NSBP & CO.

CHARTERED ACCOUNTANTS

Independent Auditor's Report

To the Members of BAGHAULI SUGAR & DISTILLERY LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of **Baghauli Sugar & Distillery Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and notes to the Financial Statements including a summary of material accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and its loss and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Emphasis of Matter

We draw attention to Note No.38(a) regarding approved resolution plan:

The Company has undergone Corporate Insolvency Resolution Process ("CIRP") in terms of the provisions of the Insolvency & Bankruptcy Code, 2016 ("Code"). The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("NCLT") by an order dated February 07, 2020 admitted the Corporate Insolvency Resolution Process ("CIRP") application filed by the financial creditors. Resolution Professional ("RP") was appointed for the Company vide order dated February 07, 2020 to conduct CIRP of the Company.

During CIRP period, there were no operations & business activities in the Company. RP continued to manage the Company as per the Code. The RP received resolution plan from Dalmia Bharat Sugar and Industries Limited ("Holding Company") and the same was submitted to the Hon'ble NCLT for approval.

Hon'ble NCLT vide its order dated November 24, 2023 and Hon'ble National Company Law Appellate Tribunal (NCLAT) vide its order dated December 22, 2023 have approved the resolution plan submitted

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by the Holding Company. Persuant to the approved resolution plan, Holding Company has acquired 100% equity shares of the Company with effect from December 22, 2023. In view of this, the Board of Directors of the Company has also been reconstituted.

We draw attention to Note No.38(b) regarding the accounting treatment in the books of accounts of the Company as per the approved Resolution Plan.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements of the current period. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Accounting Treatment for the effect of the Resolution plan Refer note 38(a)&(b) to the Financial Statements for the details regarding the resolution plan implemented in the Company in pursuant to a Corporate Insolvency Resolution Process concluded during the year under Insolvency and Bankruptcy code, 2016. Prior to approval of the Resolution Plan by Hon'ble NCLT dated November 24, 2023 and confirmed by Hon'ble NCLAT vide its order dated December 22, 2023, the Company had outstanding credit facilities from several institution and had outstanding operational creditors. Owing to the size of over-due facilities, multiplicity of contractual arrangement and large number of operational creditors, determination of the carrying amount of related liabilities at the date of approval of the Resolution Plan was a complex exercise. Further, comprehending the provision of the Resolution Plan and determining the appropriateness of the accounting treatment thereof, more particularly the accounting treatment of de-recognition of liabilities, required significant judgement and estimates, including estimates, including consideration of the accounting principles to be applied for the presentation of difference between carrying amount of debt and consideration paid therefor.	Our procedures to determine whether the effect of Resolution Plan has been appropriately recognized in the Financial Statements includes the following: • Reviewed management's process for implementation of the Resolution Plan. • Reviewed the provisions of the Resolution plan to understand the requirements of the said Plan and evaluated the possible impact of the same on the Financial Statements. • Verified the balances of liabilities as on the date of approval of Resolution Plan from supporting documents on a test check basis. • Verified the underlying documents supporting the receipt and payment of funds as per Resolution Plan. • Tested the implementation of provision's of the Resolution Plan in computation of balance of liabilities, owed to financial and operational creditors. • Evaluated whether the accounting principles applied by the management fairly present the effects of the Resolution Plan in the Financial Statements in accordance with the principles of Ind AS. • Tested the related disclosures made in notes to the Financial Statements in respect of the implementation of the resolution plan.

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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility & Sustainability Report and Report on Corporate Governance and Shareholder's information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive loss, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Company's Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these Financial Statements.

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As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to the financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

The Financial Statements of the Company for the year ended March 31, 2023 have been audited by predecessor auditor Amar Garg & Co., Chartered Accountants, who has issued an unmodified audit opinion on the Financial Statements vide their audit report dated September 30, 2023.

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Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2024 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls with reference to the financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the financial statements.

g) With respect to the Other Matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended in our opinion and to the best of our information and according to the explanation given to us, the Company has not paid any managerial remuneration during the year ended March 31, 2024. Hence, provisions of section 197 read with Schedule V to the Act are not applicable to the Company and has not commented upon; and

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company does not have any pending litigations as at March 31, 2024.

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Company.

   iv. (a) The Management has represented to us that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate

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Beneficiaries;

(b) The Management has represented to us that, to the best of its knowledge and belief no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on our audit procedure conducted that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that cause us to believe that the representation under sub-clause (i) and (ii) of Rule 11 (e), as provided under (a) & (b) above, contain any material misstatement.

(v) In our opinion, and according to the information and explanations given to us, the Company has not declared and paid dividend during the year. Hence, the provisions of Section 123 to the Act are not applicable to the Company and have not been commented upon.

(vi) Based on our examination, which included test checks, except for the instances mentioned below, the Company has used accounting software for maintaining its books of account for the financial year ended March 31, 2024, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the transactions recorded in the accounting software.

The features of recording audit trail (edit log) facility was not enabled at the application layer of the accounting software during the period April 01, 2023 to December 22, 2023.

Further, for the period where audit trail (edit log) facility was enabled and operated throughout the year for the accounting software, we did not come across any instances of the audit trails feature being tampered with.

As per the Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from April 01, 2023, reporting under Rule 11(g) of the Companies (Audit and Auditors) Rule, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended March 31, 2024.

For **NSBP & Co.**
Chartered Accountants
Firm's Registration Number: 001075N

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS

Subodh Kumar Modi
Partner
Membership Number: 093684
UDIN: 24093684BKECZR3073

Place: New Delhi
Date: May 13, 2024

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Baghauli Sugar and Distillery Limited of even date)

i. (a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has not capitalized any intangible assets in the books of the Company and accordingly, the requirement to report on clause 3(i)(a)(B) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are verified in a phased manner over a period of two years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.

(d) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment during the year.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii. (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verifications.

(b) The Company has not been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks or financial institutions during any point of time of the year on the basis of security of current assets. Accordingly, the requirement to report on clause 3(ii)(b) of the Order is not applicable to the Company.

iii (a) During the year the Company has not provided loans, advances in the nature of loans, stood guarantee or provided security to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) of the Order is not applicable to the Company.

(b) During the year the Company has not made investments, provided guarantees, provided security and granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(b) of the Order is not applicable to the Company.

(c) The Company has not granted loans and advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(c) of the Order is not applicable to the Company.

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(d) The Company has not granted loans or advances in the nature of loans to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(d) of the Order is not applicable to the Company.

(e) There were no loans or advance in the nature of loan granted to companies, firms, limited liability partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(e) of the Order is not applicable to the Company.

(f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, limited liabilities partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(f) of the Order is not applicable to the Company.

iv. There are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.

v. The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.

vi. According to the information and explanation given to us, criteria regarding maintenance of cost records as prescribed under sub-section(1) of section 148 of the Act are not applicable to the Company. Hence provision clause 3(vi) of the order are not applicable to the Company.

vii. a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, goods and service tax and other statutory dues which have not been deposited on account of any dispute.

viii. The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.

ix. (a) On December 22, 2023, the Hon'ble National Company Law Appellate Tribunal ("NCLAT") upheld the order passed by the Hon'ble National Company Law Tribunal ("NCLT") dated November 24, 2023 and has approved the terms of the Resolution Plan submitted by Dalmia Bharat Sugar and Industries Limited (the "Holding Company"), pursuant to which debts owned by the Company as at that date have been partially settled through repayment and balance amount has been settled through issue of equity share capital in accordance with the approved Resolution Plan. Accordingly, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender in view of and considering the approved Resolution Plan.

(b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.

(c) Term loans were applied for the purpose for which the loans were obtained.

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(d) On an overall examination of the Financial Statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

(e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.

(f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.

x. (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

(b) According to the information and explanation given to us and on an overall examination of the records of the Company, the Company has complied with provisions of section 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment or private placement of shares to its Holding Company during the year. Based on the audit procedure performed and according to the information and explanation given to us by the management, the funds raised, have been used for the purposes for which the funds were raised. During the year, the Company did not make preferential allotment / private placement of fully or partially or optionally convertible debentures.

xi. (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3(xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.

xiii. Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the Financial Statements, as required by the applicable accounting standards.

xiv. (a) The Company has an internal audit system commensurate with the size and nature of its business.

(b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.

xv. The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.

xvi. (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.

(b) The Company is not engaged in any Non-Banking Financial or Housing Finance activities. Accordingly, the requirement to report on clause 3(xvi)(b) of the Order is not applicable to the Company.

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(c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) of the Order is not applicable to the Company.

(d) In our opinion and based on the representation received from the management, there is no Core Investment Company as a part of the Group as defined in the Core Investment Companies (Reserve Bank) Directions, 2016, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.

xvii. The Company has incurred cash losses of Rs.1.30 crores in the current and Rs.1.45 crores in previous Financial Year.

xviii. There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.

xix. On the basis of the financial ratios disclosed in note 41(ix) to the Financial Statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the Financial Statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

xx. (a) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable for the year.

(b) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, reporting under clause 3(xx)(b) of the Order is not applicable for the year.

For **NSBP & Co.**
Chartered Accountants
Firm's Registration Number: 001075N

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Subodh Kumar Modi
Partner
Membership Number: 093684
UDIN: 24093684BKECZR3073

Place: New Delhi
Date: May 13, 2024

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Baghauli Sugar and Distillery Limited of even date)

We have audited the internal financial controls with reference to financial statements of **Baghauli Sugar and Distillery Limited** ("the Company") as of March 31, 2024 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to financial statements based on the internal control over financial reporting criteria, established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to financial statements includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company: (2) Provide reasonable assurance that transactions

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are recorded as necessary to permit preparation of the Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Financial Statements.

Inherent Limitations of Internal Financial Controls with reference to the Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2024, based on the criteria for internal financial control with reference to financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **NSBP & Co.**
Chartered Accountants
Firm's Registration Number: 001075N

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS

Subodh Kumar Modi
Partner
Membership Number: 093684
UDIN: 24093684BKECZR3073

Place: New Delhi
Date: May 13, 2024

Baghauli Sugar & Distillery limited
Balance sheet as at March 31, 2024
CIN No. U15424UP2006PLC031662

(Rs.in crores)

Assets and Liabilities	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
A) Non-current assets			
a) Property, plant and equipment	4	21.41	18.59
b) Capital work - in - progress	4	123.28	123.21
c) Intangible assets	4	-	-
d) Financial assets	5		
i) Investments		-	-
ii) Trade receivables		-	-
iii) Loans		-	-
iv) Others	(i)	0.02	0.06
e) Income tax assets (net)	6	0.01	-
f) Other non-current assets	7	0.01	0.01
Total Non-current assets		144.73	141.87
B) Current assets			
a) Inventories	8	17.46	1.52
b) Financial Assets	9		
i) Investments		-	-
ii) Trade receivables	(i)	0.01	0.00
iii) Cash and cash equivalents	(ii)	1.99	0.04
iv) Bank Balances other than (iii) above	(iii)	0.39	2.76
v) Loans	(iv)	-	0.12
vi) Others	(v)	0.01	0.02
c) Other current assets	10	8.24	2.44
Total Current assets		28.10	6.90
Total Assets		172.83	148.77
EQUITY & LIABILITIES			
A) Equity			
a) Equity share capital	11	50.00	59.48
b) Other equity	12	(17.98)	(446.03)
Total Equity		32.02	(386.55)
B) Liabilities			
Non- current liabilities			
a) Financial liabilities	13		
i) Borrowings	(i)	115.00	-
b) Provisions	14	0.15	0.06
c) Deferred tax liabilities (net)		-	-
d) Other non current liabilities		-	-
Total Non- current liabilities		116.15	0.06
Current liabilities			
a) Financial liabilities	15		
i) Borrowings	(i)	-	183.00
ii) Trade payables	(ii)		
Due to micro small and medium enterprises		-	-
Others		24.13	0.17
iii) Others	(iii)	1.29	345.84
b) Other current liabilities	16	0.20	6.16
c) Income Tax liabilities (Net)		-	-
d) Provisions	17	0.04	0.09
Total Current liabilities		25.66	535.26
Total equity & liabilities		172.83	148.77
Corporate Information	1		
Basis of preparation of financial statement	2		
Material accounting policies	3		

The accompanying note 1 to 43 are integral part of these financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For and on behalf of the Board of Directors of Bhaghauli Sugar & Distillery limited

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

Pankaj Rastogi
Director
DIN:10452835

B B Mehta
Director
DIN:00006890

Place : New Delhi
Date: May 13, 2024

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS

Baghauli Sugar & Distillery limited
Statement of profit and loss for the year ended March 31, 2024
CIN No. U15424UP2006PLC031662

(Rs.in crores)

Particulars	Note No.	For the year ended March 31, 2024	For the year ended March 31, 2023
Continuing operations			
I. Income			
Revenue from operations	18	0.48	-
Other income	19	23.70	0.06
Total Income (I)		24.18	0.06
II. Expenses			
Cost of raw materials consumed	20	14.86	-
Change in inventories of finished goods ,work in progress and stock in trade	21	(16.07)	0.00
Employee benefits expense	22	1.42	0.39
Finance costs	23	2.26	-
Depreciation and amortization expense	4 & 24	0.74	0.80
Other expenses	25	23.01	1.12
Total Expenses (II)		26.22	2.31
Profit/(loss) before exceptional items and tax		(2.04)	(2.25)
Exceptional items		-	-
Profit/(loss) before tax		(2.04)	(2.25)
Tax expense:			
Current tax		-	-
Deferred tax		-	-
Tax adjustment for earlier years		-	-
Total of tax expense		-	-
Profit for the year		(2.04)	(2.25)
Other comprehensive income	26		
a. i) Items that will not be reclassified to profit/(loss)		(0.07)	-
ii) Income tax relating to items that will not be reclassified to profit/(loss)		-	-
b. i) Items that will be reclassified to profit/(loss)			
Fair value changes on derivatives designated as cash flow hedge		-	-
ii) Income tax relating to items that will be reclassified to profit/(loss)		-	-
Total comprehensive income for the year (net of taxes) (Comprising profit/(loss) and other comprehensive income for the year)		(2.11)	(2.25)
Earnings per share	27		
Continuing operations			
Basic (in Rs.)		(0.41)	(0.38)
Diluted (in Rs.)		(0.41)	(0.38)
[Face value of share Rs. 10 each]			
Corporate Information	1		
Basis of preparation of Financial Statement	2		
Material accounting policies	3		

The accompanying note 1 to 43 are integral part of these financial statements.

As per our report of even date

For and on behalf of the Board of Directors of
Bhaghauli Sugar & Distillery limited

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

Subodh Kumar Modi
Partner
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Director
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B B Mehta
Director
DIN:00006890

Place : New Delhi
Date: May 13, 2024

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS

Baghauli Sugars and Industries Limited
Statement of changes in equity for the year ended March 31, 2024
CIN No. L15100TN1951PLC000640

(Rs.in crores)

A. Equity Share Capital

Particulars	As at March 31, 2024	Changes during the year	As at March 31, 2023	Changes during the year	As at March 31, 2022
Balance of Equity Share Capital	50.00	(9.48)	59.48	-	59.48

(Rs.in crores)

B. Other equity

Particulars	Reserves and Surplus		Items of other comprehensive income	Grand Total
	Capital reserve	Retained earnings	Acturial Gain & Losses on Defined Benefits Plan	
Balances as at March 31, 2022	-	(443.80)	0.02	(443.78)
Movement during FY 22-23				
Profit/(loss) for the year	-	(2.25)	-	(2.25)
Other comprehensive income				
Balances as at March 31, 2023	-	(446.05)	0.02	(446.03)
Movement during FY 23-24				
Transfer and extinguishment of equity share and security premium	430.16	-	-	430.16
Profit for the period	-	(2.04)	-	(2.04)
Other comprehensive income	-	-	(0.07)	(0.07)
Balances as at March 31, 2024	430.16	(448.09)	(0.05)	(17.98)

	Note No.
Corporate Information	1
Basis of preparation of Financial Statement	2
Material Accounting Policies	3

The accompanying note 1 to 43 are integral part of these financial statements.
As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

Subodh Kumar Modi
Partner
Membership No.: 093684

Place : New Delhi
Date: May 13, 2024

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

For and on behalf of the Board of Directors of Bhaghauli Sugar & Distillery limited

Pankaj Rastogi
Director
DIN:10452835

B B Mehta
Director
DIN:00006890

NSBP & CO. * NEW DELHI * CHARTERED ACCOUNTANTS

Baghauli Sugar & Distillery limited
Statement of cash flows for the year ended March 31, 2024
CIN No. U15424UP2006PLC031662

(Rs.in crores)

	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A.	**Cash Flow from Operating Activities**		
	Profit Before Tax	**(2.04)**	**(2.25)**
	Adjustments for Non-cash and Non-operating items:-		
	Add:-		
	Depreciation / Amortization	0.74	0.80
	Finance Cost	2.26	-
	Less:-		
	Interest Income	(0.03)	(0.06)
	Balances written back	(22.91)	
	Profit on sale of property, plant & equipment and equipment	(0.67)	-
	Operating Profit before working Capital Changes	**(22.65)**	**(1.51)**
	Adjustments for working Capital changes :		
	Inventories	(15.94)	-
	Trade and Other Payables	18.53	3.26
	Trade and Other Receivables	(5.66)	(0.06)
	Cash Generated from Operations	**(25.72)**	**1.69**
	Direct Taxes (Paid)/Refund	-	-
	Net Cash generated from Operating activities	**(25.72)**	**1.69**
B.	**Cash Flow from Investing Activities**		
	Purchase of property, plant and equipment	(2.97)	-
	Interest Received	0.03	0.06
	Net Cash used in Investing Activities	**(2.94)**	**0.06**
C.	**Cash Flow from Financing Activities**		
	Loan received from Dalmia Bharat Sugar and Industries Limited	115.00	-
	Equity infusion by Dalmia Bharat Sugar and Industries Limited	50.00	-
	Payments to Secured Financial Creditors (SFC)	(134.50)	-
	Finance Cost	(2.26)	-
	Net cash used in financing activities	**28.24**	**-**
	Net increase/(decrease) in cash and cash equivalents (A+B+C)	**(0.42)**	**1.75**
	Cash and cash equivalents at the beginning of the year	2.80	1.05
	Cash and cash equivalents at the end of the year	2.38	2.80

BAGHAULI SUGAR AND DISTILLERY LIMITED

Baghauli Sugar & Distillery limited
Cash flows for the year ended March 31, 2024
CIN No. U15424UP2006PLC031662

(Rs. in crores)

Components of Cash & Cash Equivalents	As at March 31, 2024	As at March 31, 2023
Balances with banks		
Cash on hand	1.99	0.04
Balances with banks	0.39	2.76
Net Cash & Cash Equivalents	2.38	2.80

Changes in liabilities arising from financing activities:

(Rs. in crores)

Particulars	As at March 31, 2024	Cash flows	As at March 31, 2023
Current borrowings	-	-	-
Non current borrowings	115.00	115.00	-

Particulars	As at March 31, 2023	Cash flows	As at March 31, 2022
Current borrowings	-	-	-
Non current borrowings	-	-	-

Note:
1) Cash & cash equivalents components are as per Note 9 (iii).
2) Cash flow statement has been prepared in accordance with Ind AS 7- "Statement of Cash Flows".
3) Last year numbers are regrouped and reclassified, wherever considered necessary.
4) Figure in bracket denotes cash outflow during the period.

Corporate Information	1
Basis of preparation of financial statement	2
Material accounting policies	3

The accompanying note 1 to 43 are integral part of these financial statements.

As per our report of even date

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

For and on behalf of the Board of Directors of Bhaghauli Sugar & Distillery limited

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Director
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B B Mehta
Director
DIN:00006890

Place : New Delhi
Date: May 13, 2024

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS

Baghauli Sugar and Distillery Limited

Notes to Financial Statements for the year ended March 31, 2024

1. Corporate Information

Baghauli Sugar and Distillery Limited ("the Company") is a public limited company incorporated and domicited in india and having its business of manufacturing of Sugar in the state of Uttar Pradesh. The company was incorporated on 21st April 2006 and having its registered office in Baghauli, UP, India. During the year the company has been acquired by Dalmia Bharat Sugar and Industries ltd. under IBC process which is its 100% holding company with effect from December 22, 2023.

2. Basis of accounting and preparation of Financial Statements

A. Statement of Compliance with Ind AS

The Financial Statements have been prepared in accordance with Indian Accounting Standards (IND AS) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) (Amendment) Rules, 2016 and relevant provisions of the Companies Act, 2013. The Financial Statements comply with IND AS notified by Ministry of Company Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

These financial statements are approved and adopted by board of directors of the Company in their meeting held on May 13, 2024.

B. Basis of preparation and presentation.

The financial statements have been prepared accrual basis on historical cost convention, except as stated otherwise.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

C. Current/Non-current assets and liabilities:

A. Current Assets – An asset is classified as current when:

(a) The Company expects to realise the asset, or intends to sell or consume it, in its normal operating cycle;
(b) The Company holds the asset primarily for the purpose of trading;
(c) The Company expects to realise the asset within twelve months after the reporting period;
(d) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.
All other assets are classified as non-current assets.

B. Current Liability – A liability is classified as current when:

(a) The Company expects to settle the liability in its normal operating cycle;
(b) The Company holds the liability primarily for the purpose of trading;
(c) The liability is due to be settled within twelve months after the reporting period; or
(d) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period.
All other liabilities are classified as non-current liabilities.

D. Functional and presentation currency

The financial statements including notes thereon are presented in Indian rupees, which is the functional currency of the Company. All the financial information presented in Indian rupees has been rounded to the nearest crore as per the requirement of Schedule III to the Act, unless stated otherwise.

BAGHAULI SUGAR AND DISTILLERY LIMITED

E. Use of judgment, estimates and assumptions

The preparation of financial statements in conformity with Ind AS requires the Management to make judgement, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities and contingent assets at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the Management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known / materialized.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods

a. Property, plant and equipment and intangible assets

The useful life and residual value of plant, property equipment and intangible assets are determined based on technical evaluation made by the management of the expected usage of the asset, the physical wear and tear and technical or commercial obsolescence of the asset. Due to the judgements involved in such estimations, the useful life and residual value are sensitive to the actual usage in future period. The management evaluates and reviews the pattern of expected economic benefits from the asset along with commensurate method of depreciation on periodic basis and decides to follow suitable method of charging depreciation.

b. Recognition and measurement of defined benefit obligations

The cost of the leave encashment, defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are periodically reviewed at each reporting date.

c. Fair value measurement of financial instruments

When the fair value of the financial assets and liabilities recorded in the balance sheet cannot be measured based on the quoted market price in active markets, their fair value is measured using valuation technique. The input to these models are taken from the observable market wherever possible, but where this is not feasible, a review of judgment is required in establishing fair values. Changes in assumption relating to these assumptions could affect the fair value of financial instrument.

d. Provision for litigations and contingencies

The provision for litigations and contingencies are determined based on evaluation made by the management of the present obligation arising from past events the settlement of which is expected to result in outflow of resources embodying economic benefits, which involves judgements around estimating the ultimate outcome of such past events and measurement of the obligation amount.

e. Impairment of financial and non-financial assets

BAGHAULI SUGAR AND DISTILLERY LIMITED *

The impairment provision for financial assets is based on assumptions about risk of default and expected losses. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

The Company assesses at each reporting date whether there is an indication that a Non-financial asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount which is higher of an asset's or Cash generating unit (CGU) fair value less costs of disposal and its value in use. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

F. Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

BAGHAULI SUGAR AND DISTILLERY LIMITED

Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis as explained above, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

G. Recent Pronouncement

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

3. Significant accounting policies

A. Property, plant and equipment and Capital work-in-progress

Property, plant and equipment are stated at original cost net of tax/ duty credit availed, less accumulated depreciation and accumulated impairment losses. The cost of an asset includes the purchase cost of materials including import duties and non-refundable taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets are capitalized as part of cost of the asset until such time that the asset is ready for its intended use. The present value of the expected cost for the decommissioning of the asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

When significant part of the property, plant and equipment are required to be replaced at intervals, the Company derecognized the replaced part and recognized the new parts with its own associated useful life and it is depreciated accordingly. Likewise when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance cost are recognized in the statement of the profit and loss as incurred.

Internally manufactured property, plant and equipment are capitalised at factory cost.

Capital work in progress include property plant & equipment under installation/under development as at the balance sheet date and are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

Property, plant and equipment are derecognised from the financial statement, either on disposal or when no economic benefits are expected from its use or disposal. Losses arising in the case of retirement of property, plant and equipment and gain or losses arising from disposal of property, plant and equipment are a recognized in the statement of profit and loss in the year of occurrence.

B. Investment Property

Investment properties are properties, either land or building or both, held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost including transactions costs. Subsequent to initial recognition, investment properties are measured in accordance with requirement for cost model.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the

BAGHAULI SUGAR AND DISTILLERY LIMITED

net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is de-recognised.

C. Intangible assets

Intangible asset are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the entity and the cost of asset can be measured reliably.

Capital expenditure on purchase and development of identifiable assets without physical substance is recognized as intangible assets in accordance with principles given under Ind AS-38 – Intangible Assets.

Internally generated intangible asset, excluding capitalized development cost, are not capitalized and the related expenditure is reflected in statement of profit & loss in the period in which the expenditure is incurred.

The useful lives of intangible asset are assed as either finite or indefinite. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the assets are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives, if not amortised, but are tested for impairment either individually or at the cash generating unit level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite life continues to be supportable. Currently there are no intangible assets with indefinite useful life.

Gain or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit & loss when the asset is derecognised.

D. Depreciation and amortization

Depreciation on Property, Plant and Equipment (PPE) and Intangible assets is calculated on the basis of useful lives as prescribed under Schedule II to the Companies Act, 2013. The following methods of depreciation are used for PPE and Intangible assets:

A. Plant and machinery	
Sugar and Cogen	Written down value method
B. Leasehold land	Amortised over the period of lease, i.e., 99 years
C. Computer software	Amortised over a period of 3-5 years on a Straight line basis.
D. Other intangible assets	Amortised over a period of maximum 10 years on a straight line basis.
E. Capital Spares	Based on technical estimates by the management depreciated on straight line method over a period of 10 years.
F. Remaining Property Plant and equipment	Straight Line Method

E. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a

BAGHAULI SUGAR AND DISTILLERY LIMITED

right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Where the Company is the lessee

Finance leases are capitalized as assets at the commencement of the lease, at an amount equal to the fair value of leased asset or present value of the minimum lease payments, whichever is lower, valued at the inception date. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing cost. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Payment made under operating leases are recognized as expense in the Statement of Profit and Loss on a straight line basis over the lease term, unless the receipts are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increase.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Where the escalation of lease rentals is in line with the expected general inflation so as to compensate the lessor for expected inflationary cost, the increases in the rentals is not straight lined.

F. Government grants

Government grants are recognised at fair value when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached with them.

Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

G. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.
All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

H. Segment accounting and reporting

BAGHAULI SUGAR AND DISTILLERY LIMITED *

The chief operational decision maker monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit and loss and is measured consistently with profit and loss in the financial statements.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker (CODM).

The accounting policies adopted for segment reporting are in line with the accounting policies adopted for preparing and presenting the Financial Statements of the Company as a whole. In addition, the following specific accounting policies have been followed for segment reporting:

- Segment revenue includes sales and other income directly identifiable with / allocable to the segment including inter segment transfers.

  Inter segment transfers are accounted for based on the transaction price agreed to between the segments which is at cost in case of transfer of Company`s intermediate and final products and estimated realisable value in case of by-products.

- Revenue, expenses, assets and liabilities are identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on direct and/or on a reasonable basis, have been disclosed as "Unallocable"

I. Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Indian Accounting Standard (Ind AS)-19 - 'Employee Benefits'.

a. Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.

b. Defined contribution plan

Retirement benefits in the form of provident fund, pension fund, superannuation fund and ESI are a defined contribution scheme and the contributions are charged to the statement of profit and loss of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the provident fund/trust.

c. Defined benefit plan

Gratuity is provided for on the basis of an actuarial valuation. The Company's liabilities on account of gratuity and earned leaves on retirement of employees are determined at the end of each financial year on the basis of actuarial valuation certificates obtained from registered actuary in accordance with the measurement procedure as per Indian Accounting Standard 19 (Ind AS 19) 'Employee Benefits'. Gratuity liability is unfunded. The costs of providing benefits under these plans are also determined on the basis of actuarial valuation at each year end. Actuarial gains and losses for defined benefit plans are recognized through OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absenteeism as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement

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purposes. Such long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method at the year-end.

J. Inventories

a. Finished goods are valued at lower of cost or net realisable value. By-products (including final molasses) are valued at net realisable value. B Heavy molasses is valued at derived values based on proportionate sugar content. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

b. Work in progress is valued at lower of cost or net realisable value. Cost is determined on a weighted average basis.

c. Stores, Spares and Raw Materials are valued at lower of cost or net realisable value. However materials & other items of inventories held for use in the production are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.

d. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

K. Financial Instruments

(a) Financial Assets

i. Classification

The Company classified financial assets as subsequently measured at amortized cost, fair value though other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) on the basis of its business model for managing the financial assets and contractual cash flow characteristics of the financial asset.

ii. Initial Recognition and Measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments. All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

iii. Subsequent Measurement

For the purpose of subsequent measurement the financial assets are classified in three categories:

- At amortised cost - For debt instruments only.
- At fair value through profit & loss account
- At fair value through other comprehensive income

iv. Debt instruments at amortized cost

A Financial Asset i.e. a debt instrument is measured at the amortized cost if both the following condition are met.

- The assets is held within a business model whose objective is to hold assets for collecting contractual cash flow (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are subsequently measurement at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount and premium and fee or costs that are an integral part of an EIR. The EIR amortization is included in finance income in the statement of profit and loss. The losses arising from impairment are recognized in the statement of profit and loss.

v. Debt instrument at Fair value through Profit or loss

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Debt instruments included within the fair value through profit or loss (FVTPL) category are measured at fair value with all changes recognized in the statement of profit and loss.

vi. Debt instruments at Fair value through other comprehensive income

A financial asset should be measured at FVTOCI if both the following condition are met:

- The assets is held within a business model in which asset are managed both in order to collect contractual cash flows and for sale (business model test), and
- Contractual terms of the assets give rise on specified dates to cash flows that are solely payments of principle and interest (SPPI) on the principle amount outstanding (contractual cash flow characteristics).

After initial measurement (at Fair value minus transaction cost), such financial assets are measured at Fair value with changes in fair value recognized in OCI except for:

(a) Interest calculated using EIR
(b) Foreign exchange gain and losses; and
(c) Impairment losses and gains

vii. Equity investments

All equity investments other than investment in subsidiaries, joint venture and associates are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at fair value through other comprehensive income (FVTOCI) or FVTPL. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument at FVTOCI, then fair value change on the instrument, excluding dividends, are recognised in other compressive income (OCI). There is no recycling of the amounts from OCI to statement of profit or loss, even on sale of such investments.

Equity instrument includes within the FVTPL category are measured at fair value with all changes recognised in the Statement of profit or loss.

viii. Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when:

- The right to receive cash flows from the assets have expired or
- The Company has transferred substantially all the risks and rewards of the assets, or
- The Company has neither transferred nor retained substantially all the risks and rewards of the assets, but has transferred control of the assets.

(b) Financial liabilities & Equity

i. Classification

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

ii. Initial recognition and measurement of Financial Liability

The Company recognizes financial liability when it becomes a party to the contractual provisions of the instrument. All financial liability are recognized initially at fair value minus, for financial liability not subsequently measured at FVTPL, transaction costs that are directly attributable to the issue of financial liability.

iii. Subsequent Measurement of Financial Liabilty

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies

iv. Financial Liability at amortised cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) Method. Gain and losses are recognised in statement of profit and loss when the liabilities are derecognised.

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Amortised cost is calculated by taking into account any discount or premium on acquisition and transaction cost. The EIR amortization is included as finance cost in the statement of profit and loss.

This category generally applies to loans & Borrowings.

v. **Financial Liability at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability

vi. **Equity Instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

vii. **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are, substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amount recognised in the Statement of Profit and loss.

viii. **Offsetting of financial instrument**

Financial Assets and Financial Liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

ix. **Derivative financial instruments**

The Company uses derivative instruments as a part of its management of exposure to fluctuations in foreign currency exchange rates. The Company does not acquire or issue derivative instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage the treasury.

All derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on quotation obtained from banks/financial institutions. The accounting for changes in the fair value of a derivative instruments depends on the intended use of the derivatives and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within current and non-current assets and liabilities. Derivatives that are designated as hedges are classified as current and non-current depending upon the maturity of the derivatives.

The use of derivative can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into the contract with reputable banks/ financial institution. The use of derivative instrument is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by the management and board. The market risk on derivatives are mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

x. **Cash flow hedge**

The Company designates certain foreign exchange forward as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions.

When a derivative is designated as a cash flow hedge instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in the cash flow hedge reserve. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in the net profit in the Statement of Profit and Loss. If the hedging instrument no longer meets the criteria for hedge accounting, then hedge

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accounting is discontinued prospectively. If the hedging instrument expires or is sold, terminated or exercised, the cumulative gain or loss on the hedging instrument recognized in cash flow hedge reserve till the period the hedge was effective remains in cash flow hedge reserve until the forecasted transaction occurs. The cumulative gain or loss previously recognized in the cash flow hedge reserve is transferred to the net profit in the Statement of Profit and Loss upon the occurrence of the related forecasted transaction. If the forecasted transaction is no longer expected to occur, then the amount accumulated in cash flow hedge reserve is reclassified to the Statement of Profit and Loss.

L. Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of goods

Sale is exclusive of goods and service tax (GST) and is accounted for upon dispatch of goods from the factory when the risks and rewards of ownership are transferred to the buyer. Gross sales and net sales are disclosed separately in Statement of Profit & Loss.

Ind AS 115 introduces a new framework of five step model for the analysis of Revenue transactions. The model specifies that revenue should be recognized when (or as) an entity transfer control of goods or services to a customer at the amount to which the entity expects to be entitled. Further the new standard requires enhanced disclosures about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services.

The Company has evaluated the requirement of the amendment and the impact on the financial statements. The effect on adoption of Ind AS 115 was insignificant.

Dividends

Revenue is recognized when the shareholders' right to receive payment is established by the Balance Sheet date.

Insurance claim

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

Sale of services

The Company being a manufacturing entity does not generally provide services in the normal course of business except the travel related service.

Revenue from supply of services if any is recognized as and when the services has been provided and recoverability accrues.

M. Taxes

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax

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Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax relating to items recognized directly in equity is recognised in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at reporting date. Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized.

The carrying amount of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow deferred tax assets to be recovered.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

N. Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

O. Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that the outflow of resources embodying economic benefits will be required to settled the obligation in respect of which reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the expense relating to provision presented in the statement of profit & loss is net of any reimbursement.

If the effect of the time value of money is material, provisions are disclosed using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

Contingent liability is disclosed in the notes in case of:

- There is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.
- A present obligation arising from past event, when it is not probable that as outflow of resources will be required to settle the obligation
- A present obligation arises from the past event, when no reliable estimate is possible

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- A present obligation arises from the past event, unless the probability of outflow are remote.

Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets.

Provisions, contingent liabilities, contingent assets and commitments are reviewed at each balance sheet date.

Onerous Contracts
A provision for onerous contracts is measured at the present value of the lower expected cost of terminating the contract and the expected cost of continuing with the contract. Before a provision is established, the Company recognizes the impairment on the assets with the contract.

Contingent assets
Contingent assets are not recognized in the financial statements.

P. Cash and cash equivalents

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consists of cash and short term deposits, as defined above, net of outstanding bank overdraft as they being considered as integral part of the Company's cash management.

Q. Impairment

Non-financial assets
Property, plant and equipment, intangible assets and assets classified as investment property with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.
If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

Impairment losses on continuing operations, including impairment on inventories are recognized in the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive income. For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation surplus.

Financial assets

The Company applies 'simplified approach' measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instrument and are measured at amortized cost e.g. loans, debt securities, deposits, and bank balance.

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- Trade receivables

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognizes impairment loss allowance based on lifetime expected credit loss at each reporting date, right from its initial recognition.

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Notes to Standalone financial statements as at March 31, 2024

Note No. 4:- Property plant & equipment, intangible assets & capital work in progress. (Rs. in crores)

Particulars	Property Plant and Equipments							
	Land Freehold	Land Lease hold	Buildings	Plant and equipment	Furniture and Fixtures	Vehicles	Office equipment	Total
Cost or revalued amount								
as at March 31, 2022	2.81	1.03	17.92	154.33	0.31	0.39	1.42	178.21
Additions	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-
as at 31st March,2023	**2.81**	**1.03**	**17.92**	**154.33**	**0.31**	**0.39**	**1.42**	**178.21**
Additions				3.82	0.06		0.14	4.02
Disposals				9.10				9.10
as at 31st March,2024	**2.81**	**1.03**	**17.92**	**149.05**	**0.37**	**0.39**	**1.56**	**173.13**
Depreciation and amortisation								
as at March 31, 2022		0.73	12.18	143.91	0.29	0.37	1.34	158.82
Charge for the year		0.04	0.55	0.21	0.00	0.00		0.80
Disposals								-
as at 31st March,2023	-	**0.77**	**12.73**	**144.12**	**0.29**	**0.37**	**1.34**	**159.62**
Charge for the year		0.03	0.48	0.23	0.00	0.00	0.00	0.74
Disposals				8.64				8.64
as at 31st March,2024	-	**0.80**	**13.21**	**135.71**	**0.29**	**0.37**	**1.34**	**151.72**
								-
Net Block								-
as at 31st March,2023	**2.81**	**0.26**	**5.19**	**10.21**	**0.02**	**0.02**	**0.08**	**18.59**
as at 31st March,2024	**2.81**	**0.23**	**4.71**	**13.34**	**0.08**	**0.02**	**0.22**	**21.41**
Capital Work in Progress								
as at 31st March,2023								**123.21**
as at 31st March,2024								**123.28**

Capital- Work-in progess - ageing schedule

Particulars	As at 31st March, 2024					As at 31st March, 2023				
	Amount in Capital Work In Progresss for a period of				Total	Amount in Capital Work In Progresss for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress*	0.07	-	-	123.21	123.28	-	-		123.21	123.21
Projects temporarily suspended	-	-	-	-	-	-	-	-	-	-

*Included Rs.123.21 Crore of 100 KLPD Distillery unit of Company. Revamping of the same is under evaluation.

Baghauli Sugar & Distillery limited
Notes to financial statements as at March 31, 2024
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(Rs.In crores)

Particulars	As at March 31, 2024	As at March 31, 2023
5. Non-current financial assets		
5 (i). Others		
Fixed deposits with banks (earmarked) (with remaining maturity of more than 12 months)	-	0.05
Security deposits		
Considered good	0.02	0.01
	0.02	**0.06**
6. Income Tax Assets (Net)		
Pre paid Taxes	0.01	-
Less: Provision for taxes	-	-
	0.01	-
7. Other non current assets		
(Unsecured, considered good unless stated otherwise)		
Capital advances	5.69	5.69
less:provision for advances	(5.69)	(5.69)
Net Capital advances	-	-
Balances with Government departments under protest	0.01	0.01
	0.01	**0.01**
8. Inventories		
(Refer Note 3(J))(As taken, valued and certified by the management)		
Finished goods (Including by- products and goods in transit) (Refer note no.32)	16.06	-
Stores, spare & others	1.40	1.52
	17.46	**1.52**
9. Current financial assets		
9 (i). Trade receivables		
Unsecured		
Considered good	0.01	0.00
Considered Doubtful	0.73	0.73
Less : Allowance for bad and doubtful debts	(0.73)	(0.73)
	0.01	**0.00**

Trade Receivable ageing schedule as at March 31, 2024

Particulars		Outstanding for following periods from due date of payments					
	Not Due	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good		0.01					0.01
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	0.73	0.73
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	-
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- Credit impaired	-	-	-	-	-	-	-

Trade Receivable ageing schedule as at March 31, 2023

Particulars		Outstanding for following periods from due date of payments					
	Not Due	Less than 6 months	6 month to 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables- considered good	-	-	-	-	-	-	0.00
(ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables- credit impaired	-	-	-	-	-	0.73	0.73
(iv) Disputed Trade receivables- considered good	-	-	-	-	-	-	0.00
(v) Disputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables- Credit impaired	-	-	-	-	-	-	-

Particulars	As at March 31, 2024	As at March 31, 2023
9 (ii). Cash and cash equivalents		
Cash on hand	0.01	0.00
Balance with banks		
Current Account	1.98	0.04
	1.99	**0.04**
9 (iii). Bank balances other than cash & cash equivalents		
- Deposits with original maturity of more than 3 months but less than 12 months	0.39	2.76
	0.39	**2.76**
9 (iv). Loans		
Others		
Loans to employees	-	0.12
	-	**0.12**
9 (v). Others		
(Unsecured, considered good)		
Interest receivable	0.01	0.02
	0.01	**0.02**
10 Other current assets		
(Unsecured, considered good)		
Deposit and Balances with Government departments and other authorities	6.37	2.39
Other advances	1.87	0.05
	8.24	**2.44**

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(Rs.in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
11. Equity Share capital		
Authorised :		
50,00,00,000 (6,30,00,000) ordinary equity shares of par value of Rs 10/- each	500.00	63.00
	500.00	**63.00**
Issued, Subscribed and Fully Paid Up :		
5,00,00,000 (5,94,83,800) ordinary equity shares of par value of Rs 10/- each	50.00	59.48
	50.00	**59.48**

(a) Reconciliation of ordinary equity shares outstanding at the beginning and at the end of the reporting year.

	As on March 31, 2024		As on March 31. 2023	
	No. of Shares	Rs Crores	No. of Shares	Rs Crores
At the beginning of the period	59,483,800	59.48	59,483,800	59.48
Issued during the year	50,000,000	50.00	-	-
Less: Extinguished during the period	(59,483,800)	(59.48)	-	-
At the end of the period	50,000,000	50.00	59,483,800	59.48

(b) Terms/ rights attached to ordinary equity shares
The Company has only one class of ordinary equity shares having a face value of Rs.10 per share. Each ordinary equity shareholder In the event of winding-up of the Company, the ordinary equity shareholders shall be entitled to be repaid out of remaining assets of the Company, in the ratio of the amount of capital paid up on such ordinary equity shares.

(c) Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2024		As at March 31, 2023	
Ordinary Equity shares of Rs.10 each fully paid up	**No. of Shares**	**% Holding**	**No. of Shares**	**% Holding**
Dalmia Bharat Sugar and Industries limited	50,000,000	100.00%	-	0.00%
Sahara Prime City Limited			59,483,800	100.00%

As per records of the Company, including it's register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

(d) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.- Nil

(e) **Shareholding patterns of Promoters:-**

	As at March 31, 2024		Change during the year		As at March 31, 2023	
Name of Promoter	**No. of shares**	**% Shareholding**	**No. of shares**	**% Change**	**No. of shares**	**% Shareholding**
Dalmia Bharat Sugar and Industries limited	**50,000,000**	**100%**	**50,000,000**	100%		
Sahara Prime City Limited			**(59,483,800)**	-100%	59,483,800	100%
Total Promoter's shareholding	**50,000,000**	**100%**	**(9,483,800)**	-	59,483,800	100%

	As at March 31, 2023		Change during the year		As at March 31, 2022	
Name of Promoter	**No. of shares**	**% Shareholding**	**No. of shares**	**% Change**	**No. of shares**	**% Shareholding**
Sahara Prime City Limited	59,483,800	100%	-	-	59,483,800	100%
Total Promoter's shareholding	59,483,800	100%	-	-	59,483,800	100%

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(Rs.In crores)

Particulars	As at March 31, 2024	As at March 31, 2023
12. Other Equity		
Reserve & Surplus		
Capital reserve		
Opening balance as per last financial statements	-	-
Changes during the year (refer note 39)	430.16	-
Closing balance	430.16	-
Surplus in the statement of profit and loss		
Balance as per last financial statements	(446.05)	(443.80)
Profit for the year	(2.04)	(2.25)
Net surplus in the statement of profit and loss	(448.09)	(446.05)
Total reserves and surplus	**(17.93)**	**(446.05)**
Other Comprehensive Income		
Opening Balance	0.02	0.02
Addition/(reduction) during the year	(0.07)	-
Closing Balance	(0.05)	0.02
Total Other Equity	**(17.98)**	**(446.03)**

1 Retained earnings represents undistributed profits of the Company which can be distributed to its equity shareholders in accordance with the requirement of the Companies Act, 2013.

2 Other Comprehensive Income represent the balance in equity for items to be accounted in Other Comprehensive Income. OCI is classified into (i) items that will not be reclassified to statement of profit and loss, and (ii) items that will be reclassified to statement of profit and loss.

3 Other Comprehensive Income includes fair valuation of equity instruments, retirement benefits .

4 There are no amounts as at the year end which are due and outstanding to be credited to the Investor Education and Protection Fund.

5 Capital Reserve includes reserver created pursuant to cancellation of existing share capital and reduction of debt as per approved resolution plan. This reserve is not available for distribution to shareholders.

Particulars		As at March 31, 2024		As at March 31, 2023
13. Non current financial liabilities				
13 (i). Borrowings				
Unsecured				
Loan From Related Party				
From DBSIL (100% holding company)*	115.00		42.00	
Less: Shown in current maturities of long term borrowings	-	115.00	-	-
		115.00		**-**

*Includes Rs 3.00 Crore payable to Dalmia Bharat Sugar and Industries Limited against loan assigned by secured financial creditors.

Particulars	As at March 31, 2024	As at March 31, 2023
14. Non current provisions		
Provision for employee benefits	0.15	0.06
	0.15	**0.06**
15. Current financial liabilities		
15 (i). Borrowings		
Secured		
loans from banks		
Working capital/short term loans	-	19.21
Loans payable on demand	-	152.62
Unsecured		
Debentures to Related Party	-	11.17
	-	**183.00**
15 (ii). Trade payables		
Trade Payables		
- Micro and small enterprises	-	-
- Payable to holding company (Dalmia Bharat Sugar and Industires Limited)	16.58	-
- Others	7.55	0.17
	24.13	**0.17**

Trade payables ageing schedule:-

Detail of Dues	Trade Payable ageing shedule as at March 31, 2024					
Particulars		Outstanding for following periods from due date of payment				
	Unbilled	Not Due	Less than 1year	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	24.13	-	-	**24.13**
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	-	-	24.13	-	-	**24.13**

	Trade Payable ageing shedule as at March 31, 2023					
Particulars		Outstanding for following periods from due date of payment				
	Unbilled	Not Due	Less than 1year	2-3 Years	More than 3 Years	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	-	-	-	-	0.17	**0.17**
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- Others	-	-	-	-	-	-
Total	-	-	-	-	0.17	**0.17**

* There are no outstanding amounts payable beyond the agreed period to Micro, Small and Medium enterprises as required by MSMED Act, 2006 as on the balance sheet date to the extent such enterprises have been identified based on information available with the Company. In view of this there is no overdue interest payable.

BAGHAULI SUGAR AND DISTILLERY LIMITED

Baghauli Sugar & Distillery limited
Notes to financial statements as at March 31, 2024
CIN No. U15424UP2006PLC031662

(Rs.in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
15 (iii). Other financial liabilities		
Interest payable	-	159.34
Accrued salaries & benefits	0.02	-
Capital Creditors	0.79	0.79
Security deposits received	0.30	0.05
Payable to related parties	-	183.26
Others	0.18	2.40
	1.29	**345.84**
16. Other current liabilities		
Advances from customers	-	6.00
Statutory dues	0.20	0.16
Others	-	-
	0.20	**6.16**
17. Provisions (current)		
Provision for employee benefits	0.04	0.09
	0.04	**0.09**

BAGHAULI SUGAR AND DISTILLERY LIMITED

Baghauli Sugar & Distillery limited
Notes to financial statements as at March 31, 2024
CIN No. U15424UP2006PLC031662

(Rs.in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
18. Revenue from operations		
Sales of Product		
Sugar and allied products	0.48	-
	0.48	**-**
Notes: Reconcilation of revenue as per contract price and as recognised in statement of profit and loss:		
Revenue as per contract price	0.48	-
Revenue from contracts with customers	**0.48**	**-**
19. Other income		
Interest Income from bank deposits and others	0.03	0.06
Profit on sale of Fixed Assets (net of loss on sale of Fixed Assets)	0.67	-
Balances & provisions written back	22.91	-
Rent Received	0.09	-
	23.70	**0.06**
20. Cost of raw materials consumed		
Sugarcane & Molasses	14.86	-
	14.86	**-**
21. Changes in inventories of finished goods, work in progress		
Finished goods		
- Closing stock	16.07	0.00
- Opening stock	-	(0.00)
	(16.07)	**-**
22. Employee benefits expense		
Salaries, wages, bonus and other payments	1.17	0.38
Contribution to provident fund and other funds	0.03	0.01
Workmen and staff welfare expenses	0.22	-
	1.42	**0.39**
23. Finance Costs		
Interest		
- On borrowing from holding company	2.26	-
	2.26	**-**
24. Depreciation and amortization expenses		
Depreciation on property plant and equipment	0.74	0.80
	0.74	**0.80**
25. Other Expenses		
Power and Fuel	0.80	-
Packing Materials	0.14	-
Consumption of Stores and Spares Parts	0.42	-
Repairs and Maintenance :		
- Plant & Machinery	15.89	0.01
Rent	-	0.01
Rates and Taxes	2.79	-
Insurance	0.05	0.02
Travelling	0.04	-
Advertisement and Publicity	0.01	-
Vehicle Hire charges	0.10	-
House Keeping Expenses	0.04	-
Material Handling charges	0.19	-
Professinal Service Charges	1.94	-
Security Service Charges	0.41	-
Miscellaneous Expenses	0.19	1.08
	23.01	**1.12**

BAGHAULI SUGAR AND DISTILLERY LIMITED

(Rs.in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
26. Other Comprehensive Income		
(A) (i) Items that will not be reclassified to profit/(loss)		
Retiral benefits component	(0.07)	-
(ii) Income tax relating to items that will not be reclassified to profit/(loss)	-	-
	(0.07)	-
27. Earning Per Share		
(a) Continuing operations		
Net profit/(loss) attributable to equity shareholders (Rs. in crores)	**(2.04)**	(2.25)
Number of equity shares outstanding during the year (weighted average)	**50,000,000**	59,483,800
Face value of equity shares (Rs. per share)	**10**	10
Earning per share (Amount in Rs.)		
Basic	**(0.41)**	(0.38)
Diluted	**(0.41)**	(0.38)

BAGHAULI SUGAR AND DISTILLERY LIMITED

28 Contingent Liabilities (not provided for) in respect of:

(Rs. in crores)

S.N.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	Claims against the Company not acknowledged as debts*	-	4.43
b)	Demand raised by custom, excise, entry tax, service tax and sales tax authorities under dispute	-	-
c)	Income tax cases	-	-
d)	Guarantee & LC issued by the Company's banker on behalf of the company	-	-

As per the approved Resolution Plan, contingent liabilities (which have/are capable of being crystallized) period prior to the effective date stand extinguished.

Furthermore, the Resolution Plan, among other matters, provide that except to the extent of the amount payable to the relevant secured financial creditors, unsecured financial creditors, employees and workmen, statutory authorities and operational Creditors in accordance with the Resolution Plan, all liabilities discharged and settled and there being no further claims whatsoever, and all the rights of the Secured Creditors and Ohter Creditors to invoke or enforce the same stands waived off. It is provided that any and all legal proceedigs initiated before any forum by or on behalf of any Secured Creditor (including Government Authorities) or andy Other Creditors to enforce any rights or claims against the Company also stands extinguished. The Implementation of the Resolution Plan does not have any effect over claims or receivables owed to the Company.

29 Capital and other commitments:

(Rs. in crores)

S.N.	Particulars	As at March 31, 2024	As at March 31, 2023
a)	Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	-	-
b)	Other Commitments	-	-

30 Remuneration paid to Auditors (included in Miscellaneous Expenses) :

(Rs. in crores)

S.N.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
i	**Statutory Auditor** Audit Fee	0.07	0.01

31 Details of Dues to Micro and Small Enterprises as per MSMED Act, 2006 to the extent of information available with the Company

(Rs. in crores)

S.No	Particulars	As at March 31, 2024	As at March 31, 2023
a)	Principal amount and interest due thereon remaining unpaid to any supplier as at end of each accounting year	-	-
b)	Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year.	-	-
c)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
d)	The amount of interest accrued and remaining unpaid at the end of accounting year	-	-
e)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-
	Total	-	-

32 Details of Opening and Closing Inventory of Finished Goods:

(Rs. in crores)

S.No.	Class of Product	As at March 31, 2024	As at March 31, 2023
a)	**Opening stock**		
	Sugar		
	Others	-	-
	Total	-	-
b)	**Closing stock**		
	Sugar	14.07	
	Others (including bagasse & Molasses)	1.99	-
	Total	16.06	-

BAGHAULI SUGAR AND DISTILLERY LIMITED

33 Disclosure as required by Ind AS 108, Operating Segments

(i) **Identification of Segments**

The chief operational decision maker monitors the operating results of its business segments seperately for the purpose of making decision about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the nature of products and services and have been identified as per the quantitative criteria specified in the Ind AS.

(ii) **Operating segments identified as follows:**

a) The "Own Manufactured Sugar Segment" includes manufacture and marketing of Sugar.

b) The "Power Segment" includes generation and sale of Power. Power is also used for captive consumption by the Company.

(iii) **Segment revenue and results**

The expense or incomes which are not directly attributable to any business segment are shown as unallocable expenditure (net of unallocable income)

(iv) **Segment assets and liabilities**

Segment assets include all operating assets used by the operating segments and mainly consists of property plant and equipment, trade receivables, cash and cash equivalents and inventories. Segment liabilities primarily include trade payables and other liabilities. Common assets and liabilities which cannot be allocated to any other segments are shown as part of unallocable assets/liabilities.

(v) **Segment revenue and segment profit**

(Rs. in crores)

Particulars	Sugar	Power	Total
Revenue			
Gross Revenue from operation			
For the year ended March 31, 2024	2.05	1.93	3.98
For the year ended March 31, 2023	-	-	-
Less: Inter/ Intra Segment Revenue			
For the year ended March 31, 2024	1.57	1.93	3.50
For the year ended March 31, 2023	-	-	-
Net Revenue from operation			
For the year ended March 31, 2024	0.48	-	0.48
For the year ended March 31, 2023	-	-	-
Profit before interest and tax from operations			
For the year ended March 31, 2024	0.69	(0.47)	0.22
For the year ended March 31, 2023	(2.25)	-	(2.25)
Less: Finance Cost			
For the year ended March 31, 2024			2.26
For the year ended March 31, 2023			-
Less: Exceptional items			
For the year ended March 31, 2024			-
For the year ended March 31, 2023			-
Profit before tax from operation			
For the year ended March 31, 2024			(2.04)
For the year ended March 31, 2023			(2.25)
Tax expenses from operation			
For the year ended March 31, 2024			-
For the year ended March 31, 2023			-
Profit after tax from operation			
For the year ended March 31, 2024			(2.04)
For the year ended March 31, 2023			(2.25)

(vi) **Segment Assets & Liabilities**

Particulars	Sugar	Power	Distillery	Total
Segment Assets				
Assets from operations				
As at 31st March 2024	48.00	1.61	123.21	172.82
As at 31st March 2023	(148.77)			(148.77)
Unallocable Asset				
As at 31st March 2024				0.01
As at 31st March 2023				-
Total Asset from operations				
As at 31st March 2024	48.00	1.61	123.21	172.83
As at 31st March 2023	(148.77)	-	-	(148.77)
Segment Liability				
Liabilities from operations				
As at 31st March 2024	25.52	0.29		25.81
As at 31st March 2023	(535.32)	-	-	(535.32)
Unallocable Liability				
As at 31st March 2024				115.00
As at 31st March 2023				-
Total Liability from operations				
As at 31st March 2024				140.81
As at 31st March 2023				(535.32)

BAGHAULI SUGAR AND DISTILLERY LIMITED

(vii) Other Information

(Rs. in crores)

Particulars	Sugar	Power	Total
Depreciation / Amortisation from operations			
For the year ended March 31, 2024	0.69	0.05	0.74
For the year ended March 31, 2023	(0.80)	-	(0.80)
Capital Expenditure			
For the year ended March 31, 2024	2.99	1.03	4.02
For the year ended March 31, 2023	-	-	-

(viii) Geographical Location

The geographical segments have been considered for disclosure as the secondary segment, under which the domestic segment includes sales to customers located in India and overseas segment includes sales to customer located outside India.

(Rs. in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from continuing operation		
Domestic	0.48	-
Overseas	-	-
Total	0.48	-

Note: There are no non-current assets located outside India.

(ix) Significant clients

There is no single customer who has contributed 10% or more to the Company's revenue for both the years ended March 31, 2024 and March 31, 2023.

Notes:-

a) The accounting policies of the reportable segments are the same as the Company's accounting policies described in note no. 2 and 3.

b) All assets are allocated to reportable segments other than investments, loans, certain financial assets and current and deferred tax assets. Segment assets include all assets directly attributable to the segments and portion of the enterprise assets that can be allocated on a reasonable basis to the segments.

c) All liabilities are allocated to reportable segments other than borrowings, certain financial liabilities, current and deferred tax liabilities. Segment liabilities include all liabilities directly attributable to the segments and portion of the enterprise liabilities that can be allocated on a reasonable basis to the segments.

34 Employee Benefits - Gratuity & Post employement benefits

Gratuity

Gratuity is computed as 15 days salary, for every recognized retirement / termination / resignation. The Gratuity plan for the Company is a defined benefit scheme where annual contributions as per actuarial valuation are charged to the Statement of profit and loss.

For summarizing the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the respective plans, the details are as under

A. Statement of profit and loss

Net employee benefit expense

(Rs. in crores)

Particulars	For the year ended March 31, 2024 Gratuity	For the year ended March 31, 2023 Gratuity
Current Service cost	0.01	0.01
Net interest cost	0.01	0.01
Expenses Recognized in the statement of Profit & Loss	0.02	0.02

Amounts to be recognized in Other Comprehensive Income

(Rs. in crores)

Particulars	For the year ended March 31, 2024 Gratuity	For the year ended March 31, 2023 Gratuity
Actuarial (gain)/loss on assets	0.00	(0.00)
Actuarial (gain)/loss on liabilities	0.07	(0.05)
Net (gain)/loss to be recognized in Other Comprehensive Income	0.07	(0.05)

BAGHAULI SUGAR AND DISTILLERY LIMITED

B. Balance Sheet

(i) Details of Plan assets/ (liabilities) for gratuity

(Rs. in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity	Gratuity
Defined benefit obligation	**0.00**	0.00
Fair value of plan assets	**0.00**	0.00
Net Asset/(Liability) recognized in the Balance Sheet	**0.00**	0.00

(ii) Changes in the present value of the defined benefit obligation are as follows:

(Rs. in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	Gratuity	Gratuity
Opening defined benefit obligation	**0.11**	0.14
Interest cost	**0.01**	0.01
Current service cost	**0.01**	0.01
Benefit paid	**(0.07)**	0.00
Actuarial (gains)/losses on obligation	**0.07**	(0.05)
Acquisition Adjustment	**0.00**	0.00
Closing defined benefit obligation	**0.14**	0.11

(iii) Changes in the fair value of plan assets (gratuity) are as follows:

(Rs. in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening fair value of plan assets	**0.00**	0.00
Actual return on Plan Assets	**0.00**	0.00
Contribution during the year	**0.00**	0.00
Benefit paid	**0.00**	0.00
Closing fair value of plan assets	**0.00**	0.00

(iv) The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
	%	%
Discount rate (%)	7.15%	7.40%
Expected salary increase (%)	5.00%	5.00%
Demographic Assumptions	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)
Retirement Age (year)	60 Years	60 Years

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market. The above information is certified by Actuary.

(v) Contribution to defined contribution plans:

(Rs. in crores)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Pension Fund/Superannuation funds/ESI/EPF	**0.01**	0.01

(vi) Sensitivity analysis of the defined benefit obligation:

(Rs. in crores)

Assumption	Discount rate			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Impact on defined benefit obligation	**0.15**	0.12	**0.13**	0.11
Impact on defined benefit obligation (change in %)	**6.60%**	5.20%	**-5.60%**	-4.40%

(Rs. in crores)

Assumption	Future salary increases			
Sensitivity Level	1% Decrease		1% Increase	
	As at March 31, 2024	As at March 31, 2023	As at March 31, 2024	As at March 31, 2023
Impact on defined benefit obligation	**0.13**	0.11	**0.15**	0.12
Impact on defined benefit obligation (change in %)	**-5.80%**	-4.10%	**6.70%**	4.80%

Sensitivities due to mortality & withdrawals are insignificant & hence ignored.

(vii) The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders, which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

BAGHAULI SUGAR AND DISTILLERY LIMITED

Leave Encashment

(Rs. in crores)

Particulars	Leave Obligation	
	For the year ended March 31, 2024	For the year ended March 31, 2023
Present Value of unfunded obligation	-	-
Expeses recognised in Statement of Profit and Loss	(0.02)	0.01
Discount rate (p.a)	7.15%	7.40%
Salary increase rate (p.a)	5.00%	5.00%

35 Related party transaction

a) List of related parties (as certified by the management)

I. Holding Company

Dalmia Bharat Sugar and Industries Limited

II. Key Management Personnel of the Company

Shri Pankaj Rastogi (Director) w.e.f Jan 08, 2024, Shri B B Mehta (Director) w.e.f Dec 22, 2023, Smt. Rachna Goria (Director) w.e.f December 22, 2023 and Shri Santrupt Misra (Director) w.e.f March 22, 2023

Resolution Professional

Shri Vivek Raheja

b) Enterprises having Shareholder/ Key Managerial Personnel in common with the Company (including its subsidiaries)

Dalmia Cement (Bharat) Limited

(Rs. in crores)

Nature of transaction	Holding company	Key management personnel and relatives to KMP	Key management personnel controlled enterprise	Total
A. Salary and Perquisites				
a) Salary	- -	- -	- (0.10)	- (0.10)
B. Sale of goods and services				
a) Dalmia Bharat Sugar and Industries limited	- -	- -	- -	- -
C. Purchase of goods and services				
a) Dalmia Bharat Sugar and Industries limited	- -	- -	- -	- -
D. Loan received				
a) Dalmia Bharat Sugar and Industries Limited	115.00 -	- -	- -	115.00 -
E. Interest on Loan				
a) Dalmia Bharat Sugar and Industries Limited	2.20 -	- -	- -	2.20 -
F. Rent Received				
a) Dalmia Bharat Sugar and Industries Limited	0.11 -	- -	- -	0.11 -
G. Purchase of goods and materials				
a) Dalmia Bharat Sugar and Industries Limited	2.57 -	- -	- -	2.57 -
b) Dalmia Cement (Bharat) Limited	0.09 -	- -	- -	0.09 -
H. Investment in Equity of the Company				
a) Dalmia Bharat Sugar and Industries Limited	50.00 -	- -	- -	50.00 -
I. Payments made on behalf of the Company				
a) Dalmia Bharat Sugar and Industries Limited	14.29 -	- -	- -	14.29 -

BAGHAULI SUGAR AND DISTILLERY LIMITED

c) **Balances Outstanding at Year End:**

(Rs. in crores)

Nature of transaction	Holding company	Key management personnel and relatives to KMP	Key management personnel controlled enterprise	Total
A. Interest on debentures				
a) Shri Subroto Roy Sahara	- -	- -	- (0.29)	- (0.29)
B. Managerial renumeration				
a) Shri P K Bishnoi	- -	- -	- (0.07)	- (0.07)
C. Advances received				
a) Sahara Prime City Limited	- -	- -	- (77.53)	- (77.53)
D. Loan payable				
a) Dalmia Bharat Sugar and Industries Limited	115.00 -	- -	- -	115.00 -
E. Interest on loan receivable				
a) Dalmia Bharat Sugar and Industries Limited	2.04 -	- -	- -	2.04 -
E. Amount Payable				
a) Dalmia Bharat Sugar and Industries Limited	14.54 -	- -	- -	14.54 -

Notes:-

i) Above transactions are exclusive of recoverable taxes, wherever applicable.

ii) Remuneration is excluding provision of gratuity and leave encashment, where the actuarial valuation is done on overall Company basis.

iii) The Transactions with related parties have been entered at arm's length prices.

BAGHAULI SUGAR AND DISTILLERY LIMITED *

36 Financial Risk Management

Financial risk management objectives and policies:

Sugar industry being an industry which is cyclical in nature, the Company's operational activities are exposed to various financial & operational risks, such as economical & political risk, market risk, credit risk and risk of liquidity. The Company realizes that risks are inherent and integral aspect of any business. The primary focus is to foresee the unpredictability of markets and seek to minimize potential adverse effects on its financial performance. The Company's senior management oversees the management of these risks and devise approrpiate risk management framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives.

A Credit Risk:-

Credit risk arises when a counterparty defaults on its contractual obligations to pay, resulting in financial loss to the Company. The Company is exposed to credit risks from its operating activities, primarily trade receivables. Since there is a blend of institutional & non institutional buyers with the Company and also considering the fact that major sales gets effected after receipt of advance from the customers, the credit risks in respect of trade receivables is minimized.

Table hereunder provides the data with regard to trade receivables and it's ageing.

(Rs. in crores)

Trade receivables	More than 6 Months	Less than 6 Months	Total
As at March 31, 2024	-	0.01	0.01
As at March 31, 2023	-	-	-

B Liquidity risk:

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities, short term loans and commercial papers and to reduce debts to be able to meet the cyclicalities of the sugar business. Apart from cyclical sugar business, the Company has alternate revenue streams in the form of cogeneration and distillery, which, to a large extent, offset the impact of sugar cyclicalities.

Table hereunder provides the current ratios of the Company as at the year end

(Rs. in crores)

Particulars	As at March 31, 2024	As at March 31, 2023
Total current assets	28.10	6.90
Total current liabilities	25.66	535.26
Current ratio	1.09	**0.01**

In view of seasonal nature of sugar business, which is a dominant business of the Company, there is a peak build-up of sugar inventories at the year end, resulting in peak working capital requirement. With the liquidation of such inventories over the year, the working capital requirement is gradually reduced. Thus, the current ratio computed at the year end is not a reflection of average and realistic ratio for the year.

BAGHAULI SUGAR AND DISTILLERY LIMITED

37 Impairment Review

Assets are tested for impairment whenever there are any internal or external indicators of impairment. Impairment test is performed at the level of each Cash Generating Unit ('CGU') or groups of CGUs within the Company at which the assets are monitored for internal management purposes, within an operating segment. The impairment assessment is based on higher of value in use and value from sale calculations. During the year, the testing did not result in any impairment in the carrying amount of other assets. The measurement of the cash generating units' value in use is determined based on financial plans that have been used by management for internal purposes. The planning horizon reflects the assumptions for short to- mid-term market conditions.

Key assumptions used in value-in-use calculations are:-

(i) Operating margins (Earnings before interest and taxes), (ii) Discount Rate, (iii) Growth Rates and (iv) Capital Expenditure

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(a) Baghauli Sugar & Distillery Limited ("the Company") has undergone Corporate Insolvency Resolution Process ("CIRP") in terms of the provisions of the Insolvency & Bankruptcy Code, 2016 ("Code"). The Hon'ble National Company Law Tribunal, Allahabad Bench, Prayagraj ("NCLT") vide an order dated February 07, 2020 admitted the Corporate Insolvency Resolution Process ("CIRP") on an application filed by the financial creditors i.e. Bank Of Baroda. Vivek Raheja (Registration No. IBBI/IPA-001/IP-P00055/2017/18/10133) was appointed as Resolution Professional ("RP") for the Company vide order dated February 07, 2020 to conduct CIRP of the Company.

During CIRP period, there were no operations & business activities in the Company. Resolution Professional continued to manage the Company as per the Code. The RP received resolution plan from Dalmia Bharat Sugar and Industries Limited (the "Holding Company") and the same was submitted to the Hon'ble NCLT for approval.

Hon'ble National Company Law Tribunal (NCLT) vide its order dated November 24, 2023 and Hon'ble National Company Law Appellate Tribunal (NCLAT) vide its order dated December 22, 2023 have approved the resolution plan submitted by the Holding Company. Pursuant to the approved resolution plan, the Holding Company has acquired 100% equity shares of the Company & became 100% Holding Company with effect from December 22, 2023. In view of this, the Board of Directors of the Company has also been reconstituted.

(b) Accordingly, keeping in view the NCLAT Order, the Company has implemented and taken all the impact of approved resolution plan in books of accounts. The summary of impact taken are shown below:-

i.The Holding Company has remitted Rs.141.85 Crore to the Company during the year for further payment to secured financial creditors of Rs.134.50 Crore, operational creditors including workmen of Rs.0.19 Crore and CIRP fees of Rs.7.16 Crore. Out of this, Rs.50.00 Crore is remitted as subscription towards equity shares and Rs.91.85 Crore is remitted as loan @ 9% p.a. interest on mutually agreed repayment terms.

ii.In accordance with clause 2.2 of Chapter – VIII of the approved resolution plan, the Company has settled the admitted claims of Secured Financial creditors amounting to Rs.330.39 Crore (including interest and principal), in the following manner:-

a)Bank payment of Rs.134.50 Crore (including Rs.3.00 crore against assignment of Rs.20.00 crore loan in favour of the Holding Company)

b)Rs.175.89 Crore by issuing 17,58,90,543 fresh equity shares of Rs.10/- each.

iii.The Company has also reduced and cancelled the aforesaid equity shares of Rs.175.89 Crore. on the effective date i.e. December 22, 2023 in accordance with the approved resolution plan and credited the same to capital reserve.

iv.In accordance with clause 2.4 of Chapter – VIII of the approved resolution plan, the Company has settled the dues of unsecured financial creditors of Rs.194.78 Crore by issuing 19,47,83,895 fresh equity shares of Rs.10/- each. The Company has reduced and cancelled the aforesaid equity shares of Rs. 194.78 Crore on the effective date i.e. December 22, 2023 in accordance with the approved resolution plan and credited the same to capital reserve.

v.The Company has paid an amount of Rs 0.02 Crore to operational creditors being workmen and employees dues in accordance with clause 2.5 of Chapter – VIII of the approved resolution plan.

vi.The Company has paid an amount of Rs.0.17 Crore to operational creditors other than workmen and employee and government dues in accordance with clause 2.6 of Chapter – VIII of the approved resolution plan.

vii.The differential between all amounts pertaining to the unsecured/operational (being workmen and employee)/operational (other than workmen and employee) creditors appearing in the books of the Company and the amount payable as per Resolution Plan i.e. of Rs.2.91 Crore. has been written back in full by crediting the "Statement of Profit and Loss" of the Company under the head "Other Income".

viii.The Company has also reduced & cancelled the old issued, subscribed and paid up capital amounting to Rs.59.48 Crore held by old promoters in accordance with approved resolution plan on the effective date i.e. December 22, 2023 and credited the same to capital reserve.

ix.As per the Insolvency & Bankruptcy Code, 2016 ("Code"), interest is not payable on loans during the CIRP proceedings period and hence the accounting of interest has been done accordingly.

x.The Company has not created deferred tax assets on unabsorbed depreciation and losses on prudence basis.

39 The Financial Statements of the Company for the year ended March 31, 2023 have been audited by predecessor auditor Amar Garg & Co., Chartered Accountants, who has issued an unmodified audit opinion on the Financial Statements vide their audit report dated September 30, 2023.

40 The board has approved the scheme of merger of the company with it's 100% holding company with appointed date of April 01, 2024.

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41 Other Statutory Information

i) The Company did not have any benami property, and no proceeding has been initiated against the Company for holding any benami property.

ii) The Company did not have any transactions with Companies struck off.

iii) Details of charges not satisfied as at March 31, 2024

S. No.	Charge in favour of	Amount(Rs. In crore)	Status
1	President of India	5.40	Full payment done as per NCLT order, NOC awaited
2	Bank of baroda	302.84	Full payment done as per NCLT order, NOC awaited

iv) The Company has not traded or invested in crypto currency or virtual currency during the financial year.

v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or

b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

vii) The Company did not have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

viii) The Company has not declared willful defaulter by any banks or any other financial institution at any time during the financial year.

ix) Ratio analysis alongwith reasoning for more than 25% changes*

S.no	Ratios	Formulae	For the year ended March 31, 2024	For the year ended March 31, 2023	Deviation
a)	Current Ratio	Current Asset/Current liabilities	1.09	0.01	8388%
b)	Debt-Equity Ratio	Debt/Equity	3.59	NA	NA
c)	Debt service coverage Ratio	(PBT+Dep+Int on TL) \[Interest +repayment (incl prepayments)]	0.43	NA	NA
d)	Return on Equity Ratio	Net Income/Average Shareholder Equity	1%	1%	97%
e)	Inventory Turnover Ratio	Revenue from operation / Average Inventory { (Closing Inventory + Opening Inventory)/2}	0.05	NA	NA
f)	Trade Receivable turnove Ratio	Total Sales / Average Accounts Receivable { (Closing Accounts Receivable + Opening Accounts Receivable)/2}	84.52	NA	NA
g)	Trade Payable turnover Ratio	Net Credit purchases/Average account payable	1.22	NA	NA
h)	Net Capital turnover Ratio	Net annual sales/Shareholders Equity	0%	NA	NA
i)	Net proft Ratio	(Net profit Margin Revenue-Cost)/Revenue	159%	NA	NA
j)	Return to capital employed	EBIT/Capital employed	0%	1%	-73%
k)	Return on investment	Net profit/Total Assets*100	-118%	-151%	-22%

*Ratio varianace is effected due to acquisition of Baghauli sugar and Distillery Limited by 100% holding company Dalmia Bharat Sugar and Industries Limited as per NCLT order and no operations of company in earlier years.

BAGHAULI SUGAR AND DISTILLERY LIMITED *

42 Events occurring After the Balance Sheet date

No adjusting or significant non adjusting events have occurred between the reporting date and date of authorization of financial statements.

43 Previous Year Comparatives

Figures in brackets pertain to previous year. Previous year's figures have been regrouped where necessary to confirm to this year's classification.

As per our report of even date

For and on behalf of the Board of Directors of
Bhaghauli Sugar & Distillery limited

For NSBP & Co.
Chartered Accountants
Firm's Registration Number : 001075N

Subodh Kumar Modi
Partner
Membership No.: 093684

Aashhima V Khanna
Company Secretary
Membership No.: A34517

Anil Kataria
Chief Finance Officer
PAN: AALPK4889N

Pankaj Rastogi
Director
DIN:10452835

B B Mehta
Director
DIN:00006890

Place : New Delhi
Date: May 13, 2024

NSBP & CO. NEW DELHI CHARTERED ACCOUNTANTS