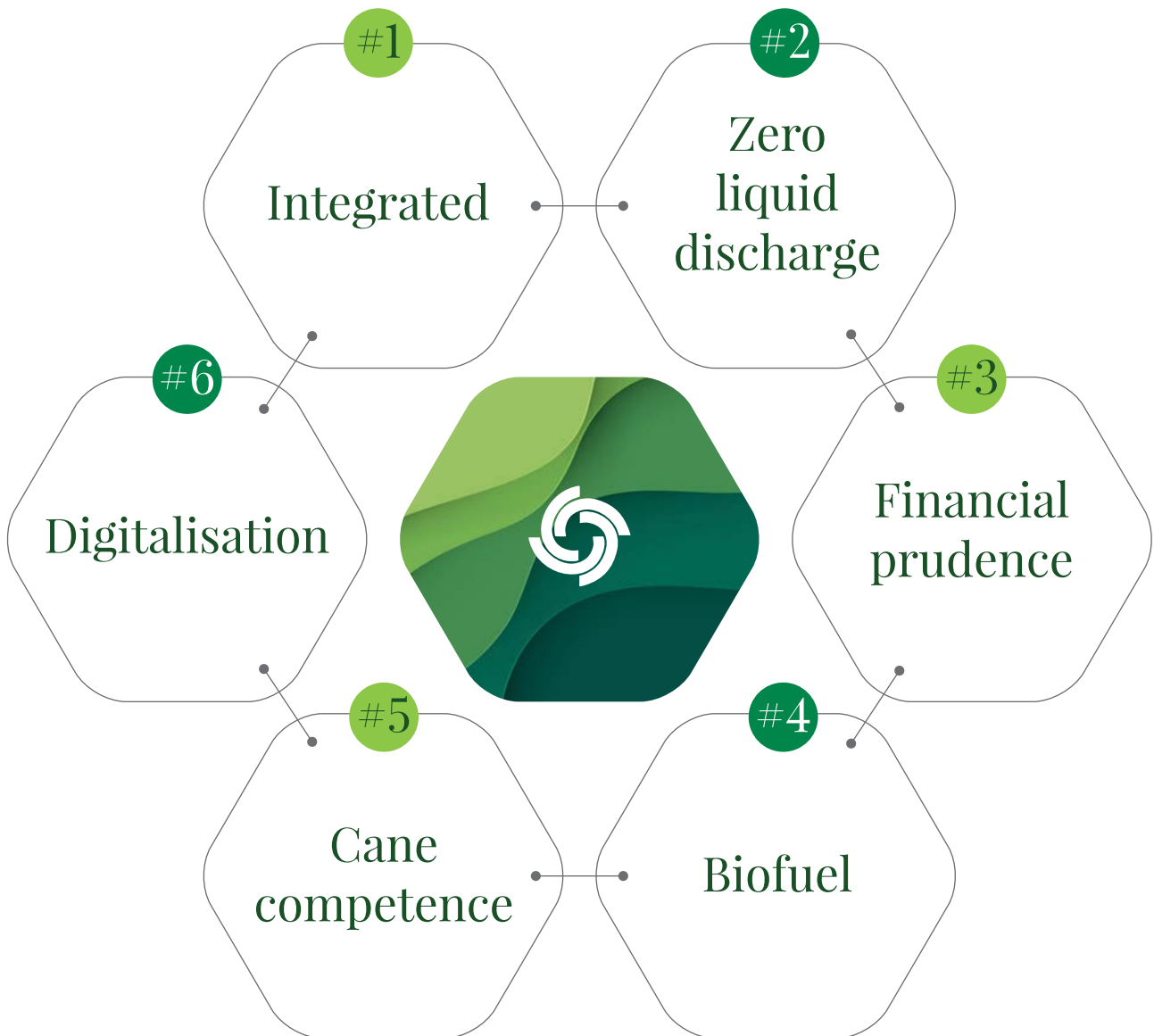
It provides insights into cane availability, facilitating a real-time responsiveness.



PART THREE

How we have  
enhanced our  
future-readiness  
through  
strategic clarity

# 6 concepts that define the sustainability journey at Balrampur



## #1 Integrated

Balrampur's foundation is marked by an integration of product and capacities.

At the product level, the Company generates byproducts that become resources for downstream products.

The molasses generated from sugar manufacture is utilized to manufacture ethanol (in addition to producing through the direct cane juice route).

The bagasse generated from sugar manufacture is utilised to generate power.

The Company manufactured potash from ash across its five distilleries.

The quantum of byproducts generated from the system is balanced by its downstream processing capacity, eliminating stockouts and excess.

The extent of integration makes it possible for the company to maximise value from a stick of cane on the one hand and maximise return on employed capital on the other.

The integration has resulted in a progressively transformed organization where non-sugar products now account for around 21% of the Company's revenues.

The integration is not only environmentally friendly – superior resource use, lower logistical footprint and smaller carbon footprint – but also enhances financial value for all stakeholders.

## #2 Zero liquid discharge

Climate change and environment awareness have put a premium on the need to moderate effluents generation through the interplay of policies, investments and processes.

Balrampur made a decisive decision a few years back when it replaced conventional processes with digitalized and automated technologies.

The Company was among the first to invest in the futuristic zero liquid discharge system even before this was warranted by regulatory authorities.

This recycling-focused approach moderated the use of raw water and enhanced the application of treated water across the plant's horticultural applications.

A proactive implementation of technologies (incinerator) empowered the company statutorily to add sixty days to its distillery operations each year, strengthening its use of resources and leading to increased revenues and profitability.

The result is enhanced confidence among all stakeholders of the integrity of the company's operations, strengthening public perception and credit rating.



## #3 Financial prudence

The Balrampur Balance Sheet has transformed in the last few years, especially following ethanol capacity accretion.

This transformation has been marked by a lower need of borrowed funds required to grow the business.

This decline in employed capital is the result of increased ethanol output, corresponded by immediate product sale and accelerated cash inflow.

Besides, the financial returns from ethanol production have been higher than that conventionally generated from core sugar manufacture.

The Company's ₹856 crore capital expenditure programme to enhance distillery capacity was funded through accruals to the extent of ₹390 crore and the rest from a term loan, which comprised a concession in the interest rate from the government.

Out of the company's term loan borrowing of ₹466 crore, ~70% is subsidized, carrying a 50% interest subvention from the government and a four-year repayment tenure following a one-year moratorium, an attractively viable debt structure.

The company's business model is now increasingly net worth-driven, positioned to enhance shareholder value.

## #4 Biofuel

If there is one word that has transformed the destiny of Balrampur, it is 'biofuel.'

The National Biofuel Policy of 2018 has created a platform for a green eco-friendly future.

Balrampur was among the first companies to respond to this landmark policy through distillery business investments.

The Company ramped its ethanol capacity from 360 KLPD in 2017-18 to 1050 KLPD in 2022-23; the Company doubled distillery capacity from 560 KLPD in January 2021 to 1050 KLPD by 2022-23.

The Company has emerged among the largest biofuel producers among sugar companies in Uttar Pradesh.

This translated into sweeping revenue transition: distillery revenues increased to 21.06 percent in 2022-23.

## #5 Cane competence

Balrampur's profits are not 'manufactured' in a factory; they are produced in cane fields.

During the last decade, the company made significant investments in a sturdy cane variety (C0 238), which proved less susceptible to diseases, yet produced a higher yield and matured more quickly – a situation that was advantageous on multiple fronts.

The result is that Balrampur grew its business around a robust cane foundation.

However, in FY 2021-22, the Company noticed a growing incidence of red rot disease in its successful C0 238 variety.

The Company responded with speed: it collaborated with advanced cane research institutes to introduce superior cane alternatives (C0118, C0 15023 among others).

The new cane variants were not a substitution; they combined resilience on the one hand and superior yield possibilities on the other.

This reoriented cane foundation represents a new platform leading to a new multi-year resource stability – higher yield and sucrose content – that promises sustainable prosperity for all stakeholders.

## #6 Digitalisation

Balrampur was among India's first sugar companies to implement the power of digitalisation.

This digitalisation was warranted by acquisitions that made it imperative to converge all units on a common operational platform.

The Company took proactive measures to centralize data around common platforms for real time analysis and decision making. The Company's proprietary cane management software, created a structure and method around a complex subject.

Balrampur digitalized two focus areas (cane and operations), developing complex applications in farmer data collection leading to informed decision making.

The digitalization was achieved across an extensive scale in the country's sugar industry.

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

The harmonious integration is sculpting the foundation of a revitalized Balrampur, blending contemporary and forward thinking vision within the framework of a long standing business tradition.

# This is what our integrated business model delivered in FY 23

## Climate change



- Reduced steam consumption by 3.5% in the last 5 years.
- Increased green cover substantially in the last 5 years
- 75% of bagasse consumed for renewal power generation
- 100% of free molasses consumed to produce ethanol (green fuel)
- Press mud, which is a waste/by-product is supplied to plants for production of Compressed Bio Gas (CBG).

## Circular economy



- 100% of fly ash of distillery incinerator boiler consumed to manufacture granulated potash (which is a rich fertilizer)
- The Company sells these products to farmers at subsidised rates and to the Indian fertilizer giant, India Farmers Fertilizer Cooperative Limited (IFFCO).
- Transitioned to regenerative agriculture
- Sourced ingredients in a sustainable way
- Received EPR authorization from Central Pollution Control Board under MoEFCC.

## Water stewardship



- Invested ₹5.29 Cr in technologies to moderate water consumption
- Installed a biological treatment base sugar vapour Condensate Polishing Unit
- Achieved zero ground water extraction for the Kumbhi unit.
- Invested in distillery incinerator boilers to become zero-liquid discharge
- Equipped the sugar manufacturing plants with lagoons to store treated water
- Reduced water effluents in sugar by 24% since last five years
- Reduction of around 50% in ground water withdrawal in the last five years in sugar units

## Community



- Deepened CSR initiatives across 40 villages
- Spent ₹47.69 cr in five years
- Widened the prosperity circle to 10 million+ beneficiaries
- Installed 750+ solar lights
- Empowered 1000+ women

## Diversity and inclusion



- Recruited differently-abled employees
- Sustained Independent Women Directors on the Board at 29%
- Aimed to increase women strength to 10% in the Head Office in FY 2024

## Food safety



- Certified Mankapur, Rauzagaon and Kumbhi as FSSC 22000

# BCML's Integrated Scorecard: Enhancing value for our stakeholders

## Employee value

Salary and wages (₹ Crore)

254.00

FY 2019-20

281.65

FY 2020-21

307.80

FY 2021-22

363.79

FY 2022-23

## Customer value

Revenues (₹ Crore)

4741.29

FY 2019-20

4811.66

FY 2020-21

4846.03

FY 2021-22

4665.86

FY 2022-23

## Farmer value

Procurement (sugar cane) (₹ Crore)

3441.50

FY 2019-20

3515.38

FY 2020-21

3252.97

FY 2021-22

3448.94

FY 2022-23

## Shareholder value

Market capitalization as on 31 March (₹ Crore)

2289.10

FY 2019-20

4504.50

FY 2020-21

9985.72

FY 2021-22

7984.23

FY 2022-23

## Community value

CSR investment (₹ Crore)

10.93

FY 2019-20

10.68

FY 2020-21

11.20

FY 2021-22

11.95

FY 2022-23

# Our Integrated Value Creation Performance in FY23



## Financial capital

The Company ensured prudent financial management practices and leveraged the business model to strengthen the Balance Sheet and sustain growth.

### EBITDA

**512.32** FY 2022-23  
₹ cr  
(₹699.70 cr, FY 2021-22)

### Cash earnings per share

**19.87** FY 2022-23  
₹ cr  
(₹30.36 FY 2021-22)

### ROCE

**12.55** FY 2022-23  
%  
(20.72%, FY 2021-22)

### RoNW

**9.97** FY 2022-23  
%  
(19.73%, FY 2021-22)

### Debt repayment

**105.58** FY 2022-23  
₹ cr  
(₹105.58 cr, FY 2021-22)

## Manufactured capital

The Company invested in new capacities and maintained existing ones to manufacture quality products and in building inbound/outbound logistics to ensure an efficient supply chain. These investments also helped manage the environmental footprint.

### Products

**5+** FY 2022-23

### Sugar produced

**8.83** FY 2022-23  
lakh tonnes

### Alcohol produced

**21.49** FY 2022-23  
Crore litres

### Power generated

**71.87** FY 2022-23  
Crore units

## Human capital

The Company's management, employees and contractual workers comprise its workforce, using their experience and competence to enhance organisational value.

### Employees

**6,270** FY 2022-23  
Nos.  
(6,350, FY 2021-22)

### Age profile

**59%**  
less than 45 years

### Employee benefits

**363.79** FY 2022-23  
₹ cr  
(₹307.80 cr, FY 2021-22)

### Training

**9.23** FY 2022-23  
person-hours  
(7.31, FY 2021-22)



### Intellectual capital

The Company's cost optimization, operational excellence and proprietary knowledge account for a rich intellectual resource.

#### Cumulative senior management experience

1,327 person-years

#### Employees with the Company for 5+ years

80.67%

#### Trademarks registered

6 Trademarks registered under different classes

### Natural capital

The Company consumes raw materials derived from nature; its activities have been directed to moderate environment impact.

#### Treated quantum

100% of all water consumed

#### Increase in the use of recycled water

39%

#### Reduction in hazardous waste generation

32.87%

### Social capital

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

#### Vendors (other than farmers):

29,200+ FY 2022-23

#### Primary customers

5500+ FY 2022-23 (5300, FY 2021-22)

#### Community lives touched

372+

#### Consumer complaints resolved

100%



PART FOUR

# How we deepened our commitment to business sustainability





# Balrampur and its superior energy management

### Overview

The sugar manufacturing utilises energy across various functions. The 'green' energy produced by the Company is utilised within and the excess is sold to the grid. The Company's objective is to moderate energy consumption through investments in energy-efficient equipment. The Company announced

a capex and replaced old turbines with efficient alternatives.

The Company invested additionally in automation to increase efficiencies, moderate resource consumption and reduce emissions cum effluents. The impact of these measures is expected to reduce fuel and power consumption, strengthening our cost management.

### Energy consumed from renewable sources

Indicator	FY 2022-23	FY 2021-22
In Gigajoules (GJ)	46367202	36274233

### Weighted average steam consumption

Indicator	FY 2022-23	FY 2021-22
Per MT of cane	40.92%	42%

### Our investments

- Variable frequency drives; lower electrical energy consumption.
- Planetary gears; replaced worm wheel type gears; lower consumption of electrical energy.
- Auto slip resistance STR Panel; lower electrical losses
- Screw pumps / high flow pumps; superior efficiency
- Pneumatic plough in A-centrifugal machines; steam saving.
- Auto feed control valves on continuous centrifugal machines.
- Batch pan automation and auto feed; AI-based software on batch centrifugal machines.
- Dry ice plant to capture CO2 during ethanol production.



# Balrampur and its effective emissions management

### Overview

At Balrampur, we are committed to moderate greenhouse gas emissions.

The Company implemented emissions monitoring as a standardized practice.

All emission is maintained within stipulated limits specified by the Pollution Control Boards.

The Company invested in air pollution control devices in the the bagasse-fired/ slop-fired equipments to moderate dust particles generated from dry fly ash; bag filters controlled fly ash particles in the flue gases.

The Company installed wet scrubbers in boilers in the sugar units.

The Company installed electrostatic precipitators in bagasse-fired boilers and slop bagasse- fired incineration boilers.

The Company captured emissions data using appropriate methodology as stipulated by the United Nations Framework Convention on Climate Change protocols using India Specific Emission Factor.

The GHG emissions were based on guidelines defined in the World Resource Institute's (WRI) greenhouse gas protocol.

The Company used relevant industry standard emission factors prescribed by the Intergovernmental Panel on Climate Change (IPCC) that were used appropriately to determine GHG emissions.

In addition to GHG emissions, the company monitored significant air emissions (sulphur oxides, nitrogen oxide particulate matters and fluorides). The Company reported a reduction in the SPM of the boiler stack from 80 kg/nm+3 to 68 kg in three years.

### Greenhouse gas (GHG) emissions

Indicator	Unit	FY 2022-23	FY 2021-22
Scope 1 emissions	tCO2e	1485.85	2039.85
Scope 2 emissions	tCO2e	13554.57	9011.85
Scope 3 emissions	The company is working on evaluating Scope 3 emissions and disclosing a decarbonization plan with targets to reduce overall GHG emissions and achieve Net Zero emissions.		

### Air emissions (other than GHG)

Parameters	Unit	FY 2022-23	FY 2021-22
Particulate matter (PM)	Kg	322.83	326.76
Oxides of nitrogen (NOX)	Kg	0	0
Oxides of sulphur (SOX)	Kg	0	0



# Balrampur and its effective waste management

## Overview

The Company minimises waste through effective recycling and disposal.

The Company invested in environment-friendly equipment, helping convert press

mud (waste) into potash, a rich fertiliser marketed through IFFCO, among others.

The Company installed potash granulation plant for converting the rich potash resource into agri-inputs.

The Company installed plants to convert carbon dioxide (released in distillation) to dry ice, sold thereafter.

The Company complied with its extended producer responsibility (EPR) obligations with respect to plastic usage.

Indicator	Unit	FY 2022-23	FY 2021-22
Total waste generated (Hazardous and Non-Hazardous)	(in MT)	1393208	921692
Total waste recycled and re-used (Hazardous and Non-Hazardous)	(in MT)	1386581	917119

\* Waste generation has increased due to the doubling of distillery capacity and the higher volume of cane crushing.



# Balrampur and its biodiversity protection

**Overview**

Balrampur minimizes disturbance to the biodiversity in and around its operations.

The Company helps conserve natural habitats, managing biodiversity and eco system services.

The Company cleaned and recharged ponds proximate to its manufacturing units; it planted saplings to develop green belts.

The Company conducted an extensive plantation initiative on World

Environment Day and Independence Day; it planted 3,84,789 trees in three years and intends to plant 10,00,000 trees in five years.

One full grown tree reduces 10 kgs (22 lbs) of carbon dioxide (CO2) per year.

Indicator	FY 2022-23 (in numbers)	FY 2021-22 (in numbers)
Trees planted	184354	150137
Ponds recharged	36	5



# Balrampur and its water stewardship

### Overview

In an agriculture-based business that is vulnerable to climate change, there is a premium on water stewardship.

The Company implemented measures

- use of recycled and treated water - to enhance water efficiency.

The Company moderated the consumption of fresh water and increased the use of recycled water.

These efforts resulted in a reduction in groundwater extraction by 54% and reduction in waste water generation by 24% in five years.

Indicator	FY 2022-23 (in KL)	FY 2021-22 (in KL)
Water withdrawal	2975397	2608318
Water recycled	2730773	1857166

Note: Condensate/recycled water in KL has been increased since the cane crushing was higher and also the distillery capacity had doubled from 560 KLPD to 1050 KLPD, volume-wise withdrawal has nominally increased. However, ground water withdrawal on per MT basis has actually reduced due to extensive usage of recycled water.

### Our investments

- Biological treatment base sugar vapour CPU unit; ground water extraction became nil for two units; replaced fresh ground water used in the sugar process house with treated water
- Incinerator boilers in distilleries that are zero liquid discharge plants
- Ground water recharge programs surrounding manufacturing facilities.
- Vapour condensate polishing units in all sugar units and multi-effect evaporator condensate polishing unit in all distilleries. Recycled treated water through reverse osmosis plants

### Our initiatives

- Used distillery effluent spent wash concentrate in multiple effect evaporator, incinerated with supporting fuel (bagasse).
- Encouraged farmers to invest in drip irrigation
- Replaced fresh water with cooled excess condensate for equipment cleaning, floor washing and other purposes

### Big numbers

**0.062**  
Litres/ Rupee, water intensity per rupee of turnover in FY 2022-23

**0.053**  
Litres/ Rupee, water intensity per rupee of turnover in FY 2021-22

# Balrampur and its Social Capital

How we are enhancing sustainability through enduring engagements with employees, suppliers, customers and communities



## Overview

The Company's success is rooted in Social Capital, indicating the value derived from relationships, trust and networks between individuals and groups.

The resilience of its social capital has helped the company navigate sectoral and economic cycles.

At the core of the company's social capital is employee engagement; its people policies (attraction, retention and training) have been designed to create a future-ready workforce. These policies extended to employee health and safety, human rights, labour, environment and anti-corruption.

The Company's occupational health and safety management system incorporates various interventions designed to establish and enforce policies and regulations that apply to all members of the organization.

The Company responded to the subject of safety through strategic interventions: the creation of an enunciated policy on the subject, priority by the Board on the subject, awareness building, team composition, structure and engagements with the rest of the company, periodic reporting in safety performance to all stakeholders (internal and external), prudent recruitment of professionals with requisite competencies and experience, ongoing training on the subject, mock

drills to enhance a state of preparedness, investment in corresponding safety, enhancing infrastructure and equipment as well as different promotional and motivational programmes such as National safety day/Week campaigns, Fire service week, Electrical safety week, World environment day, World earth day, Road safety week etc.

The Company encourages its staff and employees to report safety gaps and opportunities for their improvement. The Company developed an integrated health and safety procedure; drafted standard operating protocols reinforced the safety management system; it provided 1,500 person-days of training on occupational health and safety; it introduced a flexi-

work model during the pandemic and conducted periodic testing, isolation support and vaccination.

The Company is an equal opportunity employer; it does not make employee decisions or discriminate against individuals based on personal characteristics (race, colour, age, gender, religion, nationality, marital status and

sexual orientation, among others).

The Company remains committed to recruit, retain, and advance talent from diverse ethnic, cultural racial backgrounds and people with special abilities and helping them thrive within.

The Company undertook initiatives to enhance the proportion of women in

corporate functions; it is engaging with local gram panchayats to recruit women workers in factory operations.

The Company's has strict zero tolerance policy towards sexual harassment. The company continuously trains its employees regarding their rights and responsibilities.

### Salient parameters: General disclosures and practices

Occupational health and safety management system has been implemented by the Company	✓	Measures taken by the entity to ensure a safe and healthy work place	✓
The employees/ worker of the entity have access to non-occupational medical and healthcare services	✓	Details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions have been disclosed	✓
Processes to identify work-related hazards and assess risks on a routine and non-routine basis by the entity	✓	Extends life insurance or any compensatory package in the event of death of employees	✓
Processes for workers to report work-related hazards and remove themselves from such risks	✓	Premises / offices are accessible to differently abled employees and workers	✓

### Our confidence-enhancing initiatives

- The Company conducts ethical risk assessments by investigating unknown or intangible risks related to health safety and environment.
- The Company initiated a review of the health, safety and environment system on a quarterly basis.
- The Company provided necessary infrastructure and budget for different promotional and motivational programmes along with rewards and recognitions during special occasions.
- The Company conducted periodic training and refresher programmes.
- The Company communicated information to foster a deeper understanding and sharing of best practices.
- The Company prepared monthly, quarterly and annual performance reports for continuous improvements.

- The Company conducted audits internally and externally for reviewing and improving workplace processes.
- The Company arranged medical coordinators for regular visits to provide basic support for illness to the employees or their families to enhance occupational health and hygiene.
- The Company runs five distilleries where fire safety is critical; any minor leak of the chemical can convert into disaster. The Company introduced passive as well as active fire prevention programmes.
- The Company's distillery plants are no smoking zones with mobile phone usage restrictions. The Company adopted preventive measures in all chemical units to eradicate loose metal pieces in the distillery section, static charge elimination arrangement, flame proof fittings, proper earthing and bonding.
- In the sugar division, the bagasse area, boiler and electrical systems were included in the high alert zone with detection arrangement, proper

housekeeping and adequate firefighting arrangements to handle emergencies.

- The Company employed a rewards and recognition programme for safety performance; it organised safety promotional events, risk assessment and mitigation initiatives (process hazard analysis, hazard identification cum risk assessment and job safety analysis).
- The Company equipped employees with soft skills, design knowledge, multi-technology and domain competencies. Around 65% of people were trained in basic fire safety, type of fire and use of fire extinguishers. Around hundreds of person-hours were invested in fire training in 2023.
- The Company's performance-based culture comprised a coverage of 100% employees through the annual compensation review.
- Around 62 percent of the company's employees had been associated with the Company for more than ten years in FY 23.

## Salient parameters: Complaints

We did not receive any complaints on any human rights issues, working conditions or health and safety in FY 2022-23 and FY 2021-22. We do have processes and systems in place to address complaints and grievances of employees and workers, which includes Grievance Redressal Forums. Under the Sexual

Harassment of Women at Workplace (Prevention, Prohibition and Redress) Act, no complaints have been received during FY 2022-23 and FY 2021-22.

### Our safety protocols

- Safety induction/ orientation for all levels made mandatory
- Safety helmet with chin strip and safety shoes for all employees is mandatory

- Implementation of basic safety discipline followed by road and driving safety rules.
- Implementation of work permit system along with toolbox talk.
- Conduct training and awareness programmes on standard operating protocols and other defined topics as per training need identifications.

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## Big numbers

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**9.23**

Average training hours per employee

**8.49**

Average training hours per male employee

**20.75**

Average training hours per female employee

**0.55**

Accident Frequency Rate

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## Accident frequency

Year	Accident frequency rate
2020-21	1.09
2021-22	0.71
2022-23	0.55





# Our focus on sustainable supply chain management

## Overview

At Balrampur, sustainability initiatives extend beyond the business to include suppliers and vendors. This has resulted in the conservation of resources, optimisation of processes, reduced costs and increased productivity. The Company encourages the promotion of local suppliers and vendors to save costs and extend benefits to customers.

To ensure a sustainable value chain, the company works closely with vendors and suppliers at multiple levels. The Company encouraged suppliers to develop their environment and social management systems. All new suppliers are required to submit evidence for compliance with applicable regulations including environment, safety, labour and human rights practices.

The Company recognizes that suppliers are valuable stakeholders in the business ecosystem. The Company expects its suppliers to support and respect the protection of internationally proclaimed human rights and to ensure that they are not complicit in human rights abuses. The Company's contracts have appropriate clauses and checks to prevent the employment of child labor or forced labor in any form. Balrampur provides forums where suppliers can voice their concerns and issues.

## Initiatives

- During the reporting period, no penalties or terminations were placed on any supplier for violation of labour practices or any negative impact on the environment or society.

- The Company holds capacity building programmes with its local suppliers.
- The Company welcomes suggestions from its suppliers on sustainable products and services and encourages circularity. The Company ensures that its suppliers are made aware of best safety practices.

## Bonsucro Certification

Balrampur Chini Mills has demonstrated the operation of a management system that is compliant with the requirements of Bonsucro Smallholder Standards.

The Rauzagaon unit achieved a compliance certificate for the said parameters with other Bonsucro indicators.



# Balrampur and its Corporate Social Responsibility

## Overview

At Balrampur, community service is deep-rooted in our philanthropic philosophy, contributing to the social and economic development of the areas that we operate in. Corporate social responsibility is integrated into the company's strategy; a number of initiatives are undertaken to address developmental challenges. The Company's robust CSR policy helps formulate effective CSR programmes and set up ambitious but attainable targets for

the betterment of communities.

The Company engaged with local communities and associations to implement community development programs that focus on good health, quality education, sustainable livelihood, women empowerment and environmental sustainability in alignment with the Sustainable Development Goals (SDGs). Over the years, Balrampur has enhanced the living standards of communities through

sustainable livelihoods, promoting education, healthcare, sanitation and the development of rural infrastructure in areas where the human development index is lower than the average Human Development Index. The majority of company's CSR activities in Uttar Pradesh were conducted through Balrampur Foundation to enhance rural productivity. The Company also partnered with respected agencies like the Agastya Foundation, Purkal Youth Development Society and others to pursue its CSR goals.



## Principal CSR activities

### Community development

- The Company installed more than 750 solar streetlights in community spaces, which has helped to improve the quality of life for individuals in underprivileged areas by reducing the risk of accidents and providing a safer environment for community members, especially women and children.
- The Company constructed toilets including separate toilets for women and installed dustbins to promote proper management of waste in communities.
- The Company improved the social infrastructure for community spaces by building community halls and parks thereby improving the quality of life for individuals in under-privileged areas.

### Environment sustainability

- The Company streamlined its efforts to conserve biodiversity, mitigate climate change, conserve soil and water, and undertook the large-scale tree plantation drive ensuring participation and commitment from all stakeholders, including students, youth, elderly etc.
- The Company planted more than 184000 saplings
- Pond cleaning and water recharge are essential aspects of water management. It plays a significant role in the local ecosystem and water supply. The Company's efforts to harvest and conserve water by recharging 36 ponds and installing hand pumps have benefited more than 5,000 rural population.

### Healthcare and well-being

- The Company improved government health infrastructure and medical supplies.
- The Company improved medical services near four units (Gularia, Babhnan, Balrampur and Haidergarh)
- The Company renovated 3 Auxiliary Nurse and Midwife (ANM Centers) in the Bijuwa block of Lakhimpur Kheri of Uttar Pradesh, while building support and medical services for others
- The Company installed two oxygen plants at district health centres in Balrampur and Barabanki districts during the pandemic
- The Company offered assistance to a delivery centre in Dharmapur and Diwantanda
- The Company started improvements in a health centre (Samudik Swastha Kendra, Bijuwa)

### Sustainable livelihoods and women empowerment

- To promote sustainable farming practices, enhance agriculture productivity and support the socio-economic development of farming community, the Company trained and distributed more than 6,500 agricultural equipments (sprayers, plows, tillers, cultivators, levelers, tractors, and trolleys) to the farmers.
- The Company developed sewing entrepreneurs in association with Usha International Limited. Participants were given training ranging from 7 days to 2 months in sewing machine operation, stitching techniques, and running sewing schools.
- Balrampur assisted women in securing employment and starting their own Usha Silai school. This program addressed 1,000 women in 35 villages and 35 centres.

### Quality education

- The Company helped provide basic facilities in schools and colleges at par with nearby private schools.
- The Company contributed for innovative teaching equipments, solar lamps, digital literacy, skill development, mobile science labs and other projects. These allowed children particularly from low-income families to receive a quality education and develop an interest in science and technology.

## Community expenditure

	FY 2022-23	FY 2021-22	FY 2020-21
CSR spending (₹ Lakhs)	1,194.74	1,119.67	1,067.55

## Impact in numbers

372

Number of communities/ villages impacted by the CSR project intervention

12,00,000+

Number of individuals benefitted from the services provided to the community

6,500+

Farm equipment distributed

3,00,000+

Beneficiaries across ten villages where solar lights were installed

1000

Number of women empowered

65,000+

Number of patients benefitted through healthcare interventions

50,000+

Number of beneficiary students benefitted from 790+ visits of the mobile science lab to 81 schools

15+

Number of schools that received support for infrastructure improvement

750+

Solar lights installed

1,84,000+

Trees planted

4.02

₹ crore (approximately) was spent in Balrampur, which is an aspirational district in Uttar Pradesh.

# How we have transformed the lives of our beneficiaries



## Case study #1

Laxmi Devi, a resident of Charoo village (Gonda district, Uttar Pradesh) transformed her life following her engagement with Usha Silai School, facilitated by Balrampur Foundation's Project. She acquired tailoring skills, which equipped her with expertise, income and family well-being. Laxmi Devi has since emerged as a symbol of empowerment and respect.



## Case study #2

Poonam, a resident of Sangwa village in Chapia (Gonda district), was selected to establish and manage the USHA Silai Center in her village. After completing a comprehensive training program, she received an Usha sewing machine, signage, syllabus book, service manual, school register and sewing kit. This empowered her to train dozens of girls and women. She is now an influential role model for women who aspire to achieve financial independence.



## Case study #3

Ramlal Singh, a struggling farmer, found hope in BCML Foundation's agricultural project. Balrampur Foundation helped him access modern techniques like precision irrigation and organic fertilization. Ramlal improved the quality of his crops, enhanced his surplus and is able to provide a better life to his family members.



## Case study #4

Yuvraj is one of six siblings. Yuvraj's parents prioritised learning during the pandemic. They enrolled Yuvraj in Agastya classes. Yuvraj says, "I attended Agastya's Science Fairs, helping me simplify complex problems. I was able to conduct experiments on light and straight path properties that helped me understand solar and lunar eclipses." Yuvraj wants to join the Indian Armed Forces.



## Case study #5

Minakshi Tiwari (class 9, Aadarsh Vidhyalay, Bhagwatiganj, Balrampur) belongs to a family where her father is an auto driver; her mother is a housewife. Minakshi has been attending Agastya sessions from the 8th standard when schools were shut due to the pandemic. She says: "The Agastya method of teaching using activities and models on Google meet or Whatsapp. The Agastya instructors were friendly and patient. Two experiments conducted per session." Minakshi aspires to become a doctor.



# Governance: The bedrock of Balrampur's sustainability

## Overview

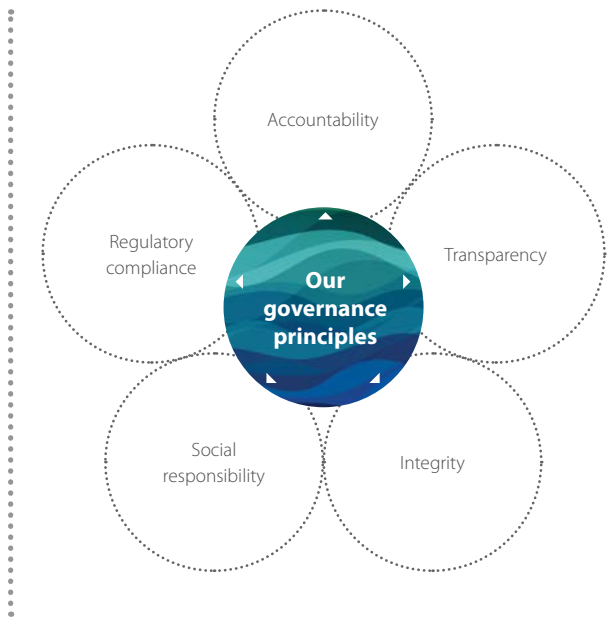
At BCML, we seek to engage with our stakeholders around an element of trust. The manner in which we do business has been articulated to all stakeholders. This has created an expectation of dependability and forms the basis of our governance.

Our corporate governance framework showcases the highest level of ethics, integrity, risk consciousness and regulatory compliance. The Company puts in place decision-making and monitoring processes to uphold best-in-class governance standards, resulting in

authority, accountability and independence.

The Company is committed to adhere to the best governance practices, addressing processes and controls to address requirements imposed by regulators, government bodies and policies.

The BCML governance framework sets out processes that guide the company's relationship with Boards and Committees. The governance framework facilitates decision making and institutionalization, whilst enshrining fairness, competitiveness, transparency and accountability.



## Governance structure

Balrampur's Board is responsible for and committed to sound principles of corporate governance by overseeing how the management serves short-term and long-term interests of the members and other stakeholders. Operating within the framework of a well-defined responsibility matrix, the Board is instrumental in the management, general affairs, strategic direction and performance of the organisation. The Board is supported by the Managing Director, key managerial personnel and the senior management and has been vested with the requisite powers and authority to fulfil their duties and responsibilities. The Board met seven times during FY 2022-23.

## Board Independence & Diversity

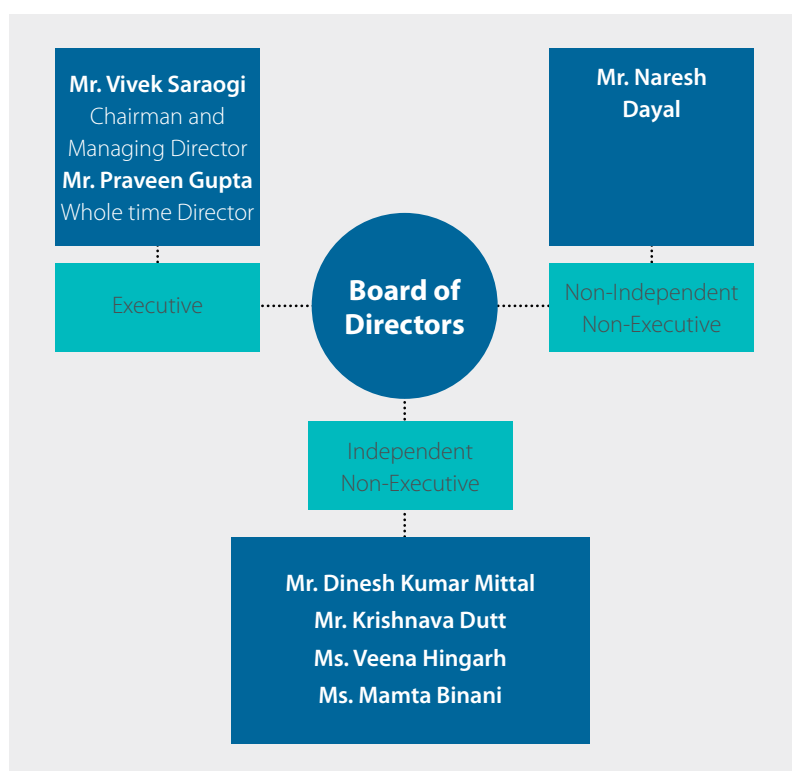
The Board of Directors is an apex body constituted by the shareholders for overseeing the company's overall functioning. At the apex of BCML's Board is Mr. Vivek Saraogi, who is the Chairman and Managing Director. Further the Board comprises of four Independent Directors, one whole time Director and a non-executive non-independent Director.

**Board diversity:** The Board consists of directors having experience in diverse fields which inter alia include Administration, Legal, Finance and Industry Expertise. The directors are duly qualified with majority of board comprising of Professionals.

The Company has two women Independent Director viz. Ms. Mamta Binani & Ms. Veena Hingarh ensuring gender diversity at the Board level.

## Salient parameters

Independent Directors are more than 50%	✓
Lead Independent Director	✓
All Independent Directors association <10 years	✓
Independent Woman Director	✓
Average Board age between 55-65 years	✓
None of the ED aged more than 70 years	✓
None of the NED aged more than 75 years	✓
Board has more than 75% Post-Graduates / Professionals	✓



Name	Designation
Mr. Vivek Saraogi	Chairman and Managing Director
Mr. Dinesh Kumar Mittal	Lead Independent Director
Mr. Naresh Dayal	Non-Executive Non-Independent Director
Mr. Krishnava Dutt	Independent Director
Ms. Veena Hingarh	Independent Director
Ms. Mamta Binani	Independent Director
Mr. Praveen Gupta	Whole-time Director

## Board committees

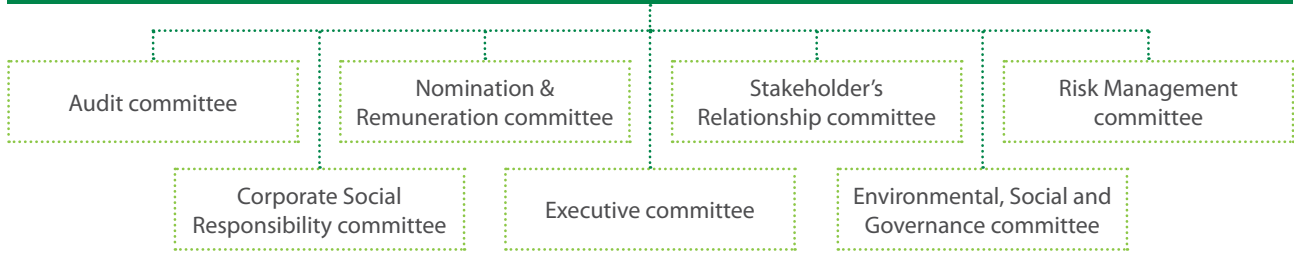
Board committees play a key role in Balrampur's corporate governance system and processes. With different mandates, they support the Board in performing its duties and making decisions by filtering opportunities and projects before going to the Board. These committees operating according to their individual charters, as approved by the Board of Directors. The committees meet at regular intervals and take necessary steps to perform their duties entrusted by the Board. The insights of the shareholding pattern, committees of the Board, its members and roles-responsibility has been provided in the latest annual report on <https://chini.com/management/#committeeB>

**Committee recommendations:** All recommendations made by the Audit Committee during the year were accepted by the Board.

## Salient parameters

At least 75% IDs in AC	✓
At least 50% IDs in SRC	✓
At least 50% IDs in RMC	✓
Independent AC Chairperson	✓
Independent SRC Chairperson	✓
Independent NRC Chairperson	✓
Independent RMC Chairperson	✓
NRC Policy disclosed	✓
CSR Policy disclosed	✓

## Our Board committees



### Audit committee

Balrampur has a qualified and independent Audit Committee that acts as an interface between statutory and internal auditors, the management and the Board. The Audit Committee is entrusted with the responsibility to supervise the Company's internal controls and financial reporting process.

Name	Designation	Position
Mr. Dinesh Kumar Mittal	Chairperson	Non-Executive - Independent Director
Mr. Krishnav Dutt	Member	Non-Executive - Independent Director
Ms. Mamta Binani	Member	Non-Executive - Independent Director
Mr. Naresh Dayal	Member	Non-Executive - Non-Independent Director

### Nomination & Remuneration committee

The committee is responsible for nominating Directors, making appointment recommendations and establishment of evaluation criteria for assessing the performance of individual directors, the Board and its committees.

The Nomination & Remuneration Committee comprises of two Independent Directors and one Non-independent Director. The committee makes recommendations regarding the composition of the Board, identifies suitable individuals who can be inducted as independent directors and takes steps to refresh the composition of the Board from time to time. The supervisory capability of the current Board has been

significantly boosted by the inclusion of highly capable individuals with global management perspectives, broad corporate experience, specific expertise in corporate governance and compliance as independent, non-executive directors. The remuneration of key managerial personnel's is defined in the annual report of the company. The remuneration of Directors has been determined by the Nomination and Remuneration Committee, the Board and approved by the shareholders of the Company having regards to the performance of individuals and market trends.

The Committee, inter alia, discharges the Board's responsibilities relating to:

- Identifying persons qualified to

become Directors and who may be appointed at senior management positions in accordance with the criteria laid down and recommending to the Board their appointment and removal

- Recommending the remuneration / revision in remuneration of the Managing Director and Executive Directors to the Board
- Formulating criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, key managerial personnels, senior management and other employees.

Name	Designation	Position
Mr. Dinesh Kumar Mittal	Chairperson	Non-Executive - Independent Director
Ms. Veena Hingarh	Member	Non-Executive - Independent Director
Mr. Naresh Dayal	Member	Non-Executive - Non-Independent Director

### Stakeholders' relationship committee

The Board constituted the Stakeholder Relationship Committee to look into of the interest of shareholders, debenture holders and other security holders. It periodically reviews the status of shareholder grievances and redressal of the same.

Name	Designation	Position
Mr. Krishnav Dutt	Chairperson	Non-Executive - Independent Director
Ms. Veena Hingarh	Member	Non-Executive - Independent Director
Mr. Vivek Saraogi	Member	Chairman and Managing Director



### Risk Management committee

Business risk evaluation and its management is an ongoing process within the Company. The committee is inter alia entrusted with the responsibility of monitoring and reviewing the risk management plan, sustainability, cyber security of the company and other such functions, as may be delegated by the Board from time to time.

Name	Designation	Position
Mr. Dinesh Kumar Mittal	Chairperson	Non-Executive - Independent Director
Mr. Krishnava Dutt	Member	Non-Executive - Independent Director
Ms. Veena Hingarh	Member	Non-Executive - Independent Director
Mr. Naresh Dayal	Member	Non-Executive - Non-Independent Director

### Corporate Social Responsibility committee (CSR)

The CSR committee is inter alia entrusted with the responsibility of monitoring and implementing the CSR projects / programmes / activities of the Company. It is also responsible for approving the annual CSR budget, implementing CSR projects, reviewing business responsibility activities, the Business Responsibility Report and other related activities.

Name	Designation	Position
Mr. Naresh Dayal	Chairperson	Non-Executive - Non-Independent Director
Ms. Veena Hingarh	Member	Non-Executive - Independent Director
Mr. Vivek Saraogi	Member	Chairman and Managing Director

### Executive committee

The Executive committee is constituted by the Board of Directors whose responsibilities are to approve or authorise opening of bank accounts, including cash credit account, current account, dividend payment account or otherwise and to give instructions relating to such banking account to approve and / or authorise opening of demat accounts, trading accounts and to give instructions relating to such accounts, to borrow money/monies from time to time for the purpose of the Company from banks / financial institutions to authorise affixation of the Company's common seal to confer signing powers and authorities on such officers and employees of the Company as deemed fit for various operational and statutory matters to perform such other function as may be delegated by the Board of Directors from time to time to deal with the various aspects of interest of shareholders of the Company. The Committee does not have a regular Chairman.

Name	Designation	Position
Ms. Mamta Binani	Member	Non-Executive – Independent Director
Mr. Vivek Saraogi	Member	Chairman and Managing Director
Mr. Praveen Gupta	Member	Whole Time Director

### Environment, Social and Governance committee (ESG)

To enhance focus on ESG issues, the Board constituted an ESG committee with effect from 1st July 2022, comprising of four members, two Independent Directors and two Executive Directors, with expertise in the committee's mandates.

The Committee discharges its oversight responsibility on matters *inter-alia* related to ESG strategy and establishment of ESG policies and codes of practice and their effective implementation thereof, along with monitoring and reviewing their ongoing relevance, effectiveness, and further development.

Name	Designation	Position
Mr. Vivek Saraogi	Chairperson	Chairman and Managing Director
Mr. Dinesh Kumar Mittal	Member	Non-Executive - Independent Director
Ms. Veena Hingarh	Member	Non-Executive - Independent Director
Mr. Praveen Gupta	Member	Whole Time Director

### Board proceedings

The company's Board of Directors met seven times during FY 2022-23 (instead of the statutory four). The Board ensures that the focus goes beyond financial performance and

covers various operational and strategic issues including sustainability aspects, budgets, industry performance, peer review and competition analysis, overall risk assessment, performance of subsidiaries and opportunities for organic and inorganic growth, among

others. The Company fortified a range of sustainability and related policies such as: CSR Policy, Risk Management Policy, Environment, Health and Safety (EHS) Policy and Policy on Prevention of Sexual Harassment (POSH).

## Governance policies

Balrampur formed employee-centric policies within the company's corporate

governance framework. These policies help create an organisational culture that translates into transparent, ethical and responsible operation of the

Company. Employees come together to ensure a professional and mature work environment that reinforces the company's value of integrity.

## Policy Corner

EHS Policy	<a href="https://chini.com/wp-content/uploads/2023/02/EHS-Policy-2.pdf">https://chini.com/wp-content/uploads/2023/02/EHS-Policy-2.pdf</a>
Policy on Prevention of Sexual Harassment	<a href="https://chini.com/wp-content/uploads/2023/02/Prevention_Sexual_Harassment_Policy-1.pdf">https://chini.com/wp-content/uploads/2023/02/Prevention_Sexual_Harassment_Policy-1.pdf</a>
Policy on Anti – Bribery	<a href="https://chini.com/wp-content/uploads/2023/02/Anti-Bribery-Policy.pdf">https://chini.com/wp-content/uploads/2023/02/Anti-Bribery-Policy.pdf</a>
Business Responsibility Policy	<a href="https://chini.com/wp-content/uploads/2023/02/BUSINESS-RESPONSIBILITY-POLICY-2.pdf">https://chini.com/wp-content/uploads/2023/02/BUSINESS-RESPONSIBILITY-POLICY-2.pdf</a>
Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons	<a href="https://chini.com/wp-content/uploads/2023/02/Code-of-conduct.pdf">https://chini.com/wp-content/uploads/2023/02/Code-of-conduct.pdf</a>
Code of Conduct and Business Ethics	<a href="https://chini.com/wp-content/uploads/2022/08/Code_of_Conduct.pdf">https://chini.com/wp-content/uploads/2022/08/Code_of_Conduct.pdf</a>
Corporate Social Responsibility Policy	<a href="https://chini.com/wp-content/uploads/2021/07/CSR-Policy.pdf">https://chini.com/wp-content/uploads/2021/07/CSR-Policy.pdf</a>
Dividend Distribution Policy	<a href="https://chini.com/wp-content/uploads/2022/08/Dividend_Distribution_Policy_2020.pdf">https://chini.com/wp-content/uploads/2022/08/Dividend_Distribution_Policy_2020.pdf</a>
Policy for Determination of Materiality of Events/ Information	<a href="https://chini.com/wp-content/uploads/2023/08/BCML_POLICY-FOR-DETERMINATION-OF-MATERIALITY-OF-EVENTS-INFORMATION-1.pdf">https://chini.com/wp-content/uploads/2023/08/BCML_POLICY-FOR-DETERMINATION-OF-MATERIALITY-OF-EVENTS-INFORMATION-1.pdf</a>
Policy on Related Party Transactions	<a href="https://chini.com/wp-content/uploads/2022/08/Policy_on_RPT.pdf">https://chini.com/wp-content/uploads/2022/08/Policy_on_RPT.pdf</a>
Risk Management Policy & Framework	<a href="https://chini.com/wp-content/uploads/2023/01/BCML-Risk-Management-Policy-Amended.pdf">https://chini.com/wp-content/uploads/2023/01/BCML-Risk-Management-Policy-Amended.pdf</a>
Vigil Mechanism Policy	<a href="https://chini.com/wp-content/uploads/2022/08/Vigil_Mechanism_Policy.pdf">https://chini.com/wp-content/uploads/2022/08/Vigil_Mechanism_Policy.pdf</a>
Policy for Preservation of Documents	<a href="https://chini.com/wp-content/uploads/2023/02/Policy_for_preservation_of_documents.pdf">https://chini.com/wp-content/uploads/2023/02/Policy_for_preservation_of_documents.pdf</a>
Policy on Selection and Remuneration of Directors, Key Managerial Personnel and other employees and on Board Diversity.	<a href="https://chini.com/wp-content/uploads/2023/02/Policy-on-Selection-Remuneration-of-Directors-KMP-and-Other-Employees-T....pdf">https://chini.com/wp-content/uploads/2023/02/Policy-on-Selection-Remuneration-of-Directors-KMP-and-Other-Employees-T....pdf</a>

## Ethics, Bribery & other Governance Factors

**Whistle Blower:** The Company has an effective Whistle blower policy that covers all employees (including workers), providing them with a channel to raise concerns to maintain the highest standards of ethical, morale, and legal business conduct, as well as the Company's commitment to open, fearless, and genuine communication.

No complaints reported on corruption and bribery, conflict of interest in the last two financial years.

The anti-bribery policy sets the responsibility for the Directors and employees/ workers of BCML to maintain high standards of business practices. This policy applies to all the directors and employees/ workers of the company across all its functions and locations. No Director or employee of the company engages directly or indirectly in bribery. Any violation or non-adherence of the policy is reported to the Managing Director or Audit Committee of the Board, who takes appropriate action, including but not limited to termination of services. The Executive Committee of the Board monitors and reviews the effectiveness of this policy, considering its suitability and adequacy.

## Code of conduct

The Code of Conduct, as adopted by the Board, is applicable to all Directors, senior management and employees. The Code of Conduct is communicated to relevant stakeholders through respective communication channels and is available on [https://chini.com/wp-content/uploads/2022/08/Code\\_of\\_Conduct.pdf](https://chini.com/wp-content/uploads/2022/08/Code_of_Conduct.pdf). As part of the governance approach, all our internal stakeholders are required to follow the code of conduct based on the core values of integrity, honesty, trust, fairness, discipline and teamwork. All our Directors, senior management and employees confirmed their adherence to the Code of Conduct for the reporting period. During the reporting period, there were no complaints or legal action voiced against the company for anti-competitive behaviour and violations of anti-trust legislations. In FY 23, the company did not experience any breaches in the code of conduct. The Company encountered no incidents of discrimination at the organization and we take strict preventive measures to avoid such cases.

The Company follows 'zero tolerance' towards any kind of sexual harassment at the workplace. The Company adheres to the sexual harassment of women at workplace (Prevention, Prohibition and Redressal) Act, 2013 and have a policy in line with the act.

The Company's vigil mechanism / whistleblower policy helps to deal with unethical behavior, victimisation, fraud and other grievances or concerns. The Company has systems in place to safeguard the human rights of its workforce – such as zero tolerance policies on child and forced labour, sexual harassment and an open grievance redressal mechanism. The Company established a grievance redressal mechanism to ensure the timely resolution of any complaint regarding discrimination at the workplace. In FY 23, the company did not receive any complaints regarding discrimination.

### Salient Parameters

Disclosed Code of Conduct for Board of Directors & KMPs	✓
Disclosed Code of Conduct for employees	✓
Disclosed Code of Conduct on Insider Trading	✓
Adequate disclosures have been provided for ESAR	✓
No complaints have been reported w.r.t conflict of interest	✓
Disclosed Whistle Blower Policy	✓
Whistle-blower can approach Chairman of the Audit Committee	✓
No complaints have been reported on Bribery & corruption	✓

## Salient parameters

### Director's remuneration

Remuneration Policy disclosed	✓
No skewness in NED's remuneration	✓
Out of total NED Remuneration, no NED is paid more than 50% of total remuneration	✓
Annual Board Performance- Process / Parameters of evaluation disclosed	✓

### Audit & Financial Reporting

All RPTs are compliant with section 177 and section 188 of the Companies Act, 2013	✓
Internal Audit systems are commensurate with the size and nature of business	✓
No non-cash transactions entered with its directors or persons connected with its directors	✓
The Company has not incurred Cash losses	✓
No material uncertainty regarding capability of meeting liabilities existing at the date of balance sheet	✓
No qualifications or adverse remark by Auditors of other Companies, if any included in Consolidated financials	✓
No qualifications in Statutory Auditors Report	✓
No qualifications in Secretarial Auditors Report	✓
No major weakness observed in Company's internal controls	✓
Disclosed RPT Policy on website	✓
All RPTs were at Arm's length	✓

### Stakeholders engagement, ownership and control

BCML has disclosed its Dividend Distribution policy on its website as per Regulation 43A of the SEBI Listing Regulations, and has disclosed objective criteria.

There were no instances of non-compliances related to capital markets during the year under review and no penalties/strictures were imposed against the Company during the last three years

## Salient parameters

Dividend Distribution Policy disclosed	✓
Dividend paid in line with Dividend Distribution Policy	✓
No shareholders complaints pending in last 3 FYs	✓
At least 4 Earnings Calls / Investor Calls	✓
Disclosed Transcripts of all Earnings Calls	✓
No delay in filling of financial statements	✓
No resolution defeated by the shareholders	✓
No pledge of equity shares by promoters' group	✓
No sanction or any regulatory Action relating to disclosures in last 3 years (by Exchanges, SEBI)	✓

## Cyber Security & Data Privacy

The Company strives to become a trusted partner for businesses, enabling them to ensure data privacy compliance in their transformation journey, while maximizing the value created for them.

Over the last few decades, data privacy emerged as an important dimension of human rights. Several nations are strengthening or enacting data privacy regulations to make organizations

accountable for respecting choices made by people about their data and for protecting their privacy. The Company possesses an IT and cyber security policy available internally which is applicable to all employees. The Company ensures that all employees possess the requisite knowledge and awareness of ways to use IT systems within the scope of their role through the provision of regular IT security awareness training. The Company conducts periodical training on e-learning courses for IT security awareness for the employees. The Company complied with all applicable data privacy regulations in FY 23 and recorded zero breaches of customer privacy. The growing awareness and education on data privacy among stakeholders have contributed to a more robust process.

## General Disclosures & Practices by the Company

Framework on cyber security and risks related to data privacy	✓
Risk Management function on Cyber Security	✓
No case of data breach	✓
Steps taken to ensure safe security system (IT security, firewalls, initiatives etc)	✓

# Balrampur's responsible risk mitigation platform



## Overview

To navigate our operations and interconnected processes, the Company prioritizes resilience. Our robust integration across the value chain, protects us from supply-demand uncertainties. Complemented by a robust risk management framework, we strategically safeguard and optimize resources, ensuring disciplined and proactive risk identification, monitoring and mitigation to enhance returns from BCML's assets.

The Risk Management Committee is responsible for the approval and regular review of the risk management plan. Risk management roles are assigned across the Board of Directors, Risk Management Committee, and Audit Committee of the Board of Directors. Our risk management

process consists of the following stages:

### 1. Establishing the context:

Our systematic risk management assesses shifts in external and internal environments, anticipating short-term risks (business, operational, technological) and long-term risks (strategy, reputational, business interruption).

### 2. Risk assessment (identification, analysis & evaluation):

Risk is analyzed by determining consequences and their likelihood, and other attributes of the risk. Our risk assessment extends beyond financial considerations to include regulatory and reputational perspectives. Risk identification helps ensuring that

business decisions are evaluated from strategic perspectives and are made in accordance with legal, regulatory and other requirements.

**3. Risk treatment (mitigation plan):** Risk treatment involves a cyclical process of assessing a risk treatment, deciding whether residual risk levels are tolerable and if not tolerable, then generating a new risk treatment and assessing the effectiveness of that treatment.

### 4. Communication and consultation:

Effective internal and external communication ensure that those in charge of carrying out the risk

management process, along with stakeholders can comprehend the rationale behind decisions and the necessity for specific actions.

**5. Monitoring, review and reporting** - In order to ensure that risk management is effective and continues to support organizational performance, processes shall be established to measure and

review the risk management performance against the key risk indicators. Results of risk assessment need to be reported to all relevant stakeholders for review, inputs and monitoring.

## Major risks and opportunities

Risk driver	Description	Risk mitigation response	Capital linkage
Technological obsolescence risk	Ineffective processes can result in cost outreach	<ul style="list-style-type: none"> <li>Frequent investments in plant and machinery enhance efficiency. The company regularly replaces equipment, conducts upskilling, and allocates capital expenditure for sustained improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Manufactured Capital</li> <li>Social and Relationship Capital</li> </ul>
Regulatory clampdown risk	The Company's operations can be hampered due to changes in the regulatory environment	<ul style="list-style-type: none"> <li>The company invested in plant and machinery to enhance environmental protection and minimize pollutants/GHG emissions.</li> <li>Implemented water conservation measures by recycling and reusing process water to reduce fresh water withdrawal.</li> <li>Maintained a zero-tolerance policy for violations.</li> <li>Adopted a robust review mechanism to address and prevent potential lapses.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> <li>Social and Relationship Capital</li> </ul>
Cyber security and IT risk	This could lead to financial loss, disruption, or damage to the reputation of the Company from some kind of failure of its information technology systems	<ul style="list-style-type: none"> <li>Balrampur Chini pioneered the adoption of SAP HANA S4 among Indian sugar companies.</li> <li>Implemented an IT-driven disaster recovery system to guarantee uninterrupted business operations.</li> <li>Ensured data security through identity and access control, along with an authorization matrix.</li> <li>Implemented regular backups of critical business data (user and application data) for information security.</li> <li>Secured gateways and endpoints using top-notch products to mitigate network and web security risks.</li> <li>The disaster recovery system has proven instrumental in ensuring seamless business continuity.</li> </ul>	<ul style="list-style-type: none"> <li>Intellectual Capital</li> <li>Financial Capital</li> </ul>
Project execution risk	Inability to complete projects on time might hamper the Company's future targets	<ul style="list-style-type: none"> <li>Successfully completed the expansion of Balrampur distillery from 160 KLPD to 330 KLPD well within time.</li> <li>Successfully commissioned 320 KLPD greenfield distillery at Maizapur.</li> <li>Ongoing day-to-day monitoring and supervision by both management and external consultants ensure project alignment and progress.</li> </ul>	<ul style="list-style-type: none"> <li>Manufactured Capital</li> <li>Human Capital</li> </ul>

Risk driver	Description	Risk mitigation response	Capital linkage
Cane availability and recovery risk	Excessive, inadequate, or ill-timed rain and diseases could hamper the cane availability, quality and recovery	<ul style="list-style-type: none"> <li>Enhancing agricultural practices through the provision of agri-inputs, support for cane development, and mitigation measures for weak monsoons and pest attacks to improve yields.</li> <li>Engaging with farmers to develop diverse cane varieties.</li> <li>Operating a tissue culture lab for the early development of distinct cane varieties.</li> <li>The company's cane development team actively monitors sugarcane planting, growth, and disease prevention programs.</li> </ul>	<ul style="list-style-type: none"> <li>Social and Relationship Capital</li> <li>Natural Capital</li> </ul>
Cane price increase risk	Growing cane prices could impact profitability	<ul style="list-style-type: none"> <li>Industry associations maintain continuous engagement with both Central and State governments to advocate for a fair and mutually beneficial pricing policy for both the industry and farmers.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> </ul>
Business interruption risk		<ul style="list-style-type: none"> <li>The sugar industry body collaborated with State Governments to address supply-side disruptions stemming from the pandemic.</li> <li>The company's IT function consistently maintains and upgrades systems with trained personnel to manage and mitigate disruptions effectively.</li> </ul>	<ul style="list-style-type: none"> <li>Financial Capital</li> <li>Manufactured Capital</li> </ul>
Sustainable risk (ESG)	Uncertain social or environmental conditions could impact the Company's operations	<ul style="list-style-type: none"> <li>The company strategically invested in various technologies to reduce its carbon footprint, manage waste, conserve energy, promote sustainable raw material cultivation, and enhance effluent treatment plant efficiency, among other initiatives.</li> </ul>	<ul style="list-style-type: none"> <li>Natural Capital</li> <li>Social and Relationship Capital</li> </ul>
Internal control risk	Lack of efficiency and effectiveness in internal controls could affect organisational objectives	<ul style="list-style-type: none"> <li>Standard operating protocols for various functions have been established by the company, with rigorous monitoring in place.</li> <li>Internal audit teams and external auditors conduct periodic reviews of these protocols.</li> <li>Ongoing dialogue between statutory and internal auditors ensures systemic effectiveness</li> </ul>	<ul style="list-style-type: none"> <li>Human Capital</li> <li>Financial Capital</li> </ul>



# Stakeholder engagement and materiality analysis



We actively cultivate trust-based relationships with stakeholders through diverse engagement approaches. The Board’s Stakeholders’ Relationship Committee plays a key role in fostering healthy connections. It supervises the mechanism for addressing grievances and complaints from various stakeholders, including shareholders, governments, suppliers, customers, employees and communities.

We are dedicated to integrating sustainability into every facet of our operations, embedding these practices into corporate policies, and promoting a culture that prioritizes sustainability. We take accountability for proactively pursuing solutions to advance long-term, sustainable growth in our world.

Through active engagement with stakeholders, including employees and rural communities, we contribute to addressing current environmental and societal challenges. This not only enhances our community service but also leads to superior performance for our company.

We consistently review the progress of material aspects concerning our stakeholders and communicate updates through appropriate channels. The discussions presented in this ESG Report showcase the outcomes of an active stakeholder engagement process. Our robust engagement process ensures a keen focus on stakeholder requirements, contributing to the materiality exercise. Defined communication channels facilitate targeted engagement throughout the year. Regular discussions and reviews with the Board, its committees, senior management, and other stakeholders across the organization ensure a consistent commitment to meeting the expectations of both direct and indirect stakeholders.



## Identification and selection of stakeholders

Stakeholders were identified across relevant groups, including employees, suppliers, government, shareholders, customers, and communities.

We conducted a comprehensive engagement exercise to prioritize interactions with stakeholders from each group, gaining insights into their concerns and feedback. Based on the feedback, we develop action plans to address expectations. These concerns

and expectations are crucial inputs for our materiality assessment and the formulation of short and long-term business goals.

## Approach to stakeholder engagement

Maintaining a two-way dialogue is crucial for mutual understanding and strategic decision-making at BCML. We value stakeholder opinions, engaging with them through various channels to ensure their expectations are

addressed. Stakeholder input forms the cornerstone of our sustainability strategy development. Recognizing the challenges in addressing social and environmental issues, we commit to enhance our understanding through cooperative engagement. BCML aims to create shared value, contributing to the improvement of life in the societies where we operate.

The following table provides a high-level overview of our stakeholders, with specific indications of how we are involved with them.

Stakeholder Group	Significance	Type of stakeholder	Mode of engagement	Key significant topics
<b>Government and regulatory authorities</b>	We are committed to operate in compliance with applicable laws and regulations. Our responsible practices aim to contribute to the country's progress and corporate performance, enabling us to support community well-being and foster a healthy environment	External	<ul style="list-style-type: none"> <li>• Submission of compliance reports</li> <li>• Communication with regulatory Bodies</li> <li>• Formal dialogues</li> <li>• Advocacy meetings through associates</li> </ul>	<ul style="list-style-type: none"> <li>• Taxes and charges</li> <li>• Timely disclosures</li> <li>• Compliance with laws and regulations</li> <li>• Policy advocacy and membership with industry bodies</li> </ul>
<b>Shareholders</b>	For sustainable and profitable growth, we collaborate responsibly and ethically with our shareholders.	External	<ul style="list-style-type: none"> <li>• Company website</li> <li>• One-to-one meeting</li> <li>• Annual general meeting</li> <li>• Investor/Analyst Meet</li> <li>• Quarterly results</li> <li>• Stock Exchange updates</li> </ul>	<ul style="list-style-type: none"> <li>• ESG performance</li> <li>• Financial performance</li> <li>• Future approach and projects</li> <li>• Disclosures in the public domain</li> <li>• Sustainable growth of business and profitability</li> <li>• Sound corporate governance mechanisms</li> <li>• Ethics and compliance</li> <li>• Economic performance</li> </ul>
<b>Employees</b>	Continuously fostering an approachable work culture of communication, camaraderie, and performance for our valued employees.	Internal	<ul style="list-style-type: none"> <li>• Awareness training</li> <li>• Performance appraisals</li> <li>• Annual employee satisfaction survey</li> <li>• Grievance redressal mechanism</li> <li>• Email communication/newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational health and safety</li> <li>• Rewards and recognition</li> <li>• Personal development and growth</li> <li>• Empowering work environment</li> <li>• Diversity at the workplace (gender, ethnicity, and differently abled)</li> <li>• Training and capacity building</li> <li>• Code of Conduct and corporate policies</li> <li>• Career planning and Development</li> <li>• Market-based compensation, benefits, and amenities</li> <li>• Employee welfare programs</li> <li>• Collective bargaining/freedom of association</li> </ul>

Stakeholder Group	Significance	Type of stakeholder	Mode of engagement	Key significant topics
<b>Vendors (including farmers)</b>	Relying on suppliers and business partners for critical inputs, it's crucial for us to comprehend their challenges and expectations. This ensures business continuity and promotes sustainable practices.	External	<ul style="list-style-type: none"> <li>• Vendor meets</li> <li>• Training and awareness programs</li> <li>• Pre-onboarding and periodic assessments</li> <li>• Balram app</li> <li>• Balrampur Kisan Suvidha Portal</li> <li>• Visits by cane personnel</li> <li>• Video, trainings and demonstration</li> <li>• Email Communication / newsletters</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and Execution of work orders</li> <li>• Innovation and product development</li> <li>• Communication and engagement on sourcing plans</li> <li>• Sustainable sugar cane production and sourcing</li> <li>• Suppliers assessment and training</li> <li>• Access to latest farming technique and smart agriculture</li> <li>• Social accountability</li> <li>• Mitigate climate agricultural risk associated with agri production</li> </ul>
<b>Customers</b>	Our focus is on understanding and fulfilling customer needs, surpassing their expectations. We provide quality products that align with the lifestyle choices of our consumers, placing them at the core of our operations.	External	<ul style="list-style-type: none"> <li>• Market surveys</li> <li>• Website, emails, social media</li> <li>• Forums, meets</li> </ul>	<ul style="list-style-type: none"> <li>• Customer satisfaction</li> <li>• Product and service quality</li> <li>• Complaint resolution</li> <li>• On-time delivery</li> <li>• Product safety</li> </ul>
<b>Communities</b>	Engaging with community members annually and through non-profit organizations, charitable establishments, to make a positive impact and enhance community well-being.	External	<ul style="list-style-type: none"> <li>• Community outreach programs</li> <li>• Impact assessment partner's visit</li> <li>• In-person meetings; Monitoring personnel visits</li> </ul>	<ul style="list-style-type: none"> <li>• Engagement and involvement in decision making</li> <li>• Investment in local communities</li> <li>• Livelihood and women empowerment</li> </ul>

## Our methodology for materiality assessment

In our interconnected world, organizations address economic, environmental, and social issues worthy of reporting. Operating in a complex and unpredictable business environment, our material assessment identifies the sustainability issues that are most significant to both our organization and our stakeholders. Identifying these material topics guides our strategy and communication efforts.

Material topics serve as the foundation of our ESG Report, showcasing our economic, environmental, and social impacts. These topics shape the decisions of our stakeholders. In 2022, we conducted an analysis of BCML's competitive environment to compile potential material topics. While these topics remained contextually relevant in 2023, their importance can change as the expectations of stakeholders evolve.

We, conducted an extended materiality

assessment during this year and updated our materiality analysis to ensure it accurately reflected stakeholder priorities and sustainability issues. As part of this research process, we:

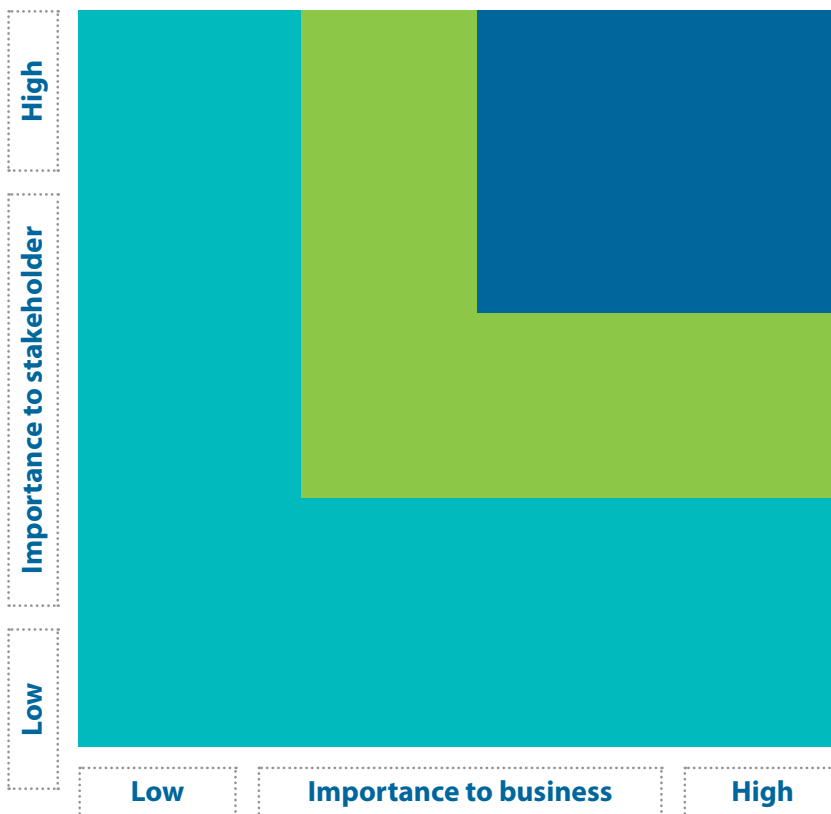
- Engaged with a range of internal and external stakeholders to identify the most critical sustainability issues for our business and stakeholders;
- Consulted international standards, frameworks, and best practice examples to design and conduct our materiality assessment in accordance with the principles of the GRI standards, including the principle of Materiality;
- Considered national, regional, and global challenges, trends and approaches into account.

## Materiality analysis and material topics

In FY 23, BCML conducted a formal materiality assessment through stakeholder consultations, incorporating external and internal inputs to update

areas of materiality. The process aligned with the guidance provided by the GSSB. Material issues were identified based on their potential importance to the business (X-Axis) and significance to stakeholders (Y-Axis). BCML emphasized the 'high-high' quadrant, prioritizing areas important to the business and stakeholders. The company remained committed to provide comprehensive quantitative and qualitative information for all focus areas in the matrix.

Through the materiality assessment, BCML aims to address the impact it makes on the environment, people, and business. The materiality topics covered under each ESG parameter are represented by a different colour for easy reference. As per GSSB guidance, BCML chose to report in detail on the material topics, while providing an overview on additional areas, covered across the various sections of this report.



### Very high priority



- GHG emissions
- Water management
- Waste and packaging material
- Employee health and safety
- Community relations

### High priority

- Air emissions
- Energy management
- Wastewater management
- Biodiversity & land use
- Climate change
- Product quality & safety
- Supply chain management
- Forced or compulsory labor
- Corporate governance

### Medium priority

- Resource efficiency
- Environmental management system
- Gender equality and diversity
- Human rights
- Training and development
- Income and living wage
- Code of business conduct

Material topics	GRI standards	Alignment with SDGs	Key performance indicators	Reference section in the report
<b>Environment</b>				
GHG emissions	• Emissions	  	• Scope -1,2,3 emissions	• Emissions management
Water management	• Water		• Water withdrawal	• Water management
Waste and packaging material	• Waste		• Waste recycled	• Waste management
Air emissions	• Emissions	  	• Other emissions	• Emissions management
Energy management	• Energy	  	• Energy consumed	• Energy management
Waste water management	• Waste		• Waste recycled	• Waste management
Biodiversity and land use	• Biodiversity		• Number of saplings planted/ survived	• Biodiversity
Climate change	• Emissions • Energy • Biodiversity		• Energy consumed • Scope -1,2,3 emissions • Number of saplings planted/ survived	• Climate change
<b>Social</b>				
Employee health and safety	• Occupational health and safety		• Injury rate • Lost day rate • Man hours worked • Fatalities	• Employee health and safety
Community relations	• Community development	    	• Community outreach programs • Impact Assessment • Beneficiaries Impacted	• Local communities
Product quality and safety	• Customer health and safety • Marketing and labeling		• Customer satisfaction rate • Number of product safety incident reported	• Employee health and safety
Supply chain management	• Procurement practices		• Procurement from local suppliers	• Supply chain management
Forced or compulsory labour	• Forced or compulsory labour	 	• Discrimination incidents	• Human rights
<b>Governance</b>				
Corporate governance	• Ethics and Integrity, Governance		• Key impacts, risks and opportunities	• Corporate governance



# Our financial capital and its impact on the environment

## Overview

At Balrampur, our investment decisions and growth strategy are guided by a strong commitment to sustainability. The Company employs practices that create sustainable value for stakeholders and support long-term growth while enhancing the environmental and community footprint. The Company creates value for stakeholders, including employees, community, shareholders, investors and governments through its operations.

The resilient performance of the business reflects the strength of the company's

integrated business model, excellent operational capabilities and diversified product portfolio. The Company's focus on the development of innovative products and a customer-centric approach has helped deliver an improved economic performance despite dynamic market demands.

During the reporting period, revenue from operations stood at ₹4,665.86 crore a decrease of 3.7% over the previous year. The Company achieved an EBITDA of ₹512.32 Cr, a decrease of 26.8% compared to the previous year, on account of lower sales volumes.

## Financial implications of climate change

The rise in the earth's temperature has resulted in the increased severity of extreme events, changes in precipitation patterns, variability in weather patterns and rising sea levels, all posing serious impact upon operational and business activities. Across the world, the company witnesses a tightening of climate policies and regulations to shift the economy away from fossil fuels. The restructuring was accelerated by the Paris Agreement, which set clear aspirations to limit global warming to 1.5 or 2 degree celsius,

expected to affect all sectors and future investment patterns for the company.

Moreover, investors are faced with a physical impact risk which is linked to potential adverse impacts from climate change such as floods or droughts, extreme weather and sea level rise. Both physical and policy risks can result in real financial impacts on the company and its assets.

The physical impacts range from financial losses due to impairment of the workforce and damage to physical assets and increased capital expenditures to disruption in the operations and impact on the supply chain. The transition to a low carbon economy will involve abiding by new laws, implementing new regulations and developing and deploying alternate technologies. This would lead to an escalation in operating costs due to increased tax on carbon emissions, increased expenditure for research and development on new technologies, enhanced emission

reporting standards and additional mandates on the regulation of existing products and services.

The Company's failure to follow the de-carbonisation mandate could attract legal cases and impact its reputation and markets. The transition would expose the company to the risk of changing customer behaviour and shifts in customer preferences which would result in reduced revenue due to reduced demand for goods and services.

The Company possesses business continuity and disaster recovery plans to handle climate-related impacts and a rapid incident response team for all incidents at the manufacturing locations.

### Defined benefit plan obligations and other retirement plans

The Company pays provident and other fund contributions to publicly administered funds as per related

government regulations. The Company recognizes contribution payable to such funds as an expense when an employee renders the related service. The Company operates a defined benefit gratuity plan and the contribution towards the trust named The Balampur Sugar Company Limited Employees Gratuity Fund. The trustees administer contributions made to the trust, which are invested through insurance companies. The liability or asset recognised in the Balance Sheet in respect of gratuity is the present value of the defined benefit obligation as at the Balance Sheet date less the fair value of plan assets. The defined benefit obligation is calculated by external actuaries using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised directly in other comprehensive income in the period they occur and are subsequently transferred in retained earnings.

## Value-added statement (₹ crore)

Particulars	March 19	March 20	March 21	March 22	March 23
Income from operations	4,824.14	4,703.96	4,867.49	4,651.61	4,676.02
Add: Other income	42.75	38.55	33.45	47.91	62.79
Value added	4,866.89	4,742.51	4,900.94	4,699.52	4,738.81
Less: Cost of materials consumed	3,595.41	3,464.16	3,511.86	3,261.73	3,419.40
Less: Other manufacturing expenses	309.20	303.84	360.14	382.38	380.50
Equals gross value-added	962.28	974.51	1,028.94	1,055.41	938.91
Less: Depreciation and amortisation expenses	95.85	101.42	111.88	113.86	129.50
Exceptional items	-	-	-	52.74	-
<b>Equals net value-added</b>	<b>866.43</b>	<b>873.09</b>	<b>917.06</b>	<b>994.29</b>	<b>809.41</b>
<b>Allocation of net value-added</b>					
To Employees	238.36	265.70	281.65	307.80	363.79
To Government (via Taxes)	33.37	53.43	168.27	190.83	140.37
To Bankers (via interest)	40.94	64.17	39.30	30.87	48.65
To Investors (via dividend)	57.11	55.00	52.50	51.01	50.84
To Investors (via buy-back)	-	147.67	180.00	215.24	81.85
To the Company (via retained earnings)	496.65	286.67	195.34	194.54	123.91

## Financial performance (₹ crore)

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Revenue from operations	4,285.78	4,741.29	4,811.66	4,846.03	4,665.86
Other income	42.75	38.55	33.45	47.91	62.79
<b>Total income</b>	<b>4,328.53</b>	<b>4,779.84</b>	<b>4,845.11</b>	<b>4,893.94</b>	<b>4,728.65</b>
Stock adjustments	(538.36)	37.34	(55.83)	194.42	(10.16)
Cost of material consumed	3,595.41	3,464.15	3,511.86	3,261.73	3,419.40
<b>Gross profit</b>	<b>1,271.48</b>	<b>1,278.35</b>	<b>1,389.08</b>	<b>1,437.79</b>	<b>1,319.41</b>
Overheads	539.66	557.83	641.79	690.18	744.29
<b>PBDIT</b>	<b>731.82</b>	<b>720.52</b>	<b>747.29</b>	<b>747.61</b>	<b>575.12</b>
Finance costs	40.94	64.17	39.30	30.87	48.65
<b>PBDT</b>	<b>690.88</b>	<b>656.35</b>	<b>707.99</b>	<b>716.74</b>	<b>526.47</b>
Depreciation and amortisation expenses	95.85	101.42	111.88	113.86	129.50
<b>Profit before tax and exceptional items</b>	<b>595.03</b>	<b>554.93</b>	<b>596.11</b>	<b>602.88</b>	<b>396.97</b>
Exceptional items	-	-	-	52.74	-
<b>Profit before tax</b>	<b>595.03</b>	<b>554.93</b>	<b>596.11</b>	<b>655.62</b>	<b>396.97</b>
Tax	24.39	45.65	126.34	140.96	121.44
<b>Profit for the year</b>	<b>570.64</b>	<b>509.28</b>	<b>469.77</b>	<b>514.66</b>	<b>275.53</b>
Other comprehensive income (net of tax)	(5.14)	(7.01)	(0.56)	(3.62)	(6.22)
<b>Total comprehensive income (TCI)</b>	<b>565.50</b>	<b>502.27</b>	<b>469.21</b>	<b>511.04</b>	<b>269.31</b>
<b>Equity capital</b>	<b>22.84</b>	<b>22.00</b>	<b>21.00</b>	<b>20.40</b>	<b>20.17</b>
<b>Reserves</b>	<b>2,059.86</b>	<b>2,348.41</b>	<b>2,542.85</b>	<b>2,737.76</b>	<b>2,855.26</b>

## Key financial numbers

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Overhead / Revenue from operations	12.59	11.77	13.34	14.24	15.95
EBITDA / Revenue from operations	16.08	14.38	14.84	14.44	10.98
Interest / Revenue from operations	0.96	1.35	0.82	0.64	1.04
Interest cover (times)	16.83	10.63	18.17	22.67	10.53
PBDT/Total revenue (%)	16.12	13.84	14.71	14.79	11.28
TCI/Total revenue (%)	13.19	10.59	9.75	10.55	5.77
Return on net worth (%)	32.02	23.43	19.46	19.73	9.97
Return on capital employed (%)	27.88	21.77	21.55	20.72	12.55

## Balance Sheet ratios

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Debt-equity ratio	0.18	0.19	0.14	0.09	0.21
Inventory turnover (days)	175	177	177	172	177
Current ratio	1.37	1.46	1.63	1.60	1.31
Quick ratio	0.31	0.31	0.22	0.12	0.13
Asset turnover (total revenue/total assets)	1.03	1.01	1.03	1.07	0.94
Fixed asset coverage ratio	3.91	3.65	4.44	7.15	4.25
Debt-service coverage ratio	7.00	4.57	4.28	4.52	1.93

## Growth numbers

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Growth in turnover (%)	(2.61)	10.63	1.48	0.71	(3.72)
Growth in EBITDA (%)	52.57	(1.03)	4.67	(1.98)	(26.78)

## Per share data

Particulars	FY 18-19	FY 19-20	FY 20-21	FY 21-22	FY 22-23
Basic EPS (₹)	24.98	22.98	22.01	24.86	13.51
CEPS (₹)	29.18	27.56	27.25	30.36	19.87
Dividend (₹ per share)	2.50	2.50	2.50	2.50	2.50
Book value (₹)	91.17	107.75	122.09	135.18	142.53
Net indebtedness (₹) **	16.45	20.38	17.31	12.59	30.60

\*\* only on long term borrowings



## Abbreviations

AI	Artificial Intelligence
ANM	Auxillary Nurse and Midwife
BRSR	Business Responsibility and Sustainability Report
BSE	Bombay Stock Exchange
CG	Corporate Governance
CoC	Code of Conduct
CPU	Condensate Polishing Unit
CSR	Corporate Social Responsibility
EPF	Employee Provident fund
EPR	Extended Producer Responsibility
ESP	Electrostatic Precipitator
GHG	Green House Gas
GSSB	Global Sustainability Standards Board
HiPOT	High Potential
IPCC	Intergovernmental Panel on Climate Change
KMP	Key Managerial Personnel
MEE	Multiple Effect Evaporator
NAPCC	National Action Plan on Climate Change
NGRBC	National Guidelines for Responsible Business Conduct
NRC	Nomination and Remuneration Committee
NSDC	National Skill Development Corporation
NSE	National Stock Exchange
OHS	Occupational Health and Safety
RMC	Risk Management Committee
SDGs	Sustainable Development Goals
SRC	Stakeholders Relationship Committee
UN SDGs	United Nations Sustainable Development Goals
UNFCCC	United Nations Framework Convention on Climate Change
UNGCP	United Nations Global Compact Principles
VFD	Variable Frequency Drive



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