Stretch and Futurability

HOW WE ARE CONTRIBUTING TO A NEW WORLD

Balrampur Chini Mills Limited

ESG Report FY 2024

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Stretch and futurability

Across nearly half a century, Balrampur Chini Mills consistently outperformed its sector.

This outperformance was derived from its stretch culture, generating more from less.

To this distinctive reality, the Company now brings a new attribute.

Futurability.

Futurability.

At BCML, futurability represents the coming together of the past, present and future.

Experience of the past.

Responsiveness in the present.

Preparedness for the future.

Futurability and a New World.

At BCML, Futurability has been directed to the building of a new world.

A world different from the one we are living in today.

Cleaner. Greener. Circular.

Futurability at our company.

The ability to 'see' the future.

The capacity to reorient the business.

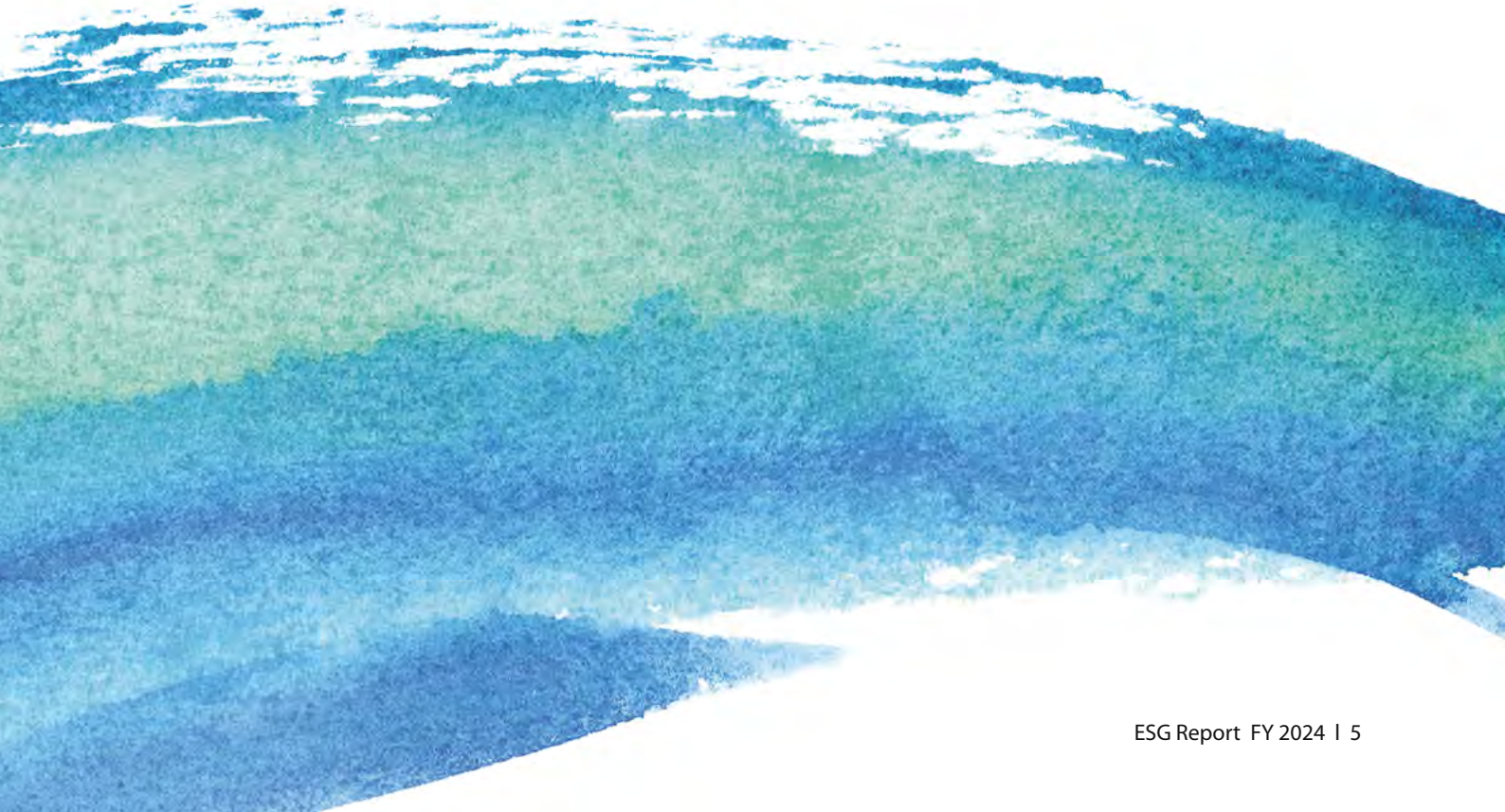
The commitment to deepen a multi-decade relevance.

New world.

Responsible portfolio

Low carbon footprint

Enhanced stakeholder value



3 conventional questions that used to be asked to companies like ours.

Will you grow attractively?

What are your margins?

What is your earning per share?

3 'New World' questions that are now being asked to companies like ours.

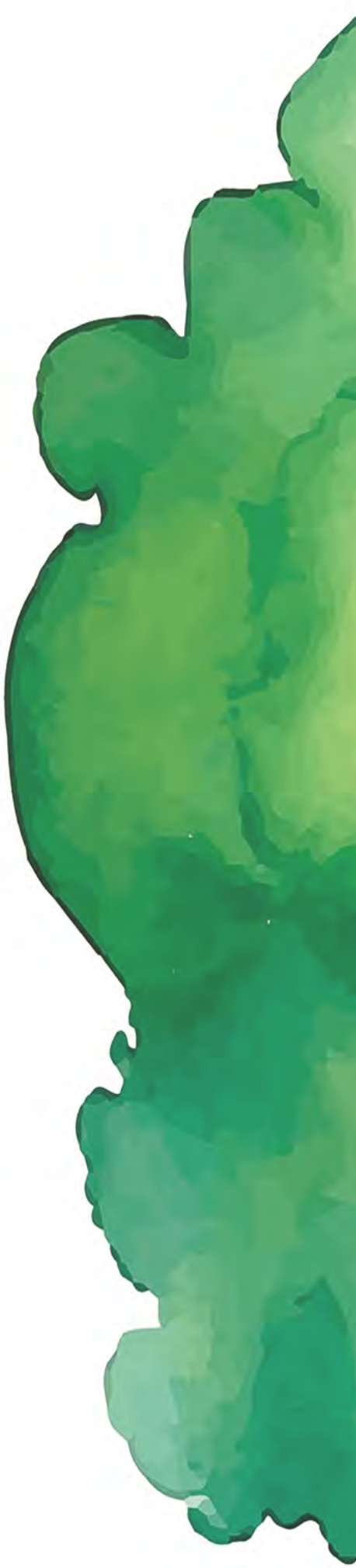
How will you deepen your responsibility?

How will you strengthen your sustainability?

How will you enhance your profitability?

This brings us to the three elements of our personality.

Responsibility.
Sustainability.
Profitability.



How we are reinforcing these three elements to help build a new world.

Responsibility

- Process-driven business
- Answerability to all stakeholders
- Periodic reporting
- Transparent reporting
- High resource yield
- Products portfolio that is good for the world
- Superior value for customers
- Complete regulatory compliance

Sustainability

- Robust Balance Sheet; low debt
- Enduring engagements with resource providers
- Committed community engagement
- Entry into businesses with a significantly large sales headroom
- Pledge to achieve carbon neutrality by 2047 and net zero by 2055
- Venture into manufacture of poly lactic acid
- Reducing waste and water intensity

Profitability

- Focus on enhancing Return on Capital Employed
- Widening value chain; higher margins from non-sugar businesses
- Growing revenue proportion from non-sugar revenues
- Stretch commitment enhancing margins
- Growing the business with relatively low debt
- Debt largely comprising concessional debt
- Entry into new businesses with attractive growth potential

These 3 elements have been reinforced by our Stretch commitment

Stretch at Balrampur

Specialise by narrowing business focus

Generate more from less

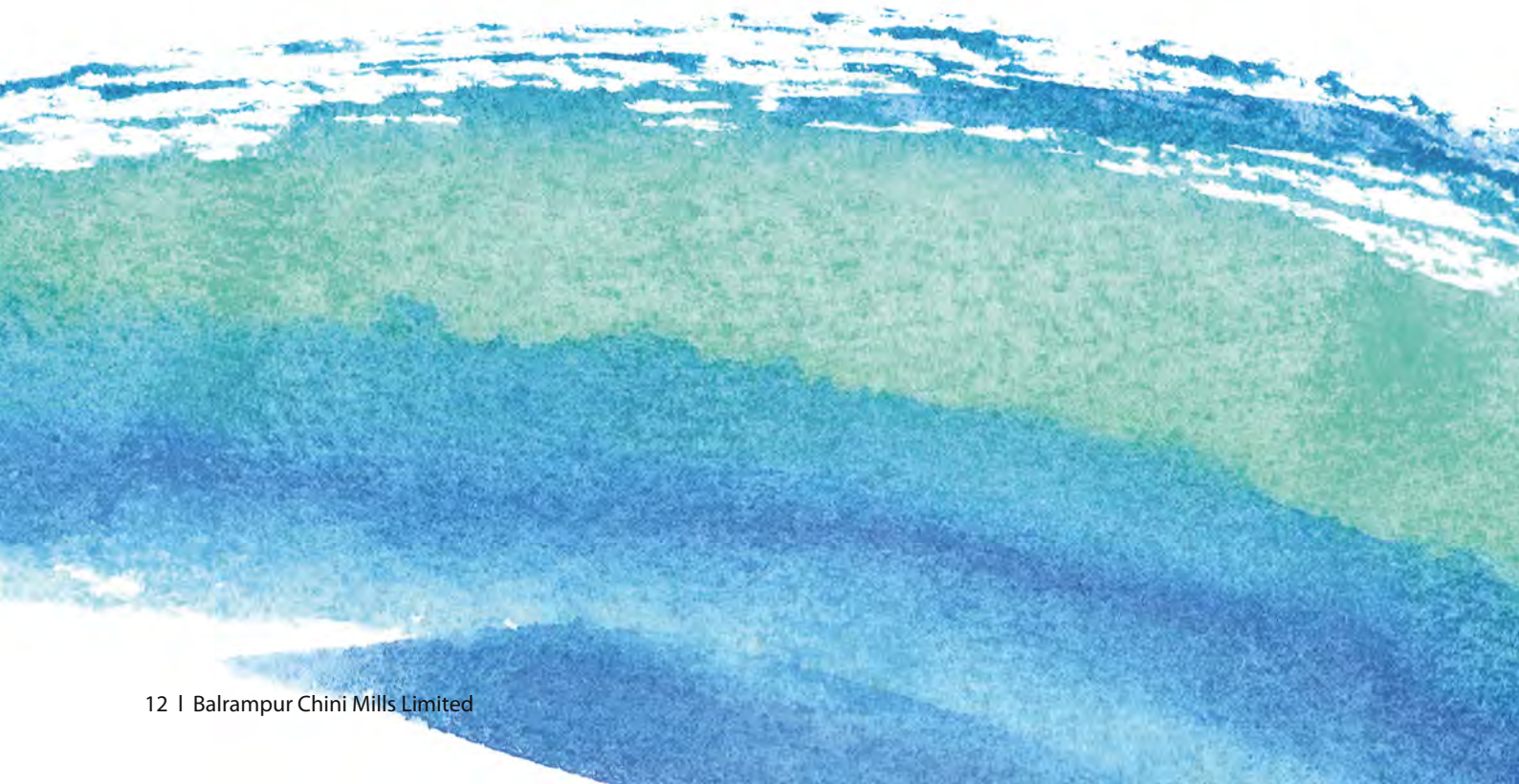
Maximise economies of scale

Enhance resource efficiency and effectiveness

One end product should become the raw material of another business at BCML

This is how we expect to help build a better world

We are attractively placed to decisively help create a New World.



We are one of the leading integrated sugar manufacturers in India

We have been profitable for 10 years at the cash level across the last decade ending FY 23-24

Sugar

We are one of the largest suppliers of ethanol biofuel

We were the first Indian sugar company to dedicate a complete unit for ethanol manufacture

Ethanol

Co-generated power

We are one of the largest green power producer in Uttar Pradesh

Polylactic acid (upcoming)

We will emerge as the largest PLA manufacturer in India in 2026-27

New World. New Balrampur.

The PLA business investment will transform the Company's personality

The PLA business will account for a sizable revenue share at full capacity

The profitability from this business will drive sustainable corporate growth

The potential of this business is virtually unlimited as it seeks to replace conventional plastics

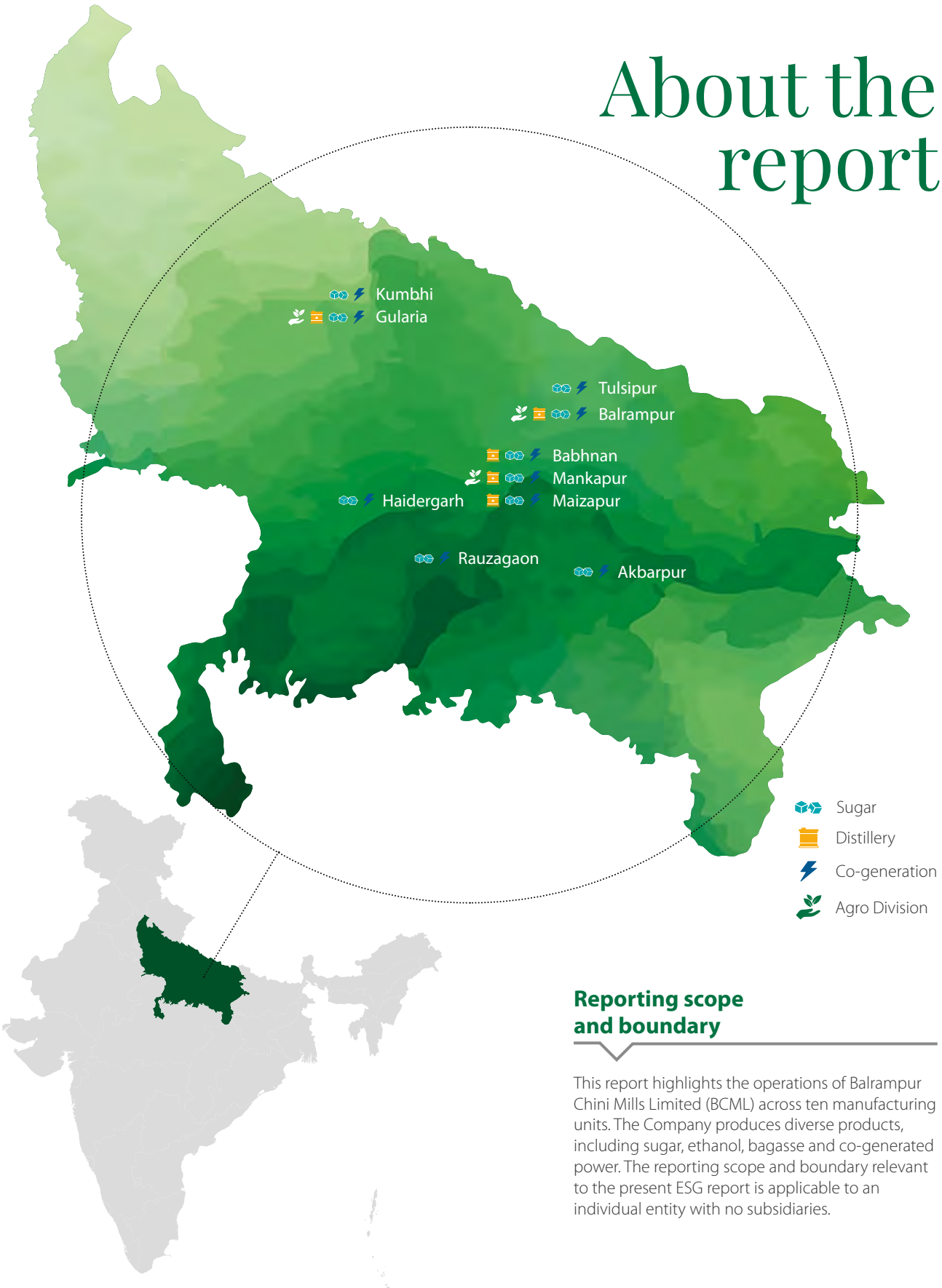
If we get it right...

We will help make the world cleaner

We will inspire others to enter the business

We will help decarbonise the world

About the report



Reporting scope and boundary

This report highlights the operations of Balrampur Chini Mills Limited (BCML) across ten manufacturing units. The Company produces diverse products, including sugar, ethanol, bagasse and co-generated power. The reporting scope and boundary relevant to the present ESG report is applicable to an individual entity with no subsidiaries.

Our reporting approach

Our ESG Report outlines our journey of value creation for all stakeholders. It offers transparent and comparable insights into significant financial and non-financial aspects. It presents our ESG strategy, roadmap and sustainable development approach.

Guidelines and standards

The ESG Report for FY 2024 has been prepared in alignment with the Integrated Annual Report 2023-24. It follows the GRI Standards 2021, the Integrated Reporting Framework, and the Business Responsibility and Sustainability Reporting (BRSR) as per the National Guidelines for Responsible Business Conduct (NGRBC).

Reporting cycle

Unless otherwise specified, this report covers the period from April 1, 2023 to March 31, 2024. BCML assures that this report contains no false record or misleading statements, and bears responsibility for content truth, accuracy, and completeness.

Responsibility statement

The Board and management affirm their responsibility for the integrity of the information presented in this report. They attest that the contents provided are fair, transparent and balanced.

Assurance

An Independent Limited Assurance Statement on the sustainability disclosures for the Integrated Annual Report for FY 23-24 was issued by SGS India Private Limited.

Feedback

We welcome stakeholder feedback. It plays a critical improvement role in our sustainability journey. Share your thoughts via email at esg@bcml.in

Scope and boundary

This report encompasses the operations of Balrampur Chini Mills Limited, covering its ten manufacturing units. The scope includes the production of sugar, ethanol, bagasse and co-generated power.

Forward-looking statements

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

PART ONE

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

INTRODUCTION

Before you navigate through this ESG Report by our company...

This is what we want you to read

Our sugar business operates as an integrated and responsible enterprise.

The business produces renewable by-products.

These by-products substitute finite fossil fuels, helping reduce India's import bill.

Our distilleries have achieved zero-liquid-discharge.

The Company's business model is guided by a philosophy of generating more from less.

Balrampur Chini Mills Limited is not just one of India's largest sugar companies.

The Company is a respected leader in the country's integrated sugar industry.

The Company is renowned for its holistic integrity, forward-thinking policies, proactive investments, commitment to operational safety, adherence to regulatory compliance and environmental stewardship.

The Company's brand recall is 'If it is Balrampur, it must be completely responsible.'

Vision

- Create the identity of one BCML (comprising units and corporate office)
- Create a personality extending beyond sugar
- Evolution from the entrepreneurial to the institutional
- Become more organic and amoebic - the ability to transform with speed
- Establish leadership to focus on strategic direction and delegation to professionals who address day-to-day operations
- Create Centres of Excellence across functions
- Invest in peak performance predictability

Mission

- A great place to work (recognised as one beyond the sugar sector)
- A model agri-based energy company respected the world over
- A Company that is a benchmark across functions and units
- A Company that creates leaders at every level
- A Company with the openness to self-question

Values

- Fuelled by the passion to stay as the industry benchmark
- Focus on doing what the Company is best at
- Driven by a culture of urgency
- Committed to enhance the viability of sugarcane farmers
- Strengthen prudent de-risking

Background

Established in 1975, Balrampur Chini Mills Limited (BCML) has emerged as one of India's largest integrated sugar manufacturing companies. It is a trailblazer in its sector, one of the first sugar companies in the country to diversify operations beyond sugar production, distillery and co-generation. With a comprehensive understanding of the sector, the Company has adopted an innovative manufacturing approach that has enabled it to produce a diverse array of co-products. These include molasses, alcohol, ethanol and co-generated power, showcasing its sustainability.

Management

The Company's ambitions and vision are driven by Mr. Vivek Saraogi, an experienced leader with a rich sectorial background. As the former President of the Indian Sugar Mills Association and a committee member of FICCI and the Indian Chamber of Commerce in Kolkata, his expertise and strategic guidance have propelled the Company to new heights. Under his stewardship, BCML has strengthened its leadership through innovation and excellence.

Manufacturing capacity

The Company comprises cane crushing capacity of 80,000 tonnes per day, a distillery capacity of 1,050 KL per day, and a saleable co-generation capacity of 175.7 megawatts. This robust infrastructure has enhanced operational efficiency, underscored its commitment to sustainable practices and growth in the agri-based energy sector.

The Company has invested in advanced technologies to ensure quality production, while emphasizing sustainability through the efficient use of resources and renewable energy. This approach has not only enhanced profitability but also underscored BCML's commitment to environmental responsibility in the agri-based industry.

Associate memberships

- Indian Sugar & Bio-energy Manufacturers Association (previously known as Indian Sugar Mills Association)
- U.P. Sugar Mills Association
- U.P. Sugar Mills Cogen Association
- Federation of Indian Chambers of Commerce
- Indian Chamber of Commerce
- Bharat Chamber of Commerce
- Young President Organisation
- IMC Chamber of Commerce & Industry
- Confederation of Indian Industry
- Material Recycling Association of India (MRAI)

Listing

The Company is listed on the BSE Limited (scrip code: 500038) and National Stock Exchange of India Limited (symbol: BALRAMCHIN) where its equity shares are actively traded. The market capitalisation of the Company in NSE was Rs. 7302.31 crore as on 31st March, 2024; the promoter's shareholding in the Company was 42.90%.

Ratings

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

Sustainable

The Company has made proactive investments in waste incineration, water conservation, effluent recycling and the utilisation of by-products.

Talent pool

The Company employs professionals with a rich experience across agriculture, IT, manufacturing and ESG segments, among others. The Company's talent pool stood at 6056 as on 31st March 2024. Around 81% employees had been associated with the Company for five years or more as on 31 March 2024.

Awards and recognition

Award for Excellence in Communication

BCML was honoured with the Silver Award at the 2024 Spotlight Awards by the League of American Communications Professionals (LACP) in the Global Communications Competition. The award recognised BCML's Integrated Annual Report 2023-24, which received an impressive overall score of 97 out of 100. The report was judged based on several criteria, including first impression, narrative quality, visual appeal, creativity, clarity, and perceived relevance, underscoring BCML's commitment to communication excellence.

Award for Environment Protection through CSR Activities

BCML was recognised at the BCC&I Third Edition Social Leadership Awards 2024, where the Company was honored as a winner in the Environment Protection category for its impactful CSR activities. This recognition underscored BCML's commitment to environmental sustainability and CSR impact.

Products

Sugar

BCML's leadership journey has been awe-inspiring. Headquartered in Kolkata, the Company operates 10 sugar factories across the cane-rich belts of Eastern and Central Uttar Pradesh with a cane crushing capacity of 80,000 tonnes of cane per day. The Company is one of India's most efficient sugar manufacturers with the best sugar quality standards.

Sugar produced
(In lakh quintals)

88.33	112.18
FY 22-23	FY 23-24

Ethanol production

Ethanol production commences with the cane stalks crushed to extract cane juice. The cane juice is fermented in a tank where yeast fermentation produces ethanol with other industrial spirits (Rectified Spirit and Extra Neutral Alcohol). RS and ENA enjoy industrial and potable use. Ethanol is used as an additive to automotive gasoline. The Company commissioned five distilleries in Balrampur, Babhnan, Mankapur, Gularia and Maizapur with an aggregate production capacity of 1,050 Kiloliters per day.

Industrial alcohol production
(In Crore Bulk Liters)

21.49	27.99
FY 22-23	FY 23-24

Power

BCML believes that a green approach is necessary for industrial operations and innovation. The Company possesses a collective cogeneration capacity of 288.47 megawatts (saleable co-generation capacity of 175.70 MW) across 10 plants.

Power generated
(In crore units)

71.87	89.77
FY 22-23	FY 23-24

Agri-inputs

The Agro division was conceptualised to utilise pollutants and waste products. Incineration boilers were installed in the distilleries to incinerate spent wash; ash generated by the boiler was significant. In-house studies were conducted to utilise this ash. Chemical analysis revealed that the ash comprises potash. BCML was the first company to develop technology to transform Potassic Ash into Potash fertiliser. The first Potash fertiliser plant was installed at Balrampur; two more plants were commissioned in Mankapur and Gularia with an aggregate total capacity of 250 MT.

Distiller's Dried Grain Solubles (DDGS)

DDGS refers to the by-product extracted during ethanol production. As a livestock feed ingredient, DDGS is rich in protein, fiber, fat, and minerals. DDGS ensures animal wellness, stamina, quality and lower ration costs.

PolyLactic Acid

BCML is set to venture into the manufacture of Poly Lactic Acid (PLA) with an integrated facility. The venture will facilitate the establishment of India's first industry-scale bio-polymer plant. The PLA venture is aligned with the sustainability goals envisioned by the Prime Minister of India and aimed to fuel India's journey towards net zero emissions by 2070.

Bagasse

This is the fibrous material left after sugarcane stalks are crushed. It serves as a renewable fuel source for sugar mills, generating energy while reducing fossil fuels dependance and lowering greenhouse gas emissions.

Bagasse is also widely used to produce sustainable disposable foodware and is an eco-friendly alternative to wood in paper manufacture.

PART TWO

What our management seeks to communicate

Our holistic approach positions us as resilient and forward-looking

Our commitment to sustainability is driven by a vision to foster resilience and create positive change. This is in response to the unique challenges faced by our sugar industry.

Operating in a sector where raw material costs are set by the government and market prices fluctuate based on government intervention, we face limited control over both our input costs and output prices. In light of these constraints, our focus is directed towards maximizing the efficiency and resilience of our manufacturing processes and crop management strategies. Our emphasis on optimizing plant efficiency, widening cane variety and exploring new sustainable materials allows us to make meaningful improvements within the scope we can influence.

During the year under review, we took a significant step forward by incorporating Scope 3 emissions measurement, adding a layer to our environmental impact analysis. Understanding the extended environmental footprint throughout our value chain proved invaluable in shaping our holistic approach to sustainability. We undertook Life Cycle Assessments for sugar and ethanol production at our Kumbhi and Gularia plants, demonstrating a positive impact on the environment. These findings not only affirmed BCML's environmental commitment but also highlighted the effectiveness of our sustainability strategies. We consumed 54.60% of co-generated power and balance we exported to Uttar Pradesh State Electricity Grid and through open access, enhancing our energy efficiency while supporting local energy supply.

Our venture into Polylactic Acid (PLA) manufacture from sugar or starch represents our commitment to innovation and sustainable product development. By leveraging circular production practices, our company is contributing to the biodegradable plastic segment, an alternative to conventional non-biodegradable plastics. This endeavour, while diversifying our revenues, aligns with our vision to maximise resource efficiency and reducing waste, positioning us as a forward-thinking leader in the sustainable materials space.

We increased our ethanol production capacity to 1,050 TPD in FY 22-23 to support India's 20% ethanol blending target by Ethanol Supply Year (ESY) 2025-26, our commitment to a lower-carbon, self-reliant India. Our ethanol production not only contributes to cleaner fuel options but also strengthens the agricultural economy by increasing a revenue stream for sugarcane suppliers.

In recognition of the risks posed by climate change to sugarcane crops, we implemented a crop diversification strategy, reducing our dependence on a single crop variety, while enhancing our resilience against climate fluctuations and mitigating risks related to yield or quality stability.

BCML achieved zero liquid discharge across all five distilleries, using advanced technologies such as incineration boilers, multiple effect evaporators, and condensate polishing units. By eliminating wastewater discharge, we safeguarded local ecosystems and championed industry-leading water management practices.

BCML made significant strides in enhancing our people-focused and operational frameworks, reinforcing its holistic approach to sustainability. We introduced a skill matrix to assess employee competencies, address skill gaps, and identify high-potential talent, accelerating internal placements. Housing upgrades across all ten facilities, the automation of our learning and development system, and our commitment to safety—marked by Safety and Fire Service Weeks showcased our dedication to a supportive and secure workplace. We achieved Bonsucro Certification for our Rauzgaon plant from 2021 to 2024; following our audit, we expect re-certification from 2024 to 2027.

The Company is getting its Kumbhi plant certified under Bonsucro; the audit is on and the Company expects to receive the certification in the next financial year. Our community-focused initiatives reinforce our commitment to socio-economic development that has been recognised by various awards.

Our strengthened operational framework and comprehensive risk assessment align with sustainability. Our financial performance has been robust, with a 20% increase in Revenue and an EBITDA growth of over 53% compared to the previous financial year. This performance highlights the effectiveness of our financial and operational strategies, underscoring our ability to navigate sectoral challenges and seize opportunities.

Our holistic approach, encompassing environmental stewardship, workforce development and operational frameworks, positions us as a resilient and forward-thinking organisation. BCML remains committed to resilient growth, supporting national climate goals, and promoting practices that enrich the communities and environment.

Vivek Saraogi
Chairman and Managing Director

Navigating challenges with financial discipline

BCML has embarked on initiatives to address the challenges posed by a reduction in cane output in the last three years.

Recognizing the critical role of effective cane management, the Company is focused on improving cane availability, to drive better assets utilisation, generate superior economies of scale, and enhance overall profitability.

We prioritised cane development by engaging more farmers, optimizing cane growing, and improving harvest timelines. These efforts resulted in a steady improvement in cane output since 2020-21, with increases of 1.5% in 2021-22 and 16% in 2022-23, surpassing regional trends.

While a temporary policy change in ethanol production impacted the Company's short-term financial performance, we remain optimistic that the government will revert to a more favorable policy, catalysing long-term profitability.

Our strategy is robust with investments in distillery capacity and business diversification. With a strong Balance Sheet and disciplined capital management, BCML is well-positioned to deliver superior financial performance and enhance shareholder value.

Pramod Patwari
Chief Financial Officer

BCML's venture: Pioneering sustainable solutions

At Balrampur Chini Mills, sustainability represents the cornerstone of our existence. Our foray into Poly Lactic Acid (PLA) manufacture represents a pivotal step in aligning our operations with the urgent need for environmental stewardship. Our proposed commissioning of India's first largest PLA plant set a benchmark in innovation while contributing to a greener future.

PLA's versatility and eco-friendly attributes position it as a transformative alternative to fossil-based plastics. By leveraging our expertise in sugarcane-based products, we are creating a fully integrated value chain that connects sustainable agriculture with advanced bio-polymers.

This journey reaffirms our commitment to resource efficiency, carbon reduction, and a circular economy.

As the global demand for bioplastics grows, we will remain resolute in our mission to drive positive change, ensuring an enduring positive impact on the environment and in the communities that we serve. In doing so, we expect to redefine possibilities and create a sustainable tomorrow.

Avantika Saraogi
Executive Director

BCML's commitment to decarboni-sation

At Balrampur Chini Mills Limited, we recognise the critical need to address climate change in our capacity as a leader in the Indian sugar industry. Our commitment to environmental stewardship is reflected in our pledge to achieve carbon neutrality by 2047 and net zero carbon emissions by 2055, aligned with India's target to achieve Net Zero by 2070.

Our decarbonisation strategy focuses on enhancing energy efficiency, deepening our transition to renewable energy, and leveraging carbon credit programmes.

We took a proactive step by voluntarily mapping Scope 3 emissions. We conducted Life Cycle Assessments for our sugar and ethanol products, indicating that we are correspondingly optimised in terms of GHG management. These actions have enhanced transparency, empowered informed decision-making, and strengthened our commitment to sustainability.

BCML is transitioning toward a low-carbon economy, embedding decarbonisation into every aspect of its mindset and operations.

Manoj Agarwal
Company Secretary and Head CSR

Pioneering a sustainable tomorrow with India's first PLA project

The rising global challenge of plastic pollution and the urgent need for sustainable alternatives inspired Balrampur Chini Mills to explore PLA production. This project aligns with our vision to contribute to India's circular economy and to champion environmentally responsible manufacturing practices. From an environmental perspective, PLA is a game-changer. It is biodegradable, compostable, and reduces reliance on single use plastics. This will significantly mitigate plastic pollution and greenhouse gas emissions. Economically, the project creates additional value streams for us and strengthens our integrated model. The diversification is synergic, building on the strengths of cane development, resulting in resource security. It also visions to position India as a key player in the global bioplastics market. We are building a greenfield PLA plant with a production capacity of global scale of 75,000 metric tonnes per annum to enjoy the attractive economies of scale. Our long-term goal is to position India as a global hub for sustainable polymers, fostering innovation while addressing environmental challenges.

Stefan Barot
President - Chemicals

Key ESG highlights

Environment

Carbon neutrality target by 2047

Net zero target by 2055

1,66,773+
trees planted

Conducted LCA for Sugar and Ethanol

Venture into manufacture of PLA

99.88
% energy from renewable sources

18.3
% reduction in ground water withdrawal

17.51
% reduction in waste intensity

36.81
% reduction in water intensity

Social

10.04
Average training hours per employee

15000
Awareness programmes conducted

95
% employees retained

1,291.28
Rs lakh in CSR spending

18
ponds cleaned, renovated and recharged

SAP S4 HANA
(22.9 version) integration

Governance

Lead Independent Director

Voluntary ESG committee

33
% Woman Directors on the Board

Statutory committees chaired by Independent Directors

Zero data breaches

53.45
% Increase in EBITDA

MSCI ESG rating upgrade: Advancing sustainability leadership

BCML improved its MSCI ESG rating from BBB to A in 2024, a milestone in its commitment to sustainability and governance. MSCI ESG Ratings measure a company's resilience to long-term ESG risks, evaluating performance across environmental, social, and governance (ESG) criteria relative to its industry peers. Companies are scored on an industry-relative AAA-CCC scale, with higher scores reflecting a stronger management of ESG risks and opportunities.

Enhancing future-readiness through strategic clarity

Sustainability Journey

6 concepts that define our sustainability journey

Integration of products and capacities	Zero liquid discharge	Financial prudence	Biofuel	Cane competence	Digitalisation

Integration of products and capacities

Balrampur comprises an integration of product and capacities. At the product level, the Company generates by-products that become resources for downstream products. The molasses generated from sugar manufacture is utilised to manufacture ethanol (in addition to producing through the direct cane juice route). The bagasse generated from sugar manufacture is utilised to generate power. The Company manufactures potash from ash in five distilleries.

The quantum of by-products generated from the system is balanced by its downstream processing capacity, eliminating stockouts and excess. The extent of integration makes it possible for the Company to maximise value from a stick of cane on the one hand and maximise return on employed capital on the other. The integration has resulted in a progressively transformed organisation where non-sugar products account growing proportion of the Company's revenues. The integration is not only environmentally friendly – superior resource use, lower logistical footprint and smaller carbon footprint – but also enhances stakeholder value.

Zero Liquid Discharge

Climate change and environment awareness have put a premium on the need to moderate effluents generation through the interplay of policies, investments and processes. BCML replaced conventional processes with digitalised automated technologies.

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

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

A proactive implementation of technologies (incineration boilers and multiple effect evaporators) empowered the Company statutorily to add 60 days to its distillery operations each year, strengthening resource use revenues and profitability. The result is enhanced stakeholder confidence in the Company's operations, strengthening perception and credit rating.

Financial prudence

The BCML Balance Sheet has transformed following ethanol capacity expansion. This transformation has reduced the need for borrowed funds; increased ethanol output facilitates immediate product sales and accelerates cash inflow, reducing the capital employed. In the current fiscal year, the business turnover comprised sugar at 64.35%, ethanol/industrial alcohol at 28.91%, and cogenerated power at 2.89%, providing financial stability through a diversified products portfolio, similar to market peers.

The Company's Rs. 268.77 crore capital expenditure in FY 23-24 was funded through accruals. About 65.7% of our subsidised term loan borrowing of Rs. 461.30 crore as on 31st March 2024 helped sustain capital expenditure, carrying a 50% interest subvention from the Government. The Company's business model is now increasingly net worth-driven, positioned to enhance shareholder value.

Biofuel

BCML's transformation has been driven by a commitment to biofuel innovation.

The 2018 National Biofuel Policy set the stage for a sustainable future. BCML swiftly responded, investing in distillery operations. Over the years, the Company enhanced ethanol production capacity from 360 KLPD in 2017-18 to 1050 KLPD in 2022-23, doubling output across five key locations—Balrampur, Babhnan, Mankapur, Gularia, and Maizapur. This transformation now positions BCML as India's second-largest integrated sugar company, reshaping its revenue mix for the FY 23-24.

BCML is now one of leading biofuel producers among Uttar Pradesh's sugar companies, reflecting a major revenue transformation. By 2023-24, distillery revenue reached about a quarter of the Company's total revenue, underscoring the Company's commitment to sustainable growth.

Cane competence

BCML's profits are not 'manufactured' in a factory; they are 'produced' in cane fields. During the last decade, the Company made significant investments in a sturdy cane variety (C0-0238), less susceptible to disease that produced a higher yield and matured quicker –advantageous on multiple fronts. The result is that BCML grew its business around a robust cane foundation.

However, in FY 21-22, the Company noticed a growing incidence of red rot disease in its proven C0 238 variety. The Company collaborated with advanced cane research institutes to introduce superior alternatives (C0118, C0 15023 among others). The new cane variants were not a substitution; they combined resilience with superior yield possibilities. This re-oriented cane foundation represents a platform for multi-year resource stability – higher yield and sucrose content – that promises sustainable prosperity for all stakeholders.

Digitalisation

BCML was among India's first sugar companies to implement the power of digitalisation that made it imperative to converge all units on a common operational platform.

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

BCML digitalised two focus areas (cane and operations), developing complex applications in farmer data collection leading to informed decision making. The automation led to operational harmony and a smoothening of the operational curve (lower crests and troughs), lower energy consumption, lower downtime, enhanced product quality and the ability to enhance capacity without deploying correspondingly additional equipment. The harmonious integration is strengthening the foundation of a revitalised BCML, blending contemporary and forward-thinking vision within the framework of a long-standing business tradition.

Scorecard

Stakeholder highlights

Employee value

Salary and wages (In Crore)

FY 22-23	FY 23-24
363.79	398.56

Customer value

Revenues (In Crore)

FY 22-23	FY 23-24
4665.86	5593.74

Farmer value

Procurement (Sugar cane) (In Crore)

FY 22-23	FY 23-24
3448.94	3937.93

Shareholder value

Market capitalisation as on 31st March (In Crore)

FY 22-23	FY 23-24
7984.23	7302.31

Community Value

CSR Investment (In Crore)

FY 22-23	FY 23-24
11.95	12.91

Value creation performance

Sustainability highlights

Financial Capital

BCML's prudent financial management strengthen the Balance Sheet.

EBITDA

786.17

Rs. Cr, FY 23-24
(Rs. 512.32 Cr., FY 22-23)

Cash Earnings Per Share

29.72

Rs., FY 23-24
(Rs. 19.87, FY 22-23)

RoCE

17.22

%, FY 23-24
(12.55%, FY 22-23)

RoNW

14.32

%, FY 23-24
(9.97%, FY 22-23)

Debt repayment

186.08

Rs. Cr, FY 23-24
(Rs. 105.58 Cr., FY 22-23)

Manufactured Capital

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

Sugar produced

11.22

lakh Tonnes FY 23-24
(8.83 lakh Tonnes, FY 22-23)

Alcohol produced

27.99

Crore Liters FY 23-24
(21.49 Crore litres, FY 22-23)

Power generated

89.77

Crore Units FY 23-24
(71.87 Crore Units, FY 22-23)

Human Capital

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

Permanent employees

6056

FY 23-24
(6270, FY 22-23)

Age Profile

43.22

%, <45 years FY 23-24
(59%, FY 22-23)

Employee Benefits

398.56

Rs. Cr, FY 23-24
(Rs.363.79 Crore, FY 22-23)

Training

10.04

Person-hours per person
FY 23-24 (9.23, FY 22-23)

Per person productivity

92.36

Rs. lakh, FY 23-24
(Rs. 74.42 lakh, FY 22-23)

Safety Infrastructure

11.05

Rs. Cr, FY 23-24
(Rs. 21.36 Cr, FY 22-23)

Intellectual Capital

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

Cumulative senior management experience

1524

Person-years, FY 23-24
(1327 Person-years, FY 22-23)

Trademarks registered

6

Trademarks registered under different classes

Apps and applications indigenously developed

5

FY 23-24
(2, FY 22-23)

Employees with the Company for 5+ years

81.84

%, FY 23-24
(80.67%, FY 22-23)

Natural Capital

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

Waste recovered through recycling

59.58

%, increase in recycling the hazardous and non-hazardous waste

Water intensity

36.81

% decrease
144.91 litres per tonne of cane crushed in FY 23-24
(229.34, FY 22-23)

Waste intensity

~17

% decrease
4.57 kg per tonne of cane crushed in FY 23-24 (5.54, FY 22-23)

Particulate matter (boiler emissions)

66.2

mg/Nm^3 FY 23-24
(76.4 mg/Nm^3, FY 22-23)

Social Capital

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

Vendors

30592

FY 23-24
(29200, FY 22-23)

Primary customers

~6036

FY 23-24
(5500+, FY 22-23)

Direct beneficiaries impacted

2.27

lakh
(2.05 lakh, FY 22-23)

Consumer complaints resolved

100

%,
(100%, FY 22-23)

PART THREE

How we enhanced value for our stakeholders

Stakeholder engagement and materiality assessment

Stakeholder engagement

BCML cultivates trust-based relationships with stakeholders through a variety of engagement strategies. The Board's respective committees play a crucial role in nurturing these connections, overseeing mechanisms for addressing grievances and complaints from shareholders, governments, suppliers, customers, employees, and communities. Committed to integrating sustainability across operations, BCML embeds these principles into policies and fosters sustainable practices.

BCML solutions promote long-term, sustainable growth by engaging actively with all stakeholders, including employees and rural communities. This commitment has enhanced the Company's community service driven improved performance.

Identification and selection of stakeholders

Stakeholders are identified across various groups, including employees, suppliers, government entities, shareholders, customers, and communities. BCML carried out a thorough engagement exercise to prioritise interactions with stakeholders from each group, gathering valuable insights into their concerns and feedback. Using this information, BCML developed action plans to address expectations. These concerns and expectations influence materiality assessment and shaping short- and long-term business goals.

Approach to stakeholder engagement

At BCML, maintaining a two-way dialogue fosters mutual understanding and strategic decision-making. The Company values stakeholder opinions and engages with them through channels to ensure their expectations are met. Stakeholder input is fundamental to the development of BCML's sustainability strategy. Acknowledging the challenges of addressing social and environmental issues, BCML is committed to enhance understanding through collaborative engagement. The Company's aim is to create shared value and contribute to life betterment in the communities where it operates.

Stakeholder engagement at BCML

	Government and Regulatory Authorities	Shareholders	Employees	Vendors	Customers	Communities
Significance	BCML operates in compliance with applicable laws and regulations. The Company's responsible practices contribute to the country's progress supporting community and environment well-being.	For sustainable and profitable growth, BCML collaborates responsibly and ethically with all shareholders.	Continuously fostering an approachable work culture of communication, camaraderie, and performance for the Company's valued employees.	Relying on suppliers and business partners for critical inputs, it is crucial for us to comprehend their challenges and expectations. This strengthens business continuity and promotes sustainable practices.	BCML focuses on fulfilling customer needs, surpassing expectations. BCML provides quality products that align with the lifestyle choices of consumers, placing them at the core of operations.	Engaging annually with community members through non-profit organisations and charitable establishments, with the objective to make a positive impact and enhance community well-being.
Mode of engagement	Submission of compliance reports Communication with regulatory Bodies Formal dialogues Advocacy meetings through associates	Company website One-to-one meetings and AGMs Stock exchange updates Investor/Analyst Meet Quarterly results	Awareness training Performance appraisals Annual employee satisfaction survey Grievance redressal mechanism Email communication and newsletters	Vendor meets Training and awareness programs Pre-onboarding and periodic assessments Balram app Balrampur Kisan Suvidha Portal Visits by cane personnel Video, trainings and demonstration Email communication / newsletters	Market surveys Website, emails and social media Forums, meets	Community outreach programs Impact assessment partner's visit In-person meetings; monitoring personnel visits
Key significant topics	Taxes and charges Timely disclosures Compliance with laws and regulations Policy advocacy and membership with industry bodies	ESG performance and sustainable growth Financial and economic performance Future approach and projects Sound corporate governance mechanisms Ethics and compliance	Occupational health and safety Rewards and recognition Personal development and growth Empowering work environment Diversity in the workplace (gender, ethnicity, and differently-abled) Training and capacity building Code of Conduct and corporate policies Career planning and development Market-based compensation, benefits, and amenities Employee welfare programs Collective bargaining/ freedom of association	Planning and execution of work orders Innovation and product development Communication and engagement on sourcing plans Sustainable sugar cane production and sourcing Suppliers assessment and training Access to latest farming technique and smart agriculture Social accountability Mitigate climate agricultural risk associated with agri production	Customer satisfaction Product and service quality Complaint resolution On-time delivery Product safety	Engagement and involvement in decision making Investment in local communities Livelihood and women empowerment
Frequency	Ongoing	Ongoing/ Quarterly	Ongoing	Ongoing	Ongoing	Ongoing

Material issues

Sustainable operations
- GHG and air emissions
- Waste and packaging materials
- Water management
- Wastewater management
- Energy management
- Biodiversity and land use
- Climate change

Human Capital
- Employee health and safety
- Income and living wage
- Gender equality and diversity

Environmental optimisation
- Resource efficiency

Value-driven products
- Supply chain management
- Product quality and safety

Empowering communities
- Community relations
- Forced or compulsory labour
- Human rights

Robust governance
- Corporate governance
- Code of business conduct

Accelerating and expanding sustainable growth opportunities by promoting circularity and enriching the communities we operate in.

Materiality assessment

Methodology

In BCML's interconnected landscape, organisations are tasked with addressing significant economic, environmental, and social issues that merit reporting. In a complex business environment, materiality assessment identifies sustainability issues most relevant to the organisation and stakeholders. These material topics informs the Company's strategic direction and communication efforts, forming the basis of the ESG Report that highlights the Company's economic, environmental, and social impacts. These topics also influence stakeholders' decisions.

In 2023, BCML identified potential material topics. While these issues remained relevant, their significance could shift as stakeholder expectations change. The Company conducted an extended materiality assessment to update its analysis, ensuring that it accurately reflects stakeholder priorities and sustainability concerns.

Stakeholder engagement

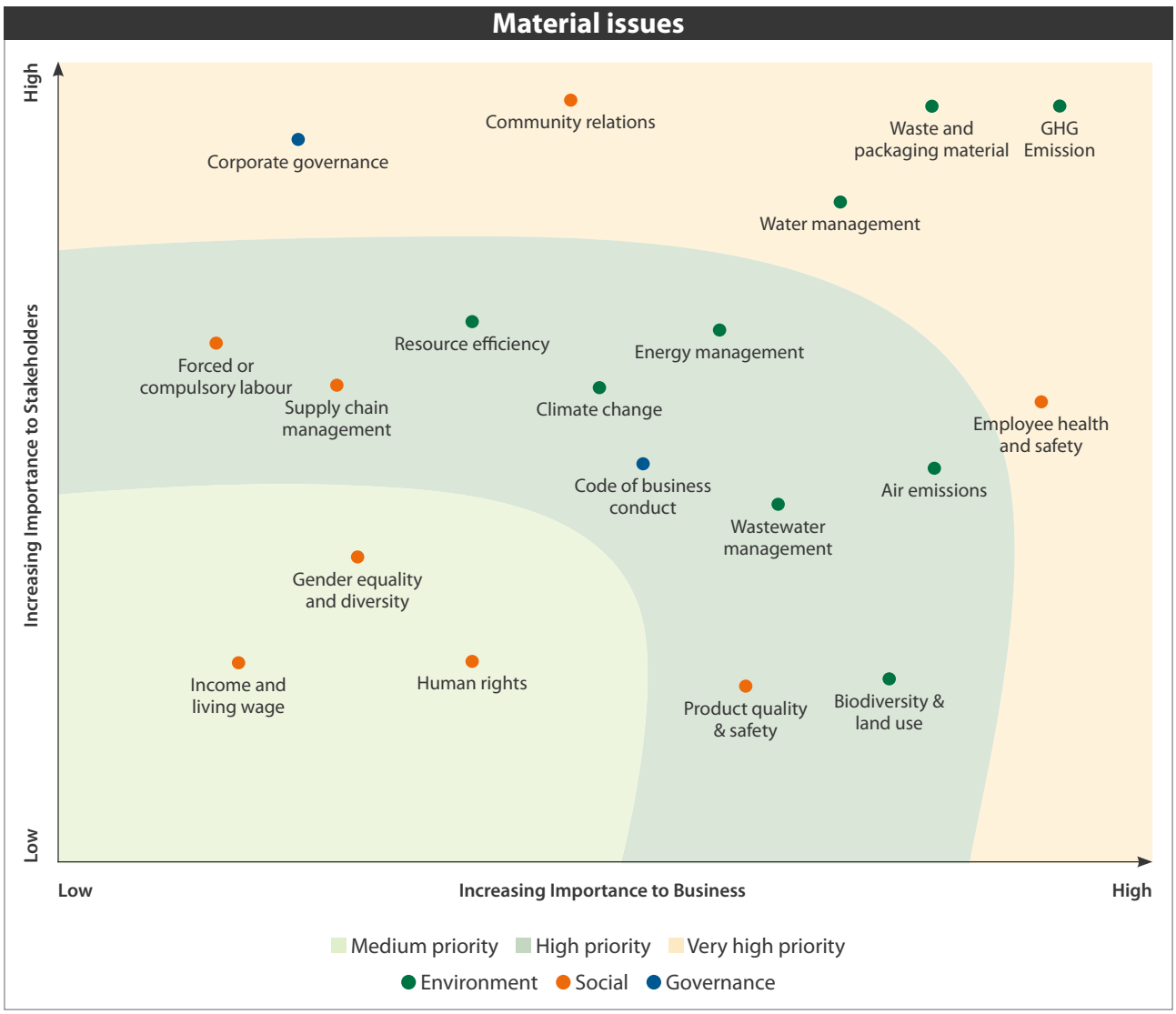
- Engaged with a range of internal and external stakeholders.
- Identified key sustainability issues critical to the business and stakeholders.

Alignment with global standards

- Implemented international standards, frameworks, and best practices.
- Executed the materiality assessment in line with GRI principles, emphasizing Materiality.

Consideration of broader context

- Integrated national, regional, and global challenges, trends, and strategies into the assessment.



Materiality issues

In FY 22-23, BCML conducted a formal materiality assessment through stakeholder consultations, through an independent agency, integrating internal and external feedback to update its areas of focus. This process adhered to the guidance set forth by the GSSB. Material issues were identified based on their potential significance to the business (X-Axis) and their importance to stakeholders (Y-Axis). BCML prioritised the 'high-high' quadrant, focusing on areas critical for the business and stakeholders. Subsequently, the said assessment was conducted by another independent agency this financial year. The Company remains dedicated to providing comprehensive quantitative and qualitative information for all key areas in the matrix. Through this assessment, BCML seeks to address its impact on the environment, people, and business. Each ESG parameter is represented by a different colour for clarity and easy reference. In line with GSSB guidance, BCML chose to report in detail on material topics while offering a summary of additional areas addressed.

Alignment with UNSDGs

Material topics	Alignment with UN SDGs	Key performance indicator	Reference section in the report
	Environment		
GHG emissions	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action	Scope -1,2,3 emissions	GHG emissions management
Water management	6 Clean Water and Sanitation	Water withdrawal	Water management
Waste and packaging material	12 Responsible Consumption and Production	Waste recycled	Waste management
Air emissions	9 Industry, Innovation and Infrastructure; 12 Responsible Consumption and Production; 13 Climate Action	Other emissions	Air emissions
Energy management	12 Responsible Consumption and Production; 13 Climate Action	Energy consumed	Energy management
Wastewater management	12 Responsible Consumption and Production	Waste recycled	Water management and waste management
Biodiversity and land use	13 Climate Action	Number of saplings planted/ survived	Biodiversity protection
Climate change	13 Climate Action	▪ Energy consumed ▪ Scope -1,2,3 emissions ▪ Number of saplings planted/ survived	GHG emissions management

Material topics	Alignment with UN SDGs	Key performance indicator	Reference section in the report
		Social	
Employee health and safety	8 DECENT WORK AND ECONOMIC GROWTH	▪ Injury rate ▪ Lost day rate ▪ Man-hours worked ▪ Fatalities	Occupational health and safety
Community relations	3 GOOD HEALTH AND WELL-BEING 4 QUALITY EDUCATION 6 CLEAN WATER AND SANITATION 13 CLIMATE ACTION 10 REDUCED INEQUALITIES	▪ Community outreach programs ▪ Impact Assessment ▪ Beneficiaries Impacted	CSR and impact stories
Product quality and safety	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	▪ Customer satisfaction rate ▪ Number of product safety incident reported	Occupational health and safety
Supply chain management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Procurement from local suppliers	Supply chain management
Forced or compulsory labour	5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH	Discrimination incidents	Human Rights
		Governance	
Corporate Governance	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Key impacts, risks and opportunities	Governance Structure & Expertise

Certifications

Food Safety System Certification 22000 (FSSC 22000)

The FSSC 22000 system implemented at our sugar units has enhanced food safety, operational efficiency, competitiveness and traceability. This system ensures that we maintain production hygiene and safety standards, guaranteeing that the sugar we produce is safe for consumption. It enables us to control potential hazards (biological, chemical, and physical) during sugar production and processing.

Results

The benefits comprised improved operational efficiency, compliance with international regulations, expanded access to overseas markets, enhanced consumer confidence, and superior supply chain management.

Bonsucro certification

Balrampur achieved the internationally credited Bonsucro certification in its Rauzagaon unit and is all set to achieve the same for the Kumbhi unit, validating an adherence to rigorous standards in sustainable crop production. This certification not only enhances credibility but also strengthens the Company's position as a leader in ethical supply chain management.

ISO certifications

ISO 14000 and ISO 45001 are key standards that enhance organisational environment management and occupational health and safety (OH&S) systems. ISO 14000 focuses on environmental practices, with ISO 14001 providing a framework for resource efficiency, waste reduction, and compliance. This standard enables companies to systematically address environmental impacts and demonstrate sustainability commitments. ISO 45001, the first global OH&S standard, helps improve workplace safety, reduce risks, and enhance working conditions.

BCML's policies are aligned with the National Guidelines for Responsible Business Conduct (NGRBC) and integrate the principles outlined by globally recognised standards such as ISO 9000, ISO 14000, and ISO 45001. This alignment reflects BCML's commitment to responsible business practices and adherence to internationally accepted standards.

Strategy

BCML is in the process of attaining ISO 45001:2018 certification to strengthen its OH&S management and ISO 14001:2015 certification to improve environmental performance.

PART FOUR

How we strengthened our ESG commitment

Environment

The Company's environment management is rooted into responsible and sustainable operations. Guided by policies and procedures that prioritise resource efficiency, the Company is committed to minimise environmental impact and support sustainable resource management.

Through its 4R strategy - Recycling, Replacement, Reduction, and Renewables—the Company has integrated eco-conscious practices across its ten manufacturing locations. A comprehensive environmental management system involves every team member, from senior management to line staff, in addressing environmental responsibilities at each operational stage. This structured and collaborative approach has set a high standard in sustainable operations, reinforcing the Company's dedication to environmental stewardship and long-term viability.

Recycling

- Recycling involves collecting used items, processing them into raw materials and creating new products.
- Achieve EPR compliance for plastic.

Replacement

- Replace hazardous chemicals with safer alternatives
- Usage of non-toxic materials in manufacturing processes
- Evaluate product compositions and alter them to minimise risks
- Sugar produced was also bagged in jute bags in place of PP bags

Reduction

- Reuse or recycle items
- Buy in bulk to reduce packaging
- Opt for lightweight packaging

Renewables

- Convert non-recyclable waste into heat, electricity or fuel.
- Reduce carbon emissions and offering alternative to fossil fuel energy needs.

Cane portfolio diversification

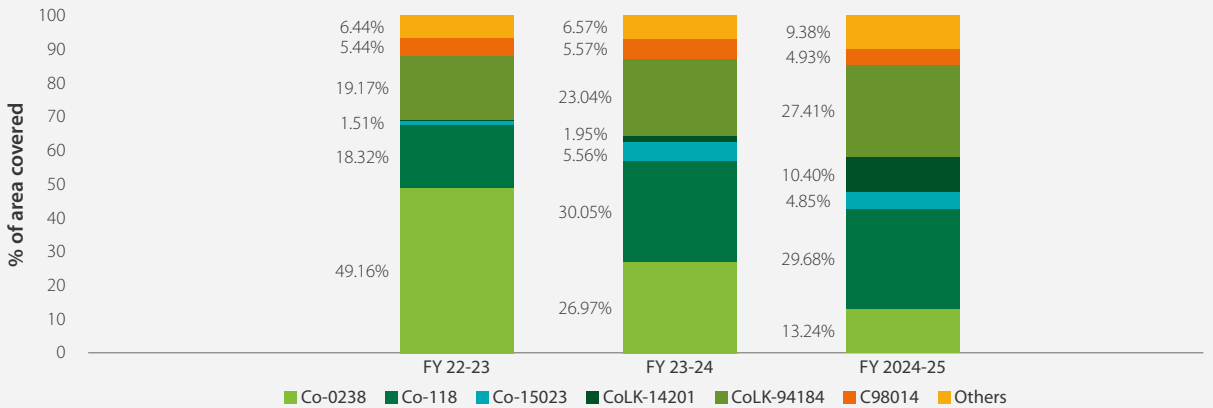
Strengthening resilience through cane portfolio diversification

BCML's success has been derived from the Co-0238 cane variety, a key driver of growth for the Company and farmers. Over the past decade, this variety delivered exceptional yield, matured faster, and demonstrated disease resistance. However, in FY 21-22, red rot disease affected Co-0238, raising concerns about relying excessively on a single cane variety. With the added pressures of climate change, unpredictable pest behaviour, and rising temperatures, this was a time for counter-action.

The Company replaced this variety. Its replacement in a short span of two years was difficult. The Company partnered advanced cane research institutes to introduce superior alternatives like Co-0118 and Co-15023. These varieties augmented resilience, sugar recovery and yield, a foundation for long-term sustainability. BCML recognised that diversifying the cane portfolio was essential for itself and farmers.

A tissue culture laboratory was established within the factory, which provided 3 lac plantlets of alternative varieties viz. Co-0118, CoLk-14201 and Co-15023. In addition to the fast multiplication of seeds, the benefits of Tissue culture plantlets helped the Company maintain varietal purity and crop vigour.

Area covered by sugarcane crop variety



Initiatives

Varietal balance: The Company diversified the cane portfolio by selecting a range of early maturing, high-yielding, and disease-resistant varieties. Understanding that no single variety would be ideal for all conditions, the Company created a balanced mix that could optimise yield while managing disease and climate change.

Farmer engagement: The Company recognised that convincing farmers to adopt new varieties would not be easy. Many were hesitant to move away from Co-0238, given the variety's success. BCML launched engagement programs, social media campaigns, and awareness drives to highlight the risks of relying on one variety and the benefits of diversification.

Soil and climate adaptation: To ensure the success of new cane varieties, BCML conducted soil sampling across more than 10,000 villages. This data allowed it to match recommendations with specific cane varieties suitable for the unique topography, soil conditions, and water availability. The Company ensured that each variety was planted in its most suitable environment.

Proactive pest and disease management: The Company strengthened the pest and disease management systems. The Company invested in quick response mechanisms to address emerging threats. For effective plant disease management, it provided Trichoderma fungus (produced at the Company's bio-lab) to cane growers.

Cultural and technological integration: BCML fostered a culture of motivation and efficiency. It introduced annual cane awards to inspire farmer excellence among farmers. It launched the Balram app, which allowed to quickly shared information and farmer updates with speed. It implemented mechanisation and improved irrigation systems to further boost productivity and efficiency.

Outcome

BCML's cane portfolio diversification led to improvements.

- The proportion of non-Co-0238 cane varieties in the portfolio grew from 28% in the 2020-21 season to 54% in 2022-23, and 75% in the 2023-24 season.
- Despite a ~9% decline in overall cane yields across Uttar Pradesh, the Company's output dropped by only ~2%, validating its diversification. The Company's performance was relatively stronger than other sugar companies in Uttar Pradesh, some of whom experienced a 30% decline.
- BCML saw a 10-basis point improvement in sugar recovery rates, marking the third consecutive year of increased recovery. For the 2023-24 season, the Company's recovery stood at 11.72%, outperforming the State average of 11.51%.
- Despite an initial resistance by farmers, BCML helped farmers transition to new varieties, ensuring long-term crop health and yield stability.

The Company's proactive approach in diversifying the cane portfolio and improving the Company's responsiveness to environmental and pest challenges allowed it to mitigate risks and deliver sound results.

Poly Lactic Acid (PLA)

Venture into Poly Lactic Acid manufacture

Conventional plastic: Scale and impacts

400 million tonnes per annum Primary plastic produced annually	**1** $ trillion, market value of plastics industry
~9 % Only global plastic waste is recycled	**~12** % Only global plastic is incinerated
3.4 % plastics account for global greenhouse gas emissions	**By 2050,** there could be more plastics in oceans than fish

Global reliance on conventional plastics has grown, with primary plastic production estimated at approximately 400 million tonnes annually, a market value of nearly $1 trillion. Plastics are integral to modern life, finding applications in sectors ranging from packaging to healthcare. However, their predominantly fossil-based origins and limited recyclability position them firmly within a linear economy model, leading to significant environmental challenges. Plastic production is energy-intensive, reliant on fossil fuels, and responsible for high levels of greenhouse gas emissions.

PLA: The sustainable option

300-400K tonnes per annum Global PLA market, continuously growing	**100%** Industrially compostable

BCML, respected for its pioneering approaches, is venturing into the manufacturing of Polylactic Acid (PLA), a sustainable alternative to conventional plastics. This initiative reflects BCML's forward-thinking strategy to contribute to environmental sustainability by reducing its reliance on high greenhouse gas (GHG) emitting materials. The Company's new 75,000 tonnes per annum industrial bio-polymer plant will be India's first largest PLA manufacturing unit.

Key properties of PLA

Crystallinity	Melting and glass transition temperature	Strength	Processability	Energy consumption
PLA can be amorphous and transparent or, if triggered, crystalline and heat resistant, depending on the application and manufacturing process.	High melting point of 180°C for high optical purity, 155°C for cold applications; glass transition temperature (Tg) ranges from 55-60°C.	High strength, stiff thermoplastic with a good appearance, comparable to polystyrene at room temperature.	Compatible with injection molding, extrusion, blow molding, and 3D printing.	Requires less energy for thermal processing compared to other plastics.

Benefits of PLA

68%

lower, Greenhouse gas emission in production than Conventional Plastic

65%

lower, Energy consumption than the production of conventional plastics; toxin-free

PLA is a biodegradable, plant-based material that reduces waste and fossil fuel dependence. Non-toxic and biocompatible, it is suitable for food and medical applications. Its versatility supports various forms, making it ideal for packaging, 3D printing, and textiles.

Biodegradability: Compostable in industrial facilities, reducing landfill waste and environmental impact.

Renewable origin: Made from renewable resources such as sugar, offering a sustainable alternative to petroleum-based plastics.

Lower carbon footprint: Generates fewer greenhouse gases during production compared to traditional plastics in production.

Non-toxic: Safe for food and medical applications.

Transparency and gloss: Clear and glossy appearance, ideal for aesthetic applications.

Ease of processing: Compatible with various manufacturing techniques, including injection molding, extrusion, and 3D printing.

Biocompatibility: Suitable for medical devices and implants due to its compatibility with the human body.

FDA-approved: Safe for food contact, making it suitable for eco-friendly packaging.

Thermoplastic: Versatile for a range of applications.

Strategies for adoption

Greenfield plant construction: BCML is investing in a greenfield PLA plant with a capacity of 75,000 tonnes per annum, strategically located near its existing sugar manufacturing unit at Kumbhi, Uttar Pradesh. This proximity allows efficient access to sugar for PLA production and bagasse for energy.

Strategic investments: BCML acquired a minority stake in a specialty polyproduct company to strengthen its market presence and drive PLA adoption in India.

End-to-end sustainable solutions: PLA is agro-based and will link BCML's upstream cane farmers with downstream industrial processes, creating a sustainable supply chain that benefits the environment, resource providers, and consumers.

Results

While the PLA plant is expected to be completed within 30 months, the global market for PLA is projected to witness a robust expansion. With growing consumer awareness of eco-friendly packaging and bio-based products, PLA consumption is set to grow significantly.

BCML's focus on biodegradable, renewable, and versatile PLA products positions it as a key player in this expanding market, offering solutions that address both plastic pollution and global warming.

BCML's PLA initiative exemplifies its commitment to sustainability, resource efficiency, and innovation, aligning with global trends toward greener alternatives.

Life Cycle Assessment (LCA)

LCA for sugar and ethanol production at BCML

BCML completed a comprehensive Life Cycle Assessment for its sugar and ethanol products, using a cradle-to-grave approach. This voluntary assessment is a testament to BCML's commitment to sustainability and environmental responsibility. The LCA indicates no significant adverse environmental impacts, providing BCML with a foundation to strengthen its decarbonisation and align its operations with global climate goals.

The LCA reveals that BCML's products have negative emissions, highlighting the Company's potential to contribute to climate change mitigation. This result strengthens BCML's ability to reduce its environmental footprint and make a net-positive impact.

The LCA results helped CRISIL to prepare a decarbonisation roadmap, identifying interventions across its value chain and manufacturing units. By setting realistic targets and improving energy efficiency, BCML can achieve cost savings, operational improvements, and reinforce its leadership in environmental stewardship leadership.

Goal and scope

The LCA goals were twofold:

- To identify the stages in the life cycle of sugar and ethanol production that contribute the most to environmental impacts.
- To assess how these impacts vary depending on the location of production facilities.

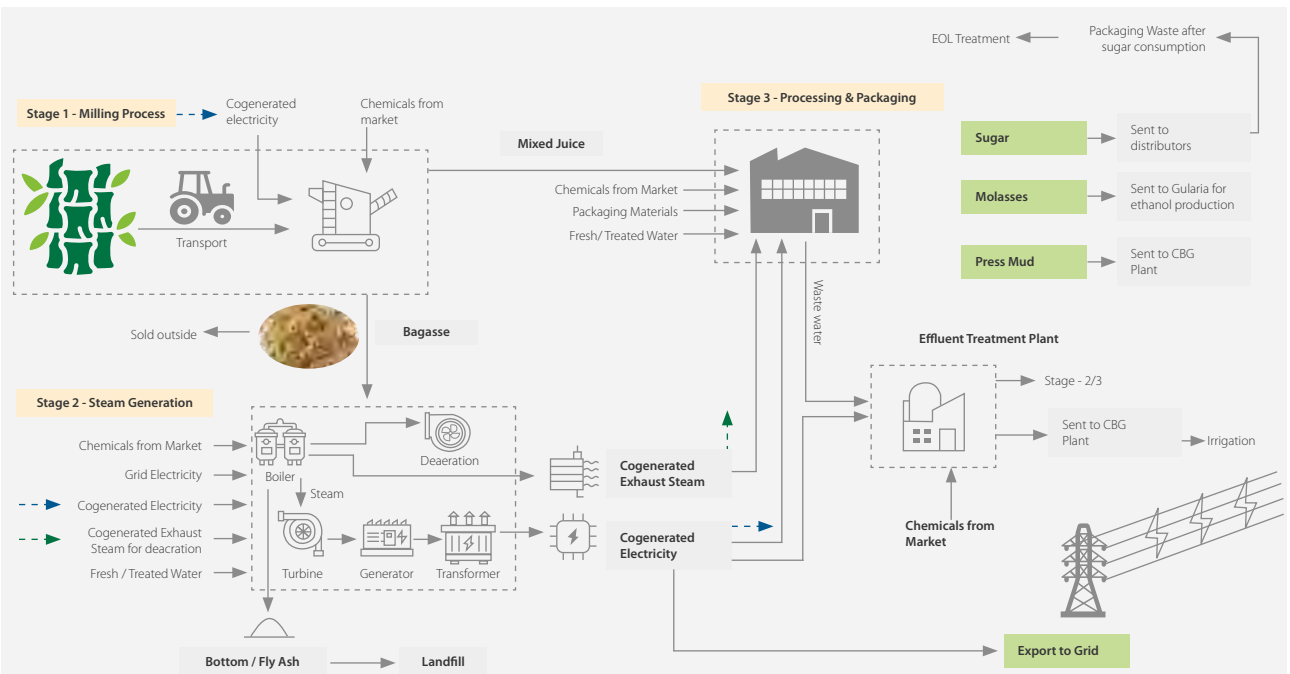
The LCA was conducted at two locations: Kumbhi and Gularia, allowing for a comparison of environmental impacts. The study focused on analysing the cradle-to-grave system, covering raw material extraction to product disposal. The LCA evaluated three key production stages: milling process, steam generation, and processing & packaging. The effluents treatment plant was also considered.

System boundary

The LCA for BCML's sugar and ethanol production is defined by a cradle-to-grave boundary, including all processes from raw material extraction to product disposal. Molasses from Kumbhi was sent to Gularia for ethanol production. The following stages were included in the system boundary:

System Boundary for sugar production process at Kumbhi plant

Stage 1	Stage 2	Stage 3
Milling Process	Steam Generation	Processing and Packaging

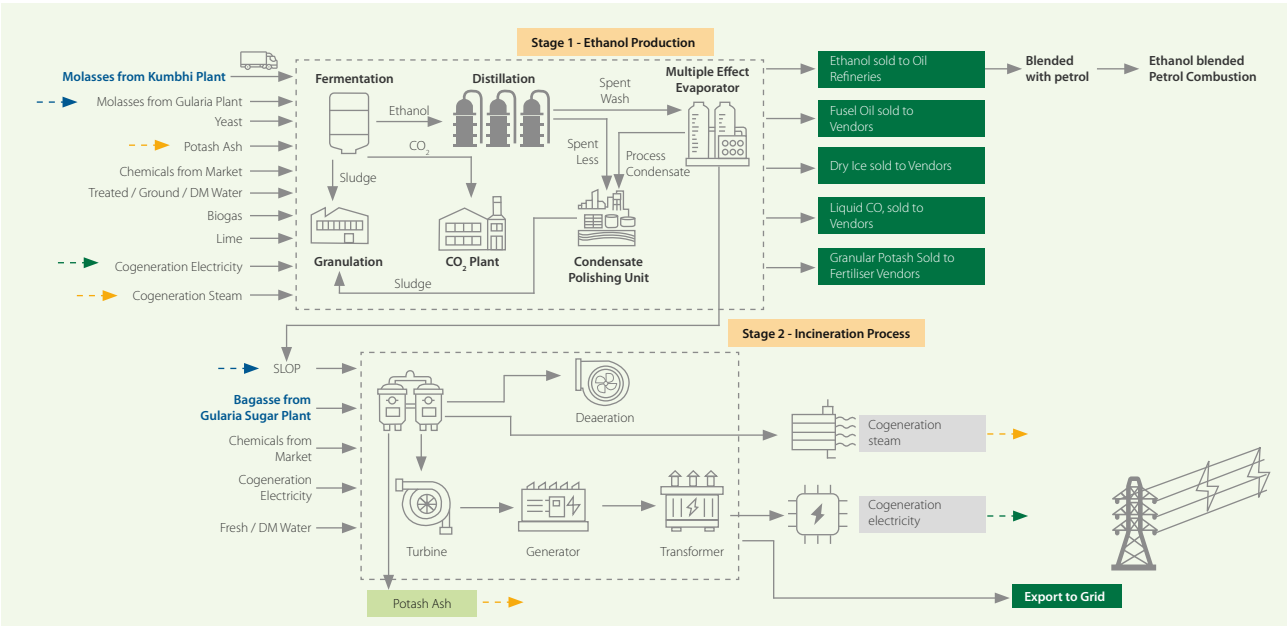


Ethanol Production

For ethanol production, the LCA was divided into two key stages:

System boundary for ethanol production at Gularia plant

Stage 1	Stage 2
Ethanol Production	Incineration Process



Life cycle inventory

Sugar production: The Global Warming Potential impact for sugar production at the Kumbhi and Gularia plants was analysed based on the following phases:

- Cradle-to-gate: Includes sugarcane production, transportation, and sugar processing.
- Gate-to-grave: Encompasses sugar distribution and packaging disposal.

GWP impact of 1 Kg sugar production at the Kumbhi plant

Impact category	Unit	Total GWP	Cradle to Gate	Gate to Grave
Climate change – Fossil – GWP	$kgCO_2eq$	0.212	0.107	0.105
Climate change – Biogenic – GWP	$kgCO_2eq$	-1.645	-1.645	0.000
Climate change – Land Use – GWP	$kgCO_2eq$	-0.008	-0.008	0.000
Climate change – Total – GWP	**$kgCO_2eq$**	**-1.441**	**-1.546**	**0.105**

GWP impact of 1 Kg sugar production at the Gularia plant

Impact category	Unit	Total GWP	Cradle to Gate	Gate to Grave
Climate change – Fossil – GWP	$kgCO_2eq$	0.234	0.149	0.085
Climate change – Biogenic – GWP	$kgCO_2eq$	-1.595	-1.595	0.000
Climate change – Land Use – GWP	$kgCO_2eq$	-0.008	-0.008	0.000
Climate change – Total – GWP	**$kgCO_2eq$**	**-1.370**	**-1.454**	**0.085**

The emissions for producing 1 kg of sugar were found to be negative, indicating a net positive impact on the environment. The fossil GWP for Gularia was 0.234 Kg CO_2e, slightly higher than Kumbhi's 0.212 KgCO_2e, primarily due to differences in transportation-related emissions.

GWP impact of 1 Kg ethanol production at the Gularia plant

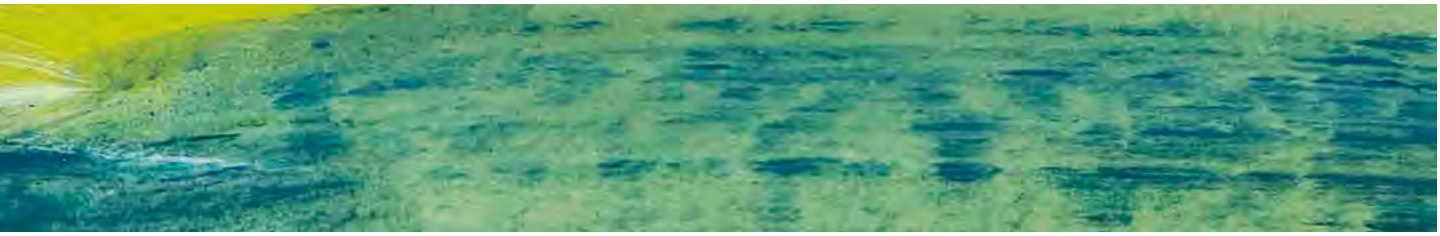
Impact category	Unit	Total	Cradle to gate	Gate to grave
Climate change – Fossil – GWP	kgCO_2e	0.373	0.265	0.107
Climate change – Biogenic – GWP	kgCO_2e	0.265	-1.647	1.912
Climate change – Land Use – GWP	kgCO_2e	-0.015	-0.015	0.000
Climate change – Total – GWP	**kgCO_2e**	**0.623**	**-1.397**	**2.019**

Comparison – Ethanol vs Petrol – GWP impact category

Sl no.	Impact category	UoM	Cradle to gate				Combustion			
			Ethanol production (A)	Petrol production (B)	Difference in production phase (B-A)	% difference phase (B-A)/B	Ethanol combustion (C)	Petrol combustion (D)	Difference in Combustion Phase (D-C)	% difference – Combustion Phase (D-C) / D
1.	Climate change – Fossil – GWP	kg CO_2 eq	0.265	1.027	0.762	74%	0.014	3.15	3.136	99.5%
2.	Climate change – Biogenic – GWP	kg CO_2 eq	-1.647	0.0001	1.647	>100%	1.912	0.00	-1.912	-
3.	Climate change – Land Use – GWP	kg CO_2 eq	-0.015	0.0001	0.015	>100%	0.000	0.00	0.000	-
4.	**Climate change – Total – GWP**	**kg CO_2 eq**	**-1.396**	**1.027**	**2.423**	**>100%**	**1.926**	**3.15**	**1.224**	**39%**

Note

1. >100% represents CO_2 sequestration in the production phase of ethanol.



Conclusions and initiatives

The LCA study revealed that the environmental impact of producing 1 kg of sugar at BCML was a negative emission of -1.546 $KgCO_2e$ (cradle-to-gate), a significant reduction in the Company's overall carbon footprint. Similarly, 1 kg of ethanol production resulted in a negative emission of -1.397 $KgCO_2e$ (cradle-to-gate), underscoring the positive environmental contribution of ethanol manufacture at BCML.

The emissions associated with producing 1 kg of sugar at BCML were significantly lower than the Indian average and lower than emissions from sugar production in Brazil. The cradle-to-gate GWP for Gularia's ethanol production was 0.265 $KgCO_2e$, lower than the Indian average and the average of major ethanol-producing countries like Brazil.

The combustion of 1 kg of ethanol resulted in 0.014 $KgCO_2e$ of emissions, compared to 3.15 $KgCO_2e$ released from the combustion of 1 kg of petrol - a **99.5% reduction**. This reaffirms BCML's commitment to decarbonisation.

Initiatives

The Life Cycle Assessment affirms BCML's commitment to sustainability, revealing that sugar and ethanol production at the Kumbhi and Gularia plants have a net negative impact on greenhouse gas emissions. The LCA identifies transportation-related fossil fuel emissions as a significant source of environmental impact. BCML aims to prioritise reducing these emissions through strategic interventions, outlined in the decarbonisation roadmap.

Energy efficiency: Increasing energy efficiency across all units will not only accelerate decarbonisation but also reduce operational costs.

Agri residue usage: By undertaking projects to collect agri residue from farmers and use it for energy generation, BCML aims to augment carbon sequestration, which will also mitigate the problem of stubble burning.

Utilising Carbon Credits: To amplify its positive environmental impact, BCML endeavours to undertake afforestation initiatives by expanding tree plantations and generate carbon credits, which can be certified to enhance the Company's carbon-neutral goals.

This LCA offers BCML valuable insights that could help drive decarbonisation, improve operational efficiency, and mitigate global climate change.

GHG emissions management

BCML is committed to minimise its environmental footprint and has prioritised the systematic management of greenhouse gas emissions. To align with this objective, the Company conducted a comprehensive GHG emissions inventory for its manufacturing units, complemented by a Life Cycle Assessment of its core products like sugar and ethanol. This assessment, conducted with support from CRISIL, provides BCML with a baseline, enabling it to progressively monitor emissions reduction.

Our total emissions for Scope 1, 2, and 3 in FY 23-24 was 0.97 million tCO_2e. The breakdown of our emissions was as follows:

Scope 1 and 2 emissions: In FY 23-24, our Scope 1 emissions due to the combustion of fossil fuels in DG sets, vehicles, and fugitive emissions amounted to 0.0039 million tCO_2e compared to 0.0014 million tCO_2e in FY 22-23. Scope 2 emissions from the purchase of grid electricity was 0.0026 million tCO_2e.

In FY 22-23, the CH4 and N2O emissions from biomass and fugitive emissions were not included in Scope 1 emissions calculation. In FY 23-24, the emissions due to CH4 and N2O arising from biomass combustion (bagasse, slop, biogas and firewood) were calculated and accounted at 0.052 million tCO_2e. Including the same, Scope 1 emissions for FY 23-24 was 0.056 million tCO_2e.

Scope 1 + 2 emissions

0.059 million tCO_2e

Strategy

BCML is advancing emissions reduction by targeting high-impact areas identified in the GHG inventory and LCA findings. Key strategies include:

- Optimizing energy efficiency across operations.
- Transitioning to renewable energy sources wherever feasible.
- Monitoring emissions from biomass combustion, specifically CH_4 and N_2O, to ensure the accurate tracking of all sources.

BCML aims to improve plant efficiencies. It aims to undertake projects to reduce steam consumption, and replace low pressure boilers with increased capacity boilers. The Company maintains a continuous improvement approach to emissions management. Regular assessments will track progress towards BCML's environmental sustainability targets.

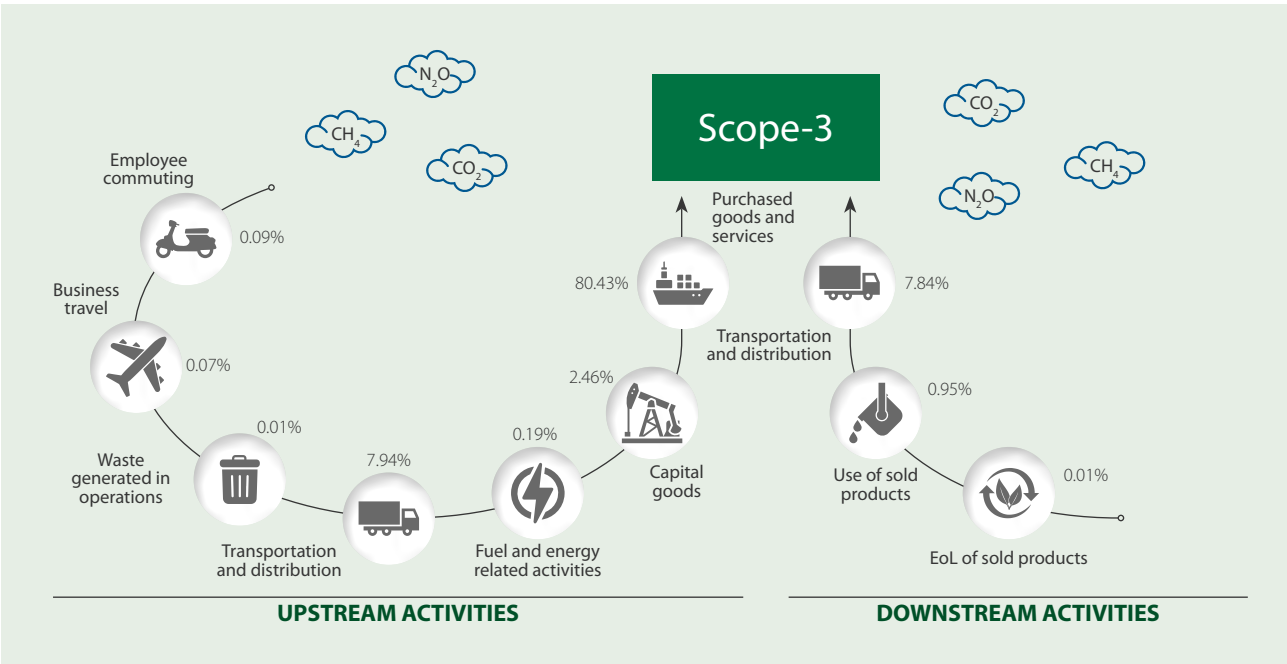
Scope 3 emissions

0.91 million tCO_2e

Scope 3 emissions sequestered

4.27 million tCO_2e

BCML's commitment to a comprehensive environmental strategy includes the extensive tracking and management of Scope 3 emissions, which encompass upstream and downstream activities. This strategic approach is aimed at not only meeting regulatory requirements but also achieving substantial emission reductions in its supply chain.



In FY 23-24, BCML's Scope 3 emissions amounted to approximately 0.91 million tCO_2e. The breakdown indicates that upstream activities, specifically purchased goods and services, constitute the largest share, contributing 80.43% of total Scope 3 emissions. Additional contributors include capital goods (2.46%) and transportation and distribution (7.94%) among upstream activities, while downstream activities like transportation and distribution account for 7.84% and the use of sold products contributes 0.95%.

BCML's strategy for reducing Scope 3 emissions focuses on high-impact areas, with a particular emphasis on sustainable procurement practices. Major strategy focuses on:

Collaborating with suppliers: To work closely with suppliers to encourage lower-emission processes in the manufacturing of purchased goods and services.

Alternative logistics solutions: To reduce emissions associated with transportation and distribution.

Through continuous collaboration across the value chain, BCML intends to progressively lower its Scope 3 emissions intensity, aligning with its overall sustainability goals.

Decarbonisation roadmap

Decarbonisation roadmap for BCML

As a leading player in the Indian sugar industry, BCML is committed to contribute to the global objectives set by the Paris Agreement, including the goal of limiting global warming to 1.5°C above pre-industrial levels.

Despite having one of the lowest Scope 1 and 2 emissions intensity among domestic and international peers, BCML remains committed to minimizing its environmental impact. In 2023, BCML began measuring Scope 3 emissions, the most challenging aspect of carbon accounting, covering the entire supply chain. Further, to reduce emissions and transition to a low-carbon economy, a comprehensive assessment and detailed decarbonisation roadmap were chalked out with the support of an independent specialised agency like CRISIL.

BCML developed a comprehensive plan to be Carbon Neutral by 2047 or attain Net Zero by 2055. Without intervention, emissions are expected to increase by 12% annually, reaching 82,323 tCO_2e by 2047. By implementing this plan, BCML aims to limit emissions to 19,738 tCO_2e in 2047. BCML's roadmap is built on strategies to enhance energy efficiency, adopt renewable energy, promote electrification and utilising carbon credits with the goal of achieving Carbon Neutrality by 2047. This aligns with India's Net Zero goals and reinforces the Company's commitment to sustainability.

Strategy and key areas of focus

Energy efficiency

- Optimise energy consumption in manufacturing units.
- Implement energy-efficient technologies.
- Enhance processes in transportation systems.
- Improve energy management in office spaces.

Renewable energy and electrification

- Transition from fossil fuels to renewable energy sources, such as biomass.
- Electrify the vehicle fleet.
- Shift to electric vehicles (EVs) for transportation.

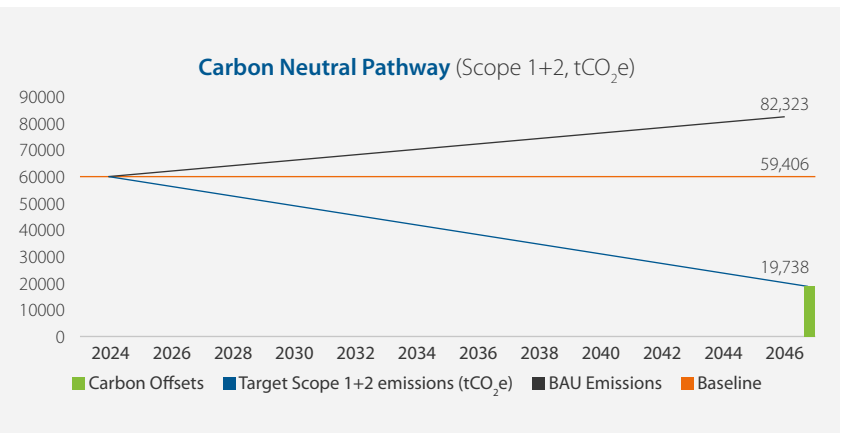
Utilising Carbon Credits

- Generate Carbon Credits through biomass projects.
- Collaborate with government agencies under 'Carbon Credit Program'.
- Purchasing carbon credits from voluntary markets.
- Use of agri-residue for energy generation

Baseline and target setting

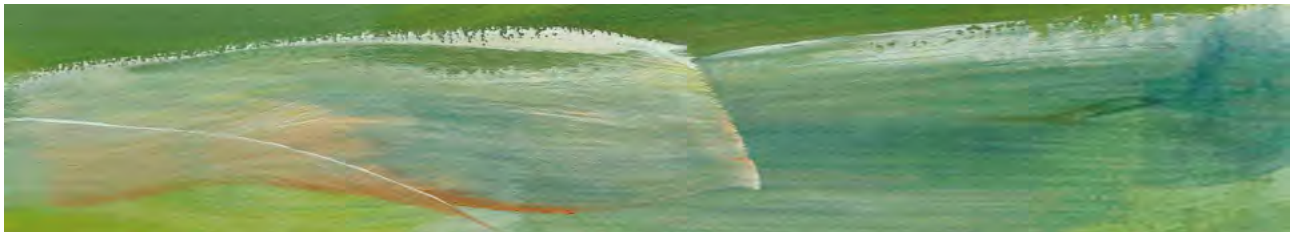
BCML reported Scope 1 + 2 emissions of 59,406 tCO_2e in FY 23-24, based on its 10 manufacturing units. The Company's operations are expected to result in a 12% increase in emissions, reaching 82,323 tCO_2e by 2047 under a business-as-usual scenario.

Recognizing the need for a clear target, BCML set its decarbonisation goals using the Science-Based Targets initiative (SBTi) tool. The target is to reduce the present emissions of 59,406 tCO_2e to 19,738 tCO_2e by FY 2047.



Note on current baseline:
Compared to other Indian & global peers in the sugar industry, BCML has a greener operation with minimal dependence on fossil fuels for electricity and steam generation. This places BCML in a highly optimised baseline where 90% of the total Scope 1 & 2 emissions is because of CH4 and N2O emissions from biomass combustion.

As biomass is already considered as renewable energy, reduction in combustion of biomass for electricity generation is not sustainable. The feasible option to offset the CH4 and N2O is through generating credits through biomass projects or carbon capture projects or use of agri-residue from farmers or afforestation or directly purchasing carbon credits from any voluntary markets.



Decarbonisation interventions

BCML identified key interventions to meet its decarbonisation targets by year 2047.

- Switching to biogas instead of LPG for cooking
- Blending of diesel with biofuel for use in DG sets
- Switching to R-32 Air Conditioners / HVAC from R-22
- Transitioning from petrol cars to EV cars
- Transitioning from diesel tractors to Electric tractors
- Transitioning from diesel cars to EV cars
- Used of banked electricity
- Credits through biomass projects
- Use of agri residue from farmers
- Afforestation

Other key interventions

- Increasing reliance on banked electricity to reduce a dependence on grid-based electricity.
- Transitioning to electric vehicles for passenger and utility vehicles, including tractors, reducing emissions from internal combustion engine (IC) vehicles.
- Phasing out R-22 refrigerants in favor of lower-emission R-32 air conditioners as a part of the Company's gradual HVAC overhaul.

BCML's decarbonisation roadmap provides a clear, structured approach to achieve substantial emissions reductions to become carbon neutral by 2047. With a focus on use of renewable energy, electrification, refrigerant change and afforestation, the Company is set to align with national and international climate targets, positioning itself as a leader in sustainable practices within the Indian sugar industry. This roadmap not only mitigates the impact of its operations on climate change but also strengthens BCML's long-term business resilience by preparing it for a low-carbon future.

Energy management

99.88
%, energy sourced from renewable sources

~20
%, Increase in energy sourced from renewable sources {29,721,662.47 Joules in FY 23-24)

175.7
megawatts, cumulative saleable cogeneration capacity since 2003

89.77
crore units, power generated in FY 23-24, up from 71.87 crore units the previous year

54.60
%, generated power consumed internally by BCML

40.76
crore units, exported, up from 31.69 crore units in FY 22-23

BCML focuses on improving energy efficiency and reducing consumption. The Company conducts energy and safety audits to optimise resource use and enhance operational safety. A key initiative involves using bagasse, a waste product of sugar production, in cogeneration plants to generate green power, reducing its reliance on fossil fuels.

Over 99.88% of BCML's total energy consumption in FY 23-24 came from renewable sources, with around 20% increase in renewable energy use. The energy consumption form renewal sources i.e. bagasse and slop are around in the ratio of 85:15 respectively.

Water management

18.31
% reduction in ground water withdrawal, 2430623 KL, FY 23-24

38.13
%, reduction in total volume of water consumption, 1462218 KL, FY 23-24

48.52
%, reduction in water intensity per Rupee of Turnover, 0.0261 litres/ turnover in Rs, FY 23-24

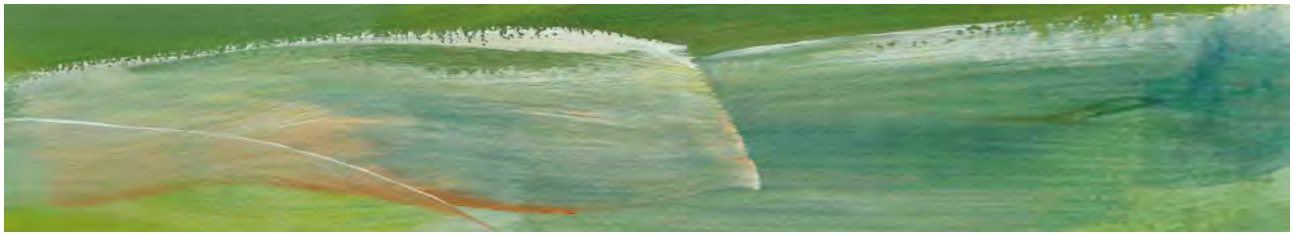
58.26
%, Increase in total water discharged after treatment, 968405 KL, FY 23-24

BCML made strides in water conservation through advanced technologies and sustainable practices. Over the past years, the Company achieved an 18.31% reduction in groundwater withdrawal and a 38.13% reduction in total water consumption. The installation of condensate polishing units and rainwater harvesting systems helped reduce water consumption, while upgrades in sugar and distillery units facilitated the recycling of water for industrial processes. BCML has achieved a 48.52% reduction in water intensity per Rupee of turnover, enhancing operational efficiency.

The Kumbhi sugar unit became the first within the Company to achieve zero groundwater extraction, primarily through recycling sugar vapour condensate. The Company invested in a double-stage condensate polishing unit and lagoon systems for water storage, ensuring treated water is available for use during off-seasons.

BCML's sustainable water management extends to reducing groundwater extraction across its key distilleries in Maizapur, Gularia, and Balrampur. The Company achieved a reduction of 1.5–2.0 KL of water per KL of alcohol produced in two distilleries. Advanced condensate polishing units were installed in Balrampur, Maizapur, and Gularia, while existing units at Babhnan and Mankapur were revamped. Surplus water from the sugar units is effectively reused in distilleries, reducing dependency on external water sources.

To address challenges in treated water management, BCML adopted innovative technologies (sludge bed process and aerobic-anaerobic systems) to treat high-COD water. Effluent treatment plants and condensate polishing units enabled the use of treated water in high-pressure boilers, replacing raw groundwater. This approach not only reduced groundwater dependence but also ensured a compliance with statutory norms. BCML expects to reduce groundwater extraction across its distillery units in 2024-25 and sustain water use at under 5 KL per KL of alcohol produced in its distilleries.



Zero Liquid Discharge through Advanced Water Management Technologies

- BCML, a leading sugar manufacturer, faced challenges related to high water consumption and wastewater discharge in its distilleries, which limited operations to 270 days a year. The increasing risks of water scarcity, competition for water resources, and growing regulatory demands highlighted the need for effective and sustainable water management.
- To address these challenges and enhance operational efficiency, BCML recognised the necessity of adopting advanced technologies to reduce water dependency and eliminate liquid waste discharge.

Strategy

- BCML installed incineration boilers in its five distilleries (Balrampur, Babhnan, Mankapur, Maizapur, and Gularia) to achieve zero liquid discharge (ZLD).
- Invested in ZLD systems from 2015-2024, extending distillery operations by 60 days a year (from 270 to 330 days).
- Recycled all distillery water processes for plant functions, minimizing raw water intake.

Process and equipment

Incineration boilers: The core of BCML's ZLD implementation, these boilers treat distillery effluents by burning, which not only eliminates liquid discharge but also generates energy. The incineration process reduces liquid waste to solid residue, which is easier to manage with lower environmental risk.

Multiple effect evaporators (MEE): Before incineration, MEEs concentrate the wastewater (spent wash) by evaporating the water, leaving a concentrated effluent (slop), used with bagasse for incineration in specially designed slop fired boilers.

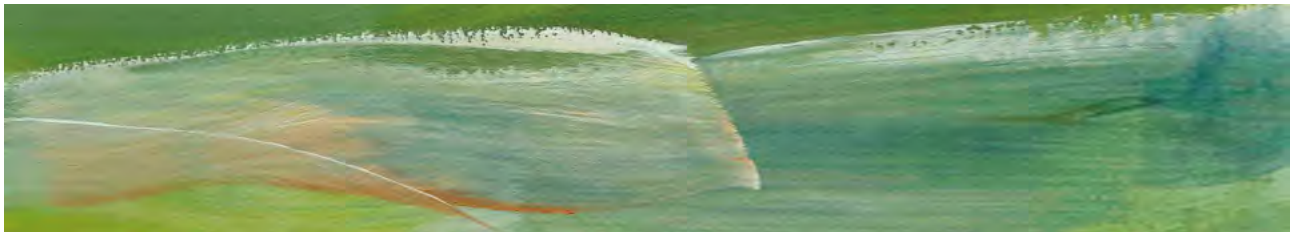
Condensate polishing unit (CPU): This unit treats the condensate water received after vapour condensation during multiple effect evaporation in the MEE, making it suitable for reuse within the distillery. Recycling moderates the need for fresh water.

Water recycling: Treated water is utilised for horticultural applications and other plant functions, such as cleaning and cooling, minimizing a reliance on external water sources. This closed-loop system maximises water efficiency across the plant.

Results

- Extended operational capacity by 60 additional days, increasing revenue and profitability.
- Achieved 100% ZLD, mitigating water scarcity risks and ensuring regulatory compliance.
- Improved public perception, stakeholder confidence, and company credit rating by reducing environmental impact.

BCML's ZLD implementation strengthened its sustainability leadership and operational efficiency, setting an industry benchmark



Waste management

6.53
% CAGR, reduction of COD of Discharge Water in last 3 years, 111.62 Mg/L, FY 23-24

9.45
%, reduction of BOD of Discharge Water in last 3 years, 15.76 Mg/L, FY 23-24

<160
Total effluent in discharged water for the last two FYs, 156.59 KLD in FY 23-24

8.09
% CAGR. reduction of TSS of Discharge for the last 3 years, 16.28 Mg/L, FY 23-24

BCML implemented a comprehensive waste management strategy aimed at minimizing environmental impact through waste reduction, recycling, and energy recovery. The Company recycled waste/by-products like bagasse and molasses for downstream production, while filter cake generated during operations was distributed to farmers as organic manure. The Company generated 46167.64 tonnes of waste in FY 23-24, which includes plastic waste, E-waste and other non-hazardous waste. There was an overall 19% decrease in the waste generated from the last financial year. BCML installed a potash granulation plant to convert press mud into potash-rich fertiliser, marketed in partnership with IFFCO, reducing waste and supporting sustainable agriculture. Beyond agricultural by-product management, BCML developed facilities to convert carbon dioxide from distillation into dry ice, a new revenue stream while lowering emissions.

The Company is compliant with extended producer responsibility (EPR) obligations concerning plastic usage, emphasizing sustainable packaging solutions, including biodegradable and recyclable materials. These initiatives reflect BCML's commitment to minimizing waste, reducing emissions, and promoting a circular economy.

Sustainable practices in environmental management

The following are the highlights of various sustainable practices and strategies implemented by BCML in waste management, CO_2 capture, byproduct utilisation, and energy security.

Waste management

- Bagasse (sugarcane fiber) is used for energy generation.
- 100% boiler ash of incineration boilers is used to produce potash fertiliser, which enhances soil health while addressing waste disposal concerns.
- Effective systems for recycling and safe disposal of hazardous and non-hazardous waste are in place.

CO_2 capture and utilisation

- CO_2 from fermentation in ethanol production is captured and used in industrial processes, lowering greenhouse gas emissions.

By-product utilisation

- Bagasse and spent wash are used for steam and power generation, reducing reliance on fossil fuels and contributing to lowering India's energy imports.
- 100% of free molasses is used for ethanol production, reducing greenhouse gas emissions, contributing to stable prices and energy security.

Air emissions

25
% decrease in NOx emissions, 38.7 mg/Nm3, FY 23-24

18.59
% decrease in SOx emissions, 25.4 mg/Nm3, FY 23-24

13.4
% decrease in Particulate Matter emission, 66.2 mg/Nm3, FY 23-24

< 50
% particulate Matter from boiler emissions, compared to CPCB norms

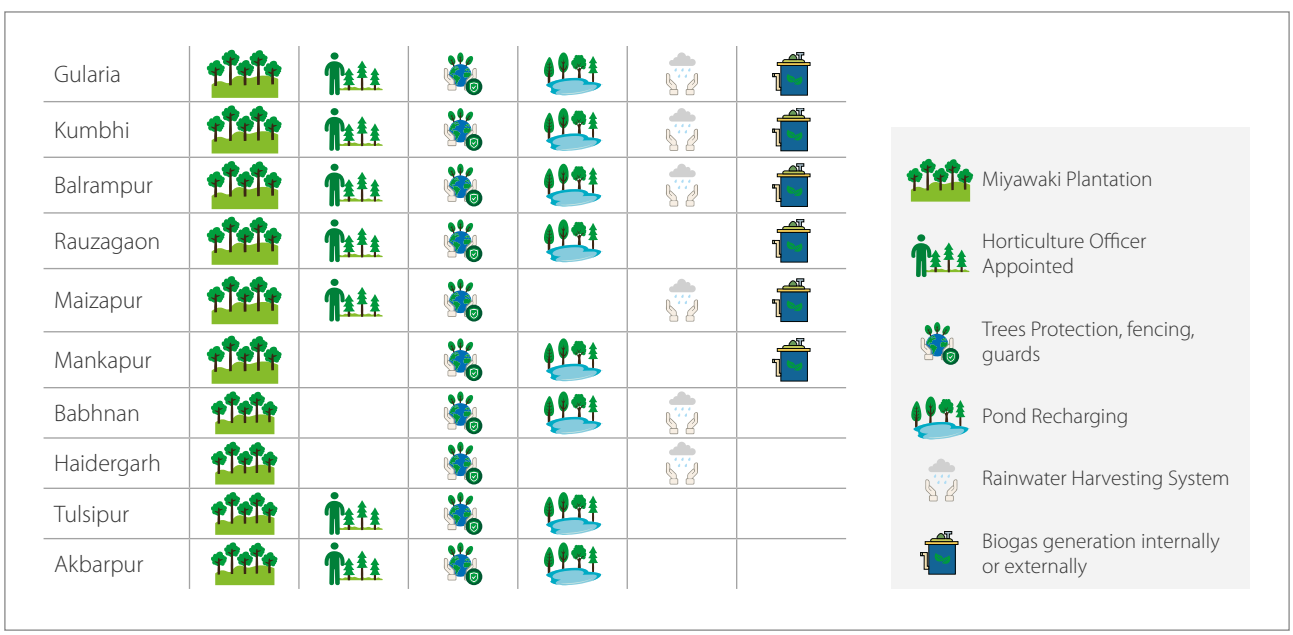
The Company prioritised the reduction of air emissions through the implementation of advanced control systems and regular monitoring. In FY 23-24, efforts to improve boiler efficiencies, including the optimisation of steam temperatures and the use of incineration boilers with bag filters and electrostatic precipitators, have resulted in significant reductions in emissions metrics. Nitrogen oxide (NOx) and sulphur oxide (SOx) emissions decreased by about 25% and 19% respectively in FY 23-24, indicating the effectiveness of the Company's commitment to reducing environmental impact. The Company is committed to keeping these emissions well below the standards set by the Air (Prevention and Control of Pollution) Act, 1981, as well as the Environment Protection Act, 1986.

Particulate matter emissions from the boilers remained below regulatory limits. The Company maintained particulate matter emissions at 67.71 mg/Nm^3, well within the prescribed norm of 150 mg/Nm^3.

The Company steadied ambient air particulate matter levels, ranging between 18-22 ug/Nm^3, consistently below the Central Pollution Control Board (CPCB) norms of 100 ug/Nm^3.

Biodiversity protection

BCML recognises that biodiversity is fundamental to maintaining ecological balance and ensuring the long-term sustainability of agricultural systems. As a company rooted in agriculture, BCML understands that preserving biodiversity not only benefits the environment but also enhances agricultural productivity, supports ecosystem services, and strengthens resilience against climate change. The Executive Directors, with effective oversight of the ESG and the CSR Committees ensure integration of biodiversity conservation into our operations. Biodiversity conservation is central to BCML's commitment to sustainable development, fostering a harmonious balance between industrial operations and the environment.



BCML has implemented several initiatives that reflect its commitment to biodiversity:

Tree plantation program: BCML has adopted the Miyawaki method of afforestation, known for creating dense forests in shorter time frames. This approach enhances biodiversity by accelerating habitat creation and improving ecosystem resilience. Over the last three years, BCML has consistently focused on expanding green cover through widespread tree planting initiatives, including plantation drives on occasions such as World Environment Day.

Water conservation and pond rejuvenation: BCML emphasises water resource management, which plays a critical role in supporting local ecosystems. The Company undertakes rainwater harvesting projects and implemented pond recharging near its manufacturing units. These initiatives help sustain local water tables, support aquatic life, and mitigate the impact of climate change by preserving freshwater biodiversity.

Promotion of sustainable agricultural practices: BCML encourages intercropping among farmers to promote agricultural biodiversity. This practice mimics natural ecosystems by increasing the variety of plant species, improving soil health, and supporting beneficial insects and wildlife. The use of organic manure contributes to soil health, promoting microbial diversity and enhancing soil structure.

Carbon sequestration through sugarcane cultivation: BCML's sugarcane crop contributes to carbon sequestration. The crop plays a role in reducing greenhouse gas emissions while promoting biodiversity through sustainable farming.

BCML's ongoing biodiversity efforts have led to tangible results

Indicator	FY 21-22	FY 22-23	FY 23-24
Trees planted	1,50,137	1,84,354	1,66,773
Ponds recharged	5	35	18

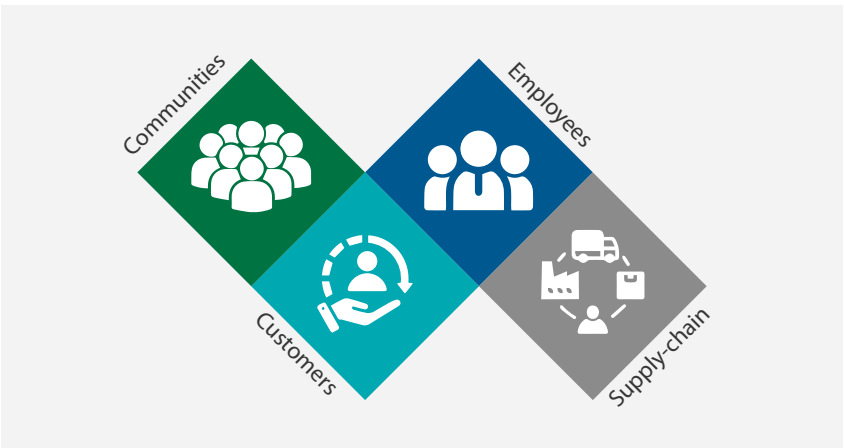
Tree plantations: In FY 23-24, BCML planted 1,66,773 trees, reflecting a steady contribution to green belt development. This follows the plantation of 1,50,137 trees in FY 21-22, showcasing the Company's consistent commitment to expanding green cover. BCML has planted over 5,00,000 tress in last three years and intends to plant around 10,00,000 trees in five years..

Pond rejuvenation: BCML recharged 18 ponds in FY 23-24, following the initiation of this effort with 5 ponds in FY 21-22. These initiatives not only help in water conservation but also rejuvenate local aquatic ecosystems, contributing to biodiversity conservation.

Social

Overview

BCML's success hinges on its strong Social Capital, characterised by trust and collaboration. Central to this is employee engagement, supported by policies focused on attraction, retention, and training aimed at cultivating a future-ready workforce. The Company prioritises health and safety through a robust occupational health and safety management system that includes policy enforcement, ongoing training, mock drills, and strategic investments in safety infrastructure. Awareness campaigns, such as National Safety Week, bolster this culture, while employees are encouraged to report safety gaps.



The Company is committed to diversity and inclusion, implementing equal opportunity policies that prevent discrimination based on personal characteristics. It actively works to increase female representation in corporate roles and factory operations, collaborating with local authorities to recruit women. With a strict zero-tolerance policy for sexual harassment, the Company provides regular training on rights and responsibilities. During the pandemic, it introduced flexible work arrangements, testing, isolation support, and vaccinations, demonstrating a commitment to employee well-being.

Salient parameters: General disclosures and practices

Implemented an Occupational Health and Safety Management System	Work-related hazards and risks are assessed regularly
Measures to ensure a safe and healthy workplace	Life insurance or compensatory packages provided
Access to non-occupational medical and healthcare services	Workers can report hazards and remove themselves from risks
Corrective actions for safety incidents and health & safety risks	Accessibility for differently abled employees and workers

Human Capital

4621
Permanent workers

2.92
%, turnover rate of permanent workers

10.04
Average training hours per employee

1602
Training sessions for employees other than BoD and KMPs

81.84
%, employees associated with the Company for over five years as of FY 23-24

95.20
%, employees retained in 2023-24

BCML is increasing female representation in its workforce, striving to bridge gender inequality and address challenges posed by its industrial setup and geographical location in Uttar Pradesh. Traditionally, industrial roles in manufacturing have been male-dominated due to factors like physically demanding tasks, shift work, and on-site responsibilities. However, BCML is committed to transforming this trend and fostering a more inclusive workplace.

As industries evolve and recognise the value of diverse perspectives, BCML recognises the importance of diversity and explores initiatives aimed at attracting and supporting female employees, promoting a balanced workplace. BCML is striving to create inclusive environment that supports women in a wider range of roles. Through initiatives that address recruitment, training, and workplace flexibility, BCML is reshaping workforce dynamics, fostering balanced teams that converge skills and viewpoints.

Human Resource Goal

Balrampur aspires to become an even better place to work and offer a conducive environment for all its employees where they can have a career growth, learn and enjoy.

The Company aims to ensure that employees' families are satisfied with the work environment , particularly in the units

Human Resource Practices

Learning and development

The Company's detailed learning and development system focuses on learning as a vital tool for people development. The learning and development system emphasises on-the-job training, classroom training and leadership level training that ensures that the deserving enjoy better career opportunities.

Internal talent

The Company promotes junior employees with requisite experience to higher roles in the event of vacancies (over lateral hiring).

Annual appraisal

The Company provides annual appraisals around a multi-level rating system that removes biases.
The Company supports meritocracy and ensures that the deserving candidates are rewarded and promoted.

Housing for employees

The Company invested in upgraded employee housing, better roads and street electricity in addition to community halls, dispensaries and stores wherever required.

BCML Excellence Awards, 2024

BCML hosted its inaugural Excellence Awards 2024 on September 24, 2024 to honour exceptional contributions, dedication, and teamwork that have significantly contributed to the Company's growth and success. The event recognised excellence across all 10 units, fostering a culture of motivation and pride within the organisation.

The awards encompassed five categories, each designed to acknowledge and encourage exemplary performance in key areas:

Best in Technical Awards

Akbarpur - Excellence Award - Milling

Maizapur - Excellence Award - Instrumentation

Babhnan - Excellence Award - Electrical

Gularia - Champion of Champions - Technical

Best in Cane Awards

Babhnan - Best Unit in maintaining morning balance

Tulsipur - Unit with maximum new initiatives

Rauzagaon - Unit with maximum new initiatives

Kumbhi - Champion of Champions - Cane

Best in Stores Awards

Maizapur - Best Unit in House-keeping, scrap yard management & storage

Balrampur - Best Unit in Stores inventory control

Best in Human Resources

Haidergarh - Best Unit in HR Operations

Mankapur - Best Unit in Learning & Development

Hall of Fame

Awarded to the unit with the most awards across categories. This recognition highlights the unit's outstanding performance and set a standard for excellence within BCML.

Gularia

Key initiatives, 2023-24

Skills matrix

The Company focused on the development of a skill matrix to assess employee competencies, gaps and corresponding training. The Company identified and trained high potential candidates to fill vacancies faster from within.

Housing colonies

The Company embarked on upgrading employee housing colonies across all ten units.

Engagement activities

The Company organised engagement activities where specific budgets were offered to units to conduct competitions, awards and sports tournaments for employees and their families.

Darwin Box

The Company undertook Darwin box as its digital human resource platform where the database is located.

Automation

The Company automated its learning and development system.

ESAR

The Company provided Employees Stock Appreciation Rights (ESAR) to eligible employees.

Training Sessions held for employees

Training Sessions held for employees

Occupational health and safety

13
LTIFR across plants

700
Training sessions for workers

Environment, Health & Safety (EHS) Policy

At BCML, our Environment, Health, and Safety (EHS) Policy reflects our commitment to zero harm by targeting Zero Lost-Time Accidents. We aim to accomplish this by systematically improving EHS processes and sustainably reducing the frequency rate of incidents. We strive to minimise our environmental impact and enhance environmental performance as a core part of our operations.

We are dedicated to creating a safe and healthy work environment through continuous improvement and active participation from employees, contractors, and visitors. Management takes proactive measures to address workplace hazards, ensuring proper training and embedding health and safety responsibilities into performance evaluations.

At BCML, accountability and collaboration are integral to our EHS approach. Supervisors are responsible for the well-being of their teams, while every individual, employees and visitors alike, shares the responsibility for their own safety and the safety of others. Together, we aim to build a safer, healthier, and more sustainable workplace.

Promotional/Motivational Programs

Home Safety Training & Drill on LPG fire for housewives, colony residents

Home fire safety training being imparted to family members

Safety Week Celebration

Each year, the Company celebrates a Safety Week from March 4th to 10th at all units, featuring training and awareness programs, quiz competitions for employees' families, safety poster contests for children, and slogan competitions for workers. Activities also include role plays and the distribution of annual safety awards.

Other campaigns

The Company observes additional campaigns through the year, including Fire Service Week from April 14th to 20th, Road Safety Week in January, World Environment Day on June 5th, and Electrical Safety Week in June.

Addressing safety violations

The Company proactively identifies unsafe behaviours and conditions through assessments, employing a structured approach to manage safety violations. Initial infractions result in formal warnings, with penalties applied for repeat offenses, including disciplinary actions.

Minimizing repetition of violations

Safety Officers document daily abnormalities in their units, which are reviewed monthly by the Safety Committee to develop resolutions aimed at reducing recurrence.

Conducting safety audits

The Company implements a three-tier safety audit process: initial assessments by internal safety officers, quarterly reviews by the safety head, and evaluations by external agencies, ensuring comprehensive oversight and effectiveness.

BCML provides essential training and resources to promote safe work practices. Disciplinary actions will be enforced for non-compliance with safety protocols or corporate policies. Ultimately, health, safety, environmental protection, and loss control are collective responsibilities, and BCML expects everyone to contribute to fostering a secure workplace, recognizing that shared commitment is vital for success.

Safety Committee

The Company's unit safety committee, consisting of both workers and senior management, is convened quarterly to discuss and advance the safety agenda. Under the leadership of Mr. Praveen Gupta, Whole Time Director, the Company has implemented robust employee health and safety initiatives. To oversee these initiatives across manufacturing units, an employee health and safety executive has been appointed. Each unit is staffed with dedicated and qualified safety professionals, complemented by a fire officer and fireman, all reporting directly to the unit head. As of March 31, 2024, the Company's safety team comprises 12 personnel, committed to fostering a safe working environment throughout the operations.

Employee Health Endeavors

The Company has dedicated a budget for regular employee health checks, reflecting its commitment to workforce wellbeing. In partnership with a local hospital, all blue-collar workers receive comprehensive medical assessments. Each unit features a dispensary to address minor health concerns and provide first-aid services, while an ambulance is available for transporting employees to nearby hospitals when necessary. For white-collar employees, the Company offers medical insurance policies ranging from Rs. 2 lakh to Rs. 10 lakh, ensuring substantial coverage. Employees over 40 undergo annual paid medical check-ups, while younger employees receive paid check-ups every two years. Through these initiatives, the Company prioritises health and safety, fostering a proactive and supportive work environment for all employees.

Employee Safety Endeavors

Fire Safety Drill being conducted at BCML

Sprinkler demonstration being given for Fire Safety Drill at BCML

At BCML, operational safety is paramount across activities, including the operation of rotary equipment, boilers, working at heights, welding, loading sugar and alcohol, excavation, electrical maintenance, and handling chemicals. Given the nature of industrial work, there is a risk of injuries, accidents, and equipment failures. To address these safety challenges, the Company implemented several key initiatives:

- Documented safety requirements defining roles and responsibilities from the senior management to vendors.
- Established safety induction and training protocols, ensuring no employee can enter the plant without proper orientation.
- Provided training on standard safety operating procedures for maintenance and operations.
- Introduced work permit systems to identify and assess safety risks before commencing new projects.
- Installed earth leakage circuit breakers (ELCB) and residual current circuit breakers (RCCB) to enhance employee and equipment safety.
- Implemented a comprehensive machine guarding concept (360 degrees) to minimise the risk of worker injuries.
- Appointed qualified safety professionals and trained personnel in fire safety across all locations.
- Invested in a dedicated firefighting system supported by trained fire professionals.

Through these initiatives, BCML is committed to fostering a safe working environment for all employees

Employee Safety Activities

Safety Evacuation Drill being conducted at BCML

Onsite training cum practical demonstration (drill) on working at height, at BCML

Awareness building

The Company mandates at least one safety program per week, extending beyond plants to include employee families. Recent initiatives included electrical safety and LPG safety demonstrations for households. The Company also engages in direct interactions with workers through various channels, including classroom training and communication via mail and posters.

Safety trainings

Safety training is mandatory, with 12 specialised safety modules covering areas such as working at heights and machine guarding. The Company conducted 658 classroom and 780 on-the-job training sessions, incorporating post-training assessments to maintain high standards.

Mock drills/ fire drills

The Company conducts mock drills to meet statutory requirements, simulating various emergency scenarios to enhance crisis management skills. Monthly fire drills increase awareness through practical demonstrations of firefighting systems and rescue techniques.

Investment in sustainable infrastructure

The Company has invested in safety infrastructure, including platforms, railings, and 360-degree machine guards, spending Rs. 11.05 crore on safety enhancements in 2023-24.

Safety investments

Specialised safety equipment, such as self-contained breathing apparatus and arc flash suits, has been introduced across units. Job-specific personal protective equipment is provided based on the nature of the work and associated risks.

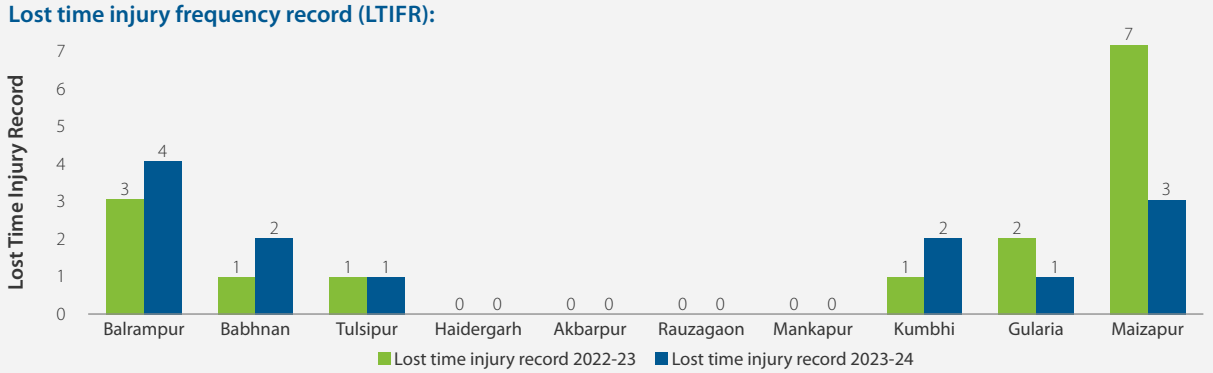
Safety certifications

Safety certification is crucial for industries as it helps identify and mitigate potential hazards, reducing the risk of accidents and injuries. Compliance with regulations and standards avoids legal penalties and fines, while enhancing reputation and fostering trust among clients and employees. A strong focus on safety boosts employee morale, leading to increased productivity and lower turnover rates. In essence, safety certification is key to creating a secure and sustainable work environment that benefits both the organisation and its stakeholders.

Necessary licenses and certifications obtained by BCML

MAH license under the Factories Act for Distilleries	PESO License (Class A and Class B)
Fire Safety Activeness Certificate	Pressure Vessel Certificate
Fitness Certificate for Lifting Equipment	No Objection Certificate for Sulphur Storage
On-site Emergency Plan	Periodic Safety Audit by external agency/competent professionals

Lost time injury frequency record (LTIFR):



The Lost Time Injury Frequency Rate (LTIFR) records across all plants of BCML for FY 22-23 and FY 23-24. Overall, the total number of LTIFRs decreased from 15 in 2022-23 to 13 in 2023-24, indicating a positive trend in workplace safety. Notably, the Maizapur plant, which had the highest number of injuries at 7 in FY 22-23, reduced to 3, validating the effective implementation of safety measures. Plants such as Haidergarh, Rauzagaon, Mankapur and Akbarpur maintained their record of zero injuries, reflecting strong safety practices and vigilance. The reduction in LTIs is a testament to BCML's ongoing commitment to foster a safe work environment.

Supply chain management

Less than **14** days
Payment cycle of suppliers

~90
% of farmers assisted by the cane team in sustainable farming techniques

30,592
Vendors

15,000
Awareness programmes for value chain partners

Supplier Code of Conduct

As a part of its commitment to sustainable supply chain management, BCML encourages suppliers to adhere to robust ESG standards. This commitment reflects BCML's belief in fostering a responsible and ethical supply chain. Suppliers, defined as entities providing products, equipment, materials, or services to BCML under any contract or agreement, are expected to act with integrity. They are required to demonstrate sustainable practices and compliance with legal standards, upholding ethical business conduct, and prioritizing safety and fairness. Through this collaborative approach, BCML aims to strengthen a supply chain that not only meets business objectives but contributes positively to the environment and society.

Supply chain management initiatives

Strong relationships: Leverages Social Capital to build robust connections with farmers, communities, and suppliers, essential for continuous output during condensed operational seasons.

Sustainability initiatives: Implements sustainability measures throughout the supply chain, leading to:

- Resource conservation
- Streamlined processes
- Cost savings
- Increased productivity

Local supplier support: Emphasises collaboration with local suppliers, resulting in:

- Reduced costs
- Enhanced customer benefits
- Improved community engagement

Collaboration with suppliers to:

- Improve environmental and social management systems
- Ensure alignment with BCML's policies

Ethical standards: Upholds rigorous ethical standards by:

- Mandating respect for internationally recognised human rights

- Prohibiting child and forced labor through strict contract enforcement

Supplier engagement: Values suppliers as integral stakeholders by:

- Providing platforms for open dialogue
- Facilitating issue resolution

Bonsucro certification: Demonstrates commitment to fair practices through Bonsucro Certification, which:

- Validates adherence to strict sustainable crop production standards
- Enhances credibility and leadership in ethical supply chain management

Long-term partnerships: Fosters transparency, ethical sourcing, and continuous improvement to:

- Build enduring partnerships that benefit all stakeholders
- Reinforce commitment to social responsibility and environmental stewardship

Awareness programs are being conducted by BCML for farmers, who are the value chain partners

Supply Chain Management - Material issues

BCML identifies supply chain management as a risk and opportunity

Opportunity: In supply chain management (SCM), every part of the chain may offer an opportunity to offer value addition along with reducing inefficiencies. A well-run SCM program framework can increase a Company's revenues, decrease its costs, and bolster its bottom line.

Risk: The complexity of the supply chains, involving multiple stakeholders, widespread operations and detailed logistics, increases susceptibility to disruptions, quality issues, delays, increased costs and reputational damage.

Approach to adapt or mitigate risk:

Strengthening supplier relationships: Promote open communication and collaboration with suppliers to build trust and enhance responsiveness to potential issues.

Regular compliance evaluations: Conduct frequent assessments to ensure suppliers adhere to ethical standards and regulatory requirements, identifying and addressing any gaps promptly.

Diversifying supply sources: Reduce reliance on single suppliers by diversifying sourcing options, which helps mitigate risks associated with supply chain disruptions.

Implementing effective risk management practices: Develop and advance comprehensive risk management strategies that include risk assessment, contingency planning, and proactive monitoring to identify and address potential risks early.

Training and support: Provide training and resources to suppliers to help them improve their compliance and risk management capabilities, developing a culture of continuous improvement.

Human rights

75.24
% of workers trained on human rights issues and policies

Zero
Human rights-related cases filed in the last 3 financial years

Human Rights Policy

BCML promotes human rights across its operations and stakeholder relationships. The Company prioritises the prevention of child and forced labour, ensures freedom of association, and supports collective bargaining among employees. BCML's Human Rights Policy tackles human rights concerns within the organisation.

BCML maintains a non-discriminatory workplace, focusing on merit for hiring and performance evaluations. The Company educates suppliers and contractors about its Human Rights Policy, monitors compliance, and strives to eliminate forced labour from its supply chain. In local communities, BCML respects cultural values, enhances social conditions, and aims to be a positive influence. Through responsible engagement in public affairs, BCML advocates for human rights, reinforcing its commitment to ethical practices and social responsibility. BCML actively monitors the human rights practices of its supply chain, reinforcing its commitment to ethical conduct across its operations.

Training on Human Rights

Training on human rights being imparted by BCML

BCML's commitment to employee and worker development is emphasised through its proactive approach in creating a knowledgeable and skilled workforce, essential for the Company's success. For employees, the Company achieved an impressive 100% coverage in the training programme for permanent and other-than-permanent staff in FY 23-24, maintaining the same engagement as in the previous financial year. This highlights BCML's commitment ensuring that all employees are well-informed and participate in training initiatives, fostering continuous learning and development.

In the workers' category, 100% permanent workers were covered by training, demonstrating the Company's dedication to comprehensive support and resources to its core workforce.

Bonsucro certification

SCS Global Services does hereby certify that an independent assessment has been conducted on behalf of:

Balrampur Chini Mills Ltd.

P.O. Rauzagaon, District Ayodhya, Pin 225 402, India

Has demonstrated the operation of a management system that is compliant with the requirements of:

BONSUCRO™

Standard(s):
Bonsucro Production Standard V 4.2 and Bonsucro Mass Balance Chain of Custody Standard V 5.1

The scope of this certificate shall be limited to:
Mill
Production of raw sugar, refined sugar (white) and molasses

Certificate Code: **SCS-BONS-P-0033**
Bonsucro member number: **IND0248**
Valid from: **26 November 2021 to 25 November 2024**
Date of first Bonsucro certification: **26 November 2021**
Date of Issue: **26 November 2021**

Matthew Rudolf, Vice President, International Business Devmt, SCS Global Services, 2690 Powell Street, Ste. 600, Emeryville, CA 94608 USA

Stanley Mathuram, PE, Executive Vice President, SCS Global Services, 2000 Powell Street, Ste. 600, Emeryville, CA 94608 USA

Bonsucro certification for production standard and mass balance cum chain of custody for rauzgaon plant

SCS Global Services does hereby certify that an independent assessment has been conducted on behalf of:

Balrampur Chini Mills Ltd.

P.O. Rauzagaon, District Ayodhya, Pin 225 402, India

Has demonstrated the operation of a management system that is compliant with the requirements of:

BONSUCRO™

Standard(s):
Bonsucro Smallholder Production Standard for Smallholder Farmers – V1.0 June 2018

The scope of this certificate shall be limited to:
Farming activities
Production of sugarcane

Certificate Code: **SCS-BONS-SHF-2003**
Bonsucro member number: **IND0248**
Valid from: **26 November 2021 to 25 November 2024**
Date of first Bonsucro certification: **26 November 2021**
Date of Issue: **26 November 2021**

Matthew Rudolf, Vice President, International Business Devmt, SCS Global Services, 2690 Powell Street, Ste. 600, Emeryville, CA 94608 USA

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Bonsucro certification for smallholder production standard for smallholder farmers for rauzgaon plant

BCML achieved Bonsucro certification in its Rauzagaon unit and is all set to achieve the same in its Kumbhi unit. The Company's initiatives improved operational hygiene and sanitation, which helped achieve the FSSC 22000 certification for the Mankapur, Rauzagaon and Kumbhi manufacturing units.

The Company's commitment to fair practices is underscored by its Bonsucro certification, validating an adherence to rigorous standards in sustainable crop production. This certification not only enhances credibility but also strengthens the Company's position as a leader in ethical supply chain management. The Company is set to get the internationally credited Bonsucro certificate for its Kumbhi unit.

Bonsucro certification for the Kumbhi plant

The Kumbhi unit aspires to become a Bonsucro-certified sugar manufacturing unit.

The core team, shortlisted to lead the Bonsucro certification process, undertook the following initiatives to achieve certification by mid-2025 across these parameters:

i) Small holder farm calculator

ii) Production standard, chain of custody cum mass balance.

BCML's initiatives for Bonsucro Certification at Kumbha plant

The following steps already/to be undertaken for the Bonsucro certification of the Kumbhi plant comprised:

Pre-Assessment and gap analysis: Initial assessments identified gaps in sustainability, labor, and environmental standards. An action plan was developed through internal brainstorming, SWOT analysis, and a time-bound inter-departmental strategy.

Environmental and social compliance initiatives

- Water management: Implement efficient water use, recycling, and wastewater treatment.
- Soil health: Adopt sustainable practices to preserve soil quality.
- Waste and emissions: Utilise by-products, reduce waste, and manage GHG emissions.

Traceability and documentation systems: Set up a tracking system from cane fields to mill, ensuring full traceability and thorough documentation.

Training and capacity building: Provide training for sustainable practices, safety, labour rights, and Bonsucro standards to farmers, workers, and staff.

Social responsibility and labor practices: Implement fair labour practices, ensure safe working conditions, and engage in community outreach.

Improving mill efficiency and operational standards: Invest in energy-efficient technology, monitor resource usage, and reduce GHG emissions.

Regular monitoring and reporting: Maintain compliance through an internal team, regular record-keeping, and primary internal audits.

Certification process and audit preparation: Collaborate with a Bonsucro certification body, prepare documentation, and address corrective actions from pre-certification audits.

The core team is confident that these initiatives will help the unit align with Bonsucro's sustainability and social responsibility standards, positioning it for successful certification and be eligible for a certification audit by mid-2025.

Digitalisation

5.50
Rs. Cr, digitalisation outlay in 2023-24

One of the first companies in the sugar sector
to digitally transfer cane payment to farmers

In-house farmer interaction applications
Integration of SAP S4 HANA (22.9 version)

Digitalisation Journey

2005
Cane management software implemented.

2006
Point-to-point radio frequency connectivity introduced.

2007
In-house commercial application software developed.

2008
Multi-protocol label switching deployed to create virtual private networks.

2014
SAP implemented across all plants.

2019
Migration to SAP S4 HANA platform.

2021
Launched the Balram app for online farmer engagement.

2022
Re-launched the in-house developed Balram app.

2023
Upgraded to SAP S4 HANA 22.9 version.

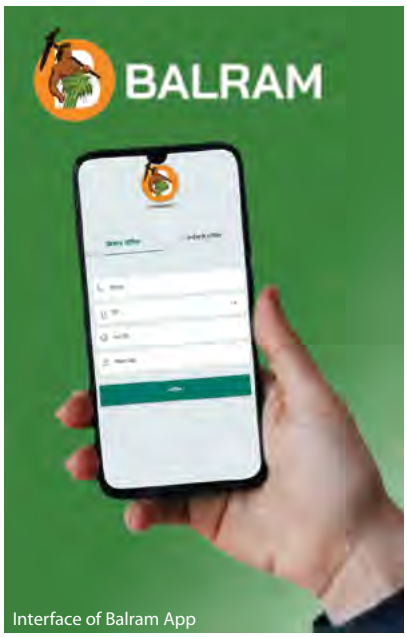
2024
Migrated to a single design, single database web application for cane management.

In a manually driven industry, BCML was a pioneer in recognizing the growing role of institutional memory and digitalisation as a means of aligning acquired units, enhancing productivity and transforming legacy mindsets. In 2005, BCML embarked on a journey to centralise data using common platforms for informed decision-making. It emerged as one of the early adopters in India's sugar sector to develop proprietary cane management software, introducing structure in a complex domain. Focusing on cane management and operations, BCML developed sophisticated applications for farmer data collection, enhancing efficiency and competitiveness.

At BCML, future-facing innovation is central to the Company. BCML's digitalisation has enhanced efficiency.

BCML made proactive investments in infrastructure and innovation, enhancing the quality of products, services and circular business practices.

In 2021, the Company launched the Balram app to initiate online farmer engagements and added features to ensure virtual connectivity with farmers. Our cane team assists farmers (around 90%) in sustainable farming techniques through integrated cane management system and Balram app.



Interface of Balram App

Following is download position of Balram app:

Unit	No of downloads
Balrampur	29,017
Babhnan	36,601
Tulsipur	15,726
Haidergarh	13,800
Akbarpur	24,854
Mankapur	17,070
Rauzagaon	24,688
Kumbhi	26,748
Gularia	27,646
Maizapur	21,415
Total	**2,37,565**

Way forward

The Company enhanced farmer connectivity by improving features of Balram app. It plans to implement advanced cybersecurity solutions, including a managed detection and response system that enables a centralised management of all endpoints through a common electronic dashboard.

CSR and impact stories

1,291.28
Rs. lakh, CSR spending in FY 23-24

1.1
million lives touched through CSR initiatives

CSR Policy

BCML's CSR policy emphasises sustainable social responsibility, targeting areas such as:

- Sustainable livelihoods & women's empowerment
- Quality education
- Quality healthcare
- Rural development and transformation, and
- Environmental sustainability & climate change

The policy adheres to the Companies Act, requiring 2% of average net profits to fund CSR initiatives. Collaborations with government bodies and NGOs are encouraged to enhance reach and effectiveness. Monitoring mechanisms ensure transparency, with annual reporting included in the Company's disclosures.

CSR Committee

The CSR Committee of the Company oversees project selection, budget allocation and implementation of CSR projects to ensure alignment with the Company's social responsibility goals.

CSR focus area

Sustainable livelihoods and women empowerment

59,000+
Individuals benefitted

11,818
Farm equipment distributed

BCML seeks to empower individuals to become self-sufficient and independent in earning their livelihoods. Through skill training and the distribution of technologically advanced equipment, BCML contributed to the growth of underprivileged rural communities. BCML raised farmer's incomes and provided women with an independent income source. The Silai Training Programme for women provided economic empowerment through income generation from garment making, tailoring skills and enhanced confidence. It promoted community contributions and improved overall well-being.

Quality education

16,682+
Students benefitted

19
Schools covered for infrastructure support

63
Schools that introduced mobile science labs

BCML is committed to build the future through quality education. The Company offered infrastructure assistance to government schools and established schools for underprivileged communities near its factories. It provided safe drinking water access, improved sanitation, and equipped facilities with playgrounds and parks. The Company refurbished several government residential girls' schools, leading to a reduction in dropout rates. In collaboration with the Agastya International Foundation, BCML ran four mobile science vans to promote science education in remote villages through school programmes, village camps, and science fairs. The Company's initiatives included special education, vocational skills training for children, women, elderly, and differently-abled individuals.

Quality healthcare

7
Healthcare facilities supported

78,834+
Patients benefitted

10
Ambulances operational

BCML is dedicated to enhancing healthcare quality by expanding preventive health projects and strengthening Public Health Centers (PHCs), Community Health Centers (CHCs) essential for community healthcare delivery. This support aims to meet contemporary standards and effectively address local healthcare needs, particularly benefiting rural and underserved areas. BCML's organisation of health camps improves healthcare accessibility and community involvement, emphasizing preventive healthcare services such as screenings and education. The widespread endorsement of BCML's initiatives highlights community confidence and satisfaction, affirming their positive influence on healthcare outcomes and infrastructure enhancement.

Rural development and transformation

70,902

Individuals benefitted

The Company aims to transform rural areas and create assets that simplify and enhance the daily lives of rural communities. In the last few years, BCML lit the streets and community places with high mast lights. BCML remained dedicated to community development, demonstrated by impactful initiatives aimed at improving local infrastructure and enhancing safety. The Company installed hand pumps to provide clean water, constructed 'pink toilets' to promote hygiene and gender inclusivity, and deployed CCTV cameras to enhance security. BCML built community halls and rest shades to foster social cohesion.

Environment sustainability and climate change

1,66,773+

Trees planted

18

Ponds cleaned, renovated and recharged

172

Solar lights installed

BCML is committed to enhance Natural Capital through soil, water, and habitat conservation, engaging in afforestation and resource conservation. In FY 23-24, BCML built or improved ponds across six villages, creating a water harvesting capacity, and benefiting more than 20,000 people. BCML lit the streets and community places with solar streetlights to promote renewable, affordable and clean energy. The Company's afforestation initiatives, which included Miyawaki forests, aim to increase green cover, improve biodiversity, and combat climate change. These initiatives highlight BCML's commitment to sustainable environmental practices and community involvement, fostering a cleaner and greener future.

CSR awards

BCML received the prestigious CSR Excellence Award from the Institute of Company Secretaries of India (ICSI) and the Golden Peacock CSR Award from the Institute of Directors. These accolades recognised the Company's impactful and sustainable CSR initiatives, validating a commitment to social responsibility, community development, and environmental stewardship.

BCML received 7th ICSI National CSR Excellence

BCML was honored to receive the Golden Peacock

CSR impact stories

Empowering Priti: A bright future through solar lights.

Priti, a determined 20-year-old from Tribhubhan Purba, carries the responsibility of supporting her family by tutoring children in her village. Despite her dedication, she faced challenges as darkness enveloped the village each evening. The absence of lighting not only discouraged students from attending classes but also compromised their safety. The situation was disheartening for Priti. She began losing students, which impacted her family's livelihood. Returning home late in the unlit streets made her feel vulnerable and unsafe. Everything changed with the installation of solar lights in her village. The once-dark pathways now glow brightly, encouraging students to attend her evening classes without fear. This transformation has brought Priti relief and security, allowing her to walk home confidently. The solar lights have not just illuminated the village, but have brightened Priti's future. Her classes are thriving, she feels empowered to make a difference in her community. For Priti and her students, the addition of light has unlocked a world of opportunities, symbolizing hope for the village.

Stitching dreams, weaving futures: Dhanpata's journey of empowerment and hope.

In the quiet village of Chori lives Dhanpata, a 40-yearold woman whose story is one of resilience, determination, and transformation. Life has not been easy for her; like many women in rural India, she faced limited opportunities. She dreamed of a better future for her children, one where they could achieve success and break the cycle of struggle.

That dream took shape when Dhanpata received training through the Balrampur Foundation. Along with new skills, she was provided a sewing machine through BCML's CSR initiative. For Dhanpata, the sewing machine was not just a tool, but a gateway to empowerment. She embraced the opportunity, mastering the art of stitching and tailoring.

Dhanpata now earns her livelihood, not only by stitching clothes for villagers but also by empowering others. She trains girls and women in her village, sharing her skills. Among her trainees is Renu Devi, who recently received a sewing machine after successfully completing her training under Dhanpata's guidance.

What makes Dhanpata's journey inspiring is the unwavering support of her husband. They are shaping a future where their children can dream big, knowing their mother has shown them the power of perseverance.

Transforming classrooms, igniting dreams: A new dawn at Satyabai School.

In the heart of rural Gonda, where education takes a backseat to life's struggles, Satyabai School is a beacon of hope. For years, the school lacked the tools to ignite the imagination of its students. Most children, coming from humble backgrounds, saw learning as a chore.

Change arrived in the form of BCML's intervention. The school was gifted an audio-visual room, a colourful space equipped with modern tools to make learning engaging. The children experienced the magic of AV classes, where stories, science, and history came alive.

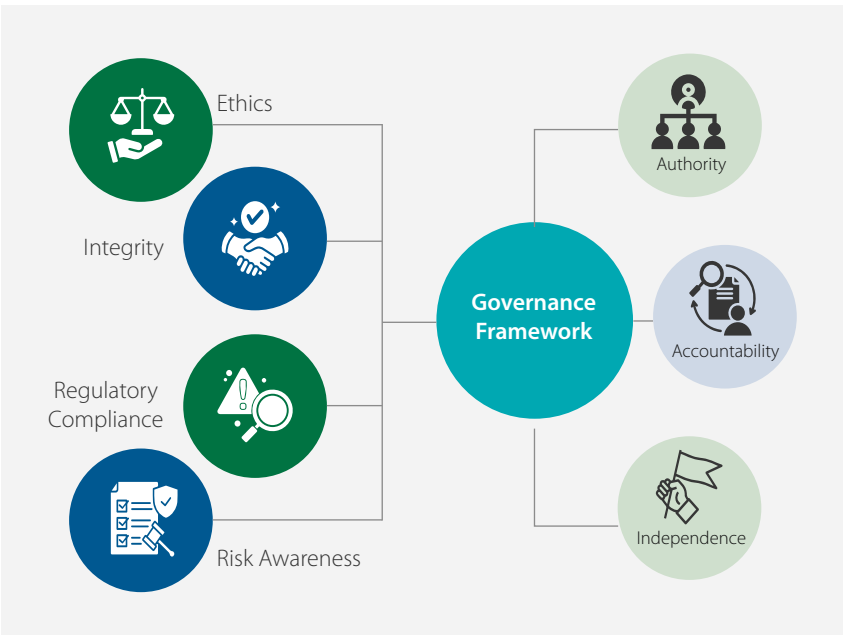
New benches replaced old furniture. Attendance improved, as students began coming to school not out of compulsion but out of excitement.

For Ragini, a 10-year-old who dreams of becoming a doctor, the AV classes have been a revelation. She loves how science lessons now feel like an adventure. For Arjun, who once struggled to sit through school days on broken benches, the new furniture allows her to dream of a brighter future.

Governance

Overview

BCML is committed to strong governance that guides the management in addressing the interests of shareholders and stakeholders. The Board of Directors operates under a clear set of responsibilities, steering the organisation's management, operations, and strategic initiatives.



The key managerial personnel and senior management play a critical role in supporting the Board through insights that ensure effective strategic execution.

The Company's governance framework emphasises ethics, integrity, risk consciousness, and regulatory compliance. Decision-making and monitoring processes uphold best-in-class standards. These governance practices meet regulatory requirements, fostering stakeholders trust. Governance at BCML is guided by four key principles: Ethics, Integrity, Risk Awareness and Regulatory Compliance, which results in a culture of authority, accountability and independence.

BCML's governance includes robust decision-making and monitoring processes that facilitate communication between the Board and Board committees. This approach supports timely and informed decision making, ensuring operations characterised by fairness and accountability, contributing to long-term sustainability and growth.

Governance structure and expertise

56
% of Independent Directors in the Board

33
% of Women Directors in the Board

74
years of within company experience of the Directors

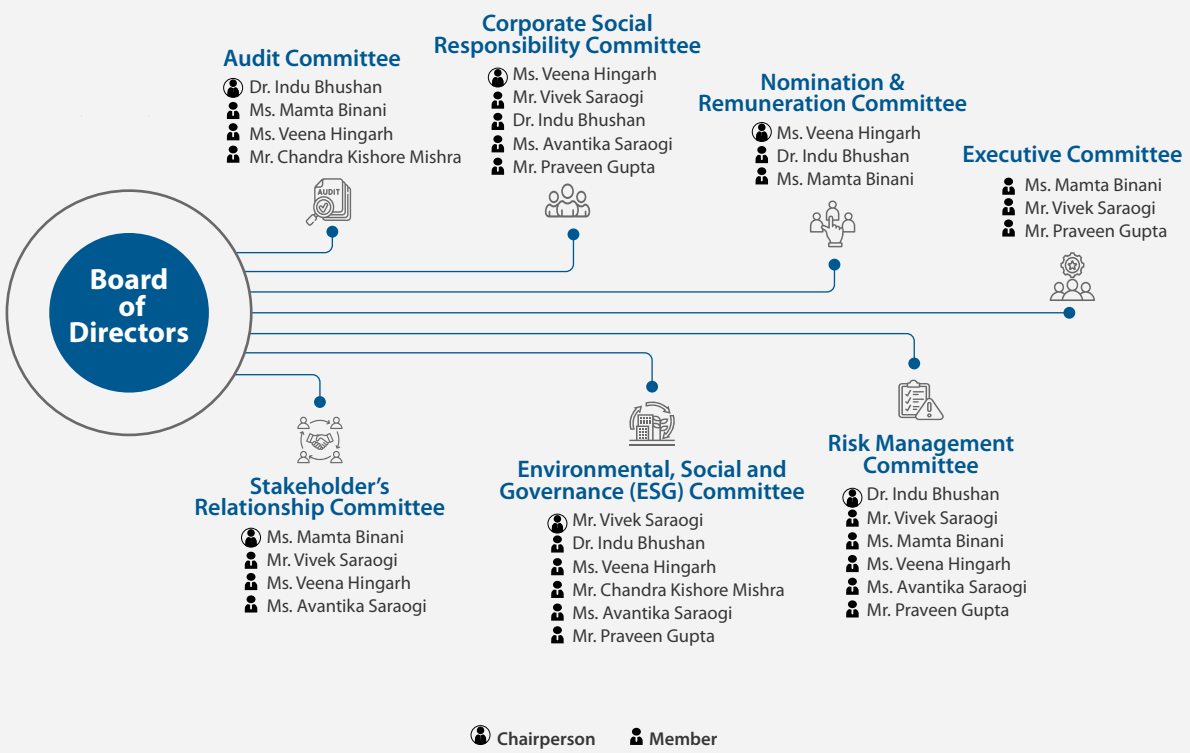
294
Number of collective years of working experience brought to the Board by all Directors

8
Board meetings held in FY 23-24

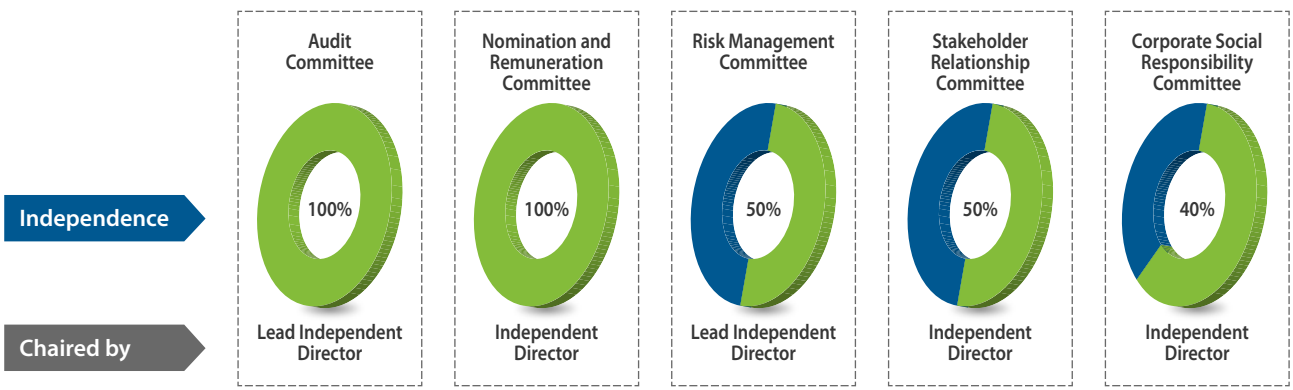
BCML upholds governance principles, ensuring that the management aligns with the interests of shareholders and stakeholders. Guided by a structured framework, the Board oversees the organisation's management, strategic direction, and performance. With the support of the Lead Independent Director, Chairman and Managing Director, Key Managerial Personnels and Senior Management, the Board is equipped to effectively carry out responsibilities.

Board committees

Board committees are vital to governance, enhancing Board effectiveness. Each committee has a specific mandate to support the Board in decision-making by reviewing and filtering opportunities and projects, ensuring that critical issues are addressed proactively and allowing the Board to focus on strategic priorities. BCML has seven committees (including the statutory and non-statutory) with the Company Secretary serving as the Secretary to all Board committees. The composition of the board committees is reflected as on 30th June, 2024.



BCML upholds governance standards within Board committees, ensuring independence and accountability. All Statutory Committees are chaired by Independent Directors. The Lead Independent Director chairs the Audit and Risk Management Committee of the Board. Such committees play a critical role in upholding governance and ensuring Board processes are transparent.



Governance led by a Lead Independent Director

Dr. Indu Bhushan (Retd. IAS)
Lead Independent Director

The Board of Directors appointed Dr. Indu Bhushan as the Lead Independent Director, effective April 1, 2024. Although the appointment of a Lead Independent Director (LID) is not mandatory, the Company recognises the significance of this role in enhancing the Board's oversight and ensuring robust governance.

The LID plays a pivotal role in providing leadership to Independent Directors and serving as a liaison between Independent Directors, management, Board, and shareholders. This position underscores the Board's commitment to maintaining the integrity of decision-making processes and upholding the interests of all stakeholders.

Dr. Bhushan's appointment follows the exemplary tenure of Mr. Dinesh Kumar Mittal, who served as the LID until March 31, 2024. Mr. Mittal, an Independent Director and Chairperson of the Audit, Nomination and Remuneration, and Risk Management Committees, strengthened BCML's governance framework. His term ended upon the completion of his second and final term as an Independent Director.

The Board's decision to sustain the LID role underscores its dedication to governance practices that exceed statutory requirements, deepening stakeholder trust.

ESG oversight

BCML established a robust management structure to facilitate the integration and implementation of Environmental, Social, and Governance (ESG) principles. At the helm of this structure is the Chairman of the ESG Committee, Mr. Vivek Saraogi, who plays a pivotal role in steering the Company's ESG strategy.

BCML constituted a Board-level ESG Committee. This committee is tasked with monitoring and reporting on the Company's ESG performance, collaborating with external consultants, and ensuring a compliance with regulatory obligations and global standards. By adopting a collaborative and proactive approach, BCML manages ESG risks and opportunities, fostering continuous improvement in sustainability practices.

Composition of Environmental, Social and Governance (ESG) Committee

BCML's ESG Committee is structured to ensure balanced oversight, with 50% of its members being Independent Directors. This composition reinforces the Company's commitment to transparency, accountability, and diversity in decision-making, strengthening its ESG framework.

Name of Directors	Position
Mr. Vivek Saraogi	Chairperson
Dr. Indu Bhushan	Member
Mr. Praveen Gupta	Member
Ms. Veena Hingarh	Member
Mr. Chandra Kishore Mishra	Member
Ms. Avantika Saraogi	Member

Terms of reference of the ESG Committee

- Oversee the development of the ESG strategy;
- Identify the relevant ESG matters that do or are likely to affect the operation of the Company and/or its strategy;
- Work in conjunction with the Risk Management Committee to oversee the identification and mitigation of risks relating to ESG, as well as the identification of opportunities related to ESG matters;
- Oversee the establishment of ESG policies and codes of practice and their effective implementation, and monitor and review their ongoing relevance, effectiveness, and further development;
- Oversee the Company's engagement with its broader stakeholder community;
- Review the Business Responsibility and Sustainability Report (BRSR) mandated by SEBI and any other statutory requirements for Sustainability reporting; and
- Authority to obtain advice and assistance from internal or external experts, advisors.

Governance measures

Third-party audits

At BCML, apart from statutory audit, secretarial audit and internal audit, third-party audits represent the cornerstone of our commitment to maintaining transparency, accountability, and continuous improvement across various aspects of our operations. These audits provide an independent assessment of our systems and processes, ensuring compliance with regulatory requirements, adherence to best practices, and alignment with our sustainability and governance objectives. By engaging external experts, we strengthen the integrity of our internal controls and enhance stakeholder confidence in our business practices.

BRSR Assurance: Ensures the accuracy, transparency and accountability of a company's sustainability disclosures.

Safety Audit: The Company employs a three-tier safety audit by internal officers, the safety head, and external agencies to ensure robust safety standards.

Water Audit: A comprehensive evaluation of water usage, aiming to optimise consumption, identify inefficiencies and reduce waste.

Fire Audit: The Company engaged auditors to conduct independent safety and fire audits, aimed at identifying potential fire hazards and ensuring compliance with safety regulations.

Social Audit for our CSR initiatives: A Social Audit assesses the impact and effectiveness of a company's CSR initiatives, ensuring alignment with social goals and transparency in outcomes.

Policies

The Company has recently framed and updated policies viz.

a. Environmental, Social and Governance Policy

b. Human Rights Policy

c. Supply Chain and Responsible Sourcing Policy

d. Risk Management Policy and Framework

e. Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives

f. Policy for Determination of Materiality of Events/Information

Defined Benefit Plan Obligations and Other Retirement Plans

BCML upholds its commitment to employee welfare through contributions to retirement funds in compliance with government regulations. The Company recognises these contributions as expenses when employees provide related services. Additionally, BCML operates a defined benefit gratuity plan through "The Balrampur Sugar Company Limited Employees Gratuity Fund." This trust, managed by appointed trustees, invests in insurance-backed assets, ensuring that employees receive retirement benefits.

The liabilities associated with these defined benefit obligations are calculated based on the projected unit credit method by external actuaries. Any gains or losses resulting from changes in actuarial assumptions are reflected in other comprehensive income for the period and subsequently transferred to retained earnings, demonstrating BCML's commitment to transparent and responsible financial management.

Directors and Officers Insurance Policy

To safeguard its leadership and reinforce robust governance, BCML has in place a Directors and Officers (D&O) Liability Insurance Policy. This insurance coverage is designed to protect Directors and Officers from personal financial losses that may arise from claims or lawsuits brought against them in their capacity as decision-makers within the organisation. The policy provides comprehensive protection, covering legal costs, settlements, and other associated expenses, enabling the Board and senior management to focus on their strategic responsibilities without undue concern about personal liability.

By adopting this policy, BCML underscores its commitment to a secure and responsible working environment for its leadership, while ensuring that key organisational decisions are made confidently and in the best interests of all stakeholders. This initiative not only aligns with global best practices but also reflects the Company's dedication to upholding the highest standards of corporate governance.

Expertise of the Board of Directors

Mr. Vivek Saraogi

Chairman and Managing Director
Chairperson - ESG Committee

Mr. Vivek Saraogi, an accomplished industrialist in the sugar industry, has played a pivotal role in shaping its growth. He was one of the youngest Presidents of the Indian Sugar Mills Association and served as Chairman of the Indian Sugar Exim Corporation Limited (ISEC). A former committee member of FICCI and the Indian Chamber of Commerce, Kolkata, Mr. Saraogi has been instrumental in driving Balrampur Chini Mills Limited's expansion through organic and inorganic strategies, establishing the Company as a leader in the Indian sugar sector. He is a commerce graduate from St. Xavier's College, Kolkata. He is also the Chairperson of the Environmental, Social and Governance Committee and accordingly drives the agenda with his key focus being on resource efficiencies and circularity of business operations.

Ms. Avantika Saraogi

Executive Director

Ms. Avantika Saraogi, a dynamic leader in sugarcane operations, is bringing fresh innovation to the industry. A Cum Laude graduate with a B.A. Hons from Scripps College, California, she is the fourth-generation member of the Saraogi family at Balrampur Chini Mills Ltd. She spearheads efforts in sugarcane development, procurement, grower relations, strategy, technology, and mechanisation. She views sugarcane as the "new oil," recognizing its vast potential for value addition across products and by-products. Beyond driving business growth, she is committed to sustainability, working to reduce the environmental impact of sugarcane cultivation and the sugar mill complex. She is member of ESG, CSR, Stakeholder Relationship and Risk Management Committee and has been spearheading the sustainability initiatives of the Company.

Dr. Indu Bhushan

Lead Independent Director
Chairperson - Audit Committee and Risk Management Committee

Dr. Indu Bhushan, a former IAS officer (1983 batch, Rajasthan Cadre), served as CEO of the National Health Authority and Ayushman Bharat (AB-PMJAY) from 2018 to 2021, overseeing health assurance for over 500 million citizens. An alumnus of IIT-BHU (B. Tech) and IIT Delhi (PG Diploma), he holds a Ph.D. in Health Economics and a Master of Health Sciences from Johns Hopkins University, USA, and is a Chartered Financial Analyst (CFA). With a career spanning four decades, Dr. Bhushan worked as IAS, with, World Bank, and Asian Development Bank (ADB), where he was Director-General, Strategy, and Policy, leading engagements across multiple Asian economies. His expertise includes sectors like energy, environment, public management, and urban development. Honored with awards like IIT-BHU's Distinguished Alumnus Award (2021-22) and Johns Hopkins' Global Achievement Award (2020), he currently serves on the boards of leading global organisations

Mr. Chandra Kishore Mishra

Independent Director

Mr. Chandra Kishore Mishra has had a distinguished 37-year career in public service, including serving as Secretary in the Ministry of Health & Family Welfare and holding additional charge of the Ministry of AYUSH. As Additional Secretary & Mission Director of the National Health Mission, he led one of the world's largest public health programs. He also concluded his service as Secretary in the Ministry of Environment, Forest and Climate Change, playing a key role in India's climate change and air quality policies. Mr. Mishra has held leadership positions at the state level in Health and Power, and at the central level in ministries such as Textiles, Defense, MSME, Health, and Environment. He is globally recognised for his role in implementation of 'Mission Indradhanush,' India's largest immunisation campaign for children. An alumnus of St. Stephen's College, Delhi University, he holds a Post Graduate Diploma in Media Law and has completed advanced leadership programs. After retirement, he has contributed to international organisations and multinational companies, addressing health and climate change, and serves on several prominent boards.

Ms. Veena Hingarh

Independent Director
Chairperson - CSR Committee and Nomination and Remuneration Committee

Prof. Hingarh, is the Director of South-Asian Management Technologies FZC, Dubai, and the South Asian Management Technologies Foundation, an accredited institution specializing in research, training, and consulting in finance, IT, and risk management and has over 20 years of consultancy and corporate training experience. She is an associate consultant and trainer with Moody's Analytics, Informa Middle-East, Fitch Learning, KPMG Middle East and Ken Knowledge. Her expertise includes Information System Audit, Risk Management, and International Financial Reporting Standards. A member of the Financial Reporting Review Board, ICAI, she is one of the few Indians invited to speak at the World Accounting Forum. Prof. Veena Hingarh is a Chartered Accountant and Company Secretary from India. She is also a Chartered Accountant from UK, a CIMA UK and a CGMA (USA). She is a certified information system auditor from ISACA (USA) and has a post graduate diploma in systems management. In addition, she has a master's qualification in science.

Ms. Mamta Binani

Independent Director
Chairperson - Stakeholder Relationship Committee

Dr. (h.c.) Mamta Binani, Past President of the Institute of Company Secretaries of India (ICSI) (2016), is a renowned expert in corporate and insolvency laws with over 21 years of practice and India's first registered Insolvency Professional. A graduate in commerce and law, she is an acclaimed Fellow Member of ICSI and a recipient of numerous national and international awards, including the D.L. Mazumdar Silver Medal, the Tejaswini Award (2010), the 'Bharat Nirman Award' (2010), and the Insolvency Law Award (2020) for India by the International Advisory Experts (IAE). She serves as Vice President of the Kolkata National Company Law Tribunal (NCLT) Bar Association, Chairperson of the Merchant Chamber of Commerce-Legal Affairs Council, and Co-Chair of ICC's Restructuring Committee on Stressed Assets. She is also on the executive committee of INSOL India and serves on the boards of leading companies.

Mr. Praveen Gupta

Whole-Time Director

Mr. Praveen Gupta has 40 years of experience, with 14 years at Balrampur Chini Mills Limited (BCML), where he has led operations, expansion, and the implementation of new technologies in various leadership roles. Known for his people-centric approach, he has driven consensus-based growth and played a key role in BCML's shift towards more value-accretive segments. Currently, he leads CTT, focusing on building technical excellence in engineering processes and streamlining operations and maintenance across all BCML manufacturing units. Mr. Gupta holds an MBA from IIM Kolkata (1984) and a Mechanical Engineering degree from Delhi College of Engineering. He is also an alumnus of Birla Public School, Pilani.

Name of Director	Industry Experience	Industry Knowledge	Rules, Regulations and Policy	Accounting & Finance	Risk Management	Business Planning & Strategy	Human Resource Management	Engineering & Technology	Agri Research & Development	Behavioural Competence
Mr. Vivek Saraogi	√	√	√	√	√	√	√	√	√	√
Ms. Avantika Saraogi	√	√			√	√	√	√	√	√
Dr. Indu Bhushan		√	√	√	√	√	√	√	√	√
Mr. Chandra Kishore Mishra	√	√	√		√	√			√	√
Ms. Veena Hingarh	√		√	√	√		√			√
Ms. Mamta Binani			√	√	√	√				√
Mr. Praveen Gupta	√	√	√			√		√		√

Technology in governance

Technology plays a crucial role in enhancing corporate governance by improving communication, transparency, and decision-making processes. The integration of digital tools has enabled organisations to ensure that governance practices remain effective and efficient in the modern business environment.

BCML adopted a range of advanced software and digital portals to enhance governance practices, ensuring operational efficiency, regulatory compliance, and effective decision-making. These tools streamline communication, data management, and reporting, supporting the Company's commitment to high standards of governance.

The Company makes use of the following software/ portals as a mode of e-governance-

Dess Digital Portal for Board and Committee Meetings

Darwin Box as Human Resource Software

My Insider and My UPSI for insider trading compliances

My ESOPs for ESAR options

GovEva for reporting BRSR compliances

Balram App for farmers, Cane Management Software

To ensure that all directors have seamless access to the Board's and the organisation's records, BCML uses the DESS Digital Portal, which ensures governance through:

Centralised access through DESS Digital Portal: BCML leverages the DESS Digital Portal, a centralised platform designed specifically for holding Board meetings. This portal provides directors with secure access to all necessary agenda documents and attachments, ensuring organised and efficient record management at their end.

Digital accessibility: Directors can access the DESS Digital Portal from any location, offering them flexibility and convenience. This ensures they are always equipped with the most current and relevant information, regardless of their geographical location.

Support and assistance: A dedicated support team is available to assist directors with technical issues or queries related to accessing the DESS Digital Portal, ensuring a seamless and user-friendly experience.

Enhanced participation through video conferencing: BCML has adopted video conferencing for Board and Committee meetings, allowing directors to participate virtually. This approach has significantly improved attendance and engagement, enabling directors to contribute actively despite geographical constraints or other commitments. The flexibility of virtual meetings fosters inclusivity, resulting in more robust discussions and higher-quality decision making and governance.

Governance Report

Corporate governance at BCML encompasses adhering to laws, regulations, and practices that ensure efficient, ethical operations to create long-term value for stakeholders.

The Company upholds transparency, accountability, and fairness in its structure, decision-making, and disclosure practices. To maintain this transparency and uphold high standards, BCML publishes a quarterly Corporate Governance Report, which includes details of Board and Committee and regulatory compliances.

Governance policies

Policy	Description	SDGs Aligned
Environmental, Social and Governance Policy	Details the Company's commitment to sustainable practices in environmental, social, and governance areas.	6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Environment, Health and Safety Policy	Aims for "Zero Harm" and "Zero Lost-Time Accidents" through rigorous safety and environmental measures.	3 GOOD HEALTH AND WELL-BEING, 6 CLEAN WATER AND SANITATION, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
Corporate Social Responsibility Policy	Supports equitable social, economic, and environmental growth, particularly in areas including sustainable livelihoods and women empowerment, quality education, quality healthcare, rural development & transformation and environment sustainability & climate change.	1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES
Policy on Prevention of Sexual Harassment	Provides a safe working environment free from gender bias and sexual harassment.	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Human Rights Policy	To develop an organisational culture based on a policy that supports human rights and seeks to avoid human rights abuses.	1 NO POVERTY, 5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Supply Chain and Responsible Sourcing Policy	Encourage the suppliers to pursue and follow good Environmental, Social & Governance standards for its supply chain infrastructure	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 17 PARTNERSHIPS FOR THE GOALS
Policy on Selection and Remuneration of Directors, KMP and other employees and on Board Diversity	Sets criteria for Director qualifications, board diversity, and performance-linked remuneration.	5 GENDER EQUALITY, 10 REDUCED INEQUALITIES, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Policy on Anti-Bribery	Prevents bribery and corruption, ensuring compliance with anti-corruption laws in India.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Vigil Mechanism Policy	Encourages reporting of unethical practices, fraud, or misconduct within the organisation.	5 GENDER EQUALITY, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Risk Management Policy and Framework	Establishes a risk management framework to identify and address potential business risks.	13 CLIMATE ACTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Code of Conduct and Business Ethics	Provides guidelines for ethical conduct for Directors, senior management, and employees.	12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS
Code of Fair Disclosure	Promotes fair disclosure of unpublished price-sensitive information in line with SEBI regulations.	8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives	Sets standards to regulate, monitor, and report trading by designated persons to prevent insider trading.	8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Dividend Distribution Policy	Outlines guidelines for dividend distribution in compliance with SEBI regulations.	8 DECENT WORK AND ECONOMIC GROWTH, 10 REDUCED INEQUALITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Policy for Determination of Materiality of Events/Information	Guides identification and reporting of significant events or information in compliance with SEBI regulations.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Policy	Description	SDGs Aligned
Policy for preservation of Documents	Establishes guidelines for document preservation and destruction as per SEBI and legal requirements.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Policy on Related Party Transactions	Ensures transparency and compliance in transactions with related parties as per Companies Act and SEBI regulations.	16 PEACE, JUSTICE AND STRONG INSTITUTIONS; 17 PARTNERSHIPS FOR THE GOALS
Privacy Policy	Outlines data collection, use, and protection practices to safeguard personal information.	8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Policy on Succession Plan for the Board and Senior Management	Orderly succession for appointment to the Board of Directors and Senior Management.	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Ethics

Zero

Complaints for bribery / corruption, in FY 23-24

At BCML, ethics is integrated into the Company's governance framework, the foundation for its operations and decision-making. The Company emphasises ethics, integrity, risk awareness, and regulatory compliance, creating a corporate culture that values authority, accountability, and independence. These principles are embedded into the governance structure, ensuring that ethical conduct remains central to operations.

Maneuvering intranet for employees

The Company has in place Darwin portal, an advanced human resource management portal that acts as a repository for key policies/information for easy employee access. Employee awareness of systems and processes is also ensured through circulation of snippets of key policies as a part of internal communication.

Code of Conduct

BCML's Code of Conduct serves as a guiding framework for ethical standards. The Code outlines policies on conflict of interest, competition laws, and the Company's stance on ethical business practices, ensuring that all employees adhere to integrity and transparency. The Company also has a Vigil Mechanism in place to report unethical behaviour, alongside a robust Insider Trading Code to maintain fairness and prevent misuse of insider information.

Anti-Bribery Policy

BCML established an Anti-Bribery Policy. Approved by the Board of Directors, the policy is applicable to all Directors and employees.

The objective of the Anti-Bribery Policy is to prohibit any engagement in bribery, directly and indirectly. It emphasises the responsibilities of employees to maintain high standards of integrity and report any violations to the Chairman and Managing Director or the Audit Committee, the authority responsible for taking appropriate actions, including possible termination of employment. The Executive Committee monitors and reviews the policy's effectiveness, ensuring its continued relevance and suitability.

BCML fosters openness, supporting individuals who report concerns in good faith. Employees are assured protection from detrimental treatment for refusing to engage in bribery or for reporting suspected misconduct. The policy allows for responsible corporate hospitality and donations that comply with ethical standards and applicable laws, prohibiting the acceptance of gifts unless they adhere to the Company's Code of Conduct.

Fair treatment of employees

BCML is dedicated to fair employee treatment by promoting equal opportunities, diversity, and inclusion. Our Human Rights Policy ensures that all employees, including those with disabilities, are treated equitably and provided growth opportunities. While our facilities include provisions for differently-abled individuals, we are focused on improving accessibility. Plans for enhancing inclusion include better access for wheelchair users, widening doorways to accommodate mobility aids, offering training programs to raise awareness and foster inclusive interactions among staff.

We are committed to equal opportunities for career growth and professional development, regardless of their background, identity, or gender. Although we have yet to implement a formal Equal Opportunity Policy, our Code of Conduct reflects our commitment to maintaining a diverse and inclusive workplace. We ensure that our compensation packages are fair and competitive, reflecting the work nature skills, qualifications, and experience.

Vigil Mechanism Policy

BCML is dedicated to conduct business with professionalism and integrity. The Company's Vigil Mechanism Policy is also called Whistle Blower Policy. The Whistleblower Policy encourages employees to report unethical practices, fraud, misconduct, or legal violations without fear of retaliation. This policy creates a secure framework for responsible reporting and aims to address issues promptly, minimizing potential damage to the organisation. If the Whistle Blower believes that there is a conflict of interest between the Competent Authority and the Whistle Blower, he/she may send his/her protected disclosure directly to the Chairman of the Audit Committee. The Policy is uploaded on the Human Resources Management Portal of the Company to enhance access to employees. During the year under review, no whistle blower complaints were received.

Human Rights Policy

BCML is committed to human rights across its workforce, communities, suppliers, and stakeholders. The Company strives to build a culture rooted in policies that respect human rights and prevent abuses. The Company upholds ethics on human rights by fostering a culture of respect, fairness, and equality. Through transparent policies and ethical practices, the Company champions dignity, inclusivity, and the well-being of all stakeholders.

Environmental responsibility

As BCML emphasises on environmental responsibility. The Company integrates environmental considerations into operations through its comprehensive ESG Policy, minimizing the environmental impact of its activities while promoting supply chain and production processes.

BCML is committed to responsible sourcing practices, ensuring that environmental and social factors are prioritised in procurement decisions. By encouraging sustainable practices, BCML contributes to a greener future and aligns operations with environmental best practices.

BCML's Supply Chain and Responsible Sourcing Policy encourages suppliers to adopt strong ESG standards, ensuring legal compliance, ethical business practices, and a minimal environmental footprint. Suppliers are expected to align with BCML's sustainability goals, promote safe working conditions, and combat corruption.

The Company's ESG Policy mitigates environmental impacts, addressing social issues, and maintaining sound governance. This policy aligns with BCML's business objectives, aiming for long-term sustainable outcomes and fostering responsible practices across operations and supply chain.

BCML Code of Conduct and Business Ethics Policy

BCML instituted a comprehensive Code of Conduct and Business Ethics Code aimed at fostering an ethical corporate culture. The code is a guidance document for guiding Directors, senior management, and all employees in upholding ethical standards and ensuring that the Company's business activities are conducted with integrity and in accordance with the law. This code communicates BCML's commitment to ethical business practices, prevent misconduct, and encourage transparency across all levels of the organisation.

Code applicability

The code is applicable to all employees, ranging from probationary and contractual staff to senior management and board members. It comprises four distinct sections: Sections I and II pertain to all employees and senior management, respectively, while Section III outlines additional compliance guidelines specifically for executive directors. Section IV of the policy addresses independent and non-executive directors, focusing on the protection of stakeholder interests and the maintenance of corporate governance integrity.

Policy guidelines

Section I emphasises that all employees must support national interests and align with India's economic and legal policies while maintaining a discrimination-free, merit-based work environment. BCML prioritises shareholder interests and integrity, prohibits insider trading, mandates conflict of interest avoidance, and requires disclosure of personal relationships in employment referrals.

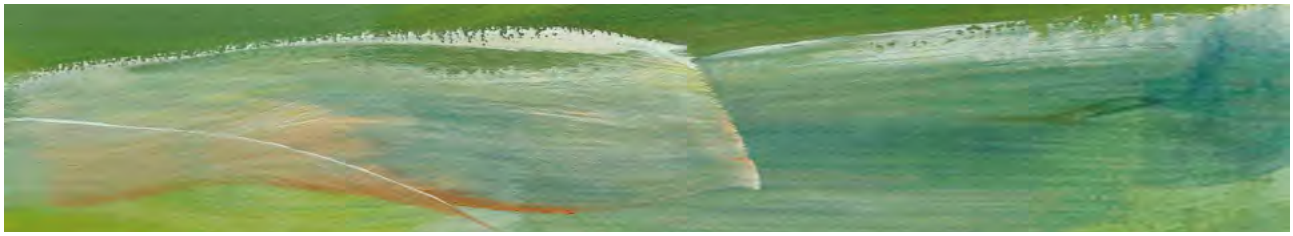
Section II outlines Senior Management's responsibilities for skill development, operational awareness, and establishing vigilance mechanisms. They must uphold ethical standards and ensure compliance with governance, while employees are expected to report unethical behaviour.

Section III details the ethical responsibilities of Executive Directors, emphasizing integrity, active board participation, and thorough decision-making. They are encouraged to maintain independence and report unethical behaviour.

Section IV provides guidelines for evaluating Non-Executive Director performance, ensuring accountability and governance. Appointments require shareholder approval to protect stakeholder interests and promote transparent governance.

Reporting mechanism for violations

To enforce the Code, BCML has a reporting mechanism in place. Any employee or director who suspects a violation must report it to designated senior officials, such as the Managing Director or Audit Committee Chairperson. Retaliation against anyone reporting violations in good faith is strictly prohibited, thus safeguarding ethical behaviour within the Company.



Cyber security and data privacy

Zero
Data breaches in the last three financial years

14.6
INR crore outlay for digitalisation in the last 3 years

5.50
INR crore outlay for digitalisation in FY 23-24

One of the first
Sugar company to adopt SAP S4 HANA system for advanced cybersecurity

IT Policies and Standards

BCML has implemented a comprehensive IT Policies and Standards applicable to all employees, aiming to protect sensitive information and ensure data privacy. BCML's policies emphasises employee training on IT systems to enhance awareness. Additionally, the Company complies with all relevant data privacy laws, and no breaches were reported in the last three financial years, reflecting the effectiveness of these security measures. Key policy elements include:

Confidentiality: Access to data and information assets is restricted to authenticated and authorised individuals.

Integrity: IT systems are regularly updated to maintain data accuracy and protection.

Availability: Authorised users have on-demand access to necessary information and systems.

In FY 23-24, the Company recorded zero breaches of data privacy, indicating effective cybersecurity measures and heightened employee awareness. The Company also adhered to all applicable data privacy regulations, reflecting its commitment to maintaining robust data security standards. Furthermore, the Company's IT gateways and endpoints are secured with advanced products to mitigate network and web security risks.

BCML's cybersecurity advancements included an upgrade to the SAP S4 HANA system, making it one of the first sugar companies to adopt this technology. SAP S4 HANA is hosted at tier 4 data centre with High Availability. It is protected against component failures within the SAP Data Centre and SLA of 99.5 % is ensured. Data is backed up not only at primary location, but a copy is maintained at secondary data centre in another seismic zone to protect against catastrophic events.

BCML enhanced its Balram app to provide live, secure notifications to farmers, ensuring timely and protected information sharing.

Grievance redressal mechanism

BCML is committed to safeguarding the Cybersecurity and Data Privacy of its stakeholders, including Employees, Suppliers, Customers and Partners. To ensure transparency, accountability, and a timely resolution of concerns, a grievance redressal mechanism has been established. All stakeholders are encouraged to report grievances promptly to ensure a secure and trustworthy environment, through email to Data Protection Officer. If the complainant is dissatisfied with the resolution, the grievance may be escalated to the Senior Management Representative or Chief Technical Officer for timely resolution.

Strategy

To strengthen cyber security and stakeholder connectivity, BCML outlined forward-looking initiatives.

- Deploying an email gateway to improve the manageability and security of email traffic.
- Implementing a managed detection and response (MDR) system to enable centralised, real-time endpoint management through a single dashboard.
- Continuously developing the Balram app with additional features to boost connectivity and engagement with farmers.

These initiatives aim to create a more resilient and secure digital environment, protecting data while enhancing operational efficiency and stakeholder relationships.

Business Continuity and Disaster Management Plan

BCML implemented a Business Continuity Plan to enable swift responses to crises. The plan encompasses a structured crisis response mechanism, clear communication protocols, and regular training across all organisational levels to ensure effective and timely actions when unexpected events arise.

BCML has disaster recovery service of SAP to ensure business continuity. This includes online replication implementation of production infrastructure at different locations in India. BCML conducts a mock drill once every year, which was last done on 9 December 2023.

The Company is committed to business continuity and data resilience through defined recovery objectives. These objectives reflect our dedication to operational efficiency and minimizing downtime.

Disaster recovery is essential for resuming processes and applications to normal state. Disaster recovery mainly consists of damage assessment, recovery and oftentimes communication. Damage assessment entails analyzing the crisis and providing accurate information enabling decision making regarding recovery strategy. It also entails assessing the impact of the incident and studying its detailed effects on direct and indirect interfacing processes and applications.

Once the damage is ascertained, an appropriate recovery strategy is decided. The objective of the recovery phase is to ensure that all affected services and applications are running as routine. This may warrant testing to ensure that operating effectiveness has been achieved, the combined responsibility of the process owner, operating teams, and the IT department.

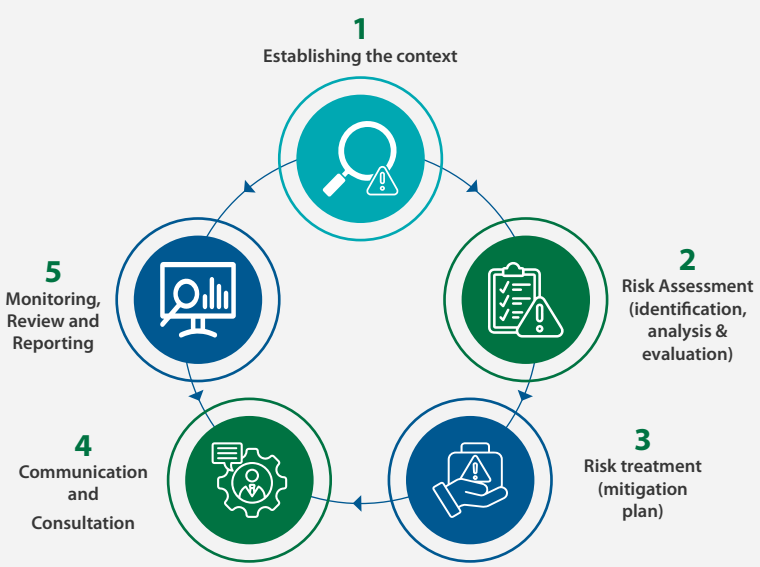
Risk management

BCML has established a comprehensive risk management framework, aligned with ISO 31000 and COSO guidelines, that adopts a structured approach to managing uncertainties. This framework systematically addresses risk identification, assessment, mitigation, and continuous monitoring across strategic, operational, financial, and compliance areas to ensure that significant risks are effectively managed. Regular updates and reviews embed risk management into daily operations, fostering proactive decision-making that reduces risk impact and supports the Company's strategic goals.

The objectives of BCML's Risk Management Policy include:

- Achieving strategic objectives while ensuring effective risk oversight
- Cultivating a culture of risk ownership and integrating risk management in decision-making
- Providing targeted solutions for addressing uncertainties
- Enabling comprehensive identification, assessment, and management of both current and anticipated risks
- Ensuring adherence to legal and regulatory standards by adopting best practices

This policy is an integral part of BCML's internal control and governance structure, complementing other business and administrative processes.



BCML's Risk Management Process

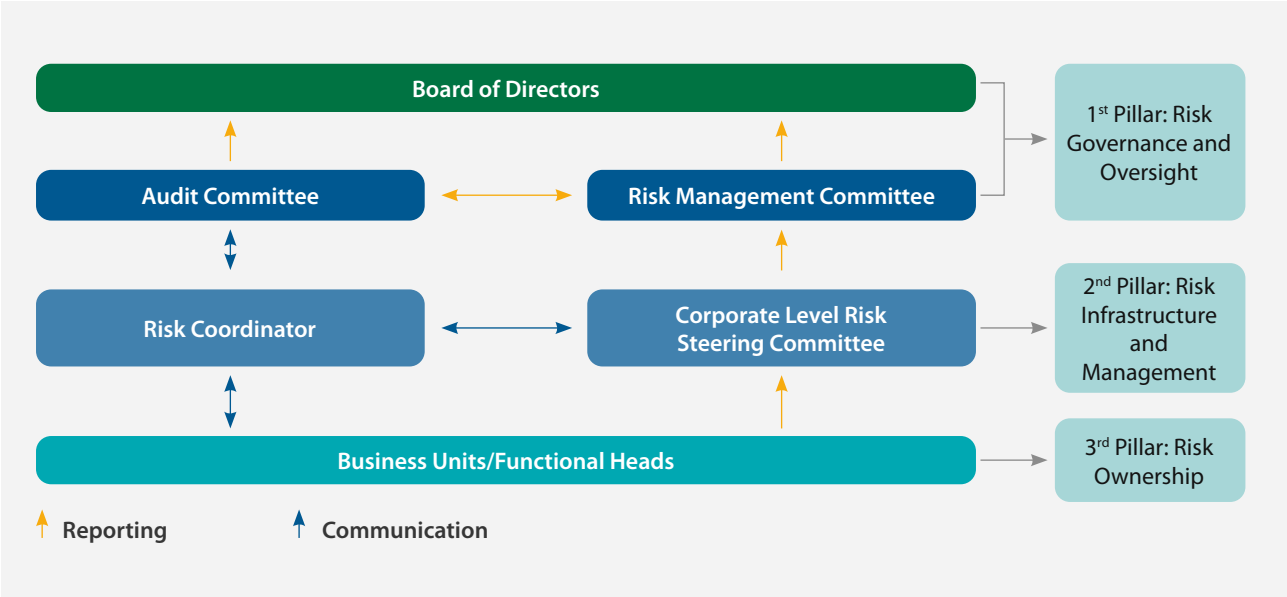
Risk management process

This risk management process is customised to align with BCML's specific business processes and generally includes the following key stages:

1. Establishing the context
2. Risk assessment (identification,analysis & evaluation)
3. Risk treatment (mitigation plan)
4. Communication and consultation
5. Monitoring, review and reporting

Risk management governance structure

The Company implemented a decentralised approach to identify and mitigate risks.



Our Risk Management Governance Structure

1. Risk unit owners review the Risk Registers and identify any emerging/new risk and the existing control to mitigate that risk. A unit level risk evaluation report is then prepared on a half-yearly basis and submitted to the Corporate Level Risk Steering Committee.

2. Risk co-ordinator then briefs the Corporate Level Risk Steering Committee detailing the following:

- List of applicable risks for the business, highlighting the new risks identified, if any and the action taken w.r.t the existing and new risks;
- Prioritised list of risks highlighting the Key strategic and operational risks facing BCML
- Root causes and mitigation plans for the Key Risk
- Status of effectiveness of implementation of mitigation plans for the Key Risks identified till date

3. Corporate level Risk Steering Committee is then required to submit report to the Risk Management Committee on a half-yearly basis consisting of the following:

- An overview of the risk management process in place.
- Key observations on the status of risk management activities in the period, including any new risks identified and action taken w.r.t these risks.
- Status of effectiveness of implementation of the mitigation plan for key risk.

4. Risk Management Committee, after due consideration of the report submitted by Corporate Level Risk Steering Committee, communicate such risks to the Audit Committee which it feels the same requires further deliberations by the Audit Committee.

5. Audit Committee of the Board carries out periodic evaluation of risk management program and provide insight to the Risk Management Committee. The Committee exercises direct oversight over the financial risks faced by the Company on the basis of the Internal Financial Controls and Internal Audit mechanisms put in place by the Company. Accordingly, there exists a co-ordination between the Audit and the Risk Management Committee in discharging the Risk Management obligations.

6. The Board of Directors of the Company meets at least once in a year to review the top risks faced by the Company and the status of their mitigation plan. It also reviews the Risk Management Policy at least once in two years.

Terms of reference for Risk Management Committee

Formulation of a detailed risk management policy which shall include:

1. Framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;

2. Measures for risk mitigation including systems and processes for internal control of identified risks;

3. Business continuity plan

- Ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- Periodic review of Risk Management Policy;
- Keeping the board of Directors informed about the nature and content

of its discussions, Recommendations and actions to be taken.

Recent amendments to Risk Management Policy

1. **The Risk Management Policy** was amended during the year to strengthen the Company's risk identification and mitigation framework. Significant updates include major revisions to the risk register and risk heat map, along with the addition of two new risks:

Asset Health Risk: Inefficient asset management can lead to significant resource drains, particularly when unexpected repairs or replacements are required on short notice.

Human Resource Risk: Unproductive or dissatisfied employees can result in substantial losses of time and money for the organisation.

2. **To enhance focus, ESG risk** has been bifurcated into Environmental Risk and Safety Risk. Relevant initiatives from the Annual Report were mapped to mitigation measures, ensuring effective management and alignment with the Company's sustainability goals.

These were incorporated into the Company's Risk Management Framework to ensure proactive mitigation and better resource optimisation.

Key risks and mitigation

Risks	Mitigation
Cane availability	**The Company's current cane varieties risk disease and fatigue from climate change and pest pressures** **Strategies:** ▪ To reduce dependence on Co-238, BCML aims to ensure that no single cane variety accounts for over a quarter of its crop mix. ▪ BCML plans to encourage mechanisation to boost farm productivity. ▪ Through tissue culture labs, BCML will promote disease-free cane planting across multiple varieties. ▪ BCML plans to strengthen partnerships with cane research institutes to support these efforts.
Industry cyclicality	**Reduced product off-take could impact business sustainability** **Strategies:** ▪ Established strong ethanol and power businesses to mitigate sugar industry cyclicality. ▪ Utilises by-products to reduce reliance on sugar realisations, insulating against price volatility. ▪ Benefits from the Minimum Support Price (MSP) for sugar, which stabilises industry income during low sugar price periods. ▪ Use of sugar as preservative in FMCG drives demand.
Increase in cane prices	**Increasing cane prices may risk profitability.** **Strategies:** ▪ Industry associations actively collaborate with Central and State governments to advocate for balanced pricing policies benefiting both farmers and the industry. ▪ Develops policy recommendations and initiatives that align sugarcane industry objectives with government goals.
Technological obsolescence risk	**Ineffective processes can lead to increased costs.** **Strategies:** ▪ Periodically replace plant and machinery to enhance operational efficiency. ▪ Allocate funds for ongoing improvements and modernisation of facilities. ▪ Implement training initiatives to equip employees with the necessary skills for effective cost management and operational performance.
Regulatory clampdown	**Changes in the regulatory environment can hinder the Company's operations.** **Strategies:** ▪ Invest in plant and machinery to minimise pollutants and greenhouse gas (GHG) emissions. ▪ Implement recycling and reuse of process water to lower freshwater withdrawal. ▪ Enforce a zero-tolerance policy for environmental violations and establish a robust review mechanism to address potential lapses.

Risks	Mitigation
Cyber security risk	**Cybersecurity and IT risks may lead to financial losses, operational disruptions, and reputational damage.** **Strategies**: ▪ BCML was among the first Indian sugar companies to implement SAP HANA S4 for enhanced operational efficiency. ▪ Developed IT-driven disaster recovery systems to ensure uninterrupted business operations and continuity. ▪ Implemented strong identity and access controls, backed up critical data, and secured IT infrastructure against risks.
Government policies	**Changes in government policies may disrupt the Company's operations.** **Strategies:** ▪ Leveraged government policies with favourable ethanol blending policies to mitigate risk from excess sugar production and volatile market conditions. ▪ Strengthened production capacity and advanced the E20 program to 2025, reducing reliance on sugar and ensuring steady demand. ▪ Allocated capital for ethanol demand and establish a multi-feed plant.
Project execution risk	**Delays in project completion may hinder the Company's future objectives.** **Strategy:** ▪ Implemented day-to-day monitoring and modernise plant and machinery, supported by management oversight and external consultancy to ensure project alignment and success.
ESG risks	**Uncertain social or environmental conditions may affect the Company's operations.** **Strategies:** ▪ Invested in technologies for carbon footprint reduction, waste management, energy conservation, sustainable raw material cultivation, and efficient effluent treatment. ▪ Implemented comprehensive safety policies and procedures. **Environmental risk** **Risks of pollution, emissions, and resource overuse arising from sugar production and processing activities.** **Strategies:** ▪ Upgrade to energy-efficient appliances and machinery. ▪ Engage local communities in conservation and restoration initiatives. ▪ Provide training and awareness programs on carbon neutrality. ▪ Report on progress towards carbon neutrality to stakeholders. ▪ Increasing recycling efforts ▪ Increase Tree planting for sequestering carbon footprint **Safety risk** **Hazards such as workplace accidents, equipment failures, and fire risks specific to sugar manufacturing operations.** **Strategies:** ▪ Implementing comprehensive safety policies and procedures ▪ Regular safety training programs to educate employees about potential hazards and preventive measures, ▪ Strict adherence to wearing of personal protective equipment (PPE) and other safety measures ▪ Regularly inspecting and maintaining equipment to ensure safe operations, fostering a culture of safety through communication and awareness campaigns

Risks	Mitigation
Internal control risk	**Ineffective internal controls may hinder the achievement of organisational objectives.** **Strategies:** ▪ Established and rigorously monitored standard operating protocols for various functions. ▪ Conducted periodic reviews of protocols by internal and external audit teams. ▪ Facilitated communication between statutory and internal auditors.
Asset health risk	**Inefficient asset management can deplete organisational resources, particularly when urgent repairs or replacements are needed.** **Strategies:** ▪ Perform comprehensive evaluations of critical assets to determine their condition, age, and associated risks. ▪ Utilise advanced sensor technologies and real-time monitoring systems for continuous health assessment of assets. ▪ Systems to detect early warning signs of potential issues and proactive maintenance.
Human resource risk	**Unproductive or dissatisfied employees lead to increased financial and time losses.** **Strategies:** ▪ Offer competitive compensation, benefits, and career growth opportunities to attract top talent and retain existing employees. ▪ Develop and implement contingency plans to ensure employee safety and well-being during emergencies or disasters.

Financial Capital and its impact on environment

19.89
% increase in Turnover, Rs. 5593.74 Crores, FY 23-24

53.45
% EBITDA increase, Rs. 786.17 Crores, FY 23-24

49.57
% increase in Cash earnings per share, Rs 29.72 FY 23-24

17.22
% return on Capital Employed (RoCE) in FY 23-24

> 200
% increase in Net Retained Earnings, Rs. 372.68 Crores, FY 23-24

14.32
% return on Net Worth (RoNW) in FY 23-24

76.25
% increase in Debt Repayment, Rs.186.08 Crores, FY 23-24

48.03
% increase in Cash Operating Profit, Rs.599.57 Crores, FY 23-24

At BCML, the approach to financial management is firmly rooted in the Company's commitment to sustainable and responsible growth. The Company makes investment decisions that prioritise long-term value creation for the stakeholders— including employees, communities, shareholders, investors, and regulatory bodies—while actively seeking to reduce the Company's environmental footprint. By embedding sustainable practices into the financial strategy, BCML aims to foster economic resilience and support growth that benefits all parties involved.

BCML's performance reflects the resilience of the integrated business model, which combines operational excellence with a diverse product portfolio, allowing us to adapt to fluctuating market demands. The Company's focus on innovation and customer satisfaction has resulted in robust financial outcomes. In the latest fiscal year, BCML reported revenues of Rs. 5,593.74 crore, about 20% increase over the previous year. EBITDA rose by 53.45% to Rs. 786.17 crore, underscoring the effectiveness of BCML's financial and operational strategies.

Negative environmental impacts due to Financial Capital

Increased GHG emissions and pollution: Large-scale industrial investments often rely on energy-intensive processes, primarily fuelled by non-renewable resources. This results in heightened greenhouse gas (GHG) emissions, contributing to climate change and air quality degradation. Pollution from production facilities further contaminates water bodies and soil, posing a significant threat to biodiversity and human health. BCML addresses this challenge by investing in renewable energy sources and co-generating electricity to reduce emissions, demonstrating its commitment to minimizing environmental impact.

Unsustainable production and consumption: The availability of abundant financial resources can encourage overproduction and overconsumption, leading to excessive waste generation, resource depletion, and environmental degradation. To counter this, the Company focuses on optimizing production processes, enhancing resource efficiency, and reducing waste generation through sustainable manufacturing practices.

Prioritizing short-term gains over sustainability: In the pursuit of immediate financial returns, companies may prioritise profits over environmental considerations, which can lead to resource exploitation, ecosystem destruction, and unplanned urbanisation, leaving a lasting legacy of environmental harm. The Company mitigates this risk by embedding long-term sustainability goals into its business strategy, ensuring a balance between financial growth and environmental responsibility.

Infrastructure development and habitat loss: Large-scale infrastructure projects financed by capital investments often result in deforestation and the loss of natural habitats, negatively impacting biodiversity. BCML integrates environmental considerations into its infrastructure planning, ensuring that projects are carried out with minimal disruption to local ecosystems and habitats.

Positive environmental impacts of Financial Capital

Financing renewable energy and green technologies: Financial Capital plays a crucial role in driving the transition toward renewable energy. Investments in solar, wind, and biofuels reduce dependency on fossil fuels, lowering emissions and fostering sustainable energy alternatives. This shift is vital for combating climate change and promoting a cleaner future. BCML actively supports this transition by investing in green technologies and renewable energy projects, further reducing its carbon footprint and promoting a sustainable energy future.

Supporting conservation projects: Corporate investment in conservation projects—such as afforestation, water body rejuvenation, and wetland preservation—directly contributes to environmental restoration. These initiatives mitigate climate risks, enhance biodiversity, and create carbon sinks, balancing industrial impacts on nature. BCML has committed financial resources to such conservation initiatives, demonstrating its dedication to restoring ecosystems and promoting biodiversity.

Advancing ESG initiatives: A growing focus on environmental, social, and governance (ESG) frameworks channels Financial Capital into sustainable projects. ESG-aligned practices fund initiatives such as waste reduction programs, circular economy transitions, and supply chain sustainability, ensuring long-term environmental responsibility. BCML's adherence to ESG principles drives its investments in sustainable practices, ensuring that the Company remains committed to both financial performance and environmental stewardship.

Enabling innovation for sustainability: Capital allocation toward research and development facilitates innovation in sustainable practices. Advancements such as energy-efficient machinery, precision agriculture, and waste-to-energy technologies reduce environmental impacts while optimizing operational efficiency. BCML fosters innovation in sustainability by investing in research and developing technologies that reduce environmental impacts and enhance operational efficiency.

Increased CSR spend on environmental activities: BCML allocated Rs 1291.28 lakh toward CSR initiatives in the current financial year, focusing on environmental sustainability. These efforts include projects in afforestation, waste management, and water conservation, aimed at creating a lasting positive impact on communities and the environment. The Company's CSR initiatives, led by the CSR Committee, help ensure that BCML's contributions extend beyond business operations, fostering environmental sustainability and community well-being.

By adopting these practices, BCML and similar organisations can lead the way in aligning Financial Capital with environmental stewardship, fostering a resilient and sustainable future.

Financial implications of climate change

Climate change poses significant risks to BCML's operations and long-term financial stability. Global temperature rise has led to more frequent extreme weather events, altered precipitation patterns, and rising sea levels, impacting the Company's operational and business activities. The increasing global focus on climate policies, especially following the Paris Agreement's goal to limit warming to 1.5- 2°C, creates new regulatory expectations that affect all sectors, including ours.

BCML is aligned with the government's commitment to net zero to limit the global warming and has accordingly, drawn the carbon neutrality and net zero road map.

Effective utilisation of Financial Capital

BCML is committed to optimizing its Financial Capital. The Company allocates its financial resources to enhance operational efficiency, invest in renewable energy, support innovation, and promote environmental stewardship. Through prudent capital management, BCML ensures a balance between financial performance and environmental responsibility, fostering resilience in its operations. Below is a snapshot of the Company's key financial figures.

Value-added statement (Rs in crore)

Particulars	FY 22-23	FY 23-24
Revenue from operations and stock adjustments	4,676.02	6,256.64
Add: Other income	62.79	74.00
Value added	4,738.81	6,330.64
Less: Cost of materials consumed	3,419.40	4,579.83
Less: Other manufacturing expenses	380.50	492.08
Equals gross value-added	938.91	1,258.73
Less: Depreciation and amortisation expenses	129.50	166.36
Exceptional items	-	-
Equals net value-added	809.41	1,092.37
To employees	363.79	398.56
To Government (via Taxes)	140.37	176.98
To Bankers (via interest)	48.65	83.63
To Investors (via dividend)	50.84	60.52
To Investors (via buy-back)	81.85	-
To the Company (via retained earnings)	123.91	372.68

Financial performance

Particulars	FY 22-23	FY 23-24
Revenue from operations	4,665.86	5,593.74
Other income	62.79	74.00
Total income	4,728.65	5,667.74
Stock adjustments	- 10.16	- 662.90
Cost material consumed	3,419.40	4,579.83
Gross profit	**1,319.41**	**1.750.81**
Overheads	744.29	890.64
PBDIT	575.12	860.17
Finance costs	48.65	83.63
PBDT	**526.47**	**776.54**
Depreciation and amortisation expenses	129.50	166.36
Profit before tax and exceptional items	**396.97**	**610.18**
Exceptional items	-	-
Profit before tax	**396.97**	**610.18**
Tax	121.44	176.98
Profit for the year	275.53	433.20
Other comprehensive income (net of tax)	-6.22	8.13
Total comprehensive income (TCI)	**269.31**	**441.33**
Equity capital	20.17	20.17
Reserves	2,855.26	3,259.43

Key financial numbers

Particulars	FY 22-23	FY 23-24
Overhead/Revenue from operations (%)	15.95	15.92
EBITDA/Revenue from operations (%)	10.98	14.05
Interest/Revenue from operations (%)	1.04	1.49
Interest cover (times)	10.53	9.40
PBDT/Total revenue (%)	11.28	13.88
TCI/Total revenue (%)	5.77	7.89
Return on net worth (%)	9.97	14.32
Return on Capital Employed (%)	12.55	17.22

Balance Sheet ratios

Particulars	FY 22-23	FY 23-24
Debt-equity ratio	0.21	0.14
Inventory turnover (days)	177	169
Current ratio	1.31	1.43
Quick ratio	0.13	0.08
Asset turnover (total revenue/total assets)	0.94	0.99
Fixed asset coverage ratio	4.25	5.82
Debt-service coverage ratio	1.93	3.13

Growth numbers

Particulars	FY 22-23	FY 23-24
Growth in Turnover (%)	(3.72)	19.89
Growth in EBITDA (%)	(26.78)	53.45

Per share data

Particulars	FY 22-23	FY 23-24
Basic EPS (Rs.)	13.51	21.47
Diluted EPS (Rs.)	13.51	21.47
CEPS (Rs.)	19.87	29.72
Dividend (Rs. per share)	2.50	3.00
Book value (Rs.)	142.53	162.56
Net indebtedness (Rs.)*	30.60	22.86

Capacities in FY 23-24*

Unit	Unit Sugar crushing (tonnes of cane per day)	Distillery (Kilolitres per day) (Green Fuel)	Installed cogeneration capacity (megawatts) (Green Electricity)	Saleable cogeneration capacity (megawatts) (Green Electricity)	Agro (Metric Tonnes) (Green Fertiliser)
Balrampur	12500.00	330.00	53.05	27.25	50.00
Babhnan	10000.00	100.00	27.76	10.00	-
Tulsipur	7000.00	-	9.00	2.00	-
Haidergarh	5000.00	-	23.25	20.95	-
Akbarpur	7500.00	-	18.00	11.00	-
Mankapur	8000.00	100.00	43.60	30.00	100.00
Rauzagaon	8000.00	-	25.75	23.00	-
Kumbhi	10000.00	-	32.70	23.00	-
Gularia	8000.00	200.00	38.86	23.50	100.00
Maizapur	4000.00	320.00	16.50	5.00	-
Total	**80000.00**	**1050.00**	**288.47**	**175.70**	**250.00**

*As a forward integration/ diversification measure, the Company has announced foray into manufacturing of Polylactic Acid (PLA). It will be built at a global scale of 75,000 tonnes per annum that enjoys attractive economies of scale.

Notes

Inside Backcover

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