

Stretch and Sustainability

Generating more from less

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Cautionary statement

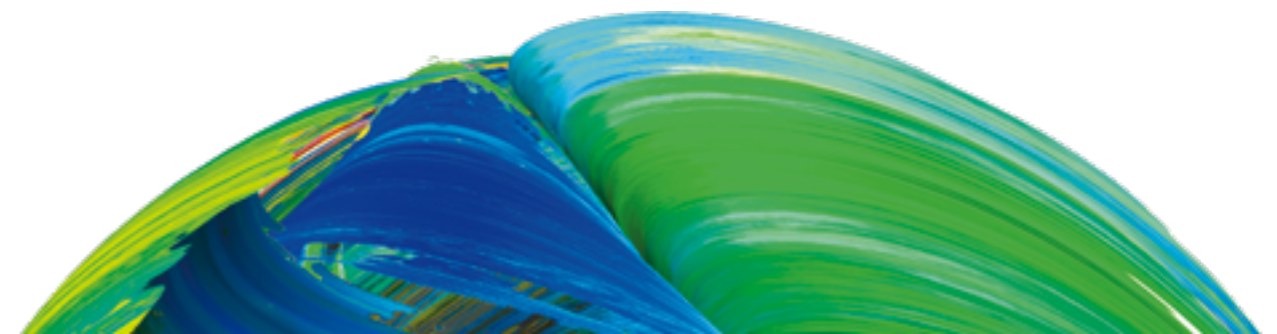
The statements made in this report describe the Company's sustainability objectives, challenges and counter-responses. Some of these may be estimates or 'forward-looking' within the meaning of applicable securities laws and regulations. However, the management has taken a responsible and conservative view of these estimates wherever precise numbers could not be provided.

3 messages for our readers

One, climate change is one of the biggest challenges humankind is facing in centuries; Balrampur is investing today for a better tomorrow.

Two, the world is at the cusp of a clean revolution, the green shoots of which are visible through progressive government policies, increasing sectorial confidence and rising related investments.

Three, Balrampur's business model is delivering a deeper sustainability with a growing proportion of revenues derived from products directed towards decarbonisation.



The background of the page is a dynamic, abstract composition of thick, flowing lines in various shades of green and yellow. These lines curve and swirl across the page, creating a sense of movement and organic growth. On the left side, a light green circle contains the text.

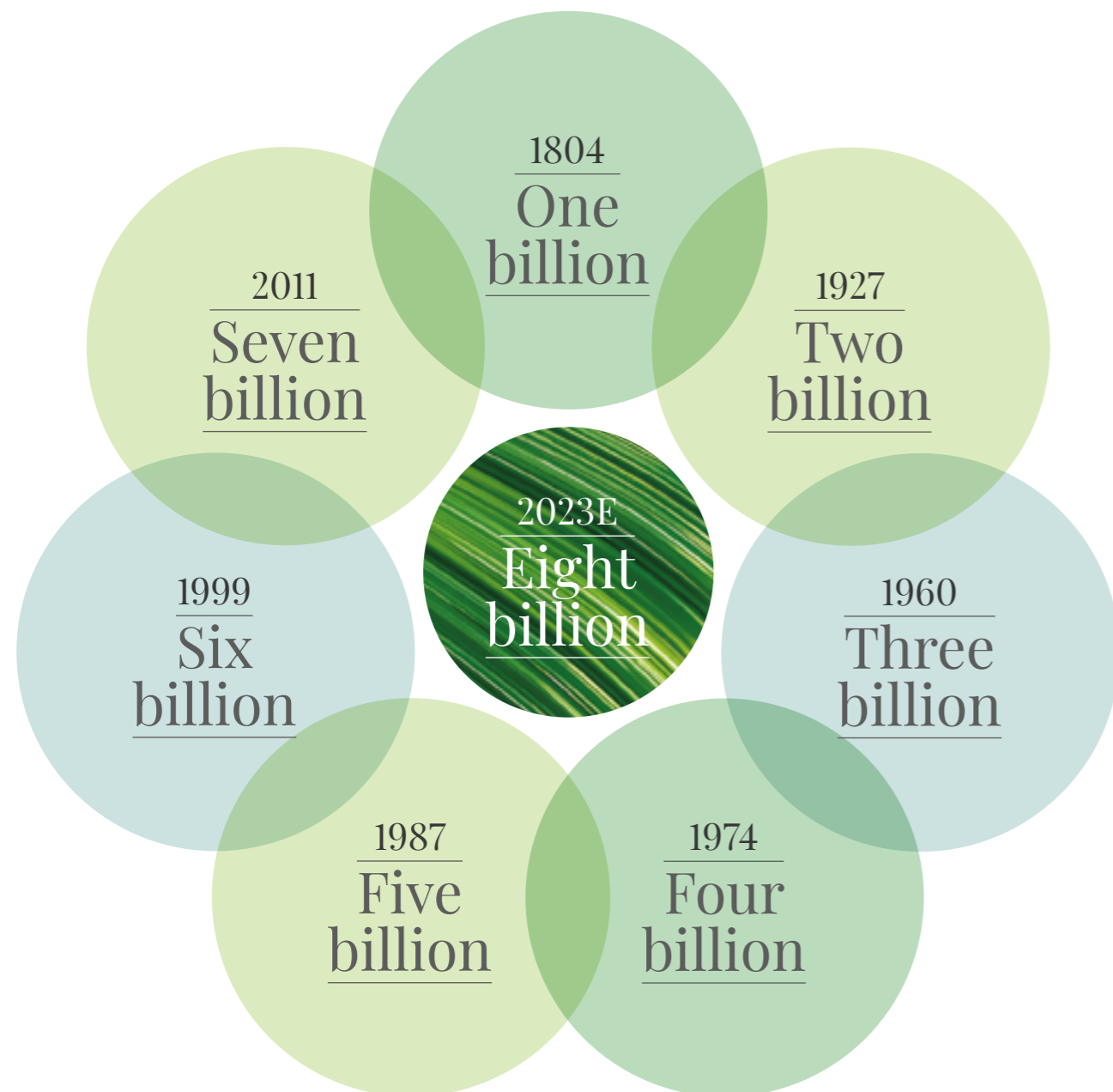
PART ONE

The context on the growing importance of sustainability

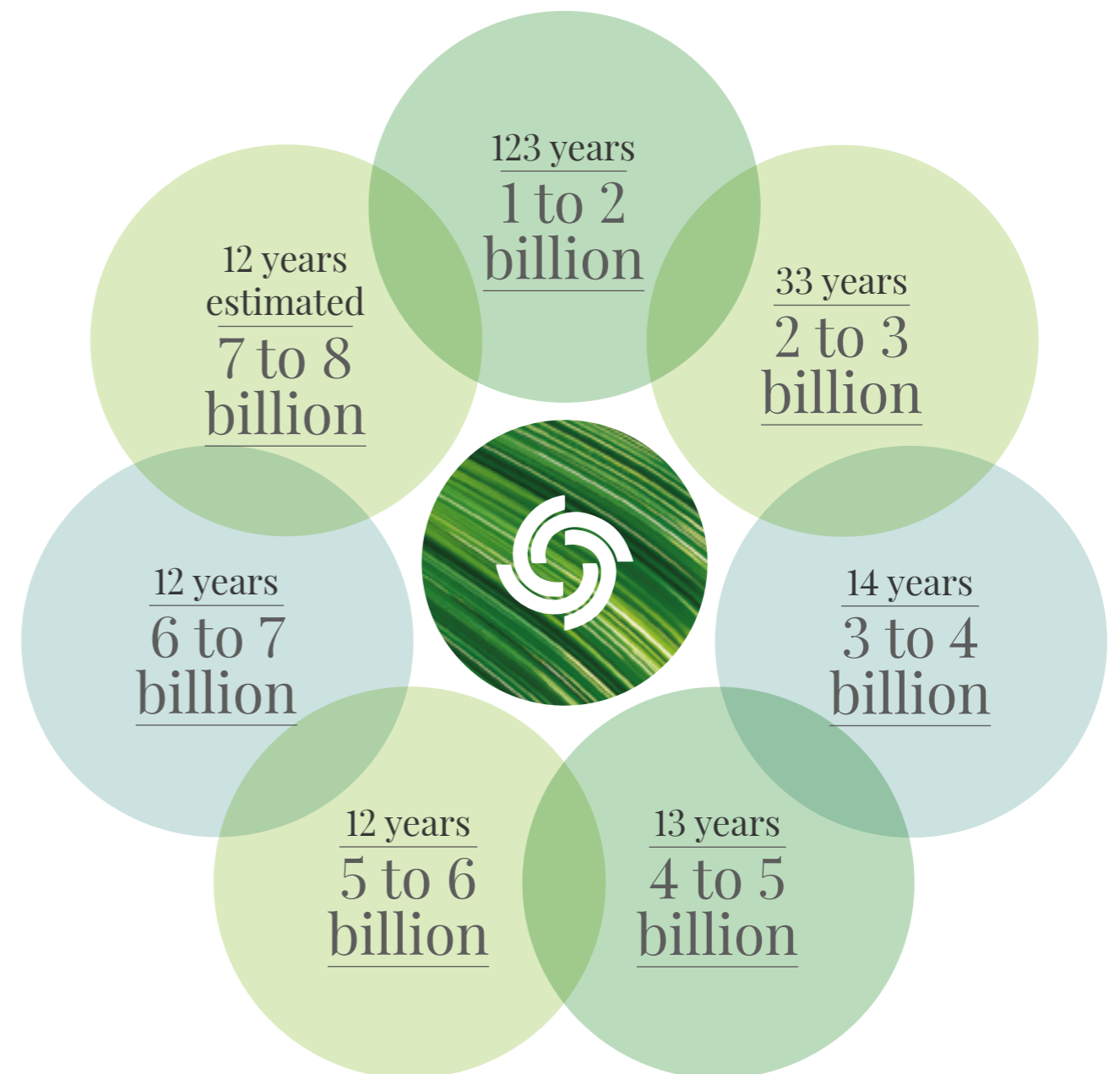
The challenge begins here

There is a growing divergence between the global population and the resources available to sustain it

Global population growth



The accelerating global population growth rate



Presented in a clockwise manner starting from the top

The challenge of global warming is in our face, literally

Temperatures are rising everywhere

July 2021

Possibly the warmest month on record since 1880

July 2021 record: 0.93°C (1.67°F) above the 20th-century average of 15.8°C (60.4°F).

Nine of ten warmest Julys have occurred since 2010, with the last seven Julys (2015-2021) being the seven warmest Julys on record. (Source: Co2.Earth)

June 2022

Earth's 6th warmest year on record

The average global surface (land and ocean) temperature in June 2022 was 1.57 degrees F (0.87 of a degree C) above the 20th-century average of 59.9 degrees F (15.5 degrees C), making June 2022 the sixth warmest in 143 years.

There is a greater than 99% chance that 2022 will rank among the 10-warmest years on record, but only an 11% chance that it will rank among the top five warmest.

Climate change is increasing the heat on humankind.

A 0.8°C increase in the average global temperature has been recorded across the past 100 years (Source: National Oceanic and Atmospheric Administration)



At 1.5°C of global warming...

Increasing heat waves, longer summers and shorter winters

At 2°C of global warming...

Heat extremes to reach critical tolerance thresholds for agriculture and health

(Source: IPCC)

<5.8°C

Projected increase in temperature (degrees centigrade) by year 2100

(Source: WHO)



PART TWO

How India Is Addressing Climate Change

Climate change and India

Mr. Narendra Modi, the Prime Minister of India, made important commitments at the COP26 in 2021

India will meet 50% of its energy requirements from renewable energy by 2030

India will reduce the carbon intensity of its economy by more than 45%

India will achieve its net zero carbon target by 2070

CONTEXT

India's climate change response is backed by long-term policies

These policies have been directed to enhancing predictability, viability and efficiency

Atmanirbhar Bharat

Focus: Commitment to develop Indian industry

Outcome: Moderate logistics cost, reduce imports and enhance self-reliance

Renewable energy sector

Focus: Increase in India's customs tariff on solar panels and modules from April 2022

Outcome: Existing players rapidly enhancing their capacities

Gas sector

Focus: Accelerating gas coverage of India through multiple city gas distribution bidding rounds

Outcome: Likelihood of vehicle pollution declining

Water sector

Focus: The Indian government created the Jal Shakti Ministry to prioritise water management

Outcome: Enhanced water productivity through piped water access, rainwater harvesting, water conservation and national river linking

Green hydrogen sector

Focus: Encouraging national investments in green hydrogen production

Outcome: Some companies have announced mega investment programmes to make India a net exporter of green hydrogen

National Biofuel Policy

Focus: Encouraging sugar manufacturers to set up capacities to extend from sugar to ethanol manufacture (for onward blending with automotive fuel)

Outcome: Unprecedented investment programme in ethanol



PART THREE

Our Management's Perspective On Sustainability

Balrampur Chini Mills Limited.

One of India's leading sugar companies.

Engaged in the principal businesses of sugar and distillery.

Respected for business sustainability, operational efficiency and responsible citizenship.

A commitment derived from generating more from less.



Background

Balrampur Chini Mills Limited is among the largest integrated private sector sugar companies in India. The Company is led by Mr. Vivek Saraogi, Chairman and Managing Director and managed by experienced professionals.



Location

The Company's headquarter is in Kolkata, India. The Company possesses 10 sugar factories across the cane-rich belts of Eastern and Central Uttar Pradesh, five distilleries and ten cogeneration units, one of the largest integrated complements in India's sugar sector.



Listing

The Company is listed on the BSE Limited (scrip code: 500038) and National Stock Exchange of India Limited (scrip code: BALRAMCHIN) where its equity shares are actively traded. The market capitalisation of the Company was ₹9985.72 crore as on 31st March, 2022; promoter shareholding in the Company was 42.42%.



Businesses

The Company generates revenues from its business of sugar and distillery, among others. It generated 80.68% of revenues from the sugar segment and 18.95% from its distillery segment during FY 2021-22.



Ratings

The long-term credit rating of the Company was upgraded to AA+ (Stable); the short term rating was re-affirmed at A1+ by CRISIL.



State-of-the-art

The Company made prudent investments in cutting-edge technologies, which helped enhance operating efficiency and environmental responsibility. The Company helped enhance farm yields by distributing high yielding seeds.



Pioneering

- The Company was among the first in India's sugar industry to moderate an excessive reliance on sugar and enhance distillery and cogeneration revenues
- The Company was one of the first sugar companies to commission an incinerator boiler in its distillery, becoming zero discharge in the process, empowering the

distillery to operate for 330 days a year (compared to the erstwhile 270 days)

- The Company repaid a majority of its long-term debt to emerge as a liquid and under-borrowed company
- The Company rewarded shareholders with five equity buybacks in five years coupled with dividends

- The Company acquired loss-making sugar units and turned them around
- The Company was among the first sugar companies to digitally transfer cane proceeds to farmers
- The Company has set up a state-of-the-art distillery fed by flexible dual-feed



Eco-friendly

The Company tried to achieve its goal towards environmental responsibility through proactive investments that moderated water consumption and effluents discharge while increasing recycling.



Our capacities

77,500

TCD cane crushing capacity per day

1,050

KLPD of distillery capacity

175.7

MW saleable co-generation capacity

Note: Capacities as in December 2022



Our manufacturing units

10

Number of sugar units

5

Number of distillery units

10

Number of cogeneration units

4 ways in which Balrampur is responding to the global challenge and national agenda on climate change



1

Making an unprecedented investment in distillery expansion, one of the largest by any sugar company in India in a compressed period of time

2

Graduating from a traditional positioning as a sugar company into a renewable energy organisation (deriving energy from a sustainable natural resource)

3

Ensuring that at least ~30% of its revenues are derived from renewable energy by FY 2024-25

4

Ensuring a focused benchmarking of its activities with United Nations' Sustainable Development Goals

Capital expenditure

~775.47

₹ crore invested in renewable energy until 31st March 2019

~550.34

₹ crore invested in renewable energy after 31 March 2019 upto 31st March 2022

Business integration

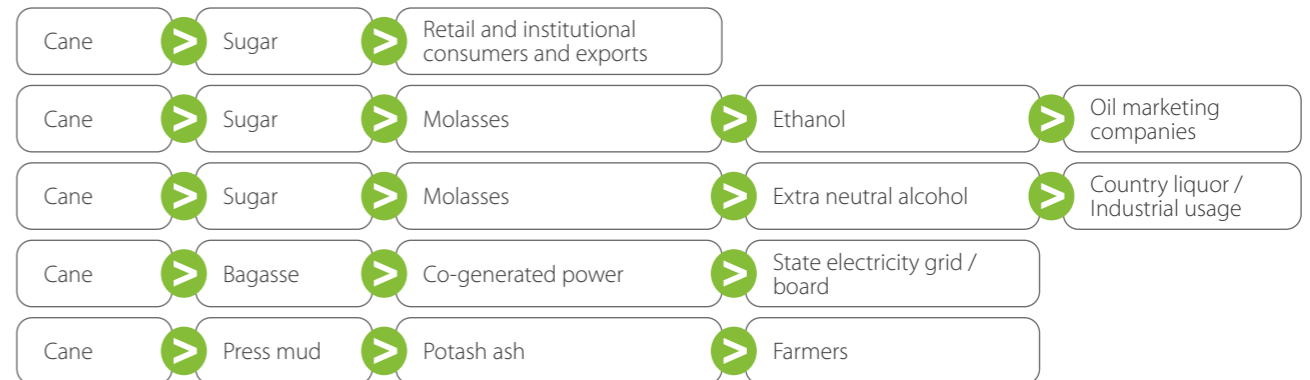
100

% of raw material consumption generated inhouse, FY 2018-19

100

% of raw material consumption generated inhouse, FY 2021-22

Operational integration





CHAIRMAN AND MANAGING DIRECTOR'S OVERVIEW

Our 'More from less' positioning will enhance our relevance in the modern world.



I have often been asked about our Company's success. We have succeeded and endured not because we made the necessary business investments; we succeeded because we made responsible investments in our collective survival.

There was once a perception that it was necessary to engage in just a handful of environment-protecting initiatives as an insurance against corporate mortality. The years have emphasised something different: that it is necessary to manage all factors influencing the delicate environmental balance of the world; a significant focus on one over the others could be detrimental; the solution lies in the extensive and concurrent management of all elements. The answer is not in the selective but the comprehensive. This comprehensive and balanced respect for the elements drives our sustainability.

For a progressive sugar cum energy company like ours, the concept of sustainability has been integral to our existence ever since we went into business.

At BCML, we describe sustainability using just one word – Stretch.

The principal implication of 'Stretch' is explained in another three words: 'More from less'.

There are some good reasons for this stretch-based positioning.

One, the business is based on thin margins that make it imperative to sweat all our resources to the maximum.

Two, for long the business was controlled – raw material pricing and sourcing, sales timing and plant location - that made it imperative to make the fullest use of whatever resources were allocated.

Three, the business was cyclical, which warranted that we generated the highest surplus when conditions were favourable and maximised our efficiency during the downtrend, emerging as the last person standing.

Four, we recognised that broad basing from a single revenue stream (sugar)

would enhance our resistance to cyclical impacts, strengthening business sustainability; this made us seek different ways of maximising value from a stick of cane.

Strategic outcomes

This stated position translated into a number of strategic initiatives.

Balrampur was one of the first sugar companies to broad base from sugar to the downstream processing of byproducts to create multiple products and revenue streams. This maximised the value we could successfully generate from a stick of cane – more from less – that emerged as the basis of our sustainability.

Balrampur enhanced its operational scale from one manufacturing unit in the early 1999 towards the end of the first decade of the new millennium; the Company commissioned or acquired eight manufacturing facilities within the space of just 10 years, the fastest capacity accretion in the Indian sugar sector. This growth made it possible for the Company to efficiently amortise its managerial bandwidth, farmer goodwill and stakeholder relationships (bankers among the most important), which translated into a large operating base coupled with one of the lowest cost of funds within the country's sugar sector.

Balrampur ensured that its capacity expansion was prudently and adequately sized: the quantum of cane that it could mobilise was matched to its crushing capacity; in turn, its ethanol manufacturing capacity was sized with the quantum of molasses raw material that could be generated; the co-generation capacity was raised in accordance with the quantum of bagasse available. The result was that apart from cane Balrampur did not procure

downstream raw materials from the market but could generate that from within – more from less – that inevitably translated into a superior return on gross block.

Balrampur made forward-looking investments in technology to enhance operational efficiency: a timely investment in the advanced cane variety made it possible to moderate the cane growing cycle that inevitably resulted in a lower use of water, chemicals and labour; an inter-cropping discipline coupled with new age cane variety enhanced productivity (more output from a given land area); the commissioning of an incinerator empowered the Company's distillery to extend operations from 270 days to 330 days a year.

And lastly, at Balrampur, we believe that compliances and clearances represent a license that keeps us in business. Our distillery plants are zero liquid discharge, our emissions are below statutorily prescribed limits and our products (ethanol and co-generation) are playing a direct role in moderating the carbon footprint of India and the world.

If you ask me where we go from here, my answer would be: stretch further through operational efficiency; enhance the circularness of our business (through resource balancing); enhance the proportion of revenues from products that moderate the global carbon footprint; explore the manufacture of new products that make the world cleaner.

This strategic direction, faithful to our 'More from less' positioning, will enhance our relevance in the modern world, make us integral to decarbonisation and enhance value for all our stakeholders.

Vivek Saraogi
Chairman and Managing Director

Balrampur's business complies with UN's Sustainable Development Goals

Natural Capital: Sustainable value chain

SDG's impacted

6 CLEAN WATER AND SANITATION 	7 AFFORDABLE AND CLEAN ENERGY 	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 	11 SUSTAINABLE CITIES AND COMMUNITIES 
12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	13 CLIMATE ACTION 	15 LIFE ON LAND 	17 PARTNERSHIPS FOR THE GOALS 

Balrampur expects to capitalise on positive realities to enhance sustainability

Government policies

An increasing number of governments are altering policies to increase the role of renewable energy and clean fuels, long-term carbon emission policies, tightening environment standards and punitive action for transgressors.

Market place dynamics

Markets are rewarding companies investing in clean technologies through higher market valuations, superior credit rating, longer debt tenures and lower debt cost.

Governance

A conventional focus on the 'what' of a company (revenues, profits and market share) is being replaced with the 'how' (ESG standards), inspiring responsible governance; carbon footprint reduction targets are acquiring as much corporate priority as profit in the pursuit of shareholder value growth.

Technologies

The emergence of digitalisation is translating into lower travel, lower resource consumption, replacement of finite resources with renewable or recycled alternatives and a lower environment cost

Consumer action

Consumers are seeking to buy recycled, low-polluting brands and turning from conventional to futuristic technologies

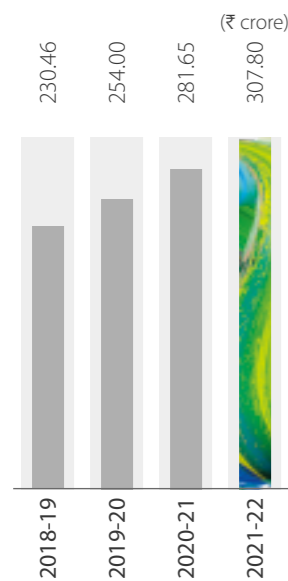
Enhancing stakeholder value

Value-added statement (₹ crore)

Particulars	March 2018	March 2019	March 2020	March 2021	March 2022
Income from operations	3,932.79	4,824.14	4,703.96	4,867.49	4,651.61
Add: Other income	27.72	42.75	38.55	33.45	47.91
Value added	3,960.51	4,866.89	4,742.51	4,900.94	4,699.52
Less: Cost of materials consumed	3,064.88	3,595.41	3,464.16	3,511.86	3,261.73
Less: Other manufacturing expenses	213.57	309.20	303.84	360.14	382.38
Equals gross value-added	682.06	962.28	974.51	1,028.94	1,055.41
Less: Depreciation and amortisation expenses	95.16	95.85	101.42	111.88	113.86
Exceptional items	-	-	-	-	52.74
Equals net value-added	586.90	866.43	873.09	917.06	994.29
Allocation of net value-added					
To Employees	209.79	238.36	265.70	281.65	307.80
To Government (via taxes)	121.78	33.37	53.43	168.27	190.83
To Bankers (via interest)	52.03	40.94	64.17	39.30	30.87
To Investors (via dividend)	58.76	57.11	55.00	52.50	51.01
To Investors (via buy-back)	99.00	-	147.67	180.00	215.24
To the Company (via retained earnings)	45.54	496.65	286.67	195.34	194.54

Employee value

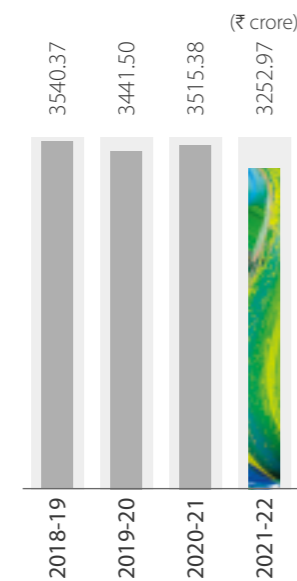
Employee benefit expenses



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

Farmer value

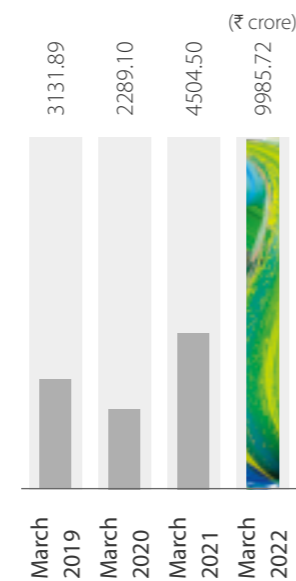
Procurement (sugarcane)



The Company procures a large quantum of cane, enhancing rural prosperity

Shareholder value

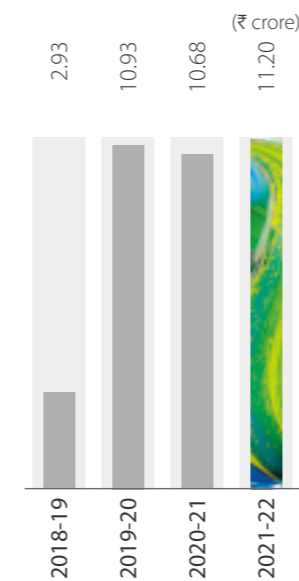
Market capitalisation



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

Community value

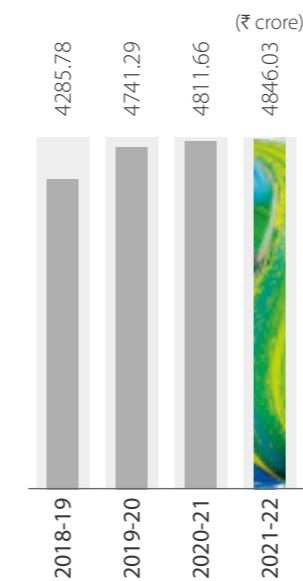
CSR expenditure



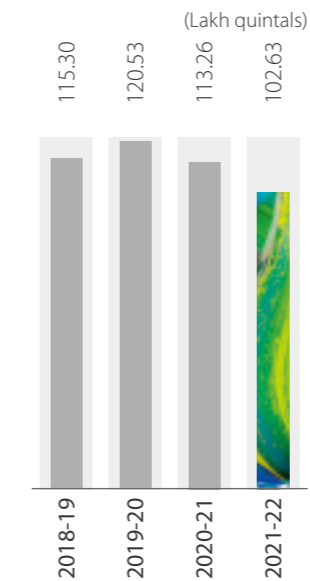
The Company enriched communities in the geographies of its presence through a complement of CSR programmes

Customer value

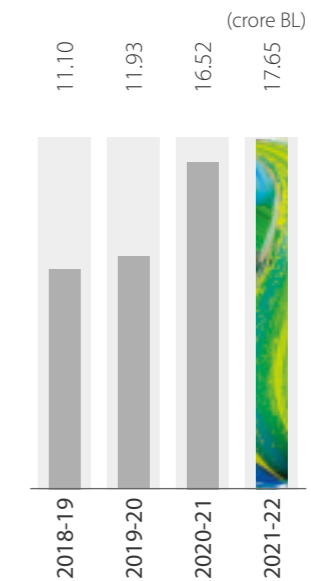
Revenues generated by the Company



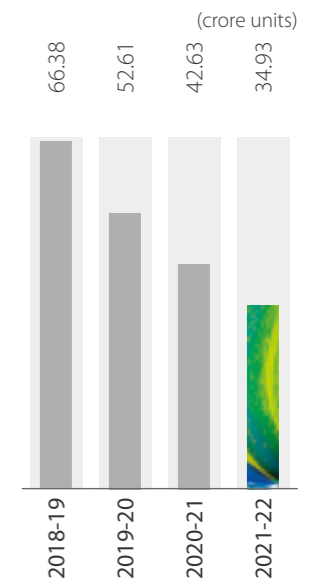
Quantity of sugar sold (domestic)



Quantity of alcohol sold



Quantity of co-generated power sold



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



Our economic impact

Salaries and benefits Value that our Company creates for our employees.	Taxes Value through our contribution to government exchequer in the form of direct and indirect taxes.	Interest, dividend and buyback Value for lenders and shareholders
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Social impact

Talent development Value through our training programs and other educational initiatives. This only includes the value created outside our Company	Social initiatives Value for our stakeholders through our social initiatives and inclusive businesses	Health and safety The main goal of safety and health programs is to prevent workplace injuries, illnesses, as well as the suffering and financial hardship for workers and their families
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Environmental impact

GHG emissions Reducing the emission of greenhouse gases	Air emissions Reducing emission of other potentially noxious substances	Water consumption Reducing the use of a scarce resource through the treatment of effluents and recycling	Net waste balance Reducing the impact of waste generated in our operations, thereby creating wealth
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Material issues impacting value creation

We analyse various environmental, social and governance issues impacting our businesses, value creation and stakeholders. These help us define strategic priorities, mitigate actions and better understand our effect on the environment and the stakeholders' impact on our value-creation.

Last year, we first created a bucket list of potential material aspects by analysing the material issues of peer companies, the Sustainability Accounting Standards Board (SASB) and Global Reporting Initiative (GRI).

As a part of the materiality process, the senior management of Balrampur

has shortlisted the material elements, prioritised and grouped them under four pillars: Empowering People, Responsible Consumption, Responsible Growth, Business Ethics and Sustainable Business Practices. This year, the materiality issues have been reviewed and the initiatives have been analysed to manage them.

Identifying material issues	Evaluating current status	Mapping ambitions	Identifying key action areas
<ul style="list-style-type: none"> Study of internal and external factors Product value chain and SWOT analysis 	<ul style="list-style-type: none"> Engaging with internal cross function team 	<ul style="list-style-type: none"> Revamping the strategy to align with all teams 	<ul style="list-style-type: none"> Prioritising the key areas into short, medium and long-term needs as per internal and external stakeholders' relevance



Our sustainability pillars

Empowering people	Responsible consumption	Sustainable farming practices
<ul style="list-style-type: none"> Training and education Health and safety Local communities Diversity and inclusions Labour practices 	<ul style="list-style-type: none"> Raw materials Energy and emissions Water and effluents Solid waste 	<ul style="list-style-type: none"> Soil health Modernising agri practices Research and development

PART FOUR

Balrampur and Environment Sustainability

An introduction to the sugar sector and need for sustainability



Risks in the sugar industry

Solids: Boiler ash, sludge and hazardous waste like cotton waste, oil and grease

Liquids: Plant effluents, process condensate, surplus from the sugar plant's spray pond, cooling tower, reverse osmosis rejects; distillery spent wash,

MEE condensate and blow down water (distillery)

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

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

Superior practices to mitigate impact

Efficient systems: Drip irrigation systems deliver water to the crop plant (surface drip) or root zone (sub-surface

drip) and are water-efficient, followed by centre-pivot systems, other sprinkler systems, furrow irrigation, and finally flood irrigation. The key lies in improving water productivity to match the irrigation system to the soil type, climate, farm management and affordability.

Increased efficiency: One of the main benefits of implementing better irrigation systems is increased water use efficiency, meaning that more water is available for other needs, such as those of the environment or communities; new institutional mechanisms may be required to share water saved in an equitable manner.

Reduced fertiliser use:

Recommendations on fertiliser use have been incorporated to provide guidance to farmers.

Integrated pest management: This combines biological control with appropriate physical, chemical and mechanical control to achieve a more holistic and sustainable approach to pest control.

Soil erosion prevention: A range of measures - trash mulching in cane cultivation, crop rotation, live barriers and modified (reduced or minimum) tillage have helped reduce soil erosion and improve soil quality.

Shifts: A shift from pre-harvest cane burning to 'green cane harvesting' (where the cane is harvested without being burned first) and 'trash-blanketing' (where the cane leaves are cut from the plant and left on the soil as a mulch while the stalks are taken away for processing) provide environmental benefits.

Lower pollution

Reducing fly ash production: Bagasse is dried prior to its use as boiler fuel, which increases the efficiency of burning and reduces emissions.

Reduced gas and odour production: Hydrogen peroxide, in place of sulphur

dioxide, has reduced air pollution with a higher quality white sugar product while requiring no new equipment.

Reducing effluent discharge: A range of techniques is available for treating sugar mill effluents, including the treatment of mill sludge with micro-organisms that accelerate decomposition.

Use of by-products

Soil conditioners and fertilisers: Filter press mud from cane mills is incorporated into soil as a conditioner and fertiliser. Bagasse has been used as a mulch to aid re-vegetation and stabilisation of denuded land on road verges and can also be used as an excellent substrate for mushroom cultivation, with the cultivation residue potentially used in animal feed.

Fuel production: Juice extracted from cane can also be fermented directly and the products distilled to produce alcohol for fuel (bioethanol), which results in lower air pollution than fossil fuels.

Electricity production: Sugar cane is processed to produce surplus steam and electricity from bagasse (skin of sugarcane) and is effectively 'free', effectively using the left over product.

Press mud biofertiliser: A phosphorous-rich byproduct from sugarcane mills helps overcome phosphorus deficiencies, which are common in countries like Pakistan and India.

Balrampur and its ESG commitment



Overview

Balrampur focuses on producing more from less, while minimising environmental impact. Balrampur manufactures sugar, ethanol, power (co-generation) and agro products. These products are inter-linked; the by-product or waste of one constitutes raw material for the other.

The Company's low-carbon approach enhanced resource and energy efficiency. The Company's captive consumption as a percentage of the total power generated

increased, reducing dependence on energy derived from fossil fuels.

The Company invested in modern technologies, practices, methodologies and standards.

The Company retained its position as one of the 'greenest' companies in India's sugar sector.

The subject of ESG is increasingly relevant to the Company's business for various reasons.

One, the nature of our energy products: Ethanol helps moderate air pollution while co-generation presents a cleaner alternative over fossil-fuel-derived energy.

Two, we are engaged in a social business, marked by engagements with around 5 Lakh farmers; as a result, our influence goes right down to the grassroots and supports income growth.

Three, a sustainable business can be only built through a stable and robust governance strategy.

A responsible environment-social-governance (ESG) ethic lies at the core of our business. We manufacture food and energy products; we mostly eliminate effluents and emissions that could have contributed to the air and water pollution near our plants.

The Company is a partner in the Government's pledge in COP26 for climate change, deepening its efforts in the area of emissions reduction.

Our environment component addresses our commitment towards consuming and manufacturing environmentally responsible or renewable resources, rationalising resource quantities, recycling waste, replacing fossil fuels with cleaner alternatives, strengthening the ecology of the locations of our presence and moderating carbon footprint.

The social component underlines the importance of investments in people,

organisational culture, customer relationships and community welfare.

The governance component articulates strategic clarity, ethical values, conduct codes, Board composition and alignment with UNGC principles.

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



PART FIVE

Balrampur's Environment Commitment

Our environment commitment



Balrampur's operations are woven around the 4R's (Recycling, Replacement, Reduction and Renewables). Over the years, the Company has strengthened its environment commitment through the following initiatives:

Co-generation: Our co-generation power plants generate power from the use of bagasse, a by product generated from the manufacture of sugar. The generation of 72.72 crore units in FY 2021-22 substituted the use of fossil fuel, reducing greenhouse gas (GHG) emissions.

Recycling: The Company utilised bagasse to generate power (used captively and 'exported' to the state electricity grid). It

reused treated wastewater, resulting in a zero discharge from factories. Most solid wastes were recycled as well.

Eco-friendliness: The Company actively manages bio-diversity and eco-system services. For example, it cleaned ponds near its manufacturing units and planted saplings to develop green belts; it provided organic fertilisers to villagers near its facilities; it recharged the ground water table near its manufacturing

facilities. The quantum of water saved or injected through these initiatives was almost equivalent to the Company's water consumption.

Equipment investment: The Company invested periodically in new equipment across factories to minimise emissions and embarked on a journey to replace its equipment, moderating obsolescence.

Value-creation

Environment management is an index by which companies are appraised for their value-creation capability. Companies competent in their environment management are perceived better by investors, enhancing market valuation.

At Balrampur, our competent environment management has been enshrined in a complete compliance with environment-related NOCs, consents, permissions, licenses and authorisations.

We are committed to reduce energy quantity, greenhouse gas emissions

intensity and graduate from legacy to clean processes.

We have articulated our direction, periodic milestones to be achieved, controls, environment management systems, due diligence and disaster planning cum response systems.

More specifically, we are committed to eliminate the transfer of any waste to landfills or effluents discharge while moderating water consumption intensity.

We invested in a knowledge-driven environment, employing subject matter experts. Our business is driven by processes, systems and information technology.

We are driven by a spirit of continuous improvement, examination of processes and materials with the objective to seek cleaner alternatives.

We mobilise resources that are procured proximately, moderating transportation cost and carbon footprint.

Our environment de-risking

Solids

- Bagasse-based fly ash is utilised by farmers; the material is also land-filled securely in low land areas
- The boiler ash from the spent wash incineration boilers (potash-rich) is used for the production of potash fertiliser through granulation units
- Sludge from the sugar effluent treatment plant, distillery process and condensate polishing unit is utilised as farm manure
- Cotton waste, oil and grease (hazardous) are incinerated in boilers

Liquids

- Sugar effluents are treated, recycled and used in irrigation
- Distillery effluent spent wash concentrate is used in MEE and incinerated with supporting fuel (bagasse)
- Colourless low polluted condensate is treated in condensate polishing units; the recycled water is used in the process; makeup water is used in the cooling tower and distillery for molasses dilution.

Air

- Air pollution control devices were installed in the bagasse-fired / slop-fired boilers to moderate dust particles generated from dry fly ash
- Wet scrubbers were installed in seven boilers in the sugar units having such bagasse-fired boilers
- Electrostatic precipitators were installed in four bagasse-fired boilers and three slop-bagasse fired incineration boilers
- Two incineration boilers comprised bag filters to control fly ash particles in the flue gases

Noise

- Personal protection equipment was provided for working in high noise areas
- A pre-biotic medical check was conducted to monitor worker health.
- An acoustic enclosure was created
- A silencer was attached with noise-creating equipment

Greening

- More than 1.5 Lakh trees were planted through the year to reduce CO2 emissions
- A mass plantation initiative was conducted on World Environment Day / Independence Day

Balrampur and how it has taken environment responsibility ahead

Overview

1

We replaced fossil fuels with waste-products like bagasse and spent wash to produce green power thereby reducing equivalent amount of Green House Gas (GHG) (earning Renewable Energy certificates that are purchased by entities that generate greenhouse gases).

2

We invested in environment-friendly equipment, helping convert press mud (waste) into potash, a rich fertiliser marketed through IFFCO, among others.

3

We installed a biological treatment base sugar vapour CPU unit in Kumbhi, achieving our target of zero ground water extraction.

4

We benchmarked operations with the best practices in the sector.

5

We drew cane into our units from within a 5-150 km command area; our logistics cost accounts for ~2.5% of our revenues.

6

We moderated the consumption of lime, sulphur, water, chemicals and electricity.

7

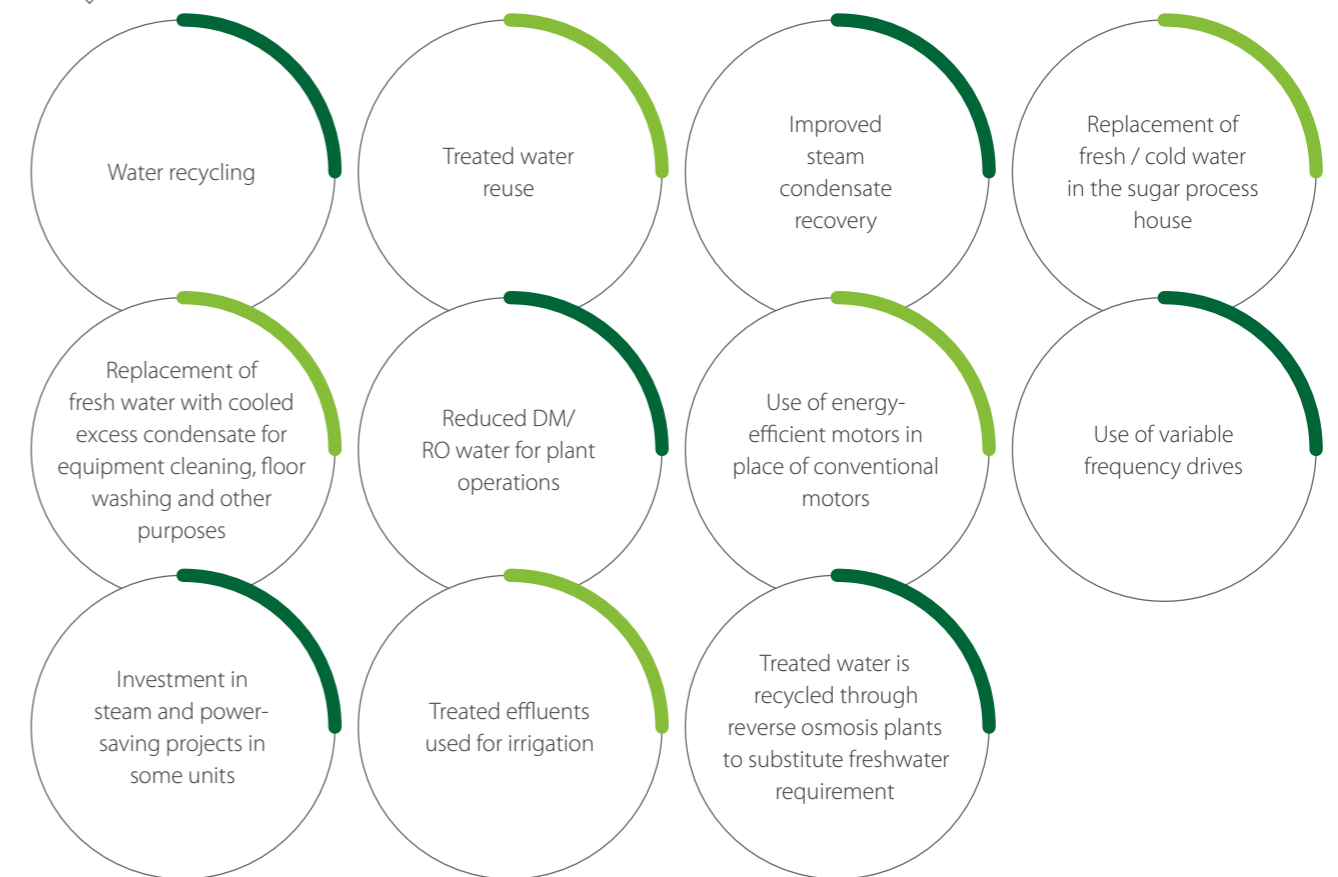
As part of our de-risking commitment, we got our Rauzagaon unit Bonsucro-certified. The Bonsucro Certification is internationally recognised and respected, offers a credible, metric certification process to demonstrate commitment to environment and social sustainability in sugar cane sourcing and sugar manufacture.

8

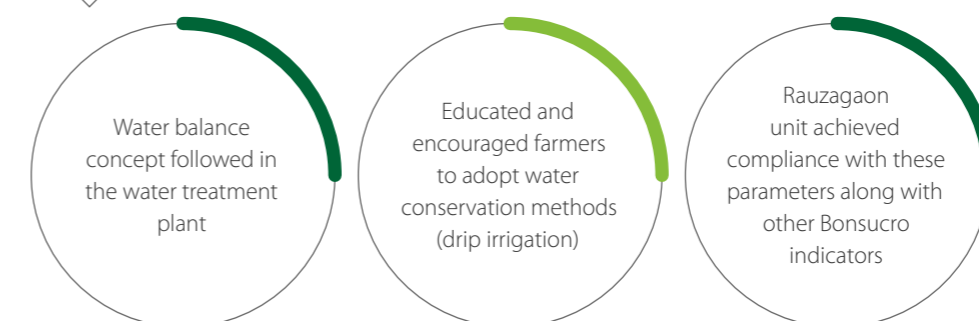
The Company's low-carbon approach enhanced resource efficiency. The Company's captive consumption of renewable energy, as a percentage of the total power generated, increased, reducing its dependence on fossil fuels.

Balrampur and responsible resource management

How we enhanced environment responsibility



Changes implemented for Bonsucro certification

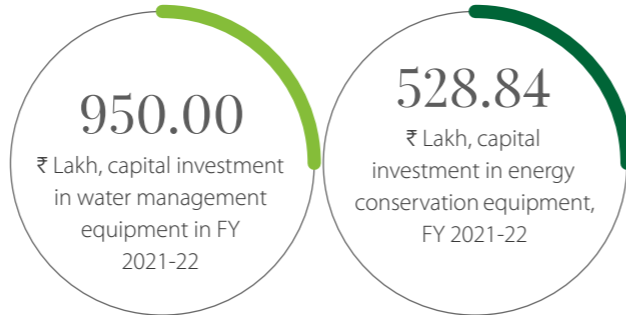




Investments, FY 2021-22

To strengthen long-term sustainability, the Company makes proactive and significant investments in multiple areas to moderate carbon footprint, water use and other factors. The Company committed ₹363 crore for the modernisation of its sugar infrastructure and the commissioning of two refineries.

Big figures



Initiative: Our responsible water management

The management and moderation of water is becoming increasingly critical not just within the sugar industry but for industries everywhere. The Company invested in equipment and technology to moderate water consumption. To target zero ground water extraction for industrial

uses in sugar and power, we installed a biological treatment base sugar vapour Condensate Polishing Unit (CPU) at the Kumbhi and Babhnan units on a pilot basis; we successfully achieved zero ground water extraction in both units.

We proactively invested in incinerator boilers in distilleries and made them zero liquid discharge plants. The sugar manufacturing plants are equipped with lagoons for treated water storage.

Groundwater drawal

Year	FY 2019-20	FY 2020-21	FY 2021-22
Litres per MT of cane	218	178	114

Water recycled

Year	FY 2019-20	FY 2020-21	FY 2021-22
Cubic metres	567813	488298	473437



Initiative: Our energy management

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.

Specific steam consumption (in MT)

Year	FY 2019-20	FY 2020-21	FY 2021-22
Per MT of cane	0.44	0.43	0.42

Initiative: Our effluents and emissions management

The Company is focused on wastage reduction and enhanced operational efficiency. The dry ice plant was set up to capture CO₂, which was being released during ethanol production and is being marketed to beverage companies, among others.

The Company invested in equipment for sustainable production and waste recycling. Following these investments,

the Company converted ash from the incineration of concentrated spent wash (waste) into water soluble potash-rich granules, a fertiliser import substitute for Muriate of Potash. BCML tied up with IFFCO for marketing bio-potash granules.

Fresh ground water used in the sugar process house was replaced with treated water (except for laboratory and drinking). Our non-hazardous waste decreased from

3.42 KG / MT in 2017-18 to 3.08 KG/MT 2021-22, i.e., by 10% in the last five years.

Similarly, water effluents emission reduced by 24% during the last five years.

For arresting air pollution, the Company installed control devices like wet scrubbers, electro static precipitators and bag filters in the bagasse-fired / slop-fired boilers.

	UOM	CPCB norms	All sugar units		
			Season 2019-20	Season 2020-21	Season 2021-22
Cane crushed	MT	-	10537157	8751707	8883136
Total effluents	Ltrs/MT	200	196.16	186.98	177.45
COD of discharge water	ppm	250	140.46	133.78	127.77
BOD of discharge water	ppm	100 for irrigation and 30 for surface water	21.5	18.44	19.22
TSS of discharge water	ppm	100 for irrigation and 30 for surface water	22.3	20.04	19.27
Liquid discharge from distillery	Zero	Zero	Zero	Zero	Zero
The particulate matter emission from boiler	Mg/ Nm3	150	80.7	76.64	68.51
Ambient air quality (Industrial and mixed)	Mg/ Nm3	83.6	14-16	18-22	18-22

Initiative: Enhanced green cover

The Company developed green belts through extensive plantations. The Company planted around 2,50,000

trees in three years and intends to plant 10,00,000 trees in the next five years. Tree plantation helps in green house reduction

as a mature tree, on a conservative basis, can reduce 10 kgs (22 lbs) of carbon dioxide (CO2) per year.

Year	FY 2019-20	FY 2020-21	FY 2021-22	Year	FY 2019-20	FY 2020-21	FY 2021-22
Trees planted by the Company	45700	50298	150137	Total afforested area (hectares)	15.93	63.55	108.05

Initiative: Award of certifications

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

- Production Standard for Smallholder Farmers;

- Bonsucro Production Standard
- Bonsucro Mass Balance Chain of Custody

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

Other Awards:

- Safety Hero Awards 2022 - Leadership award by G D Goenka University
- Best performing distillery for fresh water consumption and effluent discharge in season 2020-21 by Central Pollution Control Board, Delhi.

Achieving Bonsucro Certification : Our Environment commitment



Goal 6: Bonsucro practice ensures availability and sustainable management of water and sanitation for all



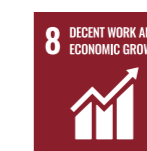
Goal 11: Sustainable use of terrestrial ecosystems by reducing GHG emissions



Goal 13: Take urgent action to combat climate change and its impacts



Goal 5: Bonsucro standards help achieving gender equality, empowering women and girls

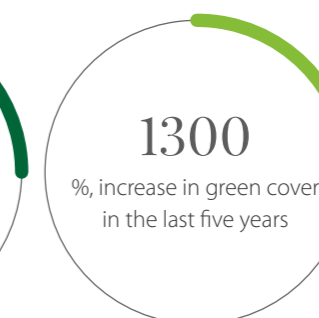
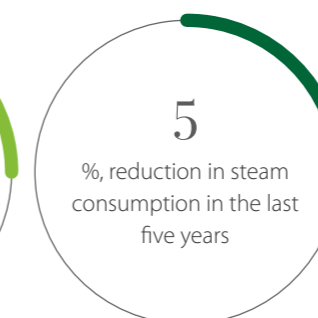
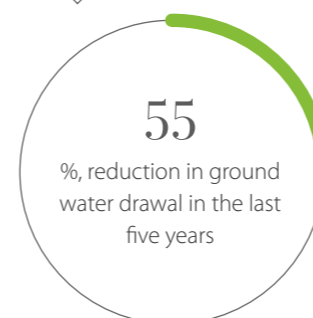


Goal 8: Bonsucro helps promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
Maintain strong attention in relation to grievance and redressal process.
Bonsucro promotes sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

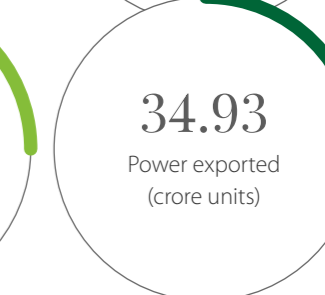
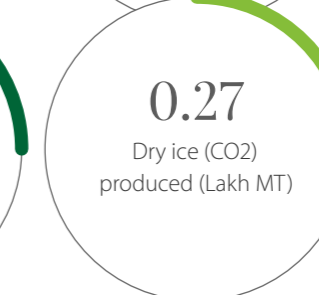
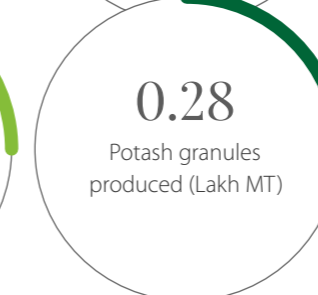
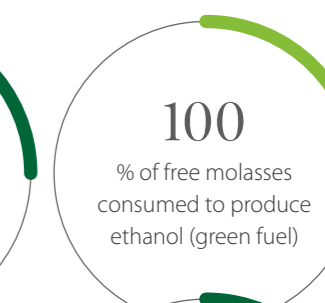
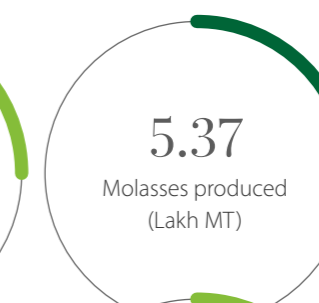
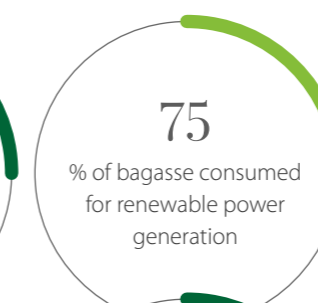
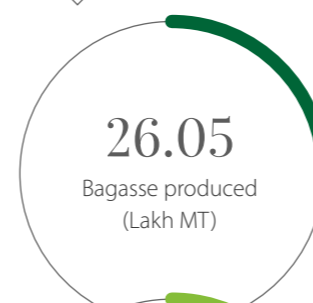


Goal 12: Bonsucro promotes sustainable consumption & production patterns

Big numbers



How we strengthened our integrated sustainability





PART SIX

Balrampur's Social Capital

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



Supply chain

Focus on building a stable eco-system	Provide room for sizable multi-year growth	Engage vendors with a respect for systems and processes	Engage in a spirit of partnership (over mere vendorship)	Hand-hold vendors in capacity building (knowledge, technology and capacity etc.)	Ensure competitive purchase costs against sizable purchases
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Customers

Focus on customer retention, growth and rising wallet share	Engage customers into the long-term around secured terms	Enhance revenue visibility and predictability	Provide customers with a superior value proposition	Provide customers with the next generation of services	Empower customers to focus on their core competence
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Communities

Focus on building communities towards self-empowerment	Self-empowerment to reflect visibly in profitable livelihoods	Address relatively unmet community needs	Hybrid engagement format – direct involvement and through specialised NGOs	Invest in documentation, enumeration and benchmarking
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Employee management



Overview

Balrampur Chini Mills Limited recognises human capital as one of its most critical factors for sustainable competitive advantage. With the future clearly focused on product diversification and more process automation, talent acquisition, management and development is likely to partner business and strategy to yield productive results.

The Human Resources processes at BCML endeavor to sustain teamwork, skill and competence development with the objective to make BCML a Great Place to Work (as per the official recognition of the same name). As a validation, 61.84% of the Company's employee strength was associated with the Company for more than ten years.

Our HR policy

The HR policies at BCML are aligned with the business goal and embrace people-centric processes. Vehicle Policy, Furniture Policy, Medclaim Policies, Mobile (handset/ monthly mobile bill) Reimbursement Policy, Accident Insurance Policy and Workmen Compensation Policy are some key employee benefit policies at BCML.

Our HR practices

Talent acquisition: Comprises responsible screening, multi-layer selection, background checks and cultural compatibility checks

Performance management: Includes competence and behaviour-driven performance management system; key result areas are linked to business targets; fair and unbiased appraisal.

Training and talent development: The training and talent development function encompasses a structured training need identification process, budgeting, training delivery by internal and external experts, internal knowledge sharing programs as well as a learning indicator based structured training effectiveness analysis process. With the long-term objective of creating an internal leadership pipeline and talent pool, the talent development function includes a graduate engineer trainee/ graduate trainee policy as well as HiPOT (High Potential) development process.

Our HR strengths

Leadership: The Company is respected as a stable, responsible and respected

employer, the preferred employment choice in India's sugar sector

Responsible: The Company invested in safe and responsible work practices that enhanced operational safety in and around its manufacturing premises

Automation: The Company invested in automation and digitalisation with the objective to enhance process predictability and productivity

Enhanced employee lifestyle and comfort: The Company invested ₹120 crore for the development of housing infrastructure and colony for employees.

Balance: Total employees were 6350 as on 31st March, 2022 with an average age of 45 years; retention was over 95.39% in FY 2021-22.

Occupational health & safety: The Company developed an integrated health and safety procedure; developed protocols/ SOPs to reinforce the Safety Management System; provided 1500 person-days of training on occupational health and safety; introduced flexi-work model during the pandemic and conducted periodic testing, isolation support and vaccination

Big numbers



Our culture of 'Stretch'

Employees relate their first-hand experience of working at Balrampur Chini Mills



"One of the reasons behind the success of Balrampur is teamwork. Some months ago, there was torrential rain in Uttar Pradesh, marked by water logging and project bottlenecks. The Unit Head reached out to the corporate team for help. Timelines were tight on project implementation; a task force was established. The corporate team in Lucknow reached out to the UP administration for timely water evacuation. The corporate technical team engaged with the vendor for accelerated plant delivery and erection. The HR team was galvanised to accelerate recruitments. A crisis got the best out of us and the plant was commissioned on schedule."

P. Sandeep, Senior General Manager, Human Resources



"At BCML, we prioritise execution; the whole team is passionate about timely and effective project implementation. The Company follows a hands-on approach, marked by seamless information flow. Last year, BCML embarked on an ambitious 2.0 journey where all equipment obsolescence would be replaced for H500 crore, a plan prepared after detailed deliberations of three months; the internal corporate team fine-tuned it for another month; the senior management cleared this in less than a week. This is how we work: patience and prudence in approach, agility in responsiveness!"

Vinay Khanna, Head-Operations



"There is always a gap between the unit and leadership teams in most companies. This is where Balrampur is different; the cohesiveness between the unit team and leadership team makes Balrampur an outperformer. In 2016, we expanded Babhanan unit distillery from 60 kilo litre to 100 kilo litre per day utilising available technologies that were at a nascent level, encountering hurdles. Rather than respond with 'Lage rahiye', the management responded with capital infusion as opposed to blaming unit members for incompetence."

M.K. Gaur, Additional General Manager, Distillery



"We once promoted a head of department (HOD) to a unit head position. In that unit, there was a project that had been conceived but not implemented. Lot of support and handholding was provided to the incumbent so that he could deliver. In another incident, a relatively junior employee delivered results better than expected. He was made in-charge of that assignment. We got things done with minimum resources."

Rohit Bothra
President, Taxation and strategy



"In 2015, when the industry was suffering from losses, we commissioned advanced incinerator boilers. The Company invested ₹200 crore with no visible return on investment at that point in time. When this became a mandate across the sector, we were the first to reap the benefit as the incinerator boiler helped us utilise the distillery capacity also during the monsoons."

Pramod Patwari
Chief Financial Officer



"Around 10 years ago, sugar recoveries declined sharply in our Gularia unit. The management undertook steps to understand problems and implemented good farming practices. The result: within two years, the Gularia unit had rebounded to among India's leading sugar units in terms of recoveries."

Pramod Patwari
Chief Financial Officer



"Even though Balrampur does not have the largest crushing capacity in the sugar sector, it is the most profitable Company. The Company is the largest in terms of payout to shareholders. I don't think any other company in the agricultural space has done five share buybacks in five years."

Pramod Patwari
Chief Financial Officer



"I joined the Company as General Manager, Taxation. The management observed my interest in HR and empowered me to strength the HR department. We now have a full-fledged HR team and it all happened because the management empowered one individual to begin with. The management provides a free hand to employees to explore, decide and deliver (with checks and balances)."

Rohit Bothra
President, Taxation and strategy



"The Balrampur management is a caring one. If there is a problem in the family and someone needs to be hospitalised or any monetary support is required, the employee's problems become the management's problem. When a few members went through surgeries, the management helped immediately. This is the confidence with which one works here: the Company will always be there to support during adversity."

Manish Purohit
Vice President, Cane operations

Digitalisation



Overview

At Balrampur, digitalisation helps moderate resource consumption and enhances outcome efficiency, the base of generating more from less.

The Company implemented SAP ERP to replace an indigenously developed accounting software in 2014. The replacement created a common platform, strengthening systematic uniformity cum efficiency, moderating manual intervention and related costs / time.

Transformation

- Migration from desktop applications to mobile applications in cane function.
- Migration from On Premise SAP ECC to SAP S/4 HANA
- Deployment of DR Services

Strengths

- Proprietary skill across technologies like Android and SAP, among others

- Core strength in the ability to implement technology advancements cost-effectively

Highlights, FY 2021-22

- The Company invested around ₹5 crore in digitalisation
- Improved network security through a two-factor authentication process
- Migrated from MS Office to MS 365
- Upgraded ILL B/Ws to improve internet speed and service quality.
- Deployed mobile applications that facilitated real-time data capture
- Implemented VPN facility that ensured a safe, encrypted online connection for employees working from home

Outlook, FY 2022-23

Proposed extension of the Balram app to one million farmers

Our Health commitment



Overview

Balrampur prioritises the health of those engaged in its eco-system, comprising employees, farmers, vendors, community members and trade partners. The Company prioritised activities and processes that did not compromise health and well-being. During the pandemic, the Company prioritised distancing among employees and use of personal safeguards. The Company monitored activities in the sugar packing area, ethanol dispatch area, bagasse yard and ash collection area. It advocated the use of personal protection gear in areas that generated loud sound (boiler and turbines) and in areas that handled hazardous chemical substances.

Social distancing

- Promoted regular hand washing and sanitisation.
- Introduced daily thermal scanning for employees entering the factory
- Conducted periodic health checks

- Instituted training and awareness programmes

Employee discipline

- Advocated masks and safety goggles for those working in bagasse and ash yards to suppress material dispersal
- Advocated ear plugs and earmuffs for employees in high sound areas.
- Advocated personal protection equipment with knowledge of MSDS.

Employee welfare

- Organised free medical camps in all units, supervised by specialists from reputed hospitals
- Instituted a Medclaim Policy to cover employees and families

Education support

Provided education support till graduation to the children of blue-collar workers deceased due to COVID-19

Monthly monetary support

Provided monthly monetary support for three years to the spouses of blue-collar workers who passed away due to COVID-19 for three years

Infrastructure support

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

Outcomes

The Company eliminated hazards in factory pockets engaged in sugar packing, fly ash generation, bagasse leakage and high noise through periodic health checks and regular attendance (correspondingly lower instances of leave without pay).

Our safety commitment



Overview

At Balrampur, the subject of operational safety is critical across the following interventions: operation of rotary equipment, boiler and TG operation, working at heights, temperature working (welding and cutting), sugar and alcohol loading, excavation, electrical maintenance, acid and chemical handling as well as static electricity generation. As with any industrial activity that involves manual labour, there could be possibilities of injuries, accidents and equipment breakdown.

Over the years, the Company maximised safety through proactive measures and safeguards. The Company responded to the subject through strategic interventions: creation of an enunciated policy on the subject, priority by the Board on the subject, awareness building, team composition, structure and engagements 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 the observation of an Annual Safety Week.

The tactical initiatives taken by the Company comprised safety education and training, precise and documented allocation of employee responsibilities, formal work permit system, elaborate policies on safety precautions, maintenance of incident / accident reports, compliance related to personal protecting equipment, use of relevant signage across manufacturing locations, implementation of a Do's and Don'ts Policy, creation of 'Restricted Areas' to eliminate unauthorised access, maintenance of material safety data sheet signage at the required locations, imposition of penal provisions for unsafe acts, investment in a comprehensive

fire safety system, creation of a detailed emergency evacuation plan, periodic mock drill for fire control and emergency evacuation, periodic structure audit to address/attend observations with speed and a periodic safety audit.

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

Recommendations

- Enunciated policy
- Focused importance
- Board priority
- Awareness building / Communication

- Team composition
- Focused team structure
- Team engagement with the rest of the Company
- Periodic reporting to stakeholders (internal and external)
- Prudent and timely recruitment
- Training intensively and extensively
- Conduct mock drills
- Investing in suitable infrastructure
- Investing in safety equipment and apparatus
- Observe an annual Safety Week

Initiatives

- EHS Policy and Safety Manual revised
- Formed EHS Committee, meeting periodically to address safety challenges
- Regular EHS training programs to enhance safety competencies
- Formed Safety Committees.
- Appointed corporate EHS Head
- Prepared safety MIS; circulated internally
- Conducted periodic on-site and shop-floor training.
- Appointed Safety Officers

- Presented safety performance each quarter
- Conducted periodic training
- Conducted monthly mock-drills
- Ensured highest safety standards during erection (proper stair heights, railing illumination, guards etc.) coupled with a structural audit
- Provided safety equipment (safety shoes, helmets, aprons, gloves, ear plugs and goggles etc.)
- Observed an annual Safety Week (4 to 10 March) comprising safety competitions (safety slogans, sketches and essays)

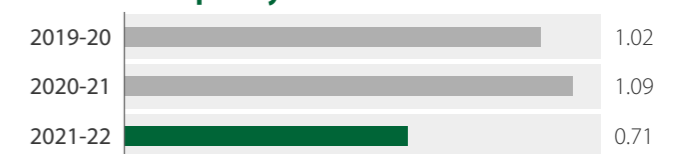
Lost time due to injuries performance, FY 2021-22

Unit name	Near miss 2020-21	Near miss 2021-22	LTI record		
			2019-20	2020-21	2021-22
Balrampur	19	13	3	4	3
Babhnan	0	9	0	0	0
Tulsipur	13	1	1	2	0
Haidergarh	0	1	0	0	0
Akbarpur	6	22	2	2	0
Rauzagaon	6	0	1	1	0
Mankapur	22	13	4	3	2
Kumbhi	3	8	4	3	2
Gularia	5	21	2	3	2
Maizapur	0	16	0	0	2
Total	74	104	17	18	11

Accident frequency record

Year	Accident (LTI)	AFR
FY 2019-20	17	1.02
FY 2020-21	18	1.09
FY 2021-22	11	0.71

Accident frequency rate



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

Our safety certifications

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

Our Corporate Social Responsibility



Overview

The Company's CSR vision is 'to contribute for bringing social and economic change to the underprivileged sections of the society in an equitable and sustainable manner and to contribute for livelihood enhancement initiatives for the weaker sections of the society. In doing so, we believe that we are contributing to develop the quality of human life and making a better India.'

Over the years, BCML has enriched the lives of communities through sustainable livelihoods, promoting education, healthcare, sanitation and developing of rural infrastructure in regions of Uttar Pradesh (where all its manufacturing facilities are located) where the human development index is low compared to the average Human Development Index.

The CSR programmes have focused on sustainable development in and around the ten units/plants of BCML across Eastern and Central Uttar Pradesh. Its goal is to promote livelihood empowerment, education, healthcare and wellbeing, community development, and environment and sustainability in 4148 villages around BCMLs units.

The emphasis of the CSR interventions is on the holistic development of society, individual well-being and ensuring a conducive environment for future generations. The program's impact reached marginalised communities in the target areas. Due to project interventions, increasing trends were seen in farmers' average income over the previous year, student attendance in schools, the number of patients in health centers and

public gatherings in community spaces. Though challenges were identified in timely technology sharing and extending the program coverage in all target areas, people benefitted significantly through these interventions. They expressed a desire for these interventions to be continued.

The bulk of CSR activities in Uttar Pradesh was conducted through Balrampur Foundation under the Nayi Umeed Project to enhance the productivity of rural Indian lives.

The Company also partnered with respected agencies like National Skill Development Corporation (NSDC) of Government of India, Agastya Foundation, Purkal Youth Development Society and others in achieving its CSR objective.

CSR aligned with sustainable development goals



Our CSR spending

Year	(₹ in Lakh)
FY 2021-22	1119.67
FY 2020-21	1067.55
FY 2019-20	1092.89
Last 3 financial years	3280.11

BCML's CSR focus

Sustainable livelihoods and women empowerment

- Improve the economic and social status (farmers and women) in Uttar Pradesh
- Provide capacity building (with training)
- Provide support for increasing livelihood opportunities.

Quality education

- Empower the next generation by facilitating their growth and promoting skill development among the youth
- Build a better learning environment by renovating government schools, providing infrastructure support and teaching aid equipment, mobile science labs and skill development programs
- Provide safe drinking water, sanitation facilities and playgrounds

Healthcare and wellbeing

- Make medical services accessible (oxygen plants, health camps, antenatal child care centres and community healthcare centres)
- Providing medicines and medical equipment

Community development

- Improve basic rural amenities
- Provide streetlights, groundwater recharge structures, sanitation and improve community spaces etc.

Environment and sustainability

- Contribute to sustainable development and environmental protection
- Promote renewable energy resources
- Plant trees

BCML's CSR impact

340 **10,00,000+** **5500+** **3,00,000+**

Communities/ villages impacted by the CSR project intervention

Individuals benefitted from the services provided to the community

Farmers receiving farm equipment

Beneficiaries across 10 villages of 200 solar street lights installed

10,000 **40,000+** **40,000+**

Individuals benefitted as women entrepreneurs who received livelihood training not only contributed to their household earnings but also created more entrepreneurs

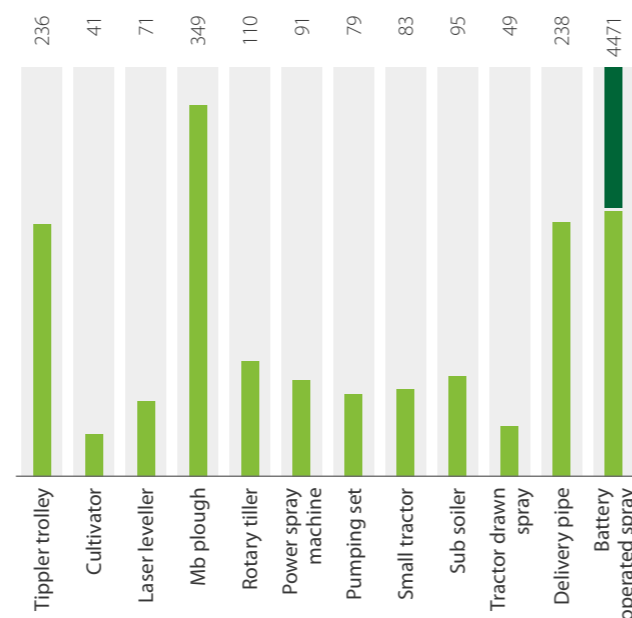
Patients benefitted through health care interventions

Students benefitted from 790+ visits of mobile science lab to 81 schools. In addition, 30+ schools received support for improving their infrastructure

Sustainable livelihood and women empowerment



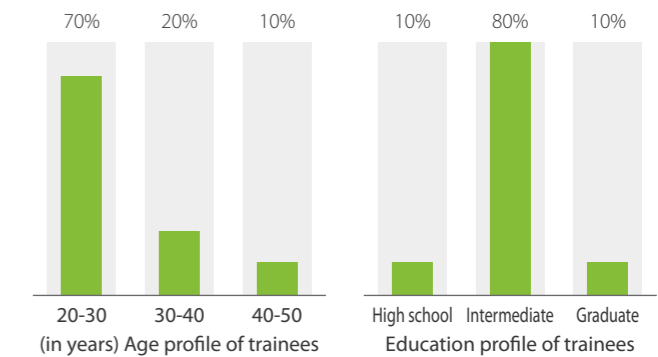
Agricultural equipment distributed among farmers



The project's goal was to reach as many farmers as possible among the 5,21,471 farmers in the 4,148 villages. According to the Impact Assessment Report, it benefitted approximately 5886 farmers who received 5,930 pieces of agricultural equipment. The 1,412 farmers who participated in the Impact Assessment survey received 1,458 equipment. Sprayers, plows, tillers, cultivators, levelers, tractors and trolleys were distributed for farm use. These allowed for the mechanisation of farming practices as well as an increase in farmer returns. As a result of increased productivity and diversification of economic activities, even marginalised farmers can increase their income. There has been a 39.6% increase in household income.



Silai school / training centers



BCML, through Balrampur Foundation, partnered Usha International Limited to develop entrepreneurs in sewing. The identified individuals were provided 7-day or 2-month training in operating a sewing machine, stitching and running a sewing school. Balrampur assisted certified women in securing employment and starting their own Usha Silia school. This program addressed 1000 people in 35 villages and 35 centres.

Benefit reported by trainees



Community development

The community's project goals included improving the rural population's social situation. Its mission was to transform people's lives to achieve mutual development and social and environmental sustainability. In 176 villages surrounding the manufacturing units of BCML, initiatives were implemented to improve societal welfare and measures to address long-term social, economic and ecological challenges.

Activities geared for the community development were designed to impact areas of water harvesting, waste management and sanitation, affordable clean energy, internal road development, construction of buildings, services for the

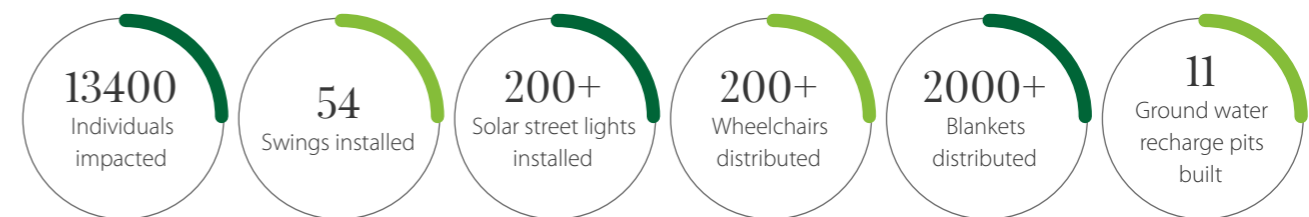
disabled and poor, skill development, and plantation.

These categories, along with health, education and agricultural development are the primary indicators of community development. This project reached over 10 Lakh people and improved their living conditions through its interventions. BCML implemented several rural and agricultural initiatives to improve the living conditions of the farmers and their families in alignment with SDGs 6, 7, and 11.

Solar street lights have been installed in various locations of villages. These have benefitted more than 30,000 individuals by improving night-time street visibility.

For use inside the house, various solar lamps were provided to the families. These were very useful to them in the absence of an electric supply. Adults can complete household chores while children can study at night using these lamps. Some school kids also received solar lamps.

The villagers are encouraged to adopt good practices for hygiene in their daily activities. Meetings and training were conducted on the importance of safe toilets and waste management practices. Dustbins were installed and toilets were built for community use. Sanitary napkin dispensers were installed in schools and health centres to promote better menstrual health among women.



Improved community spaces



The inauguration of a temple at Rudrapur

- 50-year-old temple was in a dilapidated state
- BCML renovated and restored
- Adorned temple floors with tiles; concretised the pathway.

Animal welfare in Rasulpanna

- There was a challenge related to stray cows when their productive years were over
- These cows fed on crops
- Increased cowshed population enhanced the need for food storage space
- BCML established a godown to store 50 quintals of feed stock for 169 cows.

Assistance to a delivery centre in Diwantand

- The delivery centre was not maintained for years
- BCML renovated the infrastructure with beds, weighing machine, tables, water cooler and solar lights
- Improved facilities enhanced patient attendance by 80%

Assistance to a delivery centre in Dharmapur

- The building of the delivery centre was in a dilapidated state
- The facility was attended by a handful of patients each day
- BCML tiled the floor, repaired the building and added furniture
- Patient inflow doubled

Improvements in a health centre (Samudik Swastha Kendra, Bijua)

- BCML installed an X-ray machine
- Rest room was created for patients travelling from long distances
- Beautified a park beside the hospital building; installed solar lights outside

Quality education



Interventions in quality education included projects ranging from primary school to employment. These interventions aimed to provide basic facilities in schools and colleges on a par with nearby private schools. BCML's CSR project provided funding for innovative teaching equipment, digital literacy, skill development, mobile science labs and other projects. These would also allow all children, particularly those from low-income families to receive a quality education and develop an interest in science and technology.

Infrastructure development

Improvement was made in the education and infrastructure of government schools surrounding seven BCML plants (Mankapur, Gularia, Akbarpur, Rauzagaon, Balrampur, Tulsipur and Babhnan).

BCML has assisted 33 schools, 35 skill development centers, two inter colleges, two Industrial training institutes, and 1- degree college in improving their building infrastructure.

BCML has taken initiatives to revive knowledge of Sanskrit. For this it is supporting two Sanskrit schools: (1) Adarsh Sanskrit School, Lakhimpur-Kheri and (2) Late Smt. Chandarkala Sanskrit Vidyapati and Devkali.

Mobile science lab

To promote science-based education among school students, BCML provided four mobile science labs to underprivileged students with well-equipped scientific tools and learning material. These labs visited secondary government schools as a traveling laboratory for hands-on activities of science and technology.

792

Schools visits were made by mobile science labs

13000+

Registrants in the learning and participation program

Other interventions

BCML also installed swings in playgrounds, sanitary pad vending machines for menstruating girls and women, renovated toilets and provided school computers.

17

Students of Bal Adarsh Vidyalaya, Balrampur passed with distinction in Uttar Pradesh board higher secondary exams. This school had received infrastructure support and behaviour change communication programme support.

Healthcare and wellbeing



The goal of the CSR program in the healthcare sector was to ensure the provision of high-quality medical services that were affordable to all. Residents in the target areas rarely visit government health centres due to a lack of medical facilities and poor infrastructure.

BCML's CSR project assisted government health centres by improving their existing infrastructure and providing medical supplies.

Gularia, Babhnan, Balrampur and Haidergarh are the four BCML units where medical services have been improved. Three ANM units were renovated and refurbished while building support and medical services were provided to several other health centres.



Oxygen plants installed

Following the second wave of the COVID-19 pandemic, BCML has installed two oxygen plants at district health centers in Balrampur and Barabanki districts. After installing these plants, COVID-19 patients received an immediate oxygen supply from the facility. Patients in the surrounding areas will also benefit from this assistance.



Improvement in the conditions of ANM, PHC and CHCs

As per a beneficiary and Head of the ANM center, the earlier condition of the center was deplorable. The electricity and drinking water availability were problematic. Animals and snakes could enter the center and made their nests/shelters inside. Because of these problems, ANM and other staff could not stay at the center regularly, and locals did not get medical assistance when needed. After the renovation of the building, most of these problems were addressed. ANM stays at the center and patient visits have increased to 100 people per month.

Environment & Sustainability



BCML, through Balrampur Foundation, promoted plantation in community spaces. It involved students, farmers and others in plantation drives. More than 1,50,000 saplings were planted to ensure greenery in the future in the region. This amounts to the effective afforestation of 50 acres of land.



Water security and ground water recharge

The availability of clean and safe drinking water is a fundamental right. BCML's CSR interventions directly benefited over 2000 people by increasing access to water. Several others will be aided by groundwater recharge pits constructed by BCML and ponds renovated and maintained by BCML. This helps achieve SDG6 goals.

Project Nayi Ummeed with Balrampur Foundation

Project Nayi Ummeed endeavours to improve rural life quality through knowledge, tools, technologies, services and awareness, guided by 5Es (Empowerment, Education, Engineering, Energy and Environment).

Empowerment: Makes women entrepreneurs by giving them equipment and requisite training in association with USHA International so that they can establish USHA Silai School and empower other women in the village.

Makes farmers self-sufficient through knowledge leading to improved agricultural practices (crop diversification and increased yields)

Engineering: Enhances technology use (tools and techniques) that improves yields, soil quality, water consumption efficiency and supplementary income.

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

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

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

Turning a local school around

The government school in Gularia faced a challenge in deficient school infrastructure. Animals roamed the school grounds; school property was at risk of damage and theft. This resulted in students absenting themselves, coupled with declining enrollments as parents transferred their children to private schools.

Balrampur Foundation approached the school in 2021 with the offer to improve its infrastructure. The Company, through Balrampur Foundation, renovated classrooms, wiring, fans, floors and boundary wall. The provision of benches, desks, tables, chairs, and cupboard enhanced the learning environment, reducing the dropout rate. A well equipped playground was also created for the holistic development of children.

Student turnout has begun to increase; the school is beginning to turn around into an academic hub.

Strengthening health care

Shilpi Devi of Bijya village faced a challenge.

She found it difficult to afford a private hospital for her delivery due to poverty. The ANM center was not equipped and lacked basic facilities in a crumbling building.

The Company, through Balrampur Foundation, contributed to maternity health care and renovation of the ANM center. Pregnant women can avail of medical care facilities within a short distance from their homes.

The ANM center has provided accessible and affordable healthcare, especially for economically weak families.

Shilpi Devi delivered in the renovated environment and went home relieved and smiling.

She credits Balrampur Foundation for ensuring accessible and affordable maternity benefits for the village womenfolk in the vicinity.

Qualitative transformation of our interventions

Stronger academic engagement

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

Improved agriculture practices

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

Better health care

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

Cleaner environment

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

Mobile Science Lab Project with Agastya International Foundation

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

Understanding astronomy countered superstition

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.

Yuvraj, student of class 8, UPS Sirsa, Nawabganj, Gonda

Carving out an entrepreneur

Farmer Ragbeer graduated from Lucknow University with a Masters of Science degree. His father owned a 150-bigha plot in Banarki village. He began preparing for a competitive examination for a government job but circumstances required him to remain at home with his parents. During this period, he took up farming and started a small business.

Since the business was not profitable, his confidence was impacted. Balrampur Foundation stepped in.

The Foundation provided agriculture support. Ragbeer began to devote his entire time to farming. Yields improved; he reported a profit and proceeded to lease an additional 30 bighas.

Ragbeer claims, "Balrampur Foundation enabled me to become self-sufficient. I am now my own boss, reporting to no one."

Helped strengthen science understanding

Princy's father works as a security guard; her mother is a homemaker. Princy has been attending Agastya sessions since class six at school. "A science fair by Agastya used a model of the skeletal system to explain the function of bones and other organs. For the first time, I could see and touch the internal parts of a human body," says Princy. "Agastya sessions increased my interest in learning as the previous method was boring. During the pandemic, Agastya's instructor engaged me through online sessions. Attending sessions through Google Meet was a new experience. My science knowledge improved as a result. I can relate my science knowledge to the everyday phenomena around me." Princy aspires to become an IAS officer.

Princy Mishra is a student of class 9, Valmiki Inter College, Nawabganj, Gonda

From theory to practical learning

Minakshi's 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. "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.

Minakshi Tiwari, class 9, Aadarsh Vidhyalay, Bhagwatiganj, Balrampur

Our Governance commitment

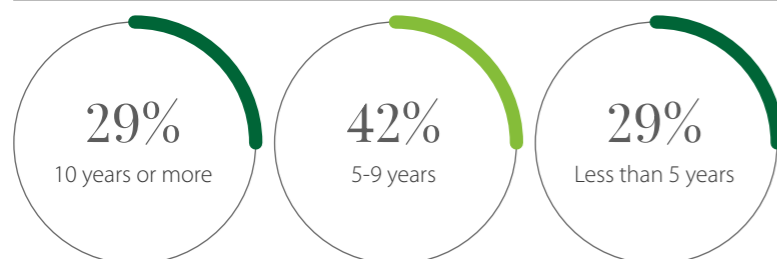


Our Board of Directors

Composition of the Board



Board seniority



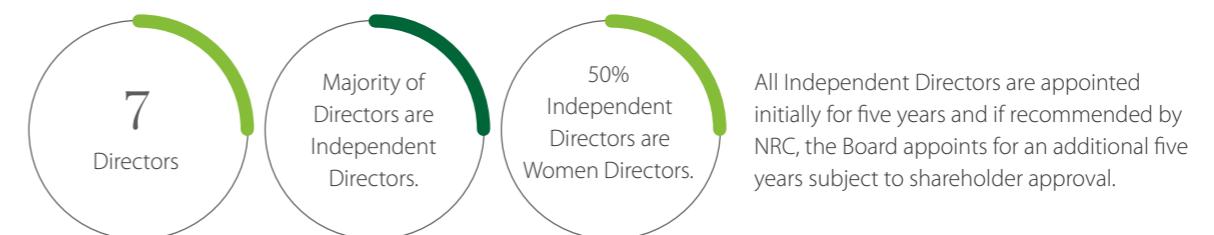
Board Committees

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Executive Committee
- ESG Committee

Core skills / expertise of Directors

- | | |
|---|---|
| Technical skills/experience <ul style="list-style-type: none"> ▪ Accounting and Finance ▪ Information Technology ▪ Statutory Compliance ▪ Risk Management ▪ Business Planning and Strategy ▪ Auditing ▪ Human Resource Management ▪ Engineering and Technology ▪ Corporate Affairs ▪ Agri Research & Development | Industry knowledge/experience <ul style="list-style-type: none"> ▪ Industry experience ▪ Industry knowledge ▪ Understanding relevant laws, rules, regulation and policy economics |
| | Behavioural competencies <ul style="list-style-type: none"> ▪ Interpersonal relationships ▪ Leadership |

Overview



Committees chaired by Independent Directors

- Audit Committee
- Nomination & Remuneration Committee
- Stakeholders Relationship Committee
- Risk Management Committee

Governance Policies

- | | | |
|---|---|---|
| <ul style="list-style-type: none"> ▪ Code of Conduct ▪ Whistle Blower Policy ▪ Anti-Bribery Policy ▪ Selection & Remuneration of Directors, KMPs & other employees Policy ▪ Board Diversity Policy ▪ Environment-Health-and-Safety (EHS) Policy | <ul style="list-style-type: none"> ▪ Prevention of Sexual Harassment Policy ▪ Code of Fair Disclosure ▪ Code of Conduct for Insider Trading ▪ Related Party Transaction Policy ▪ Policy for Determination of Materiality of events/information | <ul style="list-style-type: none"> ▪ Business Responsibility Policy ▪ Cyber Security and IT Policy ▪ Risk Management Policy ▪ Corporate Social Responsibility Policy ▪ Succession Policy |
|---|---|---|

Directors' experience

Year	FY 2019-20	FY 2020-21	FY 2021-22
Number of collective years of working experience brought to the Board by all Directors (years)	281	264	244
Number of collective years of Director-level experience brought to the Board by all Directors (years)	145	150	130
Number of collective years of Director-level experience within the Company brought to the Board by all Directors (years)	69	72	74

Our Board of Directors



Mr. Vivek Saraogi

Chairman and Managing Director

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



Mr. Dinesh Kumar Mittal

Lead Independent Director

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

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



Mr. Naresh Dayal

Non-Executive Non Independent Director

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



Mr. Krishnava Satyaki Dutt

Independent Director

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



Ms. Veena Hingarh

Independent Director

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



Ms. Mamta Binani

Independent Director

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



Mr. Praveen Gupta

Whole-time Director

With 40 years of work experience of which 14 have been spent with Balrampur Chini Mills Limited (BCML), Mr. Praveen has spearheaded operations, expansion and new technologies implementation in various leadership roles. Quintessentially a people's person, he has led consensus driven growth across categories and organisations. He has been essaying a chief role in the ongoing migration of BCML towards the more value-accretive segments. He now leads CTT, to build technical excellence around engineering process functions that may drive accountability for business results, with focus on standardisation streamlining of operations maintenance processes across all manufacturing units of BCML. Belonging to a well-educated family, Praveen earned his MBA from IIM, Kolkata in 1984 after completing his Mechanical Engineering from the Delhi College of Engineering, Delhi. He is also an alumnus of the Birla Public School, Pilani.

Board Committees

Audit Committee

Mr. Dinesh Kumar Mittal	Chairperson	Non-Executive - Independent Director
Mr. Krishnava 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

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

Stakeholder's Relationship Committee

Mr. Krishnava 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

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

Mr. Naresh Dayal	Chairperson	Non-Executive - Non Independent Director
Ms. Veena Hingarh	Member	Non-Executive - Independent Director
Mr. Vivek Saraogi	Member	Non-Executive - Independent Director

Executive Committee

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

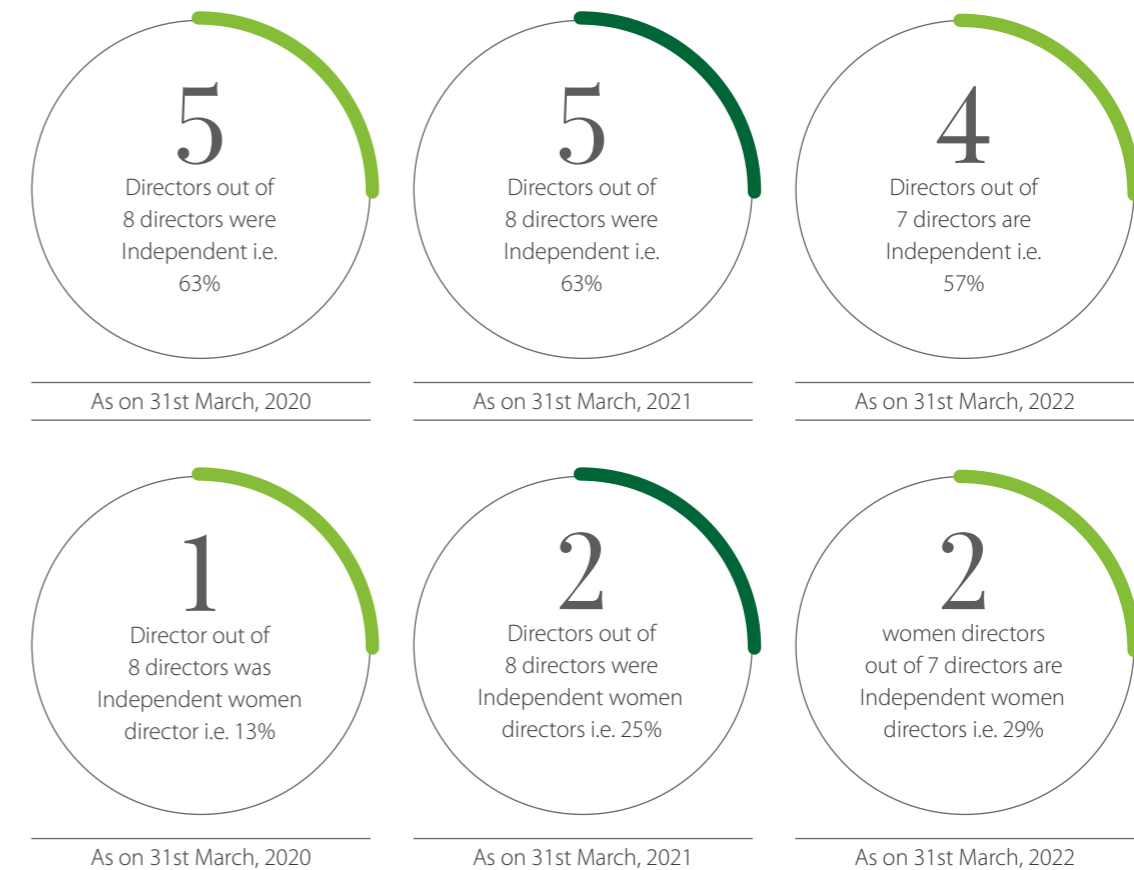
Environment, Social and Governance Committee

Mr. Vivek Saraogi	Chairman	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

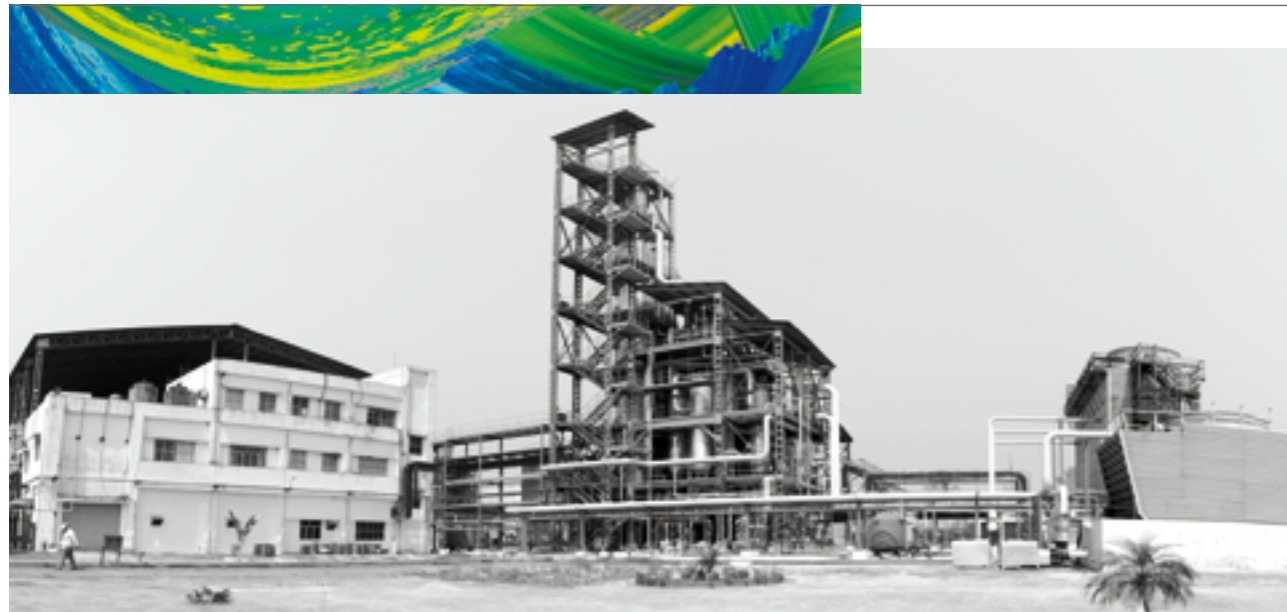
Tenure of Directors

Name of the Director	Category	Initial Date of Appointment
Mr. Vivek Saraogi	Chairman and Managing Director	3rd July, 1987
Mr. Dinesh Kumar Mittal	Non-Executive - Independent Director	6th February, 2014
Mr. Krishnava Dutt	Non-Executive - Independent Director	6th February, 2014
Mr. Naresh Dayal	Non-Executive - Non Independent Director	15th November, 2016
Ms. Veena Hingarh	Non-Executive - Independent Director	31st August, 2019
Ms. Mamta Binani	Non-Executive - Independent Director	5th November, 2020
Mr. Praveen Gupta	Whole-Time Director	1st July, 2022

Independent and Women Directors on Board



How we manage risks at Balrampur



Overview

The Company constantly reinforces its overall system to ensure a prompt identification of risks, evaluate applicability and reduce their chances or losses. Risk management is applicable across all management levels and operational areas. Risk management roles are assigned across the Board of Directors, Risk Management Committee and Audit Committee of the Board of Directors.

Over the years, the Company initiated a systematic risk management approach. This encompasses the formulation of a Risk Management Team to evaluate numerous changes periodically in the external and internal environment and suggest proportionate counter-measures. In line with this, the Company's Risk Management Framework is periodically evaluated and adjusted as and when required. Accordingly, during the year under review, the Board amended the Risk Management Framework and Policy.

We enlarged our perception of risks from the strategic and the macro to the micro – right down to the transaction level. In doing so, the Company extended understanding from the Board to the individual employee level, reinforcing preparedness and mitigation.

Functions

The Risk Management Committee undertook the following measures:

- Overseeing, guiding, assessing and recognising current and emerging risks
- Evaluating risk evaluation and measurement mechanisms
- Developing policies, practices and other control systems to manage risks
- Reporting results of risk to the Board
- Assessing and recognising risk in other evolving areas

Implementation

During the period under review, the Risk Management Committee held two meetings. The Company's Board approved Risk Management Policy included material risks faced by the Company that were recognised and evaluated. The Company established a policy framework for ascertaining superior management of its asset and liability profiles.

Risk management structure

- Definition and description of risk elements (including sources, events, causes, and implications)
- Analysing risks, implications and impact on goals
- Developing, implementing and following up to achieve goals and aligning the risk management system to desired risk appetite levels
- Supervising the identification, assessment, implementation and follow up of risk management activities

Key risks and their mitigation

Cane availability and Recovery risk

Excessive, inadequate or ill-timed rain and diseases could hamper the cane availability, quality and recovery.

Mitigation

- Implementing better agricultural practices by providing agri-inputs as well as supporting cane development activities, reducing the impact of a weak monsoon, preventing pest attack and improving yields.
- Engagement with farmers for cane variety development.
- Tissue culture lab for early and different cane varieties.
- The cane development team of the Company actively evaluates the planting/growth of sugarcane and disease infestation programme to avoid or minimise damage.

Industry cyclicity risk

Diminished product off-take might hamper business sustainability

Mitigation

- Building strong by- product ethanol and power businesses to reduce cyclicity.
- India's per capita consumption of sugar is less than the global average, offering headroom for growth.
- The fully integrated business model's utilisation to utilise by-products and
- insulate the Company from flat sugar realisations.
- The Government's accommodative policy on managing the demand/ supply of sugar, reducing the adverse impact of low sugar realisations.
- Minimum Support Price for sugar fixed by the Government insulates the industry against this risk.

Cane price increase risk

Growing cane prices could impact profitability

Mitigation

- Industry associations are continuously engaging with both the Central and State governments to ensure a rational and win-win pricing policy for both industry and farmer.

Business interruption risk

Business disruptions due to pandemic could result in a financial loss

Mitigation

- The sugar industry body engaged with respective State Governments to normalise supply side disruptions following the pandemic
- The IT function of the Company maintains and upgrades systems on a continuous basis with trained personnel for taking care of disruptions.

Technological obsolescence risk

Ineffective processes can result in cost outreach

Mitigation

- Regular plant and machinery investments increased efficiency. The Company periodically replaced equipment; upskilling was conducted; capital expenditure was allocated for sustained improvement.

Regulatory clampdown risk

The Company's operations can be hampered due to changes in the regulatory environment

Mitigation

- The Company invested in plant and machinery for environment protection and to reduce pollutants/GHG emissions
- The Company recycled and reused process water to reduce freshwater drawal.
- The Company maintained zero tolerance level for violations
- The Company adopted a strong review mechanism to take care of any potential lapses.

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

Mitigation

- Balrampur Chini was one of the first sugar companies in India to migrate to SAP HANA S4
- The Company developed IT-driven disaster recovery system to ascertain uninterrupted business functioning
- The Company ensured data security by having identity and access control and authorisation matrix.
- All critical business data (user and application data) was backed up to ensure information security
- The Company gateways as well as end points are secured using the best products to mitigate network and web security risks.
- Disaster recovery has helped ensure business continuity.

Project execution risk

Inability to complete projects on time might hamper the Company's future targets

Mitigation

- The Company completed the distillery expansion at Gularia on schedule this year
- Day-to-day monitoring and supervision by the management and external consultants help the projects keep on track

Government policy risk

Changes in government policies might hamper the business operations of the Company

Mitigation

- The Government's intervention in the last couple of years has been positive. Favourable government policy on ethanol blending has helped insulate the Company against adverse sugar realisations, excess sugar production and inventory.
- The Company reduced its dependence on the sugar segment by strengthening ethanol production
- The Government advanced the E20 program from 2030 to 2025, which will ensure consistency in policies
- The Company allocated capex for catering to additional ethanol demand.
- The Company is establishing a multi-feed plant to take advantage of ethanol demand.
- capacity to absorb surplus sugar output.

Sustainable risk (ESG)

Uncertain social or environmental conditions could impact the Company's operations

Mitigation

- The Company made significant technological investments in multiple areas to moderate carbon footprint, waste management, energy conservation, sustainable raw material cultivation and effluent treatment plant, among others.

Internal control risk

Lack of efficiency and effectiveness in internal controls could affect organisational objectives

Mitigation

- The Company prepared standard operating protocols for different functions, which are rigorously monitored.
- The internal audit and external auditor teams periodically reviewed standard operating protocols.
- A dialogue between statutory and internal auditors ensures systemic effectiveness

Inside backcover



Balrampur Chini Mills Limited

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