



GREEN BALANCE



ANNUAL REPORT | 2019-20

Forward-looking statement

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

Contents


 02 Corporate snapshot	 06 Financial highlights
08 Managing Director's overview 	20 The COVID-19 impact and response 
 24 Our stakeholder value-creation model	 31 Management discussion and analysis
44 Notice 	49 Directors' report 
 74 Corporate governance report	 91 Business responsibility report
101 Standalone financial statements 	156 Consolidated financial statements 

Green Balance

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

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

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



What defines Dalmia Bharat Sugar...



Ethos

Vision

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



Pedigree

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



Management

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



Products

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



Manufacturing facilities

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

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



Footprint

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



Responsibility

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

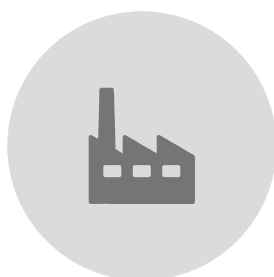


Listing

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

Our transformation since inception





1994



1

Number of
sugar plants

7,200

Number of farmers
associated with us

620

Employees



2020



5

Number of
sugar plants

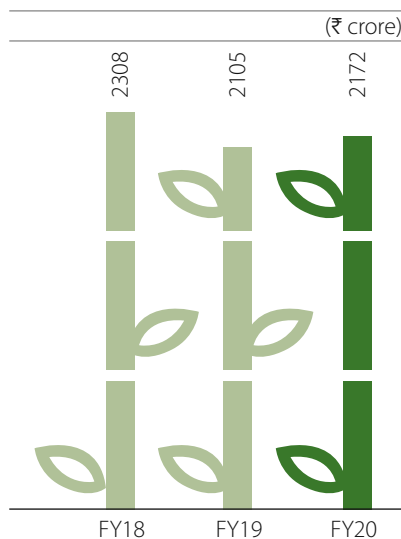
1.5 lakh

Number of farmers
associated with us

2,300

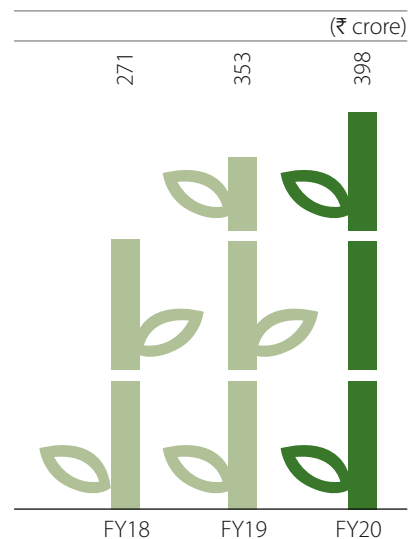
Employees

How we have grown over the years



Revenue

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



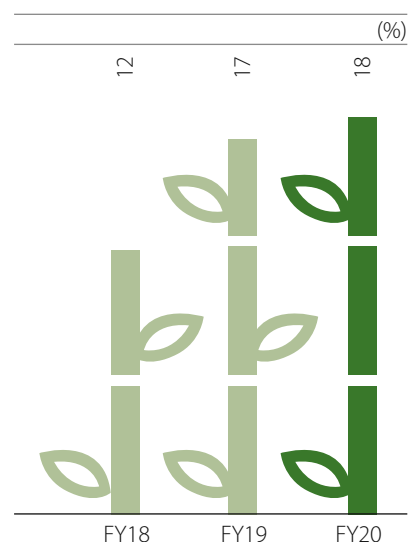
EBITDA

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



Net profit

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



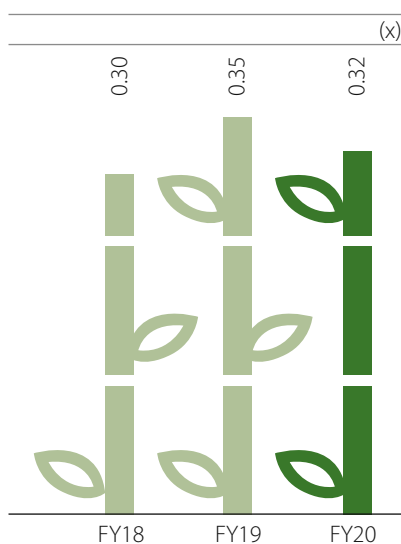
EBITDA margin

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



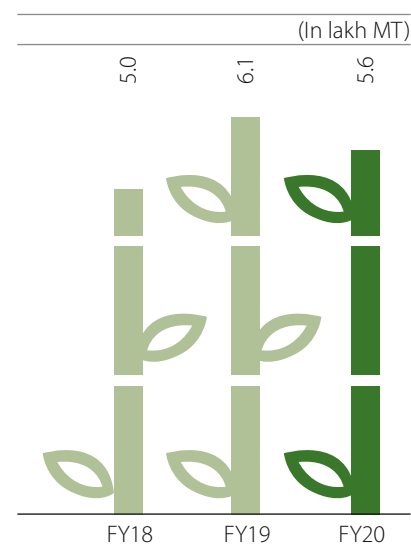
RoCE

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



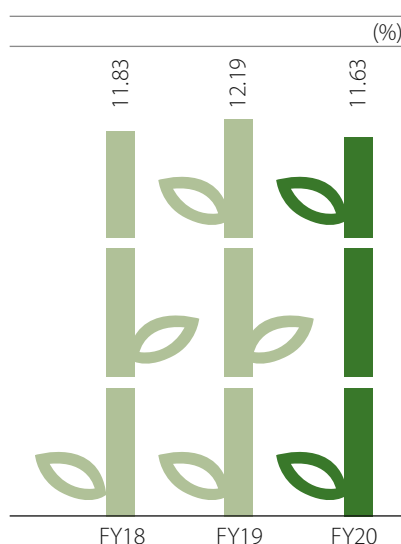
Debt-equity ratio

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



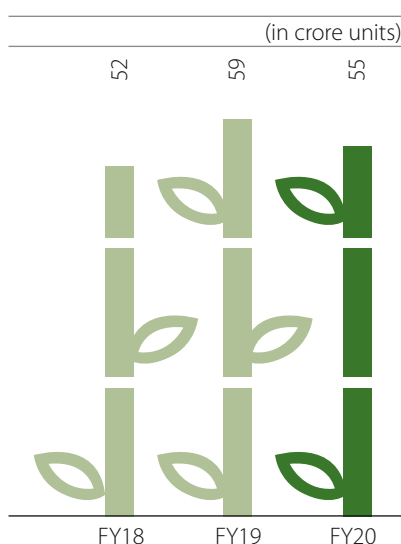
Sugar production

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



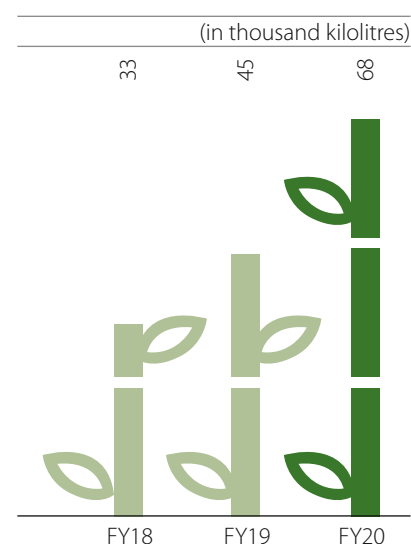
Recovery

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



Power production

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



Distillery production

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



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