

MSEL/SE/2021-22/18

July 31, 2021

The Manager  
Listing Department  
National Stock Exchange of India Limited  
'Exchange Plaza', C - 1, Block G,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai 400051

The Manager  
Listing Department  
BSE Ltd.  
1st Floor, New Trading Ring,  
Rotunda Building  
P.J. Towers, Dalal Street, Fort  
Mumbai-400 001

**SYMBOL – MAGADSUGAR**

**STOCK CODE – 540650**


Dear Sirs,

**Sub: Annual Report including Audited Financial Statements for the year ended 31<sup>st</sup> March, 2021**

In terms of Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, we enclose a copy of the Annual Report including Audited Financial Statements of the Company for the financial year ended 31st March, 2021 together with the Notice dated 11<sup>th</sup> May, 2021 convening the 7<sup>th</sup> Annual General Meeting of the Company on Tuesday, August 24, 2021.

Thanking you,

Yours faithfully,  
For **Magadh Sugar & Energy Limited**

  
S Subramanian  
Company Secretary  
FCS – 4974



Encl – as above



**K.K. BIRLA GROUP OF SUGAR COMPANIES**

Corporate Office: 5th Floor, Birla Building, 9/1 R. N. Mukherjee Road, Kolkata 700 001

Phone: +91 33 2243 0497 / 8, 2248 7068, 7185 3000, 4082 3700 • Email: [birlasugar@birla-sugar.com](mailto:birlasugar@birla-sugar.com)

Regd Office: P.O. Hargaon, Dist. Sitapur, U.P., PIN 261 121 • Website : [www.birla-sugar.com](http://www.birla-sugar.com) • CIN: L15122UP2015PLC069632



CIN: L15122UP2015PLC069632

Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121

Email: magadhsugar@birlasugar.org; Website: www.birla-sugar.com

Phone (05862) 256220 Fax (05862) 256225

## NOTICE

Notice is hereby given that the Seventh Annual General Meeting ('AGM') of the members of **MAGADH SUGAR & ENERGY LIMITED** will be held on Tuesday, August 24, 2021 at 11:00 A.M., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss for the financial year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company.
3. To appoint a Director in place of Mr. Chandra Shekhar Nopany (DIN 00014587), who retires by rotation and, being eligible, offers himself for re-appointment as a Director.

### SPECIAL BUSINESS

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration of Rs. 1,25,000/- (apart from reimbursement of out of pocket expenses and applicable taxes) to Cost Auditors, M/s D Radhakrishnan & Co., Cost Auditors, for conducting the cost audit of the cost records of the Company for the year ending 31st March, 2022, as approved by the Board of Directors on the recommendation of the Audit Committee, be and is hereby approved and ratified."

By Order of the Board of Directors

**S Subramanian**

Company Secretary

FCS - 4974

Place : Kolkata

Dated : May 11, 2021

### NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated January 13, 2021 read together with circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. A Statement pursuant to Section 102(1) of the Companies Act, 2013 ("the Act"), relating to the Special Business to be transacted at the Meeting is annexed hereto.
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.
4. In terms of the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/ 79 dated May 12, 2020, the requirement of sending Proxy Forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of the SEBI Listing Regulations, has been dispensed with. Therefore, the facility to appoint Proxy by the members will not be available and consequently, the Proxy Form and Attendance Slip are not annexed to this notice convening the 7th AGM of the Company (the "Notice").
5. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in
6. The Share Transfer Books and Register of Members of the Company will remain closed from Wednesday, August 18, 2021 to Tuesday, August 24, 2021 (both days inclusive) for the purpose of the AGM and payment of dividend. Dividend on Equity Shares for the financial year ended March 31, 2021, as

recommended by the Board, if declared at the AGM, will be paid, subject to deduction of tax at source, as applicable:

- a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Monday, August 17, 2021.
  - b) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Monday, August 17, 2021.
7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from, April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agents, Link Intime India Private Limited ("RTA") for assistance in this regard.
  8. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
  9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
  10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.
  11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before August 17, 2021 through email on [magadhsugar@birlasugar.org](mailto:magadhsugar@birlasugar.org). The same will be replied by the Company suitably.
  13. In compliance with the aforesaid MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the website of National Securities Depository Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  14. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
  15. Pursuant to Finance Act 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).

A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by email to [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) or [magadhsugar@birlasugar.org](mailto:magadhsugar@birlasugar.org) by August 17, 2021. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.

Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by sending an email to [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in) or [magadhsugar@birlasugar.org](mailto:magadhsugar@birlasugar.org). The aforesaid declarations and documents need to be submitted by the shareholders by August 17, 2021.
  16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, shall be available for electronic inspection by the members during the AGM. All documents referred to in the Notice shall also be available for electronic inspection. Members seeking to inspect such documents can send an email to [magadhsugar@birlasugar.org](mailto:magadhsugar@birlasugar.org).
  17. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
  18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

## 19. Instructions for e-voting and joining the AGM are as follows:

### A. VOTING THROUGH ELECTRONIC MEANS

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- ii. **The remote e-voting period begins on Saturday, August 21, 2021 at 9:00 A.M. and ends on Monday, August 23, 2021 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Tuesday, August 17, 2021, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being August 17, 2021.**
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iv. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date.
- v. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

In case of Individual Shareholders holding securities in demat mode and who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date may follow steps mentioned below under “**Login method for remote e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**”

- vi. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Access to NSDL e-Voting system

Step 2: Cast your vote electronically and join virtual meeting on NSDL e-Voting system.

**Details on Step 1 are mentioned below:**

#### **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of the SEBI circular dated December 9, 2020 on the e-voting facility provided by listed companies and as part of increasing the efficiency of the voting process, e-voting process has been enabled to all individual shareholders holding securities in demat mode to vote through their demat account maintained with depositories / websites of depositories / depository participants. Shareholders are advised to update their mobile number and email ID in their demat accounts in order to access e-voting facility

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>NSDL IDeAS Facility  <b>If you are already registered for the NSDL IDeAS facility:</b> <ol style="list-style-type: none"> <li>Please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a personal computer or mobile phone.</li> <li>Once the homepage of e-Services is launched, click on the "Beneficial Owner" icon under "Login", available under the "IDeAS" section.</li> <li>A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see e-voting services.</li> <li>Click on "Access to e-voting" under e-voting services and you will be able to see the e-voting page.</li> <li>Click on options available against company name or e-voting service provider – NSDL and you will be re-directed to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol> <b>If the user is not registered for IDeAS e-Services,</b> <ol style="list-style-type: none"> <li>The option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>.</li> <li>Select "Register Online for IDeAS" or click on <a href="https://eservices.nsdl.comSecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.comSecureWeb/IdeasDirectReg.jsp</a></li> <li>Upon successful registration, please follow steps given in points 1 - 5 above.</li> </ol> </li> <li>E-voting website of NSDL <ol style="list-style-type: none"> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a personal computer or mobile phone.</li> <li>Once the homepage of e-voting system is launched, click on the "Login" icon, available under the "Shareholder / Member" section.</li> <li>A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password / OTP and a verification code as shown on the screen.</li> <li>After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.</li> </ol> </li> </ol>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<ol style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>Once logged in, you will be able to see e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.</li> <li>Click on the options available against company name or e-Voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
4. Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
5. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

6. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 are mentioned below:**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed and you will receive a confirmation by way of a SMS on your registered mobile number from depository.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to magadhsugar@birlasugar.org
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to magadhsugar@birlasugar.org If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH**

**VC/OAVM ARE AS UNDER:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under **"Join General meeting"** menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at [magadhsugar@birlasugar.org](mailto:magadhsugar@birlasugar.org) latest by 5:00 p.m. (IST) on Tuesday, 17<sup>th</sup> day of August, 2021.
6. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [magadhsugar@birlasugar.org](mailto:magadhsugar@birlasugar.org) latest by 5:00 p.m. (IST) on Tuesday, 17<sup>th</sup> day of August, 2021. The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or call 1800 1020 990 / 1800 22 44 30.

#### 11. Declaration of voting results

- a) The Board of Directors of the Company has appointed Mr. Mohan Ram Goenka, Partner, MR & Associates, Company Secretaries in whole time practice (Membership No. FCS 4515 and Certificate of Practice No. 2551) to scrutinise the remote E-voting process and voting in the AGM in a fair and transparent manner.
- b) After completion of scrutiny of the votes cast at the AGM and the votes cast through remote E-voting, the Scrutiniser shall make, not later than two working days of conclusion of the AGM, a consolidated scrutiniser's report and submit the same to the Chairperson of AGM or any other person authorised by him in writing who shall countersign the same and declare the results of the voting forthwith. The results declared alongwith scrutiniser's report shall be placed on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) and NSDL website [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after the results are declared.

### EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4

The Board of Directors had on the recommendation of the Audit Committee, approved the appointment and proposed the remuneration of M/s D Radhakrishnan & Co., Cost Accountants, Kolkata, as Cost Auditors for conducting the cost audit of the cost records of Sugar, Industrial Alcohol and Power units of the Company for the financial year 2021-22 at a remuneration of Rs. 1,25,000 /-

The Company has received a Certificate regarding his eligibility for appointment as Cost Auditors. A copy of the certificate would be available for inspection by the members at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days, excluding Saturday up to the date of the Annual General Meeting.

In accordance with the provisions of section 148 of Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor needs to be approved and ratified by the Shareholders of the Company. Hence, this Resolution is put for the consideration of the Shareholders.

The Board recommends the resolution at item no.4 of the notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 4..

Place : Kolkata  
Dated : May 11, 2021

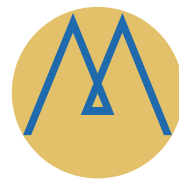
By Order of the Board of Directors  
**S Subramanian**  
Company Secretary  
FCS - 4974



**Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting**

**(In pursuance of Section 196 (4) of the Companies Act, 2013, Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2)**

Name	Mr Chandra Shekhar Nopany	
Date of birth	19.09.1965	
Brief profile covering experience	Mr. Chandra Shekhar Nopany is a Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. 1989. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is the past President of Indian Chambers of Commerce and the present member of the Executive Committee of FICCI.	
Date of appointment	29.07.2016	
Terms and Conditions of Re-appointment	Mr Chandra Shekhar Nopany shall be liable to retire by rotation and he shall be entitled to receive sitting fee for attending the meetings of the Board of Directors and Committees thereof and the payment by way of commission within the approved by the members.	
Relationship with other Directors / Key Managerial Personnel	NIL	
Remuneration last drawn (FY 2020-21)	₹ 8.40 lakhs (for remuneration details, please refer the Corporate Governance Report)	
Shareholding	43,175 Equity Shares	
No of meetings of the Board attended during the financial year (2020-21)	7	
	Name of Company(ies)	Committee Memberships, if any with position
Other Directorships	Avadh Sugar & Energy Limited	-
	SIL Investments Limited	▪ Stakeholders' Relationship Committee, Chairman
	Yashovardhan Investment & Trading Company Limited	-
	Ronson Traders Limited	▪ Stakeholders' Relationship Committee, Chairman
	New India Retailing & Investment Limited	-
	Sutlej Textiles and Industries Limited	-
	Chambal Fertilisers and Chemicals Limited	▪ Nomination and Remuneration Committee, Member ▪ Corporate Social Responsibility Committee, Member
	Allahabad Canning Limited	



# Magadh Sugar & Energy Limited

*Towards Resilient Growth*



**Annual Report 2021**

# Corporate Information

## BOARD OF DIRECTORS

Mr. Chandra Shekhar Nopany, Chairperson  
Mr. Padam Kumar Khaitan  
Mr. Yashwant Kumar Daga  
Mr. Ishwari Prosad Singh Roy  
Mr. Raj Kumar Bagri  
Mrs. Shashi Sharma  
Mr. Chandra Mohan, Wholetime Director

## COMMITTEES OF DIRECTORS

### Audit Committee

Mr. Raj Kumar Bagri, Chairperson  
Mr. Yashwant Kumar Daga  
Mr. Ishwari Prosad Singh Roy  
Mrs. Shashi Sharma

### Stakeholders' Relationship Committee

Mr. Raj Kumar Bagri, Chairperson  
Mr. Yashwant Kumar Daga  
Mr. Padam Kumar Khaitan

### Nomination and Remuneration Committee

Mr. Yashwant Kumar Daga, Chairperson  
Mr. Padam Kumar Khaitan  
Mr. Ishwari Prosad Singh Roy  
Mr. Raj Kumar Bagri

### Risk Management Committee

Mrs. Shashi Sharma, Chairperson  
Mr. Chandra Mohan  
Mr. Chand Bihari Patodia  
Mr. Sunil Choraria

### Corporate Social Responsibility Committee

Mr. Chandra Shekhar Nopany, Chairperson  
Mr. Padam Kumar Khaitan  
Mr. Chandra Mohan

### Finance & Corporate Affairs Committee

Mr. Chandra Shekhar Nopany  
Mr. Yashwant Kumar Daga  
Mr. Ishwari Prosad Singh Roy  
Mr. Chandra Mohan

## EXECUTIVES

Mr. Chandra Mohan, Wholetime Director &  
Executive President, Narkatiaganj  
Mr. Shashi Kedia, Executive Vice President, Sidhwalia  
Mr. Ravindra Kumar Tewari Executive President, Hasanpur  
Mr. Sunil Choraria, Chief Financial Officer  
Mr. S Subramanian, Company Secretary

## AUDITORS

Singhi & Co.  
Chartered Accountants  
161, Sarat Bose Road, Kolkata - 700 026

## ADVOCATES & SOLICITORS

Khaitan & Co. LLP

## BANKERS

State Bank of India  
ICICI Bank Limited  
DCB Bank Limited

## REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.  
(Unit : Magadh Sugar & Energy Limited)  
502 & 503, 5th Floor, Vaishno Chambers,  
6, Brabourne Road, Kolkata - 700 001  
Tel: 91 033 4004 9728 / Fax : 91 033 4073 1698  
E-mail: kolkata@linkintime.co.in

## REGISTERED OFFICE

P.O. Hargaon District – Sitapur, (U. P.)  
Pin Code – 261 121  
Tel. No.: (05862) 256220, Fax No.: (05862) 256225  
E-mail : magadhsugar@birlasugar.org  
Website : www.birla-sugar.com  
CIN – L15122UP20152PLC069632

## CORPORATE & HEAD OFFICE

Birla Building  
9/1, R.N. Mukherjee Road, 5th Floor Kolkata - 700 001  
Tel. No.: (033) 2243 0497/8, Fax No.: (033) 2248 6369  
E-mail : magadhsugar@birlasugar.org  
Website : www.birla-sugar.com

## SUGAR MILLS

1. Narkatiaganj, Dist. West Champaran, Bihar
2. Sidhwalia, Dist. Gopalganj, Bihar
3. Hasanpur, Dist West Champaran, Bihar

## DISTILLERY

Narkatiaganj, Dist. West Champaran, Bihar

## CO-GENERATION POWER PLANT

1. Narkatiaganj, Dist. West Champaran, Bihar
2. Sidhwalia, Dist. Gopalganj, Bihar
3. Hasanpur, Dist West Champaran, Bihar

## FORWARD LOOKING STATEMENT

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

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## Chairperson's Insight



Dear Shareholders,

It gives me great pleasure to share with you an update on the overall performance of your Company in 2020-21. Persistence, experience and culture remain our key assets to deliver sustainable business and earnings growth, thereby creating long-term value for our shareholders. The year under review had various headwinds given the challenging macro-environment amid pandemic. We continue to invest in future of the company to capitalize on the changing market dynamics and creating value for all shareholders.

According to Crisil Research, the Indian economy is expected to grow at 11% in fiscal 2022 compared to a contraction of 8% in current fiscal. The GDP growth would average at 6.3% from 2023 to 2025. The Government of India has shown promising focus for increasing its spending in the economy. The Union Budget initiatives and Production Linked Incentive (PLI) schemes which indicates potential incremental revenue generation of Rs. 35-40 lakh crore over the coming five financial years. GOI is also active towards initiatives like Minimum Sugar Price (MSP), Ethanol blending and

various export benefits to provide support to the sugar sector. I believe, these will continue to hold us in good stead in the long-run.

### INDUSTRY INSIGHT

Indian sugar industry faced gashes from the pandemic as the sugar demand and consumption was subdued during the first half of the fiscal. However, the industry witnessed a strong rebound during the second half of the fiscal. India's sugar production rose by 19% to 27.76 mn tonnes until March 31 compared to 23.31 mn tonnes during the same period last year on higher cane production and is likely to reach to 30.7 mn tonne by the end of SS 2020/21. The production of the largest sugar producing state Uttar Pradesh is expected to decline slightly whereas Maharashtra and Karnataka to witness higher output. Bihar's production and crushing hampered because of the floods during the rainy season. India contracted to export around 4.6 mn tonnes (upto March 31, 2021) against 6.0 mn tonnes. The government has announced but not yet notified upward revision in sugar MSP, which will be a major positive impact for the industry. In the Union Budget, the Government's stance towards ethanol production remained buoyant that will enable higher diversion of the surplus sugar in the industry, aiding to enhance profitability. While the country's average blending has reached 7% for the first time, states like Uttar Pradesh, Maharashtra, Karnataka, Uttarakhand and Bihar have achieved a blending percentage of upto 10%. With the successful rollout of vaccination, we envisage the industry to rebound growth going forward.

### BUSINESS PERFORMANCE

During the fiscal FY21 Bihar sugar millers experienced higher sugar realizations but the crushing was severely impacted because of floods. The Government of India's strong support towards ethanol blending will bring a structural change in the sugar sector going forward. Also, export demand arising primarily because of lower output in major sugar producing countries like Brazil and Thailand. During Fiscal your Company's credit rating has improved to A- from BBB+ for long-term bank facilities.. Your Company has undertaken expansion of our distillery capacities, which will be operational from next fiscal. The distillery expansions will lead to significant improvement in profitability.

During the Fiscal 2021, our revenue stood at Rs. 954 crore against Rs. 919 crore in Fiscal 2020; Operating profit stood at Rs. 117 crore as against Rs. 158 crore and Profit After Tax was at Rs. 27 crore in Fiscal 2021.

### WAY FORWARD

Magadh Sugar and Energy Limited continue to be one of the sugar mill with highest sugar recovery in the State of Bihar. As the industry is experiencing structural change in ethanol industry by GOIs aim to reach to 20% blending by 2025; millers are encouraged to enhance their distillery capacities to increase the profitability. With the increased crushing capacity at Hasanpur unit and the setting up of a greenfield distillery at Sidhwalia the company will be able to optimize all its resources going forward. The recent added distilleries will aid the company to increase its operational margins going forward with the normal course of sugar segment.

"Innovation and persistence towards better tomorrow has always been our focus, along with the proficient team we are well positioned to walk on the growth path."

Thank You,  
**Chandra Shekhar Nopany**  
 Chairperson

## Directors' Report

Dear Members,

Your Directors present herewith the 7th Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2021.

### 1. Financial Results

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
Revenue from Operations (Gross)		95,194.48		91,615.85
Profit before Finance Costs, Tax, Depreciation and Amortization		11,680.28		15804.34
Less: Depreciation & Amortization Expenses	1918.51		1801.60	
: Finance Costs	5530.65		4832.72	
Profit/(Loss) Before Tax		4231.12		9170.02
Less: Provision for Tax:				
Current Tax		750.77	1887.43	
Income Tax for earlier years		-	0.05	
Deferred Tax Charge		772.23	572.95	
Profit/(Loss) After Tax		2708.12		8303.91

### 2. Operating Performance

During the year under review your Company continued to register top line growth despite depressed market sentiments in first half of the fiscal and a fall in sugar prices even after putting in place the quota sales system as well as MSP (minimum sale price) concept by the Govt., prima-facie due to over production and aggressive sales. A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as **Annexure "A"**.

### 3. Financial Performance 2020-21

The Company recorded Total Revenue of Rs. 95,419.98 lakhs (including other income aggregating to Rs 225.50 Lakhs) during the financial year ended 31st March, 2021. The Revenue from Operations (Gross) of the Company for the year 2020-21 stood at Rs. 95,194.48 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at Rs. 11,680.28 lakhs representing 12.24% of the total revenue.

There is no change in the nature of business of the Company. There were no significant or material orders passed by regulators, courts or tribunals impacting the Company's operation in future.

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March 2021 and date of this report.

### 4. Delisting from the Calcutta Exchange Limited (CSE)

The Company had applied for voluntary delisting of equity shares of the Company pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009. The same was approved and the Company is delisted w.e.f February 12, 2021.

### 5. Dividend

Your Company had adopted a dividend distribution policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. There has been no change in this policy during the year under review.

The Company does not intend to carry any amount to Reserves.



Consistent with this policy, your Board has recommended a dividend of Rs. 4/- on Equity Shares (40%) for the financial year 2020-21 to the Members of your Company. The proposal is subject to the approval of the Members at the 7th Annual General Meeting (AGM) of your Company scheduled to be held on August 24, 2021. The dividend will entail a cash outflow of Rs. 563.67 lakhs (previous year Rs. 563.67 lakhs).

## 6. Public Deposits

During the year, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013. There was no public deposit outstanding as at the beginning and end of the financial year 2020-21.

## 7. Share Capital

The Authorized Share Capital of the Company stood at Rs.40,10,00,000/- (Rupees Forty crore and ten lakhs) divided into 2,51,00,000 (Two crore fifty one lakhs) Equity Shares of Rs. 10/- (Rupees ten) each and 15,00,000 (Fifteen lakhs) Preference Shares of Rs.10/- and there is no change in the authorised capital. The Issued and Subscribed Share Capital of your Company, as on 31st March, 2021, stood at Rs. 14,09,16,300/- divided into 1,40,91,630 Equity Shares of Rs.10/- each.

## 8. Subsidiary, Associate and Joint Venture

The Company does not have any subsidiary company or any associate company or any joint venture with any person. However, the Company has in place a policy for determining material subsidiaries in line with the requirement of SEBI (LODR) Regulations, 2015 as amended from time to time. The said Policy is being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>.

## 9. Credit Rating

CARE Ratings Limited - a Credit Rating Agency, vide its letter dated 30th September, 2020, had revised the Credit Rating of the Company to "CARE A-" with respect to long-term bank facilities whereas short-term bank facilities rating was revised at "CARE A2+".

## 10. Human Resources

The Company continued to create a productive, learning and caring environment by implementing robust and comprehensive HR processes, fair transparent performance evaluation and taking new initiatives to further align its Human Resource policies to meet the growing needs of its business.

## 11. Directors

The Board of Directors comprises of six Non-Executive Directors having experience in varied fields and a Whole time Director. Out of six Non-Executive Directors, five of them are Independent Directors and one Promoter Director. Mr Chandra Shekhar Nopany is the Promoter Chairperson of the Company.

Mr. Chandra Shekhar Nopany will retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment as Director of the Company.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meet the criteria of independence laid down in Section 149(6) of the Companies Act, 2013 read with Regulation 25 of SEBI (LODR) Regulations, 2015.

Other information on the Directors including required particulars of Director retiring by rotation is provided in the Notice convening the Annual General Meeting.

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalized the format / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors including the Chairperson of the Company was carried out for the Financial Year 2020-21. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 18th March, 2021 carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The evaluation of Independent Directors was carried out without the presence of concerned Director.

The Chairperson of Nomination and Remuneration Committee has submitted report of the respective evaluations to the Chairperson of the Company. Based on the questionnaires received from the Directors and considering the reports of Chairperson of Nomination and Remuneration Committee, the Board has evaluated its own performance and that of its committees and individual directors including independent directors.

## 12. Key Managerial Personnel

In pursuance of the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following persons are the Key Managerial Personnel of the Company

- a. Mr. Chandra Mohan, Whole time Director
- b. Mr. Sunil Choria, Chief Financial Officer
- c. Mr. S Subramanian, Company Secretary

During the year under review, there was no change in the Key Managerial Personnel.

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect by the Whole-time Director is made part of Corporate Governance Report which forms part of this report. There has been no change in this policy during the year under review. The Code is available on the Company's website at the weblink <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Code-of-Conduct.pdf>. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

## 13. Familiarisation Programme

Periodic presentations are made at the Board Meetings, business, performance updates & business strategy of the Company. The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company and available at the weblink <http://www.birla-sugar.com/Assets/Magadh/MSEL-Familiarisation-Programme.pdf>

## 14. Remuneration Policy

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Remuneration Policy. There has been no change in this policy during the year under review and a copy of the said Policy is available at the website of the Company at the weblink <http://www.birla-sugar.com/Assets/Magadh/MSEL-Nomination-and-Remuneration-Policy.pdf>

The Remuneration Policy, inter-alia, includes the appointment criterion & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, Key Managerial Personnel (KMP) and other senior management personnel of the Company. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other senior management personnel should be a person of integrity with high level of ethical standards. In case of appointment as an independent director, the person should fulfil the criteria of independence prescribed under the Companies Act, 2013, rules framed thereunder and the Listing Regulations. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Whole-time Director and payment of sitting fee & commission to the non-executive directors.

## 15. Corporate Social Responsibility Policy

Your Company believes in long term strategy to contribute to the well-being and development of the society especially the rural population around its plants at Narkatiaganj, Sidhwalia and Hasanpur. As part of its CSR initiatives, the Company is working mainly in the areas of imparting School Education, Technical & Vocational Education, Rural Development, Community Healthcare etc. This multi-pronged CSR approach is showing notable improvement in the quality of life of rural population. The Company continues to spend to support local initiatives to improve infrastructure as well as support in other corporate social responsibilities. The CSR Policy as approved by the Board is available on Company's weblink <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf> There has been no change in this policy during the year under review.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Annual Report on CSR activities (including the details of the development and implementation of the Corporate Social Responsibility Policy) as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure J" to this Report.

For the purpose of Section 135 of the Companies Act, 2013, the amount equivalent to 2% of the average net profits of the Company made during the immediately preceding three financial years works out to Rs.125.50 lakhs. As against this, the Company had spent Rs. 125.50 lakhs on CSR projects / programs during the Financial Year 2020-21.

## 16. Board Meetings

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. During the financial year ended 31st March 2021, 7 (Seven) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the year under review are given in the Corporate Governance Report forming a part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

The Company has complied with the applicable Secretarial Standards prescribed under Section 118(10) of the Companies Act, 2013 of the Companies Act, 2013.

## 17. Internal Complaints Committee

An Internal Complaints Committee was constituted by the Company in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Act aims at protecting women's right to gender equality, life and liberty at workplace to encourage women participation at work. The Committee meets all the criteria including its composition mentioned in the Act and relevant Rules. No complaint has been received by the Committee during the year under review.

## 18. Loans, Guarantee and Investments

It is the Company's policy not to give any loans, directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or person. In compliance with section 186 of the Companies Act, 2013, loans to employees bear applicable interest rates. During the year under review, the Company has not made any investment in securities of other body corporate. The details of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

## 19. Related Party Contracts / Arrangements

All Related Party Transactions entered during the year were on arm's length basis and in the ordinary course of business. There have been no materially-significant related party transactions made by the Company with the Promoters, the Directors or the Key Managerial Personnel which may be in conflict with the interests of the Company at large. Accordingly, disclosure of contracts or arrangements with Related Parties as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at following web-link <http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy.pdf> The Policy on Related Part Transactions was aligned with the changes recommended by the MCA/SEBI in this regard.

The details of related party transactions are set out in the notes to the financial statements.

## 20. Risk Management

In line with the regulatory requirements, the Company has formally framed Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. A Risk Management Committee, though not mandatory, has been constituted voluntarily comprising of an Independent Director, Whole time Director, Chief Financial Officer and the Group President to oversee the risk management process in the Company with an objective to review the major risks which effect the Company from both the external and the internal environment perspective. Appropriate actions have been initiated to either mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor the risks on a regular basis. The details of the terms of reference, number and date of meeting, attendance of director and remuneration paid to them are separately provided in the Corporate Governance Report.

## 21. Internal Financial Controls

The Company has laid down internal financial control's, through a combination of Entity level controls, Process level controls and IT General controls inter-alia to ensure orderly and efficient conduct of business, including adherence to the Company's policies and procedures, accuracy and completeness of accounting records and timely preparation and reporting of reliable financial statements/information,

safeguarding of assets, prevention and detection of frauds and errors. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended March 31, 2021, the applicable Accounting Standards have been followed and the internal financial controls are generally found to be adequate and were operating effectively & that no significant deficiencies were noticed.

## 22. Whistle Blower / Vigil Mechanism

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. During the year under review, there has been no change in this policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf>

During the year, the auditors, the secretarial auditors and cost auditors have not reported any fraud under Section 143(12) of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014.

## 23. Corporate Governance & Annual Return

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2020-21 is attached as "**Annexure B**" to this Report. The declaration of the Whole-time Director confirming compliance with the 'Code of Conduct' of the Company is enclosed as "**Annexure C**" to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as "**Annexure D**" to this Report. The extract of the Annual Return of the Company is attached as "**Annexure G**" to this Report.

## 24. Research & Development

During the year under review the Company has undertaken Research & Development initiatives with an intention to improve the sugar recovery ratio and to educate the cane growers to cultivate improved variety of sugarcane and to otherwise increase the sucrose contents in their produce.

## 25. Auditors, Audit Qualifications and Board's Explanations

### Statutory Auditors

The shareholders of the Company, at the AGM held on August 1, 2017, had appointed Messrs Singhi & Co, Chartered Accountants, (Firm Registration No. 302049E), as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the Third AGM of the Company held on August 1, 2017 till the conclusion of Eighth AGM of the Company.

The Notes to the Financial Statements read with the Auditor's Reports are self-explanatory and therefore, do not call for further comments or explanations. There has been no qualification, reservation, adverse remark or disclaimer in the Auditor's Reports.

### Cost Auditors

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Sugar activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s D Radhakrishnan & Co., Cost Accountants, as the Cost Auditor to audit the cost accounts of the Company for the financial year 2021-22. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

### Secretarial Auditor

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21. The Secretarial Audit Report is annexed herewith as "**Annexure F**" and which is self-explanatory.

There has been no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report.

## 26. Investor Education and Protection Fund

The provisions pertaining to Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company are not applicable to your company.

## 27. Energy Conservation, Technology absorption and Foreign Exchange Earnings & Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure H".

## 28. Particulars of Employees

The human resource is an important asset which has played pivotal role in the performance and growth of the Company over the years. Your Company maintains very healthy work environment and the employees are motivated to contribute their best in the working of the Company. The information required to be disclosed in pursuance of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as "Annexure I" to this Report and forms an integral part of this Report.

## 29. Directors' Responsibility Statement

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- that in the preparation of the annual financial statements for the year ended March 31, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- that such accounting policies as mentioned in Note 3 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2021 and of the profit or loss of the Company for the year ended on that date;
- that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- that the annual financial statements have been prepared on a going concern basis;
- that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

## 30. CEO/CFO Certification

Mr. Chandra Mohan, the Whole time Director and Mr. Sunil Choraria, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

## 31. Acknowledgement

Your Directors take this opportunity of recording their appreciation of the shareholders, financial institutions, bankers, suppliers and cane growers for extending their support to the Company. Your Directors are also grateful to various ministries in the Central Government and State Government of Bihar, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Board of Directors also convey its sincere appreciation of the commitment and dedication of the employees at all levels.

For and on behalf of the Board

Place: Kolkata  
Dated: 11th May, 2021

**Chandra Shekhar Nopany**  
Chairperson

## Annexure A

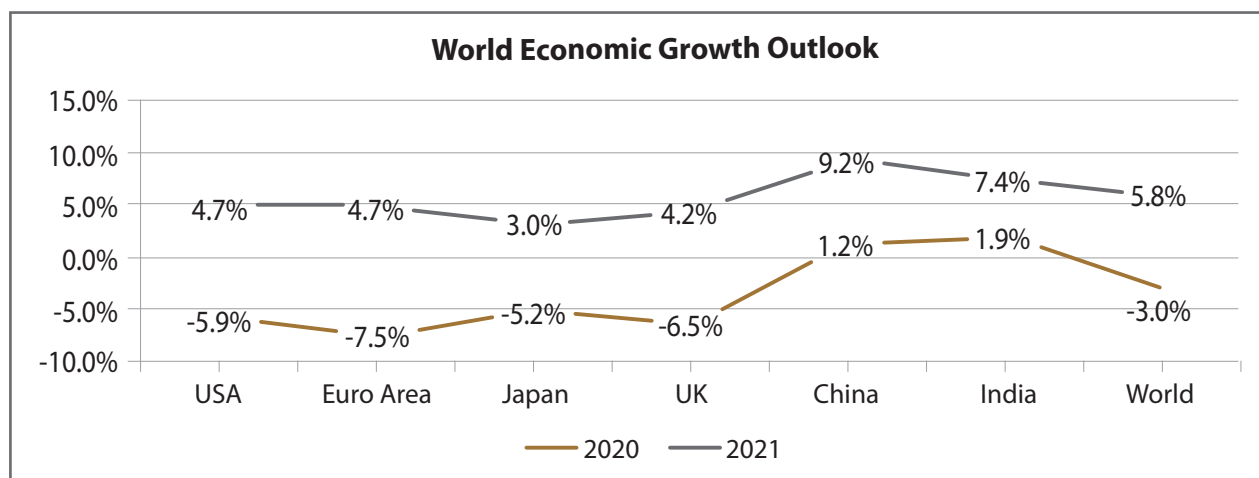
### Management Discussion and Analysis

#### Cautionary Statement

Some statements in the Management Discussion and Analysis describing the Company's objectives, predictions, expectations and the macro-economic estimates may be considered as "forward-looking statements". Actual results may differ from the forward-looking statements contained in this document due to various uncertainties. These uncertainties may be due to various factors affecting global supply-demand and export import trend, macro-economic policy fluctuations, new regulations and pricing. The Company does not assume responsibility for any of the forward-looking statements contained in this report as the same may be altered in future due to the subsequent development and events.

#### Global Economy

The IMF had predicted that Global growth would rise from an estimated 2.9 % in 2019 to 3.3% in 2020 and 3.4% for 2021. However, the global economy reflected a slowdown primarily on account of developments like trade policy uncertainty, geopolitical tensions and distinctive stress in key emerging market economies continued to weigh on global economic activity. Intensifying social unrest in several countries posed new challenges, as did weather-related disasters from hurricanes in the Caribbean, to drought and bushfires in Australia, floods in eastern Africa, and drought in southern Africa. Further, the dreadful impact of unprecedented outbreak pandemic Covid-19 left the world economy severely impacted. The global economy is now projected to contract sharply by 3 % in 2020, which is worse than during the 2008–09 financial crisis.



Source: IMF

#### Indian Economy

The Indian economy experienced a sluggish growth during this fiscal. The early estimates of India's GDP laid at 5% amid sluggish performance of construction and manufacturing sectors and weakness in credit growth from non-banking financial companies whereas government-related services sub-sectors received significant support from public spending. The Government announced a slew of measures to boost the economy and FII investment in India which helped foster some green shoots of recovery in the economy. However, the outbreak of pandemic Covid-19 impacted the economy severely and dragged economic growth for FY20 to 4.2%. The proactive steps by Government to contain the spread of virus in India will help in containing the economic fallout, but the growth rate is expected to reduce to 1.9% in FY21 as per IMF.

#### Global Sugar Economy

World sugar balance is experiencing a deficit at 9.298 mln tonnes during SS 2019-20. The production is largely impacted by lower production in Thailand world's fourth largest sugar producing country on account of worst drought, Thailand's production is expected to stand at 8.284 mln tonnes against 14.44 mln tonnes in last season. USA and India also experienced lower output whereas Russia and Brazil are expected to have higher production.



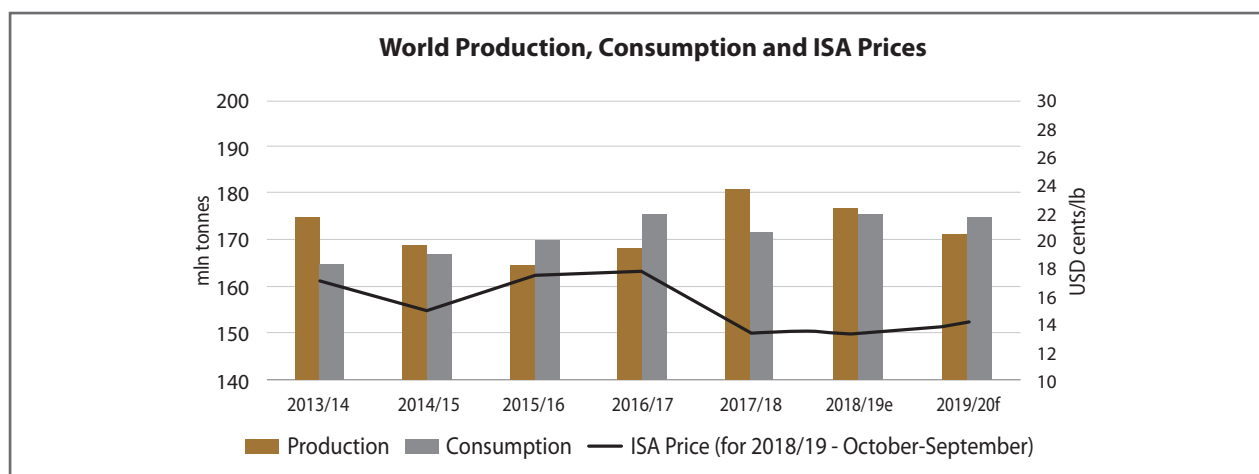
World Sugar Balance Sheet (mln tons)

Particulars	(October/September)		Change	
	2019/20 (Projected)	2018/19 (Actuals)	in mln tonnes	in %
Production	166.80	174.54	-7.74	-4.43
Consumption	176.10	173.92	2.18	1.25
Surplus/Deficit	-9.30	0.625	-	-
Import demand	61.07	55.14	5.93	10.75
Export availability	60.73	55.14	5.59	10.14
End Stocks	84.27	93.23	-8.96	-9.61
Stocks/Consumption ratio in %	47.85	53.61	-	-

Source: International Sugar Organization

## Outlook:

As per ISO, world production of sugar was 166.80 mln tonnes, down by 4.44% against the previous season. World sugar supply dynamics are expected to be mostly shaped by developments in Asia. World consumption was projected to grow by 1.25% from the previous season compared to the five-year average of 1.34%. Decline in production is not expected to demonstrate a decline in export availability; ISO projected a 5.59 mln tonne rise in the export availability to 60.73 mln tonnes and exporting countries are expected to release more than 8 mln tonnes from stocks amid higher nominal deficit in importing countries. The Covid-19 pandemic will have an impact on sugar production and consumption over the world, however the actual material impact on the industry is difficult to measure at this stage.



Source: International Sugar Organization

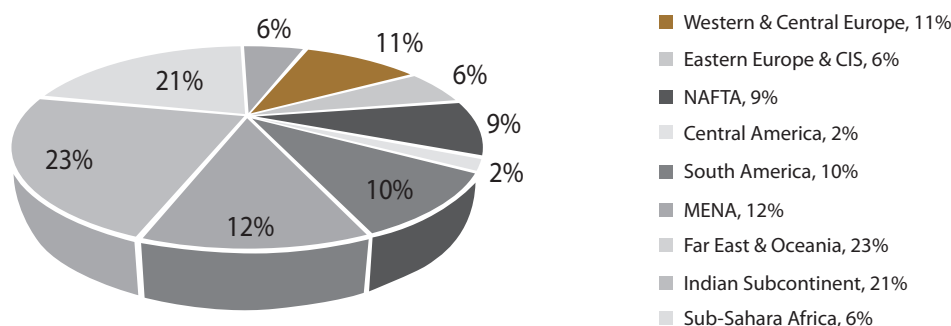
## Global Price Scenario

The international white sugar price index increased on a consecutive basis in each of the months during October 2019 to February 2020 but started to falls from March 2020; During February 2020, the average international prices were up by 17% - 22% compared to the prices in October 2019 but again falls by 20%-21% in March 2020 & April 2020 compared to prices in February 2020. The global sugar prices were hovering around 14.82 cents per pound since mid-April 2020. However with the recent impact of fall in crude oil prices ethanol production is likely to be subdued and hence there has been a decline in the global prices. Raw sugar prices in the international market were down by 20% to 11.8 cent per pound in March 2020 from 14.8 cents per pound in Feb 2020.

## Consumption Outlook

As per ISO world sugar consumption is estimated at 176.10 mln tonnes for SS 2019/20. The global use of sugar is estimated to grow by 2.18 mln tonnes or 1.25% from 2018/19. Un-precedented macro-economic factors like Covid-19 will have an impact on the consumption which shall revive post pandemic fades away from economies world-wide.

### Geographical Distribution of sugar consumption in 2019/20 (in % of world total)

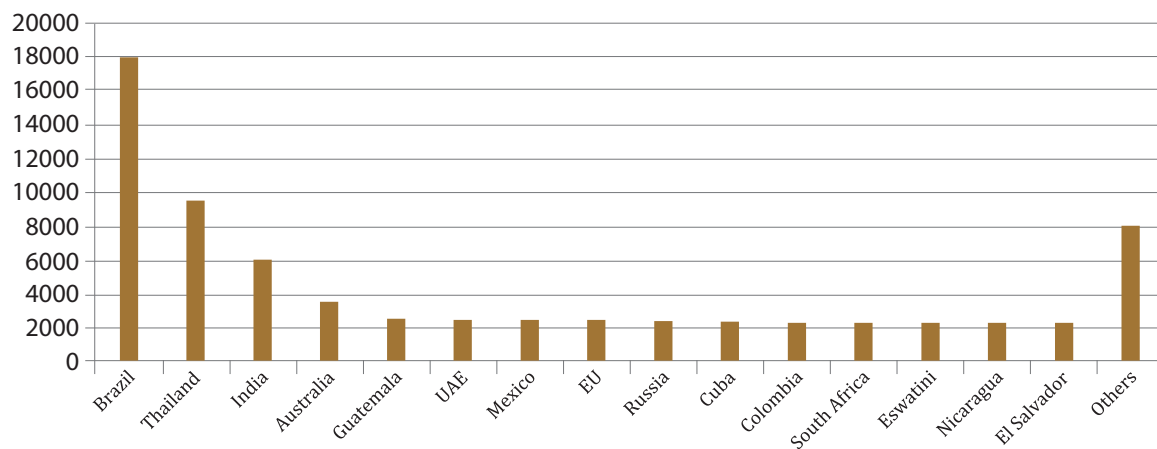


Source: International Sugar Organization

### Global Exports

As per ISO the world export availability of sugar is estimated to improve by 5.589 mln tonnes in to reach 60.73 mln tonnes. The nominal exportable surplus is not expected to reduce much from earlier SS 2018/19. According to ISO, the availability of exports is expected to increase from Brazil, Russia, India and UAE. Whereas Thailand which is hit by drought is expected to experience reduction in exports by almost 2.35 mln tonnes in SS 2019/20.

### Sugar Export Availability in 2019/20 by Countries of Origin (1,000 tonnes, tel quel)

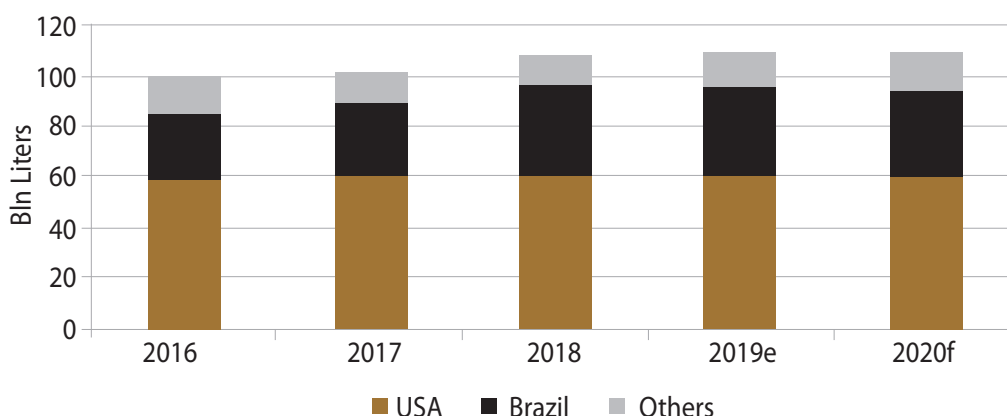


Source: International Sugar Organization

### Global Ethanol

Global ethanol production is projected to stand at 113.9 bn litres, up by 2.4 bn litres in 2019 compared to previous year. The growth was supported by competitive prices and rapidly increasing demand in key countries. There is an expectation that the production pattern to move slightly towards sugar production as world enters in sugar deficit phase. The production outlook from major Asian countries India and Thailand remains positive following two seasons of growing cane harvests and Government push towards manufacturing of ethanol. The unforeseen outbreak of Covid-19 pandemic and dramatic fall in crude oil prices can impact the ethanol demand going forward.

## World Ethanol Production



Source: International Sugar Organization

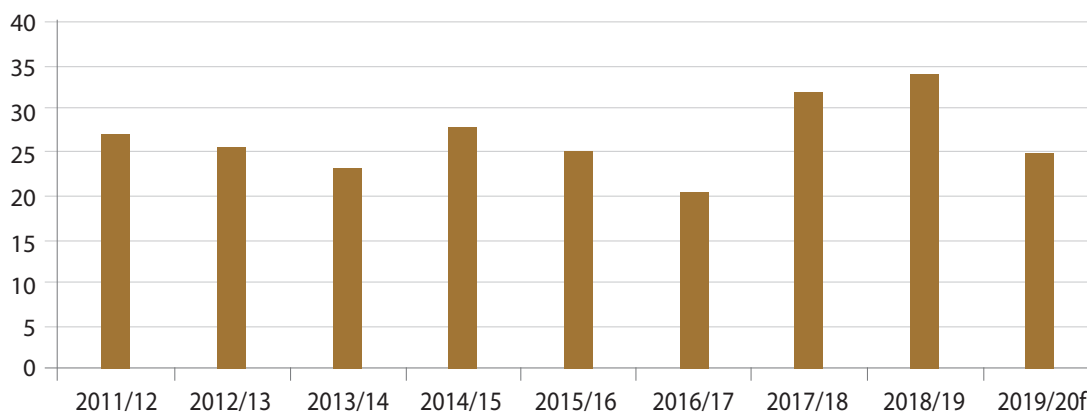
## Domestic Sugar Industry

According to ISMA India's sugar production in the SS 2019/20 (October-September) declined by 18% to 27.10 million tonnes almost 6.06 million tonnes less than that of 33.16 million tonne produced in the same period during the last sugar season. Current season started with a balance of 14.58 million tonne in October'19 and by clubbing the production the total availability of sugar is estimated to be around 41.69 million tonnes.

The consumption is estimated at around 30.0 million tonnes after assuming 5 million tonnes of exports. India is likely to end with closing stock of ~11.69 million tonnes in Sep'20. According to ISMA's data as of April 2020, Uttar Pradesh produced 12.55 million tonnes till May 2020 as compared to 11.79 million tonnes produced at the same time in the last season. Sugar production in Maharashtra plunged to 6.09 million tonnes as compared to 10.72 million tonnes produced during same period last year. Karnataka produced 3.38 million tonnes, Tamil Nadu sugar production was at 5.80 lakh tonnes as compared with 7.25 lakh tonnes, Gujarat produced 9.30 lakh tonne of sugar and remaining states such as Andhra Pradesh, Telangana, Bihar, Uttarakhand, Punjab, Haryana, Madhya Pradesh, Chhattisgarh, Rajasthan and Odisha have collectively produced 2.31 million tonnes.

Covid-19 affected sugar dispatches due to the country-wide lockdown and resultant closure of restaurants, malls, movie halls, and restriction on marriage functions which in turn has impacted the demand for sugar sweetened products like ice cream, beverages, juices, confectioneries and sweets.

## India: Sugar Production (mn tonnes)



Source: International Sugar Organization

## Regional Overview

This year, Bihar produced around 7.23 lac tons of sugar. The area under cane especially in West Champaran is lower than last year for ensuing season 2020-21 and it would be very early to state about the yield because cane cropping totally depends on rainfall in the area. Our company has crushed 2.34 crore qtl of cane with a sugar recovery of 11.20 which is the highest in Bihar. Our Narkatiganj factory was ranked 1st in the recovery @11.58% on B Heavy Molasses & @12.02% on C Heavy Molasses in the State. Similarly our Hasanpur factory ranked 4th with recovery of 10.95% in the State and whereas our Sidhwalia factory recorded recovery of 10.75% in SS 2019-20 as compared to 10.33% during SS 2018-19.

## Sugar Exports

During the fiscal government announced the Maximum Admissible Export Quantity (MAEQ) scheme to encourage export of sugar to reduce surplus in India. MAEQ allowed industry to export 6 million tonnes of duty-free sugar in SS19-20. Production and transportation subsidy for millers was declared by the Central government with the condition to export proportionate quantities of sugar for millers. Government also supported sugar mills that have plans to export sugar above their original Maximum Admissible Export Quantity (MAEQ) by reallocating the quotas of those mills that have failed to export sugar under MAEQ. Subsidy was essentially presented amid the global prices were trading ~20-30% below the cost of production for Indian millers and export seemed unviable without any support. In August 2019, the export subsidy of Rs 10.4 per kg to sugar mills for the sugar season 2019-20 was announced by the government. Higher global sugar prices and favourable incentive by the government exports stood lucrative for sugar millers during current sugar season.

## Demand Supply Scenario

The sugar season SS 2019-20 started with a balance of 14.58 mln tons. The country is expected to produce 27.10 mln tonnes, decrease of almost 18%. However, the consumption is also expected to be in the range of 30.0 mln tons thereby leaving the closing inventory at 11.68 mln tons being net of import/ export.

Particulars	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020E
Opening Stock	6.5	8.8	7.7	4.02	10.72	14.58
Production	28.3	25.1	20.3	32.5	33	27.1
Increase in production	16.46%	-11.31%	-19.12%	60.10%	1.54%	18.18%
Internal Consumption	24.8	24.6	23.98	25.8	24.90	25.0
Closing Stock - net of imports/exports	8.8	7.7	4.02	10.72	14.58	11.69
FRP	220	230	230	275	275	275

Source ISO

## Domestic Ethanol

In wake of reducing crude oil imports and contain the glut situation of sugar Government of India continued its focus on encouraging millers to produce ethanol. The government intends to increase ethanol blending from current 6% to 10% by 2022. According to petroleum minister increase in ethanol blending in petrol is expected to replace 2 million tonnes of oil annually which will aid to save USD 1 billion in import bill. The cabinet committee on economic affairs increased the prices of ethanol from 'C' heavy molasses and 'B' heavy molasses by 29 paise per litre and Rs 1.84 per litre respectively. The 'C' heavy molasses and 'B' heavy molasses will be priced at Rs 43.75 per litre and Rs 54.27 per litre, respectively. The price of ethanol manufactured directly from sugar juice was increased to 59.48 per litre. India targets to increase the ethanol blending from current 6 % to 10 % by 2021 -22. The country wide lockdown which has impacted the petrol demand and dramatic reduction in crude oil prices have impacted the ethanol demand in the country.

## Domestic Sugar Price

Government of India proactive measures towards supporting sugar millers post the glut in sugar production in previous few seasons, levy of MSP and export subsidies aided the sugar prices to stay above the cost of production during SS2019-20. Sugar prices during October 2019 to February 2020 remained steady at average of Rs. 32 per kg in the current season. The prime reasons that supported the stability in sugar prices during SS2019/20 were lower production in the on-going sugar season as the fall is almost 20%. Wholesale domestic prices declined marginally in March 2020 to Rs 31 per kg after the Covid-19 breakout. The MSP by the government provided cushion to the domestic mill owners in the current environment.

## Co-Generation

In India, bagasse-based generation in September amounted to 234 GWh, brought the completed 2019/20 season total to 13,273 GWh, ~ 3% above last season which was about 12,917 GWh.

## Company Overview

Magadh Sugar & Energy Limited (Magadh Sugar), a part of the K. K. Birla Group of Sugar Companies was incorporated on 19th March 2015 and consequent upon various schemes of merger and demerger, this company was formed in 2015. Magadh Sugar's core business includes sugar and sugar products, spirits and alcohol, co-generation of power. Magadh Sugar has 3 sugar mills with a combined crushing capacity of 17,500 TCD, 1 distillery at Narkatiaganj with a total capacity of 60 KLPD and a cogeneration facility generating 38 MW power. Magadh is in process of setting up of 75 KLPD distillery at its Unit at Bharat Sugar Mills, Sidhwalia Bihar.

## Capacities

Magadh Sugar & Energy Limited		
Type	Plant (Bihar)	Crushing
Sugar Mills	New Swadeshi Sugar Mills (Pashchim Champaran)	7,500 tonnes of sugarcane per day
	Bharat Sugar Mills (Gopalganj)	5,000 tonnes of sugarcane per day
	Hasanpur Sugar Mills (Samatipur)	5,000 tonnes of sugarcane per day
Distilleries	New Swadeshi Sugar Mills (Pashchim Champaran)	60 KLPD of Industrial Alcohol/Ethanol
	Bharat Sugar Mills, (Gopalganj)	75 KLPD of Industrial Alcohol/ Ethanol (Under progress)
Co-Generation Power Plants	New Swadeshi Sugar Mills (Pashchim Champaran)	10 MW Power
	Bharat Sugar Mills (Gopalganj)	18 MW Power
	Hasanpur Sugar Mills (Samatipur)	10 MW Power

## Financial Parameters

Disclosures under Regulation 34(3) read with Schedule V of the clause B of SEBI (LODR) Regulations, 2015

SI No.	Ratio	FY 2020-21	FY 2019-20
1	Debtor Turnover	4.00	5.95
2	Inventory Turnover	1.00	0.88
3	Interest Coverage Ratio	2.11	3.60
4	Current Ratio	0.95	1.00
5	Debt Equity Ratio	1.13	1.00
6	Operating Profit Margin (%)	10.67%	15.63%
7	Net Profit Margin (%)	2.84%	9.03%
8	Return on Networth	4.86%	15.48%

## Operational Highlights

### Sugar Production

Particulars	Financial Year 2020-21			Financial Year 2019-20		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Sugarcane Crushed (lacs quintal)	92.94	39.48	55.95	115.28	58.93	67.87
Recovery (%)	10.42	10.16	10.64	11.43	10.72	10.95
Sugarcane produced (lacs quintal)	9.69	4.04	5.95	13.18	6.32	7.43
Crusing days	120	83	113	156	121	152

## Distillery Segment

### Alcohol Procuction (including Ethanol)

Particulars	NARKATIAGANJ	
	Financial Year 2020-21	Financial Year 2019-20
Alcohol Procuded (per litre)	177.27	170.83
Recovery (%)	26.95	24.25
No. of days Distillery was operational	248	270

## Power Segment

### Power Generated, Consumer and Sold

Particulars (units in lac)	Financial Year 2020-21			Financial Year 2019-20		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Power generated	232.81	300.64	274.29	290.46	525.74	328.14
Power Sold to grid	127.60	220.17	169.64	147.55	392.67	182.99
No. of days worked	124	90	140	157	160	167

## Human Resources management and Industrial relations

At Magadh Sugar, we highly value our people. We aim to nurture careers and give recognition to each employees' efforts and performance. We encourage healthy conversations for employees with their supervisors and leaders to maintain transparency. We focus primarily on health and safety of our employees by constant supervision of plants and facilities. Several training initiatives for the development and skill enhancement of our employees is undertaken to keep them updated of the latest industry developments.

The current strength of management staff in 2020-21 is 135 and non-management staff is 1023.

## Corporate Social Responsibility

We demonstrate environmental and social responsibility at every step. We aim to benefit the communities around us – workforce, public and environment. We organise regular medical camps, give free medicines and also any emergency medical equipment required by the deprived. We are sowing the seeds for a budding nation by providing education to the underprivileged children and giving them access to free books. We consider ourselves responsible for the environment around us and consciously take efforts for its upliftment.

## Internal control and compliance

The Company has a healthy internal control system assisting in proper functioning of all departments and tracking financial transactions. The Company uses a strong accounting and internal reporting system with SAP package. In addition to this, it establishes compliance with financial discipline and statutory rules and regulations and contributes to operational efficiency too. Regular internal audit is conducted by a renowned firm of Chartered Accountants who submit findings to the audit committee on a quarterly basis. This committee acts as a final evaluator and identifier of corrective measures that are then implemented.

## Risk Management

The risk committee constituted from the Board of Directors meets at regular intervals to prepare a collective and comprehensive policy charter to assist the management overcome internal and external risk challenges.

The committee also raises organisation-wide awareness towards various risks associated with the business of an integrated sugar mill. Identification, prioritization, monitoring and management and reduction of the risks by stringent monitoring of risk profile of different units and their transactions have lowered risk at Magadh Sugar & Energy Limited to a large extent. Risks identified by the management are wide fluctuations in sugar prices, sugar recovery ratio, State Advised Price fixation by Government etc. Mitigation measures are taken through R&D, conducting seminars to upgrade harvesting knowledge of farmers and eventually augment cane output.



## Annexure B

### Report on Corporate Governance

#### 1. Company's Philosophy

Magadh Sugar & Energy Limited (MSEL), a part of K K Birla Group of Sugar Companies, is of the firm conviction that Corporate Governance in essence refers to the rules, procedures, values, systems or laws by which businesses are operated, regulated, and controlled. A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well to formal laws. Governance practices may vary but the principles are generic and universal. Accordingly the Board of MSEL manages its business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders which term includes every one ranging from the board of directors, management, shareholders, cane growers, customers, employees and society at large.

Given the fact that the business operations of MSEL is well diversified, sound governance practices are indispensable for it to build and sustain trust in all its stakeholders. MSEL is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeates throughout the organization. Besides adhering to the prescribed corporate practices as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") from time to time, it voluntarily governs itself as per highest ethical and responsible standards of business.

This chapter, along with the chapters on Management Discussion and Analysis and Shareholders information, reports MSEL's compliance with Listing Regulations, 2015 highlighting the additional initiatives taken in line with international best practices.

#### Corporate Governance Philosophy

MSEL's philosophy is to constantly achieve business excellence and optimize long term value through ethical business conditions. Being a value driven organization MSEL envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on. Strong Governance practices by the Company have boosted the level of stakeholder's confidence testified by improved performance and various recognitions achieved by the Company. This has helped MSEL to pay uninterrupted value based services to all its stakeholders.

The corporate governance structure in the Company ensures that its Board of Directors is well informed and well equipped to fulfill its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is the backbone of the ability to meet the aspirations of all stakeholders.

MSEL's initiatives towards adhering to highest standards of governance include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of Securities and Exchange Board of India (SEBI). At the highest level the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopt innovative approaches for leveraging resources, converting opportunities into achievements through proper coordination, empowerment and motivation, fostering a healthy all round growth and development to take the Company forward.

#### 2. Board of Directors

- i. The Company has in all 7 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 7 Directors, 5 (71.43%) are Independent Directors (IDs), 1 of them is a Promoter Director and 1 Wholtime Director. The composition of the Board is in conformity with Listing Regulations. The Board is headed by the Non-Executive Chairperson Mr. Chandra Shekhar Nopany. The composition of Board of Directors is balanced in terms of specialisation in one or more areas.
- ii. The Board of Directors takes into account the interest of all stakeholders while discharging its responsibilities and provides leadership and guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.
- iii. The non-executive directors bring objective and independent perspective in the deliberations and decisions of the Board of Directors as they have a wider view of external factors affecting the Company and its business. These directors make a constructive contribution to the Company by ensuring fairness and transparency while considering the business plans devised by the management team. They

receive sitting fees for attending the meetings and do not have any other material or pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.

- iv. All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization. The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.
- v. As per the disclosure received by the Company from the Directors none of them are Director on the Board of more than 7 listed entities as well as the Wholtime Directcor has no other directorship in compliance with Regulation 17A of Listing Regulations, and none of Directcors are member in more than ten committees, nor as Chairperson of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of Listing Regulations as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/Ministry of Corporate Affairs(MCA) or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time. The Company has obtained a certificate from a company secretary in practice confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by SEBI/MCA or any such statutory authority. A copy of the said certificate is attached as Annexure "E" to the Board's Report.
- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.
- ix. Mr. Chandra Shekhar Nopany (DIN:00014587), Director is retiring by rotation at the forthcoming Annual General Meeting scheduled to be held on August 24, 2021 and is eligible and has offered himself for re-appointment. The brief resume and other requisite details of the Director proposed to be re-appointed shall be given in the notice of ensuing AGM.
- x. The IDs met on 18th March, 2021 without the presence of the Chairperson, Wholtime Director, the Non-Executive Non-IDs and the Management Team. The meeting was attended by IDs in person and which enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the performance of non-IDs, Chairperson and the Board as a whole as well as the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

### Key Board qualifications, expertise and attributes

The MSEL Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the MSEL Board is in compliance with the highest standards of corporate governance.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of Sugar business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Ability to think strategically, identify and critically assess strategic opportunities and threats and develop effective strategies in the context of strategic objectives of the Company's policies and priorities.
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, protecting shareholder interests, maintaining board and management accountability and driving corporate ethics and values.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

#### Key Board Qualifications

Director	Business	Strategy and Planning	Governance
Mr. Chandra Shekhar Nopany (DIN – 00014587)	✓	✓	✓
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	✓	✓	✓
Mr Padam Kumar Khaitan (DIN – 00019700)	✓	✓	✓
Mr Yashwant Daga (DIN – 00040632)	✓	✓	✓
Mrs Shashi Sharma (DIN – 02904948)	✓	✓	✓
Mr Raj Kumar Bagri (DIN- 00231766)	✓	✓	✓
Mr Chandra Mohan (DIN – 07760264)	✓	✓	✓

#### Familiarisation Programme

In terms of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company is required to conduct Familiarisation Programme for IDs (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. As a part of the familiarisation programme, presentation was made to the IDs giving a brief overview of roles, responsibilities and liabilities of IDs under Corporate Governance norms with focus on constitution of various Committees under the Companies Act, 2013.

In addition to the above, the Directors are continuously encouraged to participate in various training sessions to ensure that the Board members are kept up to date.

At the time of appointment, a new Director is welcomed to the Board of Directors of the Company by sharing an Induction Kit containing inter-alia the Organization Chart, brief profile of all Directors and Key Managerial Personnel (KMPs), Policy Compendium, Investor Presentation, amongst others.

Further, the management of the Company makes various presentations to the IDs on an ongoing basis which inter-alia includes Company overview, various business verticals, latest key business highlights, financial statements, evolution as well as business model of the various business of the Company, as part of the familiarisation programme for IDs.

Significant Statutory updates are circulated as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. SEBI/MCA other statutory authority etc.

The Board has open channels of communication with executive management which allows free flow of communication among Directors in terms of raising query, seeking clarifications and other related information. Directors are also informed of the various developments in the Company.

The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company and available at the weblink- <http://www.birla-sugar.com/Assets/Magadh/MSEL-Familiarisation-Programme.pdf>

#### Performance Evaluation

In pursuance of the provisions of the Companies Act, 2013 and Listing Regulations, the Company has laid down a Performance Evaluation Policy. The said policy prescribed in detail the process for effective evaluation of performance of the Board of Directors, the Committees thereof, individual Directors and the Chairperson of the Company. The Nomination and Remuneration Committee ("NRC") had finalized the proformas / questionnaires containing different parameters to evaluate the performance of Board of Directors and its committee(s), individual Directors and the Chairperson of the Company. The performance evaluation parameters for Independent Directors include level of participation in decision making process, understanding of Company's business and industry, ensuring adequacy and functionality of vigil mechanism, communicating inter-se with Board members and senior management, etc.

As per the Performance Evaluation Policy of the Company, the evaluation of performance of the Board as a whole, Committees of the Board of Directors, individual Directors and Chairperson/Co-chairperson of the Company was carried out for the Financial Year 2020-21. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson/Co-chairperson of the Company and Non-Independent Directors. The Independent Directors have briefed the Board of Directors about performance evaluation by Independent Directors of the Company.

Based on the responses to the questionnaires received from the Directors and considering the evaluations carried out by Independent Directors, the Board of Directors evaluated its own performance and that of its committees and individual Directors including Independent Directors.

### Board Diversity Policy

Board diversity is imperative in view of globalization of business, rapid deployment of technology, greater social responsibility, ever increasing emphasis on corporate governance and increasing need for risk management. Having members of the Board of Directors from different fields enables the Company to keep pace with changing business dynamics and provide financial, reputational and qualitative benefits. The Board of Directors had adopted "Board Diversity Policy" which sets out the basic guidelines to constitute a diverse Board that can, inter alia, draw upon a range of perspectives, experience and knowledge.

### Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review 7 (Seven) Board Meetings were held on 7th May, 2020, 23rd June, 2020, 5th August, 2020, 11th October, 2020, 11th November, 2020, 16th January, 2021 and 9th February, 2021 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships/Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of Listing Regulations held by them during the year 2020-21 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM held on 22.09.2020	No. of Directorships in other Bodies Corporate	No. of Chairpersonship/ Membership of Board Committees in other Companies		Names of the Listed Companies and Category of Directorship		No. of Equity Shares held
					Chairperson	Member	Name of the Company	Category	
Mr. Chandra Shekhar Nopany (DIN – 00014587)	P/C/NED	7	Yes	8	2	-	<ul style="list-style-type: none"> <li>Avadh Sugar &amp; Energy Ltd</li> <li>Chambal Fertilisers and Chemicals Ltd</li> <li>New India Retailing &amp; Investment Ltd</li> <li>Sutlej Textiles and Industries Ltd</li> <li>SIL Investments Ltd</li> <li>Ronson Traders Ltd</li> </ul>	NED NED NED EC NED NED	43175
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	NEID	7	Yes	-	-	-	NIL	-	NIL
Mr Padam Kumar Khaitan (DIN – 00019700)	NEID	7	Yes	8	1	2	<ul style="list-style-type: none"> <li>Asian Hotels (East) Limited</li> <li>Cheviot Co. Limited</li> <li>Ramkrishna Forgings Limited</li> </ul>	NEID NEID NEID	NIL
Mr Yashwant Daga (DIN – 00040632)	NEID	7	Yes	5	-	10	<ul style="list-style-type: none"> <li>Mint Investments Limited</li> <li>Longview Tea Co. Ltd</li> <li>Deepak Spinners Limited</li> <li>HGI Industries Limited</li> <li>Deepak Industries Limited</li> </ul>	NEID NED ED NED ED	NIL
Mrs Shashi Sharma (DIN – 02904948)	NEID	7	Yes	-	-	1	NIL	-	NIL
Mr Raj Kumar Bagri (DIN- 00231766)	NEID	7	Yes	2	2	-	NIL	-	NIL
Mr Chandra Mohan (DIN – 07760264)	WTD	7	Yes	-	-	-	NIL	-	NIL
P – Promoter	C – Chairperson / CO – Co-Chairperson				NEID – Non-executive Independent Director/		WTD – Whole-time Director		
					NED - Non-executive Director		EC - Executive Chairperson		

#### Note:

- The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Sec 8 of the Companies Act, 2013.
- In accordance with Regulation 26 of the Listing Regulations, memberships / Chairpersonships of only Audit Committee and Stakeholders Relationship Committee of other Indian Public Limited Companies have been considered.

## Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee and non-mandatory committees viz. Risk Management Committee, Finance & Corporate Affairs Committee of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

### 3. Audit Committee

#### i. Overall purpose/Objective

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of Listing Regulations as amended from time to time, by the Board of Directors, initially at its meeting held on March 14, 2017.

The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

#### ii. Terms of Reference

The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/ examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors, discussing with auditors significant findings, if any, related party transactions and adequacy of internal control systems, reviewing the functioning of the Whistle Blower Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and Listing Regulations, as amended from time to time. It also deals with matters relating to Company's Code of Conduct for Prohibition of Insider Trading framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 as amended and related matters. It also discharges such other functions as may be delegated by the Board of Directors from time to time.

Mr. Raj Kumar Bagri, Chairperson of the Audit Committee attended the Annual General Meeting of the Company to provide clarifications and answer queries.

The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Auditors and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company.

The Audit Committee comprises of Mr. Raj Kumar Bagri, Mr. Yashwant Kumar Daga, Mr. Iswhari Prosad Singh Roy and Mrs Shashi Sharma, Independent Directors. Mr. Raj Kumar Bagri, Independent Director of the Company is the Chairperson of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting or related financial management expertise. The Chief Financial Officer (CFO) is a permanent invitee to the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors as well as Internal Auditors of the Company are invited to attend the Audit Committee meetings. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee.

4 (Four) meetings of the Audit Committee were held during the year 2020-21 on 23rd June, 2020, 5th August, 2020, 11th November, 2020 and 9th February, 2021 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by Listing Regulations, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Raj Kumar Bagri	Chairperson	Independent Director	4
Mrs Shashi Sharma	Member	Independent Director	4
Mr Yashwant Kumar Daga	Member	Independent Director	4
Mr Ishwari Prosad Singh Roy	Member	Independent Director	4

## 4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted on 14th March, 2017, in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

### (i) Terms of Reference:

The Stakeholders Relationship Committee oversees the redressal of complaints/grievances of investors such as transfer/transmission of shares, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, taking note of shares transferred in course of a quarter, status of dematerialized shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter among others. It also approves issuance of duplicate shares and matters incidental thereto. It also discharges such other functions as may be delegated by the Board of Directors from time to time. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

### (ii) Composition & Meetings

The composition of the Stakeholders' Relationship Committee as on 31st March, 2021 is as follows:

- a. Mr Raj Kumar Bagri - Chairperson
- b. Mr Yashwant Kumar Daga
- c. Mr Padam Kumar Khaitan

During the period under review the Committee met five times on 23rd June, 2020, 5th August, 2020, 24th August, 2020, 11th November, 2020 and 9th February, 2021 respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Raj Kumar Bagri	Chairperson	Independent Director	5
Mr Yashwant Kumar Daga	Member	Independent Director	5
Mr Padam Kumar Khaitan	Member	Independent Director	5

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical form upto 1000 shares. The transfers/ transmissions approved by the Secretary are periodically placed before the Committee.

The Company has in place a comprehensive Investor Grievance Redressal system prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share Transfer Agents as well as by the Company. The shareholders can write to the Company at [magadhinvestors@birla-sugar.com](mailto:magadhinvestors@birla-sugar.com) on a day to day basis.

During the financial year ended March 31, 2021, the Company did not receive any complaint on SCORES, the web based redressal system of the Securities and Exchange Board of India (SEBI). The aforesaid complaint was resolved to the satisfaction of the shareholders and complaints were pending as on March 31, 2021.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of Listing Regulations, Statements of investor complaints as received from the Registrar & Share Transfer Agents, Link Intime Private Limited, were filed with the Stock Exchanges on a quarterly basis and the said Statements were also placed before the Board of Directors for information and noting.

## 5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Companies Act, 2013.

### i. Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be appointed in senior management including their remuneration in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under Listing Regulations.



**ii. Terms of Reference:**

The broad terms of reference of the Nomination & Remuneration Committee, inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of IDs and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment, remuneration and removal.

It also discharges such other functions as may be delegated by the Board of Directors from time to time.

**iii. Composition and Meetings:**

The Committee, comprises of the following Directors:

1. Mr Yashwant Kumar Daga - Chairperson
2. Mr Padam Kumar Khaitan
3. Mr Ishwari Prosad Singh Roy
4. Mr Raj Kumar Bagri

During the period under review the Committee met twice on 23rd June, 2020 and 11th November, 2020.

**Attendance of the members at the meetings was as follows:**

Name of the Member	Status	Category	No of meetings attended
Mr Yashwant Kumar Daga	Chairperson	Independent Director	2
Mr Padam Kumar Khaitan	Member	Independent Director	2
Mr Ishwari Prosad Singh Roy	Member	Independent Director	2
Mr Raj Kumar Bagri	Member	Independent Director	2

**iv. Remuneration Policy:**

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is available on the Company website at weblink <http://www.birla-sugar.com/Assets/Magadh/MSEL-Nomination-and-Remuneration-Policy.pdf>

The Remuneration Policy, inter-alia, includes the appointment criteria & qualification requirements, process for appointment & removal, retirement policy and remuneration structure & components, etc. of the Directors, Key Managerial Personnel (KMP) and other senior management personnel of the Company. As per the Remuneration Policy, a person proposed to be appointed as Director, KMP or other senior management personnel should be a person of integrity with high level of ethical standards. In case of appointment as an independent director, the person should fulfil the criteria of independence prescribed under the Companies Act, 2013, rules framed thereunder and the SEBI (LODR) Regulations, 2015. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Whole-time Director and payment of sitting fee & commission to the non-executive directors.

**Remuneration of Directors**

Detail of remuneration paid to the Directors for the financial year 2020-21:

**a. Wholetime Director**

(₹ in lakhs)

Name	Salary	Perquisites	Retirement Benefits	Total
Mr. Chandra Mohan	105.72	7.30	-	113.02

\* It does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole

Mr. Chandra Mohan's remuneration package includes salary, free furnished accommodation with all expenses for upkeep and maintenance thereof, contribution to Provident Fund, reimbursement of medical expenses, leave travel concession, car with driver and telephone etc.

**b. Non-Executive Directors**

The Company pays a sitting fee of ₹ 40,000/- and ₹ 20,000/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively.

The shareholders of the Company, at the Extra-Ordinary General Meeting held on March 14, 2017, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2017-18 subject to the aggregate annual limit of one percent of the net profits of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013. However, the Board of Directors of the Company within the aforesaid limit has further put forth a ceiling of maximum ₹ 5 lakhs to be paid to each Non-Executive Directors. In pursuance of the approval of the shareholders the Board of Directors determined the commission payable to individual Directors for the Financial Year 2020-21 based on the time devoted and the contribution made by individual directors in the affairs of the Company.

The details of sitting fee paid and the commission payable to the Directors are as follows:

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2020-21 (₹)
1	Mr Chandra Shekhar Nopany	3,40,000	5,00,000
2	Mrs Shashi Sharma	3,60,000	5,00,000
3	Mr Yashwant Kumar Daga	5,00,000	5,00,000
4	Mr Padam Kumar Khaitan	4,80,000	5,00,000
5	Mr Ishwari Prosad Singh Roy	4,00,000	5,00,000
6	Mr Raj Kumar Bagri	5,00,000	5,00,000

There was no other pecuniary relationship or transaction with the Non-executive Directors.

**6. Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Listing Regulations read with Section 135 of the Companies Act, 2013. The role of Committee includes formulating and recommending to the Board of Directors a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company as specified under the Companies Act, 2013 recommending the amount of expenditure to be incurred on such activities, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Committee also reviews periodically the progress of CSR projects/ programs/ activities undertaken by the Company. It also discharges such other functions as may be delegated by the Board of Directors from time to time.

The Corporate Social Responsibility Committee comprises of Mr. Chandra Shekhar Nopany, Chairperson, Mr. Padam Kumar Khaitan, Independent Director and Mr. Chandra Mohan, Whole time Director. Mr. Chandra Shekhar Nopany, Chairperson of the Company acts as the Chairperson of the Corporate Social Responsibility Committee. Mr S Subramanian, Company Secretary of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time the Company's CSR Policy is available on the Company's website at <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf>

During the period under review the Committee met thrice on 7th May, 2020, 23rd June, 2020 and 9th February, 2021.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Chandra Shekhar Nopany	Chairperson	Non-Executive Director	3
Mr Padam Kumar Khaitan	Member	Independent Director	3
Mr Chandra Mohan	Member	Executive Director	3

**7. Risk Management Committee**

Business Risk Evaluation and Management is an ongoing process within the Organization. The Company has a robust risk management framework to identify, monitor and minimize risks as also identify business opportunities.

The Risk Management Committee was constituted on 24th May, 2017 in line with the provisions of Listing Regulations. The Committee comprises of Mrs Shashi Sharma, Independent Director, Mr Chandra Mohan, Wholetime Director, Mr Chand Bihari Patodia, Group President and Mr Sunil Choraria, Chief Financial Officer. Mrs Shashi Sharma is the Chairperson of the Committee.

The objectives and scope of the Risk Management Committee broadly comprises:

- Oversight of risk management performed by the executive management;
- Reviewing the risk & its mitigation plans within framework and in line with local legal requirements and SEBI guidelines;
- Reviewing risks and evaluate treatment including initiating mitigation actions and ownership as per a pre-defined cycle;
- Defining framework for identification, assessment, monitoring, mitigation and reporting of risks.

Within its overall scope as aforesaid, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan. It also discharges such other functions as may be delegated by the Board of Directors from time to time

One meeting of the Risk Management Committee of the Company was held during the year on 30th March, 2021. The attendance of each member of the Committee is given below:

Name of the Member	Status	Category	No of meetings attended
Mrs. Shashi Sharma	Chairperson	Non-Executive Director	1
Mr. Chandra Mohan	Member	Executive Director	1
Mr. Chand Bihari Patodia	Member	Group President	1
Mr. Sunil Choraria	Member	Chief Financial Officer	-

## 8. Finance & Corporate Affairs Committee

The Finance & Corporate Affairs Committee of Board of Directors was constituted on March 14, 2017 and comprises of Mr. Chandra Shekhar Nopany, Chairperson, Mr. Yashwant Kumar Daga, Mr. Ishwari Prosad Singh Roy and Mr. Chandra Mohan, Whole-time Director. Mr. S Subramanian, Company Secretary of the Company acts as the Secretary to the Committee and Mr Sunil Choraria, CFO is a regular invitee to such Committee.

The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents etc., to consider, approve and submit various bid documents etc. for participation in ethanol tenders, amongst others and to do such other businesses as may be delegated by the Board of Directors from time to time.

During the period under review no meetings were held.

## 9. Subsidiary Companies

The Company does not have any subsidiary, associate or any joint venture. However, the Board of Directors have formulated a Policy for determining material subsidiaries in its meeting held on 30th March, 2017 and subsequently modified on 26th March 2020 in line with changes envisaged in SEBI (LODR) Regulations and such modified Policy has been disclosed on the company website at <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>.

## 10. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Suitable disclosure as required by the Indian Accounting Standards (IND AS) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which is modified in line with amended provisions of Companies Act, 2013 read with Listing Regulations and has been uploaded on the Company's website <http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy-.pdf>.

## 11. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern. The said policy has updated with recent amendments w.r.t. Unpublished Price Sensitive Information as mandated by SEBI laws and has been uploaded on the Company's website at <http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf>.

## 12. Policy Against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the financial year 2021-21, the Company has not received any complaint on sexual harassment from any of the women employees of the Company, neither there were any pending complaints which were disposed off nor there were any complaints pending as on the end of the FY 2020-21.

## 13. General Body Meetings

### i. The last three Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location
2019-20	22-09-2020	11.00 A.M.	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2018-19	03.09.2019	01:00 P.M.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2017-18	25.09.2018	02:00 P.M.	

The last Annual General Meeting was held on 22nd September, 2020, which was chaired by Mr Chandra Shekhar Nopany.

No Special Resolution was passed in the previous three Annual General Meetings.

### ii. Postal Ballot

During the year 2020-21, the Company had not sought Shareholders' approval by way of special resolution through postal ballots

No special resolution requiring postal ballot is being proposed for at the ensuing AGM.

## 14. Means of Communication

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Ltd (CSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in Hindi in Lucknow edition.
- The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website [www.birla-sugar.com](http://www.birla-sugar.com) and can be downloaded.
- The Company also displays official press releases as and when released on the above website.
- Email id earmarked for redressing Investor queries is [magadhinvestors@birla-sugar.com](mailto:magadhinvestors@birla-sugar.com)
- Presentation made to any Institutional Investor or to any Analysts during the period under review is made available on the above website.

## 15. General Shareholders' Information

### i. 7th Annual General Meeting

Day : Tuesday

Date : August 24, 2021

Time : 11.00 A.M.

Venue : 7th AGM will be held through video conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at P O Hargaon, District Sitapur, Uttar Pradesh – 261 121

**ii. Financial Year:** April to March

**iii. Tentative Financial Calendar**

Event	Date
Approval of Audited Annual Results (2020-21)	11th May, 2021
First Quarter Results	On or before 14th August, 2021
Second Quarter Results	On or before 14th November, 2021
Third Quarter Results	On or before 14th January, 2021
Audited Annual Results (2021-22)	On or before 30th May, 2022

**iv. Book Closure**

The Register of Members and Share Transfer Books of the Company will remain closed from August 18, 2021 (Wednesday) to August 24, 2021 (Tuesday) (both days inclusive)

**v. Dividend Payment Date** - Within 30 days of the Annual General Meeting.

**vi. Listing on Stock Exchanges and Stock Codes**

The names of the Stock Exchanges at which the Equity Shares of the Company are listed and the respective stock codes are as under:

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Demateri- alised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540650	INE347W01011
National Stock Exchange of India Ltd. (NSE)	MAGADSUGAR	
Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051		
The Calcutta Stock Exchange Ltd. (CSE) 7, Lyons Range, Kolkata 700 001	23935	

**# The Company's shares were voluntarily delisted from The Calcutta Stock Exchange Ltd w.e.f. 12th February, 2021.**

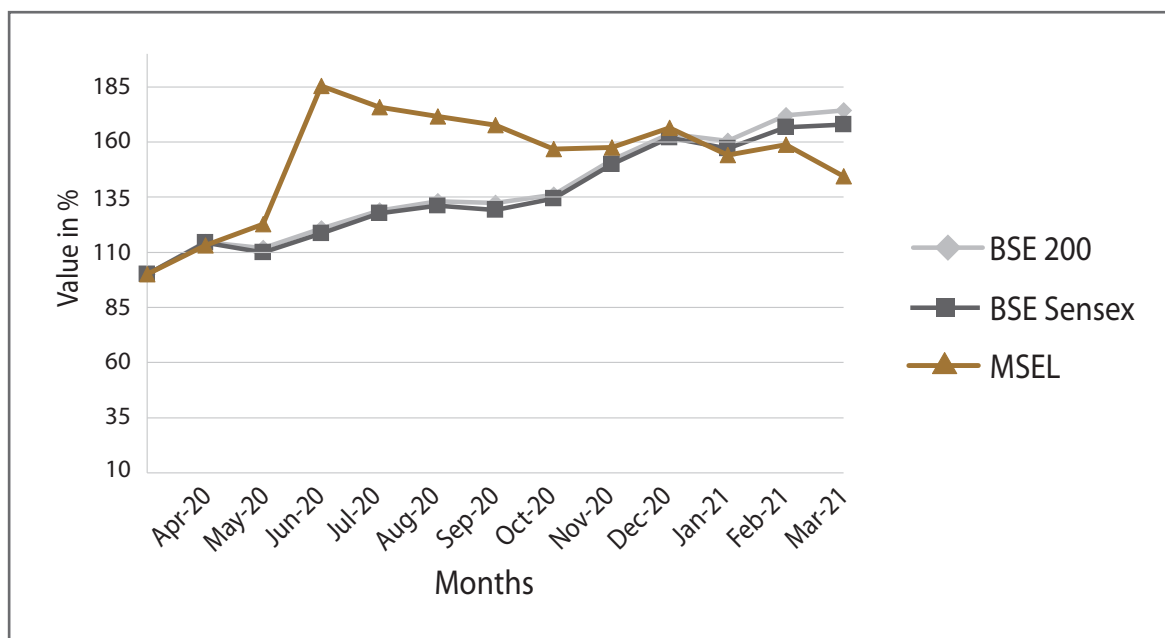
The Company has paid annual listing fees for the Financial Year 2021-22 to the above Stock Exchanges.

**vii. Market Price data**

Monthly high/low of market price of the Company's Equity Shares traded on BSE Ltd. and National Stock Exchange of India Ltd. during the last financial year was as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	86.95	67.15	87.60	66.00
May, 2020	91.05	71.50	91.00	70.55
June, 2020	143.85	87.25	145.00	85.10
July, 2020	138.00	120.75	138.55	120.10
August, 2020	133.25	114.90	133.25	112.00
September, 2020	135.95	108.70	129.60	110.00
October, 2020	127.00	108.05	122.00	108.50
November, 2020	121.00	93.50	118.90	88.95
December, 2020	129.45	103.60	129.95	102.00
January, 2021	120.00	103.00	121.80	103.10
February, 2021	118.00	100.00	133.90	102.55
March, 2021	130.45	98.00	131.40	98.50

### viii. Performance of Company's Equity Shares in comparison to BSE Sensex



The shares of the company were never suspended.

### ix. Registrar & Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, share transfer, demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Link Intime India Pvt. Ltd.

Unit: **Magadh Sugar & Energy Limited**

502 & 503, 5th Floor,

Vaishno Chambers,

6, Brabourne Road, Kolkata - 700 001

Tel: 91 033 4004 9728 / Fax : 91 033 4073 1698

E-mail: [kolkata@linkintime.co.in](mailto:kolkata@linkintime.co.in)

### x. Share Transfer System

The Board of Directors have authorised the Company Secretary to approve transfer/transmission of upto 1,000 shares. The requests for transfer/transmission more than 1000 shares in physical form are approved by the Stakeholders' Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. During the financial year 296 Equity Shares were transferred/transmitted.

### xi. Distribution of Shareholding

#### a. Equity Share Capital History

The Paid up Capital of the Company consists of 1,00,65,450 Equity shares of Rs.10/- each fully paid up and allotted as under:

Date of Allotment	No. of share	Issue Price (₹ per share)
30.03.2017	1,00,65,450	10
02.07.2019	40,26,180	(Bonus) 4:10

**b. The Distribution of Shareholding as on 31st March, 2021 was as follows:**

No of Equity Shares	No.of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	6907	85.15	703366	4.99
501 to 1000	550	6.78	401432	2.85
1001 to 2000	305	3.76	438824	3.11
2001 to 3000	116	1.43	282268	2.00
3001 to 4000	42	0.52	148545	1.05
4001 to 5000	46	0.57	208188	1.48
5001 to 10000	70	0.86	500462	3.55
10001 and above	76	0.94	11408545	80.96
<b>Total</b>	<b>8112</b>	<b>100.00</b>	<b>14091630</b>	<b>100.00</b>

**c. Detail of Shareholding pattern of the Company as on 31st March, 2021 was as follows:**

Category	No. of Shares held	% of Shareholding
Promoters	85,88,482	60.95
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	1,287	0.01
Indian Public		
Bodies Corporate	15,47,986	10.99
Individuals/HUF/Trust	37,75,249	26.79
Stock Exchange Clearing Members/Market Maker	58,224	0.41
NRIs / OCBs / FIIs / Foreign Nationals	1,20,402	0.85
<b>Total</b>	<b>1,40,91,630</b>	<b>100.00</b>

**xii. Dematerialisation of Shares and Liquidity**

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd., The National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 1,39,55,068 Equity Shares viz. 99.03% of the Equity Share Capital of the Company have already been dematerialized.

**xiii. Outstanding GDRs /ADRs/Warrants or Convertible Instrument :** The Company has never issued GDRs/ ADRs/Warrants or any other Convertible Instrument.

**xiv. Commodities price risk or foreign exchange risk and hedging :** Not Applicable

**xv. Location of Plants:**
**Sugar Mills:**

- Narkatiaganj, District West Champaran, Bihar, Pin-845 455.
- Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428
- Hasanpur, Dist. Samastipur, Bihar, Pin – 848 205

**Distillery:**

- Narkatiaganj, District West Champaran, Bihar, Pin-845 455.

**Co-generation Power Plants:**

- Narkatiaganj, District West Champaran, Bihar, Pin- 845 455.
- Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428
- Hasanpur, Dist. Samastipur, Bihar, Pin – 848 205

**xvi. Address for Correspondence:**

<b>The Company Secretary,</b>	<b>Link Intime India Pvt. Ltd. Registrar &amp; Share Transfer Agent</b>
Magadh Sugar & Energy Limited	Unit: Magadh Sugar & Energy Limited
9/1, R.N. Mukherjee Road	502 & 503, 5th Floor, Vaishno Chambers
5th Floor, Birla Building	6, Brabourne Road,
Kolkata - 700 001, India	Kolkata - 700 001, India
Tel: 91 - 033 - 2243 0497/8	Tel : 91-033-4004 9728
Fax: 91 - 033 - 2248 6369	Fax : 91-033-4073 1698
e-mail: magadhinvestors@birla-sugar.com	e-mail: kolkata@linkintime.co.in

**xvii. Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund**

The Company is not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

**xviii. Credit Ratings**

The details of the Credit Rating assigned to the Company as on 31st March 2021 is as under:

<b>Particulars</b>	<b>Amount Rs in Crore</b>	<b>Agency</b>	<b>Assigned Rating</b>
Long-term Bank facilities	460.38	CARE Ratings Limited	CARE A-
Short-term Bank facilities	30.00		CARE A2+

**xix. Transfer of shares in Unclaimed Suspense Account**

Pursuant to Regulation 39 of the Listing Regulations, the Company has issued three reminders for the unclaimed equity shares which were issued in physical form. The Company has transferred to the 'Unclaimed Suspense Account' the unclaimed equity shares which were issued in physical form from time to time. The details of such unclaimed shares are as under:

<b>Particulars</b>	<b>No. of Shareholders</b>	<b>No. of Shares</b>
Aggregate number of shareholders and the outstanding shares in the Un-claimed Suspense Account lying as on April 1, 2020	-	-
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2020-21	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2020-21	-	-
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2021 \$	226	55510

\$ The Company is in the process of transferring the equity shares into one folio in the name of Unclaimed Suspense Account and dematerialisation of these shares thereafter

The voting rights on the shares outstanding in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

**16. CEO and CFO Certification**

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of SEBI ( LODR) Regulations, 2015 inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2021, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

**17. Information about directors seeking appointment/ re-appointment**

The details of Directors seeking appointment/re- appointment are given in the Annexure to the Notice, under the head Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting.



## 18. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its designated persons. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at <http://www.birla-sugar.com/Assets/Magadh/Magadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE- INFORMATION.pdf>. The Code ensures the prevention of dealing in Company's shares/ securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Board Directors and the designated persons have confirmed compliance with the Code.

## 19. Code of Conduct

The Company has also adopted a Code of Conduct (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Code-of-Conduct.pdf>. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Wholetime Director, is attached to this report and which forms an integral part of this report.

## 20. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Wholetime Director which is duly supported by the legal compliance report of the internal auditors, heads of each Units at Narkatiaganj, Sidhwalia and Hasanpur, as well as by the Chief Financial Officer and Company Secretary. The Board also reviews periodically the steps taken by the Company to rectify instances of non-compliances, if there be any.

## 21. Payment of Dividend etc. in electronic mode

Pursuant to Regulation 12 of SEBI (LODR) Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds Rs.1,500 (Rupees One Thousand and Five Hundred), the 'payable at- par' warrants or cheques shall be sent by speed post.

The Company is using various RBI approved electronic mode of payment for making payments such as dividend, etc. to the investors, failing which the bank details available with the depository participants and the Company's Registrar and Share Transfer Agents (RTA) are printed on the physical payment instruments.

Payment of dividend and other benefits through electronic mode is beneficial to the Members since the risks associated with receiving payment through dividend warrants and other instruments such as loss in transit/misplacement/revalidation etc. can be easily mitigated.

Members who wish to avail of the electronic facility of remittance, may update their bank details with the depository participants for shares held in demat form and Members holding securities of the Company in physical form are requested to update their bank details with the Company or its RTA.

The Company is using NACH mandate for remittance of dividend either through NACH or other electronic modes failing which the bank details available with the depository participants and the Company's RTA are printed on the dividend warrant. All the arrangements are subject to RBI guidelines, issued from time to time.

Members who wish to receive dividend in a bank account other than the one registered with the depository participants for shares held in demat form and with the Company's RTA for shares held in physical form, may notify their depository participants and the Company or its RTA, respectively, about any change in the bank account details.

Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc.

## 22. Reconciliation of Share Capital Audit

As stipulated by SEBI, a qualified practising Company Secretary carries out an audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the Report thereon is submitted to the concerned Stock Exchanges. The audit confirms that the total Listed and Paid-up Capital is in agreement with the aggregate of the total number of shares in dematerialised form (held with NSDL and CDSL) and total number of shares in physical form.

## 23. Secretarial Standards issued by The Institute of Company Secretaries of India (ICSI)

The Institute of Company Secretaries of India (ICSI), one of the premier professional bodies in India, has issued Secretarial Standards on Board Meetings and General Meetings. Further, pursuant to Section 118(10) of the Companies Act, 2013, every company shall observe secretarial standards specified by ICSI with respect to Board and General Meetings. The Company confirms that it has duly adhered to the said Secretarial Standards.

## 24. Secretarial Audit & Secretarial Compliance Report

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2021 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2021 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out the M/s Vinod Kothari & Co, Practising Company Secretary and their report was submitted to Stock Exchange in stipulated time Exchange within stipulated time and shall also be uploaded on company's website at [www.birla-sugar.com](http://www.birla-sugar.com)

## 25. Disclosures

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 42 of the Accounts in the Annual Report.
- ii. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii. Your Company is fully compliant with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats have been submitted to the concerned stock exchanges.
- iv. The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- v. The Company has complied with all the applicable mandatory requirements.
- vi. In the preparation of the financial statements, the Company has followed Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- vii. Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and entities in the network firm/network entity of which the statutory auditor is a part was Rs. 27.60 lakhs.

- viii. During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of Listing Regulations, as amended from time to time.
- ix. All the recommendations/ suggestions made by the Committee of Board of Directors which is mandatorily required during the financial year 2020-21 were accepted by the Board of Directors.

## 26. Discretionary Requirements

- a. **Chairperson's Office:** Chairman's Office is maintained by the Company and expenses towards performance of the Chairman's duties are borne by the Company / reimbursed to him.
- b. **Shareholder rights:** The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website. The Annual Report of the Company for the financial year 2020-21 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.  
The Company communicates with shareholders through e-mail, telephone etc.
- c. **Audit Opinion:** It is always the Company's endeavour to present unmodified audit opinion on the financial statements. There is no audit modified audit opinion on the Company's financial statements for the year ended on 31st March, 2021.
- d. **Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

## 27. Web links to Company policies and programmes

The Company's policies and programmes as prescribed under the SEBI (LODR) Regulations are available at:

- a. **Code For Fair Disclosure Of Unpublished Price Sensitive Information:**  
<http://www.birla-sugar.com/Assets/Magadh/Magadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf>
- b. **Code of Conduct:**  
<http://www.birla-sugar.com/Magadh-Shareholders-Info/Magadh---Code-Of-Conduct>
- c. **CSR Policy:**  
<http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf>
- d. **Policy for Determining Material Subsidiaries:**  
<http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>
- e. **Policy on Determination of Materiality:**  
<http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-on-Determination-of-Materiality.pdf>

## Annexure C

### Certificate on Code of Conduct

To  
The Members  
**Magadh Sugar & Energy Limited**  
P.O. Hargaon, Dist - Sitapur  
U.P – 261 121

Pursuant to Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 I, Chandra Mohan, Wholetime Director of Magadh Sugar & Energy Limited, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the financial year 2020-21.

Place: Kolkata  
Date: May 11, 2021

**Chandra Mohan**  
Wholetime Director

## Annexure D

### Independent Auditor's Certificate on Corporate Governance

To the Members of  
**Magadh Sugar & Energy Limited.**

1. We have examined the compliance of conditions of Corporate Governance by **Magadh Sugar & Energy Limited**. ("the Company"), for the year ended on 31st March, 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

#### Managements' Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

#### Auditor's Responsibility

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **Singhi & Co.**  
Chartered Accountants  
(Firm's Registration No. 302049E)

**(Pradeep Kumar Singhi)**  
Partner  
(Membership No. 050773)  
UDIN: 21050773AAAAAD1402

Place: Kolkata  
Date: May 11, 2021

## Annexure E

### Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,  
The Members of  
**Magadh Sugar & Energy Limited**  
P.O. - Hargaon, Dist. - Sitapur  
Uttar Pradesh - 261121

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Magadh Sugar & Energy Limited** having CIN: L15122UP2015PLC069632 and having registered office at P.O. - Hargaon, Dist. - Sitapur, Uttar Pradesh - 261121 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2021 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Chandra Shekhar Nopany	00014587	29.07.2016
2.	Padam Kumar Khaitan	00019700	14.03.2017
3.	Yashwant Kumar Daga	00040632	14.03.2017
4.	Ishwari Prosad Singh Roy	00217532	14.03.2017
5.	Raj Kumar Bagri	00231766	14.03.2017
6.	Shashi Sharma	02904948	14.03.2017
7.	Chandra Mohan	07760264	09.03.2017

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**CS Atul Kumar Labh**

Membership No.: FCS 4848

CP No.: 3238

PRCN: 1038/2020

UIN: S1999WB026800

UDIN: F004848C000274581

Place: Kolkata

Date : May 11, 2021

## Annexure F

### Secretarial Audit Report

Form No. MR-3

#### Secretarial Audit Report

For the Financial Year Ended on March 31, 2021

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule no. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
The Members,  
**MAGADH SUGAR & ENERGY LIMITED**  
P.O. Hargaon, Dist.- Sitapur,  
Uttar Pradesh – 261 121

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Magadh Sugar & Energy Limited** [hereinafter called '**the Company**'] for the year ended March 31, 2021 ["**Period under Review**"] in terms of Audit Engagement Letter dated 23rd June, 2020. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Period under Review, has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Period under Review, according to the provisions of applicable law provided hereunder:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
5. **The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable:**
  - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. **Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:**
  - a. The Sugar Development Fund Act, 1982 and Rules;
  - b. The Sugarcane (Control) Order, 1966;
  - c. The Sugar Cess Act, 1982;
  - d. The Food Safety and Standards Act, 2006 and Rules;
  - e. Food Safety and Standards Regulations;
  - f. The Essential Commodities Act, 1955;
  - g. Legal Metrology Act, 2009;
  - h. Petroleum Act, 1934 And Rules;
  - i. Electricity Act, 2003 and Rules;
  - j. Bihar Sugarcane (Regulation of Supply and Purchase) Act, 1981 and Rules;
  - k. Bihar Sugarcane (Distribution and Movement Control) Order, 1966.

We have also examined compliance with the applicable clauses of the Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

#### Management Responsibility:

Kindly refer to our letter of even date which is annexed as **Annexure 'I'** which is to be read along with and forms an integral part of this report.

### Recommendations as a matter of best practice:

In the course of our audit, we have made certain recommendations for good corporate practices to the compliance team, for its necessary consideration and implementation by the Company;

We report that during the Period under Review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards etc. mentioned above.

### We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Director and Independent Directors. The changes in the composition of the Board of Directors that took place during the Period under Review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved by majority while the dissenting members', if any, views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company, which commensurate with its size and operations to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the Period under Review, the Company has not undertaken following specific events/ actions that can have a major bearing on the Company's compliance responsibility in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

1. Delisting of Equity Shares from the Calcutta Stock Exchange with effect from 12th February, 2021.

For **M/s Vinod Kothari & Company**  
Practicing Company Secretaries  
Unique Code: P1996WB042300

**Pammy Jaiswal**  
Partner  
Membership No.: A48046  
CP No.: 18059  
UDIN: A048046C000279816  
Peer Review Certificate No.: 781/2020

Place: Kolkata  
Date: May 11, 2021

## ANNEXURE-AI

### Annexure to Secretarial Audit Report (Unqualified)

To,  
The Members,  
**Magadh Sugar & Energy Limited**

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same was not possible due to the lockdowns and travel restrictions imposed by Central and State Governments respectively. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.

5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and sample basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some mis-statements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report has to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **M/s Vinod Kothari & Company**

Practicing Company Secretaries

Unique Code: P1996WB042300

**Pammy Jaiswal**

Partner

Membership No.: A48046

CP No.: 18059

UDIN: A048046C000279816

Peer Review Certificate No.: 781/2020

Place: Kolkata

Date: May 11, 2021

## ANNEXURE-AII

### List of Documents

1. Minutes of the following meetings (final draft of minutes provided through electronic mode on account of lockdown due to COVID 19)
  - a. Board Meeting;
  - b. Audit Committee;
  - c. Nomination and Remuneration Committee;
  - d. Stakeholders Relationship Committee;
  - e. Corporate Social Responsibility Committee;
  - f. Finance & Corporate Affairs Committee;
2. Annual Report 2019-20;
3. Notice and Agenda for Board and Committee Meetings on sample basis;
4. Memorandum and Articles of Association;
5. Disclosures under Act, 2013 and Listing Regulations on sample basis;
6. Policies framed under Act, 2013 and Listing Regulations;
7. Forms and returns filed with the ROC;
8. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws, on a sample basis;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 as available on the stock exchange website
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as available on the stock exchange website.



## Annexure G

### Form No. MGT-9

#### Extract of Annual Return

as on the financial year ended on 31st March, 2021

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. Registration and Other Details

CIN	L15122UP2015PLC069632
Registration Date	19-03-2015
Name of the Company	MAGADH SUGAR & ENERGY LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	P O Hargoon Dist Sitapur Uttar Pradesh 261 121, Tel No : 05862 256220
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	<b>Link Intime India Private Limited</b> 502 & 503, 5th Floor, Vaishno Chambers, 6, Brabourne Road, Kolkata - 700 001 Tel: 91 033 2289 0540 / Fax : 91 033 2289 0539, E-mail: kolkata@linkintime.co.in

#### II. Principal Business Activities of the Company

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	1072	84.23%

#### III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of shares held	Applicable Section
NOT APPLICABLE					

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Shareholding

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	242037	0	242037	1.7176	242037	0	242037	1.7176	0.0000
(b)	Central Government / State Government(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### i) Category-wise Shareholding (Contd.)

Sr No	Category of Shareholders	Shareholding at the beginning of the year – 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Any Other (Specify)									
	Promoter Trust	700280	0	700280	4.9695	700280	0	700280	4.9695	0.0000
	Bodies Corporate	7646165	0	7646165	54.2603	7646165	0	7646165	54.2603	0.0000
	<b>Sub Total (A)(1)</b>	<b>8588482</b>	<b>0</b>	<b>8588482</b>	<b>60.9474</b>	<b>8588482</b>	<b>0</b>	<b>8588482</b>	<b>60.9474</b>	<b>0.0000</b>
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>8588482</b>	<b>0</b>	<b>8588482</b>	<b>60.9474</b>	<b>8588482</b>	<b>0</b>	<b>8588482</b>	<b>60.9474</b>	<b>0.0000</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>									
(a)	Mutual Funds / UTI	0	926	926	0.0066	0	926	926	0.0066	0.0000
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(f)	Financial Institutions / Banks	34936	351	35287	0.2504	10	351	361	0.0026	-0.2478
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i)	Any Other (Specify)									
	<b>Sub Total (B)(1)</b>	<b>34936</b>	<b>1277</b>	<b>36213</b>	<b>0.2570</b>	<b>10</b>	<b>1277</b>	<b>1287</b>	<b>0.0091</b>	<b>-0.2479</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>									
	<b>Sub Total (B)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	2163207	81000	2244207	15.9258	2141094	80842	2221936	15.7678	-0.1580
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	1257627	29437	1287064	9.1335	1296049	29437	1325486	9.4062	0.2727
(b)	NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### i) Category-wise Shareholding (Contd.)

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Any Other (Specify)									
	Trusts	2340	0	2340	0.0166	0	0	0	0.0000	-0.0166
	Foreign Nationals	0	296	296	0.0021	0	0	0	0.0000	-0.0021
	Hindu Undivided Family	167962	0	167962	1.1919	227827	0	227827	1.6168	0.4249
	Non Resident Indians (Non Repat)	29356	0	29356	0.2083	35987	0	35987	0.2554	0.0471
	Non Resident Indians (Repat)	44349	3	44352	0.3147	84412	3	84415	0.5990	0.2843
	Clearing Member	38826	0	38826	0.2755	57671	0	57671	0.4093	0.1338
	Market Maker	553	0	553	0.0039	553	0	553	0.0039	0.0000
	Bodies Corporate	1626976	25003	1651979	11.7231	1522983	25003	1547986	10.9851	-0.7380
	<b>Sub Total (B)(3)</b>	<b>5331196</b>	<b>135739</b>	<b>5466935</b>	<b>38.7956</b>	<b>5366576</b>	<b>135285</b>	<b>5501861</b>	<b>39.0435</b>	<b>0.2479</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>5366132</b>	<b>137016</b>	<b>5503148</b>	<b>39.0526</b>	<b>5366586</b>	<b>136562</b>	<b>5503148</b>	<b>39.0526</b>	<b>0.0000</b>
	<b>Total (A)+(B)</b>	<b>13954614</b>	<b>137016</b>	<b>14091630</b>	<b>100.0000</b>	<b>13955068</b>	<b>136562</b>	<b>14091630</b>	<b>100.0000</b>	<b>0.0000</b>
(C)	<b>Non Promoter - Non Public</b>									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
	(C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>Total (A)+(B)+(C)</b>	<b>13954614</b>	<b>137016</b>	<b>14091630</b>	<b>100.0000</b>	<b>13955068</b>	<b>136562</b>	<b>14091630</b>	<b>100.0000</b>	

##### ii) Shareholding of Promoters

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
1	SIL INVESTMENTS LIMITED	1686658	11.9692			1686658	11.9692
2	AVADH SUGAR & ENERGY LIMITED	1486154	10.5464			1486154	10.5464
3	NEW INDIA RETAILING AND INVESTMENT LTD	1056490	7.4973			1056490	7.4973
4	YASHOVARDHAN INVESTMENT & TRADING CO. LTD.	717710	5.0932			717710	5.0932
5	HARGAON INVESTMENT & TRADING CO. LTD.	717358	5.0907			717358	5.0907

## IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

## ii) Shareholding of Promoters (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
6	CHANDRA SHEKHAR NOPANY#	700140	4.9685			700140	4.9685
7	RTM INVESTMENT AND TRADING CO. LTD.	449659	3.1910			449659	3.1910
8	SCM INVESTMENT & TRADING CO. LTD.	381561	2.7077			381561	2.7077
9	CHAMPARAN MARKETING CO. LTD.	284386	2.0181			284386	2.0181
10	OSM INVESTMENT & TRADING CO. LTD.	256093	1.8173			256093	1.8173
11	NANDINI NOPANY	184024	1.3059			184024	1.3059
12	NILGIRI PLANTATIONS LIMITED	150458	1.0677			150458	1.0677
13	SIDH ENTERPRISES LTD.	113948	0.8086			113948	0.8086
14	NARKATIAGANJ FARMS LIMITED	94210	0.6686			94210	0.6686
15	RONSON TRADERS LIMITED	91046	0.6461			91046	0.6461
16	RAJPUR FARMS LIMITED	72804	0.5166			72804	0.5166
17	CHANDRA SHEKHAR NOPANY	43175	0.3064			43175	0.3064
18	SHREE VIHAR PROPERTIES LTD	34382	0.2440			34382	0.2440
19	LA MONDE TRADING & INVESTMENTS PRIVATE LTD	27454	0.1948			27454	0.1948
20	PALASH SECURITIES LIMITED	20238	0.1436			20238	0.1436
21	URVI MITTAL	14838	0.1053			14838	0.1053
22	UTTAM COMMERCIAL LTD.	2429	0.0172			2429	0.0172
23	SONALI COMMERCIAL LTD.	1799	0.0128			1799	0.0128
24	PAVAPURI TRADING AND INVESTMENT COMPANY LTD.	1260	0.0089			1260	0.0089
25	CHANDRA SHEKHAR NOPANY##	140	0.0010			140	0.0010
26	DEEPSHIKHA TRADING CO. PRIVATE LIMITED	68	0.0005			68	0.0005

# As trustee of Shekhar Family Trust

## As trustee of Shruti Family Trust

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### iii) Change in Promoters' Shareholding (Please specify, if there is no change)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
NO CHANGE DURING THE PERIOD							

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
1	NAVJEEWAN MEDICAL INSTITUTE	783157	5.5576			783157	5.5576
	AT THE END OF THE YEAR					783157	5.5576
2	ANIL KUMAR GOEL	430000	3.0515			430000	3.0515
	Transfer			26 Jun 2020	40000	470000	3.3353
	Transfer			30 Jun 2020	20000	490000	3.4772
	Transfer			03 Jul 2020	10000	500000	3.5482
	Transfer			10 Jul 2020	42134	542134	3.8472
	Transfer			17 Jul 2020	17866	560000	3.9740
	Transfer			07 Aug 2020	2000	562000	3.9882
	Transfer			14 Aug 2020	2000	564000	4.0024
	Transfer			04 Sep 2020	2000	566000	4.0166
	Transfer			11 Sep 2020	2000	568000	4.0308
	Transfer			06 Nov 2020	3488	571488	4.0555
	Transfer			13 Nov 2020	512	572000	4.0591
	AT THE END OF THE YEAR					572000	4.0591
3	THE HINDUSTAN TIMES LIMITED	0	0.0000			0	0.0000
	Transfer			31 Dec 2020	154340	154340	1.0953
	AT THE END OF THE YEAR					154340	1.0953
4	DARSHAN FINANCIAL SERVICES PRIVATE LTD	22502	0.1597			22502	0.1597
	Transfer			04 Sep 2020	3667	26169	0.1857
	Transfer			11 Dec 2020	9071	35240	0.2501
	Transfer			18 Dec 2020	28458	63698	0.4520
	Transfer			31 Dec 2020	9000	72698	0.5159
	Transfer			22 Jan 2021	3227	75925	0.5388
	Transfer			26 Feb 2021	10489	86414	0.6132
	Transfer			05 Mar 2021	(3000)	83414	0.5919
	Transfer			12 Mar 2021	15000	98414	0.6984
	AT THE END OF THE YEAR					98414	0.6984
5	RAVIRAJ DEVELOPERS LIMITED	0	0.0000			0	0.0000
	Transfer			04 Sep 2020	19173	19173	0.1361
	Transfer			25 Sep 2020	2009	21182	0.1503
	Transfer			06 Nov 2020	300	21482	0.1524
	Transfer			04 Dec 2020	7500	28982	0.2057
	Transfer			18 Dec 2020	13902	42884	0.3043
	Transfer			31 Dec 2020	4000	46884	0.3327
	Transfer			15 Jan 2021	14884	61768	0.4383
	Transfer			05 Feb 2021	10000	71768	0.5093
	Transfer			05 Mar 2021	6216	77984	0.5534
	AT THE END OF THE YEAR					77984	0.5534

## IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

## iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
6	<b>SHOBHANA BHARTIA</b>	64591	0.4584			64591	0.4584
	AT THE END OF THE YEAR					64591	0.4584
7	<b>JYOTSNA PODDAR</b>	64591	0.4584			64591	0.4584
	AT THE END OF THE YEAR					64591	0.4584
8	<b>MAYA AGRAWAL</b>	30320	0.2152			30320	0.2152
	Transfer			15 May 2020	1550	31870	0.2262
	Transfer			14 Aug 2020	7700	39570	0.2808
	Transfer			04 Sep 2020	12816	52386	0.3718
	Transfer			06 Nov 2020	1817	54203	0.3846
	Transfer			20 Nov 2020	(32)	54171	0.3844
	Transfer			27 Nov 2020	9968	64139	0.4552
	Transfer			04 Dec 2020	32	64171	0.4554
	AT THE END OF THE YEAR					64171	0.4554
9	<b>LOK PRAKASHAN LTD</b>	0	0.0000			0	0.0000
	Transfer			12 Mar 2021	31745	31745	0.2253
	Transfer			19 Mar 2021	20040	51785	0.3675
	Transfer			31 Mar 2021	10000	61785	0.4385
	AT THE END OF THE YEAR					61785	0.4385
10	<b>TOUCHPOINT COMMERCIAL PRIVATE LIMITED</b>	0	0.0000			0	0.0000
	Transfer			26 Mar 2021	25000	25000	0.1774
	Transfer			31 Mar 2021	29154	54154	0.3843
	AT THE END OF THE YEAR					54154	0.3843
11	<b>AJAYKUMAR BHASKAR PATIL</b>	50074	0.3553			50074	0.3553
	AT THE END OF THE YEAR					50074	0.3553
12	<b>UNIVERSE PROPERTY LLP</b>	67735	0.4807			67735	0.4807
	Transfer			03 Apr 2020	(30000)	37735	0.2678
	Transfer			01 May 2020	(3000)	34735	0.2465
	Transfer			30 Jun 2020	30000	64735	0.4594
	Transfer			25 Sep 2020	(1107)	63628	0.4515
	Transfer			15 Jan 2021	(4960)	58668	0.4163
	Transfer			12 Feb 2021	(5040)	53628	0.3806
	Transfer			19 Feb 2021	(10000)	43628	0.3096
	AT THE END OF THE YEAR					43628	0.3096
13	<b>SHRI PARASRAM HOLDINGS PRIVATE LIMITED</b>	199930	1.4188			199930	1.4188
	Transfer			03 Apr 2020	(1020)	198910	1.4115
	Transfer			10 Apr 2020	(25180)	173730	1.2329
	Transfer			17 Apr 2020	(8000)	165730	1.1761
	Transfer			24 Apr 2020	(15000)	150730	1.0696
	Transfer			01 May 2020	(9126)	141604	1.0049
	Transfer			08 May 2020	1226	142830	1.0136
	Transfer			15 May 2020	(44978)	97852	0.6944
	Transfer			22 May 2020	(11508)	86344	0.6127
	Transfer			29 May 2020	(12993)	73351	0.5205
	Transfer			05 Jun 2020	(44971)	28380	0.2014
	Transfer			12 Jun 2020	4954	33334	0.2366
	Transfer			19 Jun 2020	37896	71230	0.5055
	Transfer			26 Jun 2020	(6966)	64264	0.4560

#### IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)

##### iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares held	% of total Shares of the Company	Date of Transaction	No. of Shares	No of Shares held	% of total Shares of the Company
	Transfer			30 Jun 2020	(9034)	55230	0.3919
	Transfer			03 Jul 2020	(12500)	42730	0.3032
	Transfer			10 Jul 2020	(22500)	20230	0.1436
	Transfer			17 Jul 2020	(2780)	17450	0.1238
	Transfer			24 Jul 2020	(2650)	14800	0.1050
	Transfer			31 Jul 2020	4375	19175	0.1361
	Transfer			07 Aug 2020	(1925)	17250	0.1224
	Transfer			14 Aug 2020	(2000)	15250	0.1082
	Transfer			21 Aug 2020	550	15800	0.1121
	Transfer			28 Aug 2020	(5000)	10800	0.0766
	Transfer			11 Sep 2020	(8300)	2500	0.0177
	Transfer			25 Sep 2020	2500	5000	0.0355
	Transfer			30 Oct 2020	7725	12725	0.0903
	Transfer			13 Nov 2020	(12675)	50	0.0004
	Transfer			04 Dec 2020	13950	14000	0.0993
	Transfer			11 Dec 2020	(11000)	3000	0.0213
	Transfer			18 Dec 2020	2302	5302	0.0376
	Transfer			25 Dec 2020	(4302)	1000	0.0071
	Transfer			29 Jan 2021	2042	3042	0.0216
	Transfer			26 Feb 2021	7260	10302	0.0731
	Transfer			05 Mar 2021	(8302)	2000	0.0142
	Transfer			12 Mar 2021	(1975)	25	0.0002
	Transfer			19 Mar 2021	35533	35558	0.2523
	Transfer			26 Mar 2021	(35508)	50	0.0004
	Transfer			02 Apr 2021	(50)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	<b>EARTHSTONE HOLDING (TWO) PRIVATE LIMITED</b>	154340	1.0953			154340	1.0953
	Transfer			25 Dec 2020	(154340)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
15	<b>NATARAJAN B</b>	92573	0.6569			92573	0.6569
	Transfer			03 Apr 2020	(9010)	83563	0.5930
	Transfer			22 May 2020	1	83564	0.5930
	Transfer			29 May 2020	27	83591	0.5932
	Transfer			26 Jun 2020	36417	120008	0.8516
	Transfer			03 Jul 2020	(26344)	93664	0.6647
	Transfer			10 Jul 2020	(93664)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
16	<b>SUNGOLD COMMOTRADE PRIVATE LIMITED</b>	54154	0.3843			54154	0.3843
	Transfer			26 Mar 2021	(54154)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)****v) Shareholding of Directors and Key Managerial Personnel:**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
<b>Mr. Chandra Shekhar Nopany, Chairperson</b>				
At the beginning of the year	43175	0.31		
Changes during the year	-	-	43175	0.31
At the end of the year			43175	0.31

**The following directors and KMP did not hold any shares during the year :**

● Mr Yashwant Kumar Daga, Independent Director	● Mr Ishwari Prosad Singh Roy, Independent Director
● Mr Padam Kumar Khaitan, Independent Director	● Mrs Shashi Sharma, Independent Director
● Mr Raj Kumar Bagri, Independent Director	● Mr Chandra Mohan, Wholetime Director
● Mr Sunil Choraria, Chief Financial Officer	● Mr Subramanian Sathyamurthy, Company Secretary & Compliance Officer

**V. Indebtedness**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(₹ in Lakhs)

	Secured Loans excluding deposits & Pref shares	Unsecured Loans	Deposits	Working Capital - Secured	Total Indebtedness
<b>Indebtness at the beginning of the financial year</b>					
i) Principal Amount	23,735.81	10,600.00	-	29,789.14	64,124.95
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	457.45	-	-	457.45
<b>Total (i+ii+iii)</b>	<b>23,735.81</b>	<b>11,057.45</b>	<b>-</b>	<b>29,789.14</b>	<b>64,582.40</b>
<b>Change in Indebtedness during the financial year</b>					
Additions	-	721.21	-	1,160.83	1,882.04
Reduction	( 3,078.49)	-	-	-	( 3,078.49)
<b>Net Change</b>	<b>( 3,078.49)</b>	<b>721.21</b>	<b>-</b>	<b>1,160.83</b>	<b>( 1,196.45)</b>
<b>Indebtedness at the end of the financial year</b>					
i) Principal Amount	20,657.32	11,500.00	-	30,949.97	63,107.29
ii) Interest due but not paid	-	-	-	-	-
iii) Interest accrued but not due	-	278.66	-	-	278.66
<b>Total (i+ii+iii)</b>	<b>20,657.32</b>	<b>1,778.66</b>	<b>-</b>	<b>30,949.97</b>	<b>63,385.95</b>



**VI. Remuneration of Directors and Key Managerial Personnel**
**A) Remuneration to Managing Director, Whole-time Directors and/or Manager:**

SI No.	Particulars of Remuneration	Mr Chandra Mohan, Wholetime Director (₹)	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	1,05,71,840	1,05,71,840
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,30,240	7,30,240
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Options		
3	Sweat Equity		
4	Commission		
	- As % of profit		
	- As others specify		
5	Others please specify		
	<b>Total (A)</b>	<b>1,13,02,080</b>	<b>1,13,02,080</b>

**B) Remuneration to other Directors:**

SI No.	Particulars of Remuneration	Name of Director						Total Amount (₹)
		Mr Chandra Shekhar Nopany (₹)	Mr Raj Kumar Bagri (₹)	Mr Yashwant Kumar Daga (₹)	Mr Ishwari Prosad Singh Roy (₹)	Mr Padam Kumar Khaitan (₹)	Mrs Shashi Sharma (₹)	
<b>1</b>	<b>Independent Directors</b>							
	Fee for attending Board/Committee Meetings	-	5,00,000	5,00,000	4,00,000	4,80,000	3,80,000	22,60,000
	Commission	-	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
	Others, please specify	-	-	-	-	-	-	-
	<b>Total B (1)</b>	-	<b>10,00,000</b>	<b>10,00,000</b>	<b>9,00,000</b>	<b>9,80,000</b>	<b>8,80,000</b>	<b>47,60,000</b>
<b>2</b>	<b>Non- Executive Directors</b>							
	Fee for attending Board/Committee Meetings	3,40,000	-	-	-	-	-	3,40,000
	Commission	5,00,000	-	-	-	-	-	5,00,000
	Others, please specify	-	-	-	-	-	-	-
	<b>Total B (2)</b>	<b>8,40,000</b>	-	-	-	-	-	<b>8,40,000</b>
	<b>Total B (1+2)</b>	<b>8,40,000</b>	<b>10,00,000</b>	<b>10,00,000</b>	<b>9,00,000</b>	<b>9,80,000</b>	<b>8,80,000</b>	<b>56,00,000</b>

**C) Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

SI No.	Particulars of Remuneration	Mr Sunil Choraria, Chief Financial Officer (₹)	Mr. Subramanian Sathyamurthy, Company Secretary (₹)	Total Amount (₹)
1	Gross salary			
	a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,81,263	22,35,050	44,16,313
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,21,500	2,56,000	5,77,500
	c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- As others specify	-	-	-
5	Others please specify	-	-	-
	<b>Total (A)</b>	<b>25,02,763</b>	<b>24,91,050</b>	<b>49,93,813</b>

**Vii. Penalties / Punishment/ Compounding of Offences:**

During the financial year 2020-21, there were no penalties / punishment / compounding of offences under the Companies Act, 2013 against the Company, its Directors or other officers in default.

## Annexure H

### Information under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2021

#### a) Conservation of Energy:

##### i. the steps taken or impact on conservation of energy:

The Company continues to take following initiatives to conserve energy during the year 2020-21:

- Various machineries and equipments installed during earlier years besides increasing generation of steam tend to reduce consumption of steam and fuel.
- Auto control combustion system fitted with all the boilers reduce the consumption of bagasse.
- VFDs are being installed at several working stations like Cane carrier, rake carrier etc. that will result in power saving.
- The modified system of heating sugarcane juices and bleeding of vapors for pan boiling is working satisfactorily in the form of considerably reducing consumption of steam and fuel.

##### ii. the steps taken by the company for utilizing alternate sources of energy:

- Use of DG sets for generating electricity has been kept to bare minimum.
- Electricity is generated in Co-generation Power Plant using Bagasse as fuel which is a renewable source of energy. Captive requirement of electricity is met out of this generation and the balance power is sold to the State Grid.

##### iii. the capital investment on energy conservation equipments:

In view of lesser availability of funds the Company does not intend to commit its already strained financial resources towards implementation of energy reduction programmes though the Company shall continue to use its existing resources and implement conventional methods to substantially reduce consumption of energy.

#### B) Technology Absorption:

##### i. the efforts made towards technology absorption

Continuous efforts are made to absorb the new technology in Research & Development work is undertaken in the following areas:

##### 1) Control of Insect, Pest and disease

- Through Hot Water Treatment:** in order to maintain disease free planting material of sugarcane, Hot water treatment is given to cane seed to eradicate disease pathogens i.e. fungal, mycoplasma, bacterial and viral contaminants which causes major diseases, affect cane yield and recovery as well. Hot water process improves the seed quality and yield of sugarcane.
- Chemical Control:** in order to control the insects, pest and diseases effective insecticides and fungicides are being applied in the sugarcane crop at previous incidence of insect, pest and diseases for timely control. Prophylactic foliar spray of effective fungicide is also being done to control the major diseases i.e. Red rot, Wilt, Smut and Pokka Boeig etc. To increase the foliar application of fungicides, Insecticide and soluble fertilizers on standing cane crop, distributing knap sack sprayers and tractor mounted sprayers on subsidized rates to our cane growers. Farmers are also being communicated for timely application of insecticide, fungicide and fertilizers through WhatsApp, SMS, pamphlets and personal contact too.
- Soil Treatment with bio-agent:** To control the soil borne diseases application of Trichoderma is being applied just before planting and in standing crop also to reduce the inoculum load of pathogens. Azotobacter and PSB (Phosphorous solubilizing bacteria) are also being applied to improve the natural soil fertility. Farmers are also being educated to apply press mud bio-compost or FYM to increase the population of useful microbes, reduce the fertilizer cost and enrich the natural soil fertility longer.

- Seed Multiplication:** For the rapid multiplication and production of disease free planting material (Cane Seed) production of seedlings is being done through Tissue culture and IVPS technique. Single bud cane seed nursery is also being done for further fast multiplication of new promising varieties.
- Disease free seed Nursery:** Maintaining disease free seed nurseries at Co's farms and farmer's fields as well. Intensive monitoring and timely application of fungicide, insecticide and required fertilizer application is being done under direction of cane development.
- Encouragement of wider space planting through Trench planters and Ring Pit Machine:** farmers are being encouraged for wider space planting through trench and Ring pit method of planting to increase the cane yield.
- Ratoon management:** To increase the cane yield of the ratoon crop, farmers are being educated on regular basis for timely agronomical practices i.e. stubble shaving, gaps filling, timely irrigation, fertilizer, insecticide and fungicide application activities. Time to time village meetings, distribution of pamphlets and farmer's seminar, is being conducted to educate the cane growers.

By opting of above efforts, higher yield and disease free cane is being made available to the company's sugar mills resulting in higher yield to the cane growers and sufficient cane to the company as well. This persistent effort of cane development has also contributed to the higher recovery of crushed cane.

- The Company has not imported any new technology during last three years.
- The Company had incurred an expenditure on research and cane development amounting to ₹ 545.05 lakhs

#### (C) Foreign Exchange Earnings and Outgo:

- Activities relating to exports, initiatives taken to increase exports
- Development of new export markets for products and services and export plan
- Earnings in Foreign Exchange (FOB Value) ₹ 3260.59 lakhs
- Expenditure in Foreign Currency ₹ Nil

## Annexure I

### A) Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The percentage increase in remuneration of each Director, Wholetime Director, Chief Financial Officer and Company Secretary in the financial year 2020-21 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name	Designation	Remuneration for the year ended 31.03.2021 (₹ in lakhs)	% age increase in remuneration in the FY 2020-21 as compared to Previous year 2019-20	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr Chandra Shekhar Nopany	Chairperson	8.40	13.51	3.94
Mr Raj Kumar Bagri	Independent Director	10.00	8.70	4.69
Mr Yashwant Kumar Daga	Independent Director	10.00	11.11	4.69
Mr Ishwari Prosad Singh Roy	Independent Director	9.00	0.00	4.23
Mr padam Kumar Khaitan	Independent Director	9.80	8.89	4.60
Mrs Shashi Sharma	Independent Director	8.80	15.79	4.13
Mr Chandra Mohan	Wholetime Director	105.72	8.88	49.63
Mr Sunil Choraria	Chief Financial Officer	27.34	4.95	Not Applicable
Mr Subramanian Sathyamurthy	Company Secretary	26.75	2.81	Not Applicable

- ii. The percentage increase in the median remuneration of employees in the financial year 2020-21: 1.82%
- iii. The number of permanent employees on the rolls of the Company: 1158
- iv. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Average increase in the salaries of employees other than managerial personnel in the financial year 2020-21 is 4.20%. Details of percentage increase in the remuneration of managerial personnel is given in the table above.
- v. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company

## Annexure I (Contd.)

### B) Particulars of Employees pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

#### Top Ten Employees in terms of Remuneration Drawn during the Financial Year 2020-21

Sl. No.	Name of the Employee	Designation	Qualification	Age (years)	Experience (Years)	Date of Commencement of Employment	Remuneration Received (₹)	Last employment	Equity Shares held
1	Shri Chandra Mohan	Whole Time Director	Diploma in Mechanical Engineering	61	37	09-03-2017	1,05,71,840	The Oudh Sugar Mills Ltd	Nil
2	Chand Bihari Patodia	Group President	Intermediate	72	53	01-04-2017	72,57,600	The Oudh Sugar Mills Ltd	Nil
3	Mehtab Singh	Executive President	Msc. Ag., MA Indl. Psychology	56	30	24-07-2014	67,76,540	Triveni Sugar	Nil
4	Shri Manoj Kumar Singh	Executive Vice President	M.Sc. (AG)	52	25	18-08-2019	46,85,564	Balarampur Sugar Mills Limited	Nil
5	Shri Brij Mohan Agarwal	Vice President Sales	B. Com, MBA (Finance)	51	30	01-04-2017	39,56,450	The Oudh Sugar Mills Ltd	Nil
6	Shri Sunil Choraria	Chief Financial Officer	B.Com, CS PGDBM	49	27	01-04-2017	27,01,501	Shree Service & Trading Co. Ltd	Nil
7	Shashi Kedia	Sr. Executive Vice President	MBA	42	20	01-08-2001	26,86,002	The Oudh Sugar Mills, Ltd	Nil
8	Om Prakash Singh	Executive Vice President (Technical)	Diploma in Mechanical Engineering	56	34	01-05-2013	26,20,969	Lakshmi Sugar Mills Co. Ltd.	Nil
9	Shri S Subramanian	Company Secretary	B.Com (Hons) FCS	55	28	01-04-2017	25,47,374	Upper Ganges Sugar & Industries Ltd.	Nil
10	Manoj Prasad	V.P.Finance	B.Com, AICWA	51	26	28.05.2008	24,60,964	Gobind Sugar iMills Ltd., Aira (U.P.)	Nil

For and on behalf of the Board

Place: Kolkata

Date: 11th May, 2021

**Chandra Shekhar Nopany**

Chairperson

## Annexure J

### Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2020-21

Sr. No	Particulars		Remarks						
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.		The Company's CSR policy focuses on practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with an intent to make a positive difference to society and to conduct the business in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.						
2.	Composition of the CSR Committee.								
	Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number meetings of CSR Committee attended during the year				
	1.	Mr Chandra Shekhar Nopany,	Chairperson	3	3				
	2.	Mr Padam Kumar Khaitan,	Independent Director	3	3				
	3.	Mr Chandra Mohan	Whole-time Director	3	3				
3.	Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.		The CSR policy is available on the website of the Company viz. <a href="http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf">http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf</a>						
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)		Not applicable for the financial year under review						
	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)					
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any		Not applicable for the financial year under review						
6.	Average net profit of the Company as per section 135(5)				Rs 5861.45 lakhs				
7.	a.	Two percent of average net profit of the company as per section 135(5)			Rs 125.40 lakhs				
	b.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.			Nil				
	c.	Amount required to be set off for the financial year, if any			Nil				
	d.	Total CSR obligation for the financial year (7a+7b-7c)			Rs 125.50 lakhs				
8.	(a)	CSR amount spent or unspent for the financial year :			NIL				
Total Amount Spent for the Financial Year (in Rs.)		Amount Unspent (in Rs.)							
		Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)					
		Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer			
125.50 lakhs		Not applicable		Not applicable					
8.	(b)	Details of CSR amount spent against on-going projects for the financial year :							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
SI No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project	Project Duration	Amount allotted for the project (in Rs.)	Amount spent in the current financial year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Director (Yes/No)
				State	District				
Not Applicable									

### 8. c) Details of CSR amount spent against other than on-going projects for the financial year:

Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation through implementing agency	
				State	District			Name	CSR registration number
1	Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	3,60,416.29	Yes	N/A	N/A
2	Sanitizer Dispenser, and tractor mounted disinfectant spray machine	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	4,28,746.00	Yes	N/A	N/A
3	Nopany Foundation	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	West Bengal	Kolkata	1,00,00,000.00	Yes	N/A	N/A
4	Sanitizer Dispenser, and tractor mounted disinfectant spray machine	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Gopalganj	4,35,901.42	Yes	N/A	N/A
5	Supply and Installation of Hand Pump with complete set	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Gopalganj	2,60,000.00	Yes	N/A	N/A
6	Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Samastipur	10,64,729.69	Yes	N/A	N/A

8.	(d)	Amount spent in Administrative Overheads					NIL	
	(e)	Amount spent on Impact Assessment, if applicable					NIL	
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)					Rs 125.50 Lakhs	
	(g)	Excess amount for set off, if any					NIL	
SI No	Particulars						Amount (in Rs.)	
(i)	Two percent of average net profit of the company as per section 135(5)						125.40 lakhs	
(ii)	Total amount spent for the Financial Year						125.50 lakhs	
(iii)	Excess amount spent for the financial year [(ii)-(i)]						0.10 lakhs	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any						-	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]						0.10 lakhs	
9.	(a)	Details of Unspent CSR amount for the preceding three financial years :						
SI No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)	
				Name of the Fund	Amount (in Rs.)	Date of transfer		
Not applicable								
9	(b)	Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s) :						
SI No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the Project – Completed / On-going
Not applicable								
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).							
	(a)	Date of creation or acquisition of the capital asset(s).						Not applicable
	(b)	Amount of CSR spent for creation or acquisition of capital asset.						Not applicable
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.						Not applicable
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).						Not applicable
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)						Not applicable	

Place: Kolkata  
Date: 11th May, 2021

**Chandra Mohan**  
Whole-time Director

**Chandra Shekhar Nopany**  
Chairperson, CSR Committee



# Independent Auditor's Report

To the Members of

**Magadh Sugar & Energy Limited**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of **Magadh Sugar & Energy Limited** ("the Company"), which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit including other comprehensive income, its cash flows and the changes in equity 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), as 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### 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 for the financial year ended March 31, 2021. 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>(a) Determination of net realizable value of inventory of Sugar as at the year ended March 31, 2021</b> <i>(Refer note 3.7 and 8 of the financial statements)</i>	
<p>The inventory of Sugar is valued at the lower of cost and net realizable value ('NRV'). As on March 31, 2021, the Company has inventory of Sugar with the carrying value of Rs 61,152.29 lakhs.</p> <p>The Sugar industry being seasonal in nature, the assessment of carrying value at each reporting date involves ascertainment of cost incurred till that reporting period for each Sugar Unit and estimation of corresponding NRV.</p> <p>We considered this to be a key audit matter given the relative size of the balance in the financial statements and significant judgment involved in the consideration of factors such as minimum selling price, monthly quota, fluctuation in selling prices and the related notification of the Government in determination of net realizable value.</p>	<p>Our audit procedures included among others,</p> <ul style="list-style-type: none"> <li>Considering the appropriateness of the Company's accounting policies relating to the valuation of finished goods of sugar and assessing the compliance with the applicable accounting standards. Testing the effectiveness of the Company's control over calculation of cost of finished goods for each sugar unit and estimation of corresponding NRV.</li> <li>We considered various factors including the actual selling price prevailing around and subsequent to the year end, minimum selling price &amp; monthly quota and other notifications of the Government of India, initiative taken by the Government with respect to sugar industry as a whole.</li> </ul> <p>Based on the above procedures performed, we concluded that management's process for determination of NRV and comparing that with cost of inventory of sugar, is considered to be reasonable.</p>

Key audit matters	How our audit addressed the key audit matter
<b>Accounting for Government Grants</b> (Refer note 43 of the financial statements)	
<p>The Central Government have issued notification for assistance to sugar units, inter alia, export of sugar along with compliance of other conditions to be eligible to get certain government grants to facilitate payment of farmers' dues for sugar season 2020-21.</p> <p>We determined this to be a matter of significance to our audit due to the quantum of the government grant, compliance requirements of the schemes, appropriateness of timing of recognition of grant income and also because these are subject to significant judgment of the management.</p>	<p>Our audit procedures included among others,</p> <ul style="list-style-type: none"> <li>● Evaluating eligibility requirements of schemes issued by the Central Government.</li> <li>● Understanding and testing the design and operating effectiveness of controls as established by the management in recognition and assessment of the recoverability of the grant.</li> </ul> <p>Considering the relevant notifications to ascertain the basis for determination, completion of performance obligation and assessing the appropriateness of the management estimates for accounting of government grant and timing of recognition.</p> <p>Based on the above procedures performed, we concluded that income from grant has been appropriately accounted for.</p>

## Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, 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 in the 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 Management and those charged with governance for the Financial Statements

The Company's Board of Directors is 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 income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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 is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**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 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 system 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 for the financial year ended March 31, 2021 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.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.
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 the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in **"Annexure 2"** to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 38 to the financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR **Singhi & Co.**  
Chartered Accountants  
Firm Registration No.302049E

**(Pradeep Kr. Singhi )**  
Partner  
Membership No. 50773  
UDIN: 21050773AAAAAB3604

Place: Kolkata  
Date: May 11, 2021

## ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING “REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF MAGADH SUGAR & ENERGY LIMITED AS AT AND FOR THE YEAR ENDED MARCH 31, 2021

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties included in property, plant and equipment are held in the name of the company except Freehold Land of Rs. 385.07 lakhs are not held in the name of the Company. As explained to us, revenue receipts in the name of the Company, pursuant to Scheme of arrangement in earlier year, is in process as on the Balance Sheet date.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 related to manufacture of its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, done a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, Goods & Service Tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, Goods and Service Tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax, Goods and Service Tax & cess on account of any dispute, are as follows :

Name of Statute	Nature of dues	Amount in Rs. Lakhs	Period to which amount relates	Forum where dispute is pending
Bihar VAT Act, 2005	Differential VAT on Denatured Sprit. VAT on exempted Sales.	72.86	2008-09 to 2011-12	Appellate tribunal, Patna / Joint Commissioner Appeals.
Bihar Molasses (Control) Act, 1947	Administration Charges on Molasses	116.29	1995-96 to 1999-2000	Supreme Court of India
The Bihar Electricity Duty Act, 1948	Demand for Electricity Duty on Sale of Electricity	162.99	2009-10 to 2012-13	Supreme Court of India
Central Excise Act, 1944	Disallowance of CENVAT credit on certain input / capital items / input services.	535.07	2004-05 to 2007-08, October 2014 to December 2016	CESTAT / Commissioner (Appeal)
Bihar Sugarcane (Supply & Regulation) Act, 1981	Interest on Cane cess	3.37	1984-85 to 1986-87, 1991-92, 1994-95 to 1998-99, 2003-04 & 2004-05.	Certificate Officer, Samastipur

- (viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to bank or government. The Company did not have any outstanding dues in respect of financial institutions or debenture holders during the year.
- (ix) In our opinion and according to the information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 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) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

FOR **Singhi & Co.**  
Chartered Accountants  
Firm Registration No.302049E

**(Pradeep Kr. Singhi )**  
Partner  
Membership No. 50773  
UDIN: 21050773AAAAAB3604

Place: Kolkata  
Date: May 11, 2021

## ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF MAGADH SUGAR & ENERGY LIMITED

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Magadh Sugar and Energy Limited ("the Company") as of March 31, 2021 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 based on the internal control with reference to financial statements 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. 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 the 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 Companies Act, 2013.

### 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") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. 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 system 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 such internal financial controls, 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 internal financial controls system with reference to financial statements.

### Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statement 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 are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised 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 financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements 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.

FOR **Singhi & Co.**  
Chartered Accountants  
Firm Registration No.302049E

**(Pradeep Kr. Singhi)**  
Partner  
Membership No. 50773  
UDIN: 21050773AAAAAB3604

Place: Kolkata  
Date: May 11, 2021

# Balance Sheet as at 31st March, 2021

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
<b>ASSETS</b>			
<b>1. Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	69,057.11	67,030.52
(b) Capital Work-in-Progress	5	1,459.69	664.09
(c) Other Intangible Assets	6	15.53	15.22
(d) Financial Assets			
(i) Investments	7	0.68	0.68
(ii) Loans	13	68.76	3.68
(iii) Other Financial Assets	14	2.00	2.00
(e) Other Non-current Assets	16	956.63	272.89
<b>Total Non-current Assets</b>		<b>71,560.40</b>	<b>67,989.08</b>
<b>2. Current Assets</b>			
(a) Inventories	8	65,758.52	76,966.44
(b) Biological assets other than bearer plants	9	102.90	110.88
(c) Financial Assets			
(i) Trade Receivables	10	1,205.80	878.82
(ii) Cash and Cash Equivalents	11	45.85	66.79
(iii) Bank Balances other than (ii) above	12	13.59	5.78
(iv) Loans	13	46.14	49.79
(v) Other Financial Assets	14	299.35	618.84
(d) Current Tax Assets (net)	15	41.18	273.55
(e) Other Current Assets	17	3,900.44	7,471.38
<b>Total Current Assets</b>		<b>71,413.77</b>	<b>86,442.27</b>
<b>TOTAL ASSETS</b>		<b>1,42,974.17</b>	<b>1,54,431.35</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	18	1,409.16	1,409.16
(b) Other Equity	19	54,354.59	52,222.32
<b>Total Equity</b>		<b>55,763.75</b>	<b>53,631.48</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	8,408.37	12,130.77
(ii) Other Financial Liabilities	22	125.38	128.35
(b) Provisions	23	262.06	316.16
(c) Deferred Tax Liabilities (net)	24	2,883.52	2,115.39
<b>Total Non-current Liabilities</b>		<b>11,679.33</b>	<b>14,690.67</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	20	50,949.97	48,889.14
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	21	67.34	94.21
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	21	16,454.03	31,227.20
(iii) Other Financial Liabilities	22	4,785.24	4,246.90
(b) Other Current Liabilities	25	2,483.94	485.21
(c) Provisions	23	587.16	560.97
(d) Current Tax Liabilities (net)	26	203.41	605.57
<b>Total Current Liabilities</b>		<b>75,531.09</b>	<b>86,109.20</b>
<b>Total Liabilities</b>		<b>87,210.42</b>	<b>1,00,799.87</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,42,974.17</b>	<b>1,54,431.35</b>
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

**Pradeep Kumar Singh**

Partner

Membership No.: 050773

Place: Kolkata

Date: 11th May, 2021

**Chandra Mohan**

Whole-time Director

DIN: 07760264

**Chandra Shekhar Nopany**

Chairperson

DIN: 00014587

**Subramanian Sathyamurthy**

Company Secretary

**Sunil Choraria**

Chief Financial Officer



## Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Notes	Year ended 31st March, 2021		Year ended 31st March, 2020	
<b>I. Revenue from Operations</b>	27		95,194.48		91,615.85
<b>II. Other Income</b>	28		225.50		325.42
<b>III. Total Income (I + II)</b>			<b>95,419.98</b>		<b>91,941.27</b>
<b>IV. Expenses</b>					
Cost of Materials Consumed	29		60,121.84		74,768.14
Changes in inventories of Finished Goods and Work-in-progress	30		11,104.50		(12,527.51)
Employee benefits expense	31		4,778.75		4,840.26
Finance costs	32		5,530.65		4,832.72
Depreciation and amortization expense	33		1,918.51		1,801.60
Other expenses	34		7,734.61		9,056.04
<b>Total Expenses</b>			<b>91,188.86</b>		<b>82,771.25</b>
<b>V. Profit before exceptional items and tax (III - IV)</b>			4,231.12		9,170.02
<b>VI. Exceptional Items</b>	43		-		1,594.32
<b>VII. Profit before tax (V + VI)</b>			<b>4,231.12</b>		<b>10,764.34</b>
<b>VIII. Tax expense</b>					
Current tax	35	750.77		1,887.43	
Provision for tax related to earlier years	35	-		0.05	
Deferred tax	35	772.23		572.95	
<b>Total Tax expenses</b>			<b>1,523.00</b>		<b>2,460.43</b>
<b>IX. Profit for the year (VII - VIII)</b>			<b>2,708.12</b>		<b>8,303.91</b>
<b>X. Other comprehensive income</b>					
<b>Items that will not be reclassified subsequently to profit or loss</b>					
(a) Remeasurement of defined benefit liability / (asset)		(16.28)		(79.54)	
(b) Income taxes relating to items that will not be reclassified to profit or loss		4.10		3.92	
<b>Other comprehensive income for the year, net of income tax</b>			<b>(12.18)</b>		<b>(75.62)</b>
<b>XI. Total comprehensive income for the year (IX + X)</b>			<b>2,695.94</b>		<b>8,228.29</b>
<b>XII. Earnings per equity share [Nominal value per equity share ₹10 (₹10)]</b>					
(a) Basic (₹)	36		<b>19.22</b>		<b>58.93</b>
(b) Diluted (₹)	36		<b>19.22</b>		<b>58.93</b>
Summary of significant accounting policies	3				
The accompanying notes are an integral part of the financial statements.					

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

**Pradeep Kumar Singhi**

Partner

Membership No.: 050773

Place: Kolkata

Date: 11th May, 2021

**Chandra Mohan**

Whole-time Director

DIN: 07760264

**Subramanian Sathyamurthy**

Company Secretary

**Chandra Shekhar Nopany**

Chairperson

DIN: 00014587

**Sunil Choraria**

Chief Financial Officer

## Statement of Changes in Equity for the year ended 31st March, 2021

### A. Equity Share Capital

Particulars	Notes	As at 31st March, 2021		As at 31st March, 2020	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	18	1,40,91,630	1,409.16	1,00,65,450	1,006.55
Change in equity share capital during the year	18	-	-	40,26,180	402.61
<b>Balance at the end of the year</b>	<b>18</b>	<b>1,40,91,630</b>	<b>1,409.16</b>	<b>1,40,91,630</b>	<b>1,409.16</b>

### B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
Balance at 1st April, 2019	36,897.75	1,150.00	6,591.58	44,639.33
Total comprehensive income for the year				
- Profit	-	-	8,303.91	8,303.91
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	(75.62)	(75.62)
Total comprehensive income	-	-	8,228.29	8,228.29
Utilised for Bonus shares issued during the year [Note 19]	-	(402.61)	-	(402.61)
Dividend (including tax thereon) on equity shares [Note 19]	-	-	(242.69)	(242.69)
Balance at 31st March, 2020	36,897.75	747.39	14,577.18	52,222.32
<b>Total comprehensive income for the year</b>				
- Profit	-	-	2,708.12	2,708.12
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	(12.18)	(12.18)
<b>Total comprehensive income</b>	-	-	2,695.94	2,695.94
<b>Dividend on equity shares [Note 19]</b>	-	-	(563.67)	(563.67)
<b>Balance at 31st March, 2021</b>	<b>36,897.75</b>	<b>747.39</b>	<b>16,709.45</b>	<b>54,354.59</b>

The description, nature and purpose of each reserve within equity are as follows:

#### (a) Capital Reserve

The difference between the net fair value of assets and liabilities of the sugar business undertakings acquired and shares allotted pursuant to the scheme of arrangement in earlier year.

#### (b) Capital Redemption Reserve

The Company had created Capital Redemption Reserve on Non-convertible cumulative redeemable preference shares in accordance with the Companies Act, 2013. The reserve may be applied in accordance with the provisions of Section 69 of the Companies Act, 2013.

The accompanying notes are an integral part of the financial statements.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

**Pradeep Kumar Singhi**

Partner

Membership No.: 050773

Place: Kolkata

Date: 11th May, 2021

**Chandra Mohan**

Whole-time Director

DIN: 07760264

**Subramanian Sathyamurthy**

Company Secretary

**Chandra Shekhar Nopany**

Chairperson

DIN: 00014587

**Sunil Choraria**

Chief Financial Officer

## Cash Flow Statement for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	4,231.12	10,764.34
Adjustments for:		
Depreciation and amortisation expense	1,918.51	1,801.60
Depreciation in relation to Biological Assets other than bearer plants	9.12	9.29
Finance Costs	5,530.65	4,832.72
Provision for bad and doubtful debts / advances	28.88	86.15
Bad debts, irrecoverable claims and advances written off (net)	-	0.04
Loss on sale / discard of Property, Plant and Equipment (net)	44.49	1.15
Interest income	(80.57)	(25.80)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(22.87)	(39.27)
	<b>11,659.33</b>	<b>17,430.22</b>
Working capital adjustments:		
Decrease / (Increase) in Inventories	11,207.92	(11,894.36)
Decrease / (Increase) in Biological assets other than bearer plants	7.98	(4.09)
(Increase) / Decrease in Trade Receivables and Loans	(409.70)	1,155.56
Decrease / (Increase) in Other Financial Assets	321.09	(466.23)
Decrease / (Increase) in Other Assets	3,559.20	(2,637.96)
Decrease in Trade Payables	(14,777.17)	(3,436.25)
Decrease in Other Financial Liabilities	(86.35)	(32.28)
Decrease in Provisions	(44.19)	(1.21)
Increase / (Decrease) in Other Liabilities	1,998.73	(11.20)
Cash generation from Operations	<b>13,436.84</b>	<b>102.20</b>
Income tax paid (net of refund received)	(920.56)	(1,755.52)
<b>Net Cash generated from / (used in) Operating Activities</b>	<b>12,516.28</b>	<b>(1,653.32)</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of Property, Plant and Equipment	26.52	12.58
Acquisition of Property, Plant and Equipment	(5,343.05)	(3,641.81)
Acquisition of Other Intangible Assets	(5.92)	(7.64)
Interest received	78.97	29.43
<b>Net Cash used in Investing Activities</b>	<b>(5,243.48)</b>	<b>(3,607.44)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Non-current Borrowings	(3,104.62)	(4,403.20)
Proceeds from Non-current Borrowings	-	7,080.00
Proceeds from Current Borrowings (net)	2,060.83	7,558.98
Repayment of Lease liabilities	(2.97)	(2.70)
Interest on lease liabilities paid	(12.03)	(12.30)
Other Interest paid	(5,671.28)	(4,701.69)
Dividend on Equity Shares including tax thereon paid, if any	(563.67)	(242.69)
<b>Net Cash (used in) / generated from Financing Activities</b>	<b>(7,293.74)</b>	<b>5,276.40</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>(20.94)</b>	<b>15.64</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>66.79</b>	<b>51.15</b>
<b>Cash &amp; Cash Equivalents at the end of the year</b>	<b>45.85</b>	<b>66.79</b>

## Change in Liability arising from financing activities

(₹ in lakhs)

Particulars	As on 31st March, 2020	Cash Flow	Fair Value Change	As on 31st March, 2021
Non-current Borrowings (Note 20)	15,235.81	(3,104.62)	26.13	12,157.32
Current Borrowings (Note 20)	48,889.14	2,060.83	-	50,949.97

Particulars	As on 1st April 2019	Cash Flow	Fair Value Change	As on 31st March 2020
Non-current Borrowings (Note 20)	12,542.50	2,676.80	16.51	15,235.81
Current Borrowings (Note 20)	41,330.16	7,558.98	-	48,889.14

Refer Note 40 for movement in lease liabilities.

For and on behalf of the Board of Directors

As per our report of even date attached

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

**Pradeep Kumar Singhi**

Partner

Membership No.: 050773

Place: Kolkata

Date: 11th May, 2021

**Chandra Mohan**

Whole-time Director

DIN: 07760264

**Subramanian Sathyamurthy**

Company Secretary

**Chandra Shekhar Nopany**

Chairperson

DIN: 00014587

**Sunil Chordia**

Chief Financial Officer

# Notes to Financial Statements for the year ended 31st March, 2021

## 1. Reporting entity

Magadh Sugar & Energy Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 261121, India. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). During the year, its equity shares were delisted on Calcutta Stock Exchange (CSE) w.e.f. 12th February, 2021.

The Company is primarily engaged in the manufacture and sale of sugar and its by-products (molasses, bagasse and press-mud), denatured spirits including ethanol and power. The Company has operations in India.

## 2. Basis of preparation

### 2.1 Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) notified under Section 133 of the Companies Act, 2013 ('Act') and other relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 11th May, 2021.

Details of the Company's accounting policies are included in Note 3.

### 2.2 Functional and presentation currency

These financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency. All amounts have been rounded off to the nearest lakhs, unless otherwise indicated.

### 2.3 Basis of measurement

The financial statements have been prepared on historical cost convention on the accrual basis, except for the following items:

Items	Measurement basis
(i) Certain financial assets and liabilities	Fair value
(ii) Biological assets other than bearer plants	Fair value less costs to sell
(iii) Employee's defined benefit plan	As per actuarial valuation
(iv) Assets held for sale	Lower of its carrying amount and fair value less costs to sell

Fair value is the price that would be received on the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. In determining the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### 2.4 Use of judgments and estimates

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

- Note 4 and 6 - Useful life and residual value of property, plant and equipment and other intangible assets;
- Note 9 - Determining the fair values of biological assets other than bearer plants on the basis of significant unobservable inputs;
- Note 23 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 24 - Recognition of deferred tax assets: availability of future taxable profit against which MAT credit entitlement and other tax losses can be used;
- Note 38 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 44 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

Information about assumptions and judgement uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

- Note 40 - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.

### 2.5 Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for financial assets and financial liabilities.

The Company has an established control framework with respect to the measurement of fair values. The management has overall responsibility for overseeing all significant fair value measurements and it regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- **Level 1:** inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- **Level 2:** inputs are inputs, other than quoted prices included in level 1, that are observable for the asset or liability, either directly or indirectly; and
- **Level 3:** inputs are unobservable inputs for the asset or liability.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.4.

## 3. Summary of Significant accounting policies

### 3.1 Classification of assets and liabilities as current and non-current

All assets and liabilities are classified as Current or Non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act.

#### Assets

**An asset is classified as current when it satisfies any of the following criteria:**

- it is expected to be realised in or intended for sale or consumption in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is expected to be realised within twelve months after the reporting date; or
- it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include current portion of non-current financial assets.

All other assets are classified as non-current.

#### Liabilities

**A liability is classified as current when it satisfies any of the following criteria:**

- it is expected to be settled in the Company's normal operating cycle;
- it is held primarily for the purpose of being traded;
- it is due to be settled within twelve months after the reporting date; or
- the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **Operating cycle**

For the purpose of current / non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of business and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents.

### **3.2 Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currency of the Company at the exchange rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate prevailing at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of initial transaction.

Exchange differences are recognised in the Statement of Profit and Loss in the period in which they arise.

### **3.3 Financial instruments**

#### **Recognition and initial measurement**

Trade Receivables issued are initially recognised when they are originated. All other financial assets and liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

#### **Classification and subsequent measurement**

##### **(i) Financial assets**

On initial recognition, a financial asset is classified and measured at:

- amortised cost; or
- fair value through other comprehensive income (FVOCI) - Equity Investment; or
- fair value through profit or loss (FVTPL).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

##### **(ii) Financial assets at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The effective interest rate (EIR) amortisation is included in finance income in the Statement of Profit and Loss. This category generally applies to long-term deposits and long-term trade receivables.

##### **(iii) Financial assets at fair value through other comprehensive income (FVOCI)**

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI - equity investment). This election is made on an investment-by-investment basis.

Financial assets are measured at the FVOCI if both of the following conditions are met:

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

Financial assets included within the FVOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognised in the other comprehensive income (OCI).

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### (iv) **Financial assets at fair value through profit or loss (FVTPL)**

All financial assets which do not meet the criteria for categorisation as at amortised cost or FVOCI as described above are classified as at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

**Financial assets:** Assessment whether contractual cash flows are solely payments of principal and interest (SPPI).

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

### (v) **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.

### (vi) **Financial liabilities: Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortised cost or FVTPL.

### (vii) **Financial liabilities through fair value through profit or loss (FVTPL)**

A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss.

### (viii) **Financial liabilities at amortised cost**

Other financial liabilities are subsequently measured at amortised cost using the effective interest (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

Any gain or loss on derecognition is also recognised in Statement of Profit and Loss.

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the EIR amortisation process. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximates fair value due to the short maturity of these instruments.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### **Derecognition**

#### **(i) Financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### **(ii) Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expired.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

### **Offsetting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## **3.4 Property, plant and equipment [PPE]**

### **Recognition and measurement**

Items of property, plant and equipment are stated at cost / deemed cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price inclusive of duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection/ commissioning expenses, borrowing cost, any directly attributable cost of bringing the item to its working condition for its intended use and costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate components of property, plant and equipment.

A property, plant and equipment is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal. Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Property, plant and equipment under construction are disclosed as Capital work-in-progress.

### **Subsequent expenditure**

Subsequent costs are capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

### **Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual value using straight line method over the useful lives of assets and recognised in the Statement of Profit and Loss.

The useful lives have been determined based on technical evaluation done by the management's expert, supported by independent assessment by professionals, and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013, except for certain plant and equipments as 5-40 years, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.



## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

The range of estimated useful lives of items of property, plant and equipment are as follows:

Class of assets	Management estimate of useful life (in years)
Factory buildings	5 - 30
Non factory buildings	5 - 60
Plant and equipments	5 - 40
Computer and data processing equipment	3 - 6
Furniture and fixtures	10
Vehicles	8 - 10
Office equipments	5

Depreciation method, useful lives and residual values of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Depreciation on additions to or disposal of assets is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

Individual assets costing below ₹ 5,000 are fully depreciated in the year of purchase as these assets have no significant useful life.

### Capital work-in-progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the balance sheet date. Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on project under implementation are treated as Pre-operative expenses pending allocation to the asset and are shown under CWIP.

### 3.5 Intangible assets

Intangible assets including Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Computer software is considered as 5 years.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in Statement of Profit and Loss as incurred.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted, if appropriate.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

### 3.6 Biological assets other than bearer plants

Biological assets other than bearer plants comprise standing crops of sugarcane and other agriculture products.

On initial recognition and at the end of each reporting period, Biological assets other than bearer plants are measured at fair value less estimated costs to sell. Changes in fair value are recognised in the Statement of Profit and Loss.

The fair value of these assets excludes the land upon which the crops are planted or the items of property, plant and equipment utilised in the upkeep of planted areas.

The biological process starts with preparation of land for planting, seedlings and ends with the harvesting of crops. For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation upto the balance sheet date.

When harvested, sugarcane is transferred to inventory at fair value less costs to sell.

### 3.7 Inventories

Raw Materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost. Cost of raw materials and stores and spares is determined on annual weighted average method / moving average method.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

Work-in-progress, Finished goods (including Power banked) and Traded goods are valued at lower of cost and net realizable value. Work-in-progress and Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

By products and Saleable scraps, whose cost is not identifiable, are valued at estimated net realisable value.

The comparison of cost and net realisable value is made on an item-by-item basis.

Net realisable 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.

Assessment of net realisable value is made at each subsequent reporting date. When the circumstances that previously caused inventories to be written down below cost no longer exist or when there is clear evidence of an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

### 3.8 Impairment

#### ***Impairment of financial instruments : financial assets***

At each reporting date, the Company assess whether financial assets, than those at FVTPL are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 90 days or more; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

The Company recognises loss allowances using the expected credit losses (ECL) model for the financial assets which are fair valued through profit or loss.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised as an impairment gain or loss in the Statement of Profit and Loss.

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

For all other financial assets, expected credit losses are measured unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

#### ***(i) Measurement of expected credit losses***

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

#### ***(ii) Presentation of allowance for expected credit losses in the balance sheet***

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

#### ***(iii) Write-off***

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

#### ***Impairment of non-financial assets***

The Company's non-financial assets, other than biological assets, inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

The Company's corporate assets (e.g., central office building for providing support to various CGUs) do not generate independent cash inflows. To determine impairment of a corporate asset, recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in the statement of profit and loss. Impairment loss recognised in respect of a CGU is allocated to reduce the carrying amounts of the other assets of the CGU (or group of CGUs) on a pro rata basis.

In respect of other assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

### 3.9 Employee benefits

#### **Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

#### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in Statement of Profit and Loss in the periods during which the related services are rendered by employees. The Company makes specified periodically contribution to the following defined contribution plans:

- a) Provident / Pension funds;
- b) Superannuation fund.

Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

#### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plans ('the asset ceiling'). In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurement of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised in Other comprehensive income (OCI). The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in Statement of Profit and Loss.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service ('past service cost' or 'past service gain') or the gain or loss on curtailment is recognised immediately in Statement of profit and Loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

The contributions are deposited with the Life Insurance Corporation of India based on information received by the Company. When the benefits of a plan are improved, the portion of the increased benefit related to past service by employees is recognised in Statement of Profit and Loss on a straight-line basis over the average period until the benefits become vested.

### ***Compensated absences***

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature.

The expected cost of accumulating compensated absences is measured on the basis of an annual independent actuarial valuation using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurement gains or losses are recognised in the Statement of Profit and Loss in the period in which they arise.

Non-accumulating compensated absences are recognised in the period in which the absences occur.

### **3.10 Provisions (other than for employee benefits)**

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Expected future operating losses are not provided for.

### **3.11 Contingent liabilities and contingent assets**

A contingent liability is a possible obligation that arises from a past event, with the resolution of the contingency dependent on uncertain future events, or a present obligation where no outflow is possible. Major contingent liabilities are disclosed in the financial statements unless the possibility of an outflow of economic resources is remote. Contingent assets are not recognised in the financial statements but disclosed, where an inflow of economic benefit is probable.

### **3.12 Revenue from contract with customer**

#### ***Sale of goods and rendering of services***

Revenue from sale of product is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the product. The normal credit term is 0 to 45 days upon delivery.

At contract inception, the Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

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, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

#### ***Sale of Power***

The Company's derives its power revenue from the production and sale of electricity based on long-term Power Purchase Agreements. Revenue is recognised upon delivery of electricity produced to the electricity grid based on the agreed tariff rate (net of discounts for prompt payment of bills). Delivery is deemed complete when all the risks and rewards associated with ownership have been transferred to the grid as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

#### ***Income from Renewable Energy Certificates (RECs)***

Income from Renewable Energy Certificates (RECs) is recognised at estimated realisable value on confirmation of RECs by the concerned Authorities.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### **Interest income**

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

Interest is recognised on time proportion basis.

Interest income is included in "Other Income" in the Statement of Profit and Loss.

### **Insurance claims**

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

### **3.13 Expenses**

All expenses are accounted for on accrual basis.

### **3.14 Government grants**

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with the conditions attached thereto.

Government grants related to revenue are recognised in the Statement of Profit and Loss on a systematic and rational basis in the periods in which the Company recognises the related costs for which the grants are intended to compensate and are netted off with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Operating Revenue / Other Income".

Government grants received relating to property, plant and equipment and other intangible assets are deducted from the gross value of the property, plant and equipment and other intangible assets concerned in arriving at the carrying amount of the related property, plant and equipment and other intangible assets. The grant is recognised in the statement of profit or loss over the life of the related depreciable asset as a reduced depreciation expense.

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 and is being recognised in the Statement of Profit and Loss by netting with the related finance cost. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

### **3.15 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **As a lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

#### **(i) Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment (refer to Note 3.8).

The right-of-use assets are disclosed in Property, Plant and Equipment (see Note 4).

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### (ii) *Lease Liabilities*

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are included in Other financial liabilities (see Note 22).

### *Short-term lease and lease of low-value assets*

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

### *As a lessor*

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## 3.16 Income tax

Income tax expense comprises of current tax and deferred tax. Current tax and deferred tax is recognised in the Statement of profit and Loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

### *Current tax*

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the end of the reporting period.

Current tax assets and current tax liabilities are off set only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### *Deferred tax*

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised.

Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised / reduced to the extent that it is probable / no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

Deferred tax assets and liabilities are offset if there is a legally enforceable right to off set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

### **Minimum Alternative Tax (MAT) Credit**

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

### **3.17 Segment reporting**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 41 for segment information presented.

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

The Company's Whole-Time Director (WTD) has been identified as being the chief operating decision maker by the management of the Company.

### **3.18 Borrowing costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

### **3.19 Cash and cash equivalents**

Cash and cash equivalents include cash in hand and at bank as well as short-term deposits with an original maturity of three months or less.

### **3.20 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit or loss for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### **3.21 Earnings per share**

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

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

### **3.22 Determination of fair values**

Fair values have been determined for measurement and disclosure purposes based on the following methods. Where applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

#### **i) Financial assets**

Financial assets are initially measured at fair value. If the financial asset is not subsequently accounted for at fair value through profit or loss, then the initial measurement includes directly attributable transaction costs. These are measured at amortised cost or at FVTPL or at FVOCI.

Investments in equity instruments are measured at FVOCI and combination of different methodologies i.e. discounted cash flow method, comparable companies method and net assets method with different weightage has been used for fair valuations of investment in unquoted securities.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### ii) Trade and other receivables

The fair values of trade and other receivables are estimated at the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual reporting date.

### iii) Financial liabilities

Financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date.

### 3.23 Recent accounting pronouncement

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III are applicable from financial year commencing from 1st April, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

#### **Balance Sheet:**

- Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If any deviation in utilisation of borrowed fund from banks and financial institutions for the specific purpose, the disclosure to be made.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

#### **Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.



## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 4. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land (a)	Buildings	Plant and Equipment	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right of use - assets (Note 40)	Total
<b>Reconciliation of carrying amount</b>									
<b>Gross carrying amount</b>									
Balance at 1st April, 2019	36,597.24	4,762.69	29,007.53	187.43	91.99	237.78	41.22	-	70,925.88
Additions during the year	254.99	300.26	2,415.57	8.60	50.80	23.39	12.64	124.05	3,190.30
Disposal / deduction during the year	-	0.06	16.13	-	-	5.56	-	-	21.75
Balance at 31st March, 2020	<b>36,852.23</b>	<b>5,062.89</b>	<b>31,406.97</b>	<b>196.03</b>	<b>142.79</b>	<b>255.61</b>	<b>53.86</b>	<b>124.05</b>	<b>74,094.43</b>
Additions during the year	51.45	934.14	2,941.95	22.31	15.49	39.78	14.50	-	4,019.62
Disposal / deduction during the year	-	21.02	68.78	0.46	0.48	-	0.65	-	91.39
<b>Balance at 31st March, 2021</b>	<b>36,903.68</b>	<b>5,976.01</b>	<b>34,280.14</b>	<b>217.88</b>	<b>157.80</b>	<b>295.39</b>	<b>67.71</b>	<b>124.05</b>	<b>78,022.66</b>
<b>Accumulated depreciation</b>									
Balance at 1st April, 2019	-	476.74	4,513.68	143.88	22.26	90.82	17.20	-	5,264.58
Depreciation for the year (b)	-	191.53	1,535.81	17.82	13.11	32.62	8.19	8.27	1,807.35
Disposal / deduction during the year	-	-	4.06	-	-	3.96	-	-	8.02
Balance at 31st March, 2020	-	<b>668.27</b>	<b>6,045.43</b>	<b>161.70</b>	<b>35.37</b>	<b>119.48</b>	<b>25.39</b>	<b>8.27</b>	<b>7,063.91</b>
Depreciation for the year (b)	-	209.77	1,633.04	16.16	14.96	31.10	8.72	8.27	1,922.02
Disposal / deduction during the year	-	1.77	17.16	0.39	0.45	-	0.61	-	20.38
<b>Balance at 31st March, 2021</b>	-	<b>876.27</b>	<b>7,661.31</b>	<b>177.47</b>	<b>49.88</b>	<b>150.58</b>	<b>33.50</b>	<b>16.54</b>	<b>8,965.55</b>
<b>Carrying amount (net)</b>									
At 31st March, 2020	36,852.23	4,394.62	25,361.54	34.33	107.42	136.13	28.47	115.78	67,030.52
<b>At 31st March, 2021</b>	<b>36,903.68</b>	<b>5,099.74</b>	<b>26,618.83</b>	<b>40.41</b>	<b>107.92</b>	<b>144.81</b>	<b>34.21</b>	<b>107.51</b>	<b>69,057.11</b>

(a) Freehold land of ₹ **385.07 lakhs** (31st March, 2020: ₹ 478.91 lakhs) including farm land of ₹ **373.75 lakhs** (31st March, 2020: ₹ 433.27 lakhs), which is not part of security offered to lenders, is still in the name of the erstwhile company.

(b) Includes ₹ **9.12 lakhs** (31st March, 2020 ₹ 9.29 lakhs) in relation to biological assets other than bearer plants.

(c) Property, Plant and Equipment given as security for borrowings [Note 20].

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 5. Capital Work-in-Progress

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Reconciliation of carrying amount</b>		
Balance at the beginning of the year	664.09	227.57
Add: Additions during the year*	4,611.71	2,269.85
Less: Transfer to Property, Plant and Equipment	3,816.11	1,833.33
<b>Balance at the end of the year</b>	<b>1,459.69</b>	<b>664.09</b>

\* Including borrowing cost of ₹ 101.72 lakhs capitalised at interest rate in the range of 8.71% to 9.80% p.a. during the current year.

### 6. Other Intangible Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Computer Software</b>		
<b>Reconciliation of carrying amount</b>		
<b>Gross carrying amount</b>		
Balance at the beginning of the year	51.89	44.25
Additions during the year	5.92	7.64
<b>Balance at the end of the year</b>	<b>57.81</b>	<b>51.89</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	36.67	33.13
Amortisation for the year	5.61	3.54
<b>Balance at the end of the year</b>	<b>42.28</b>	<b>36.67</b>
<b>Carrying amount (net)</b>	<b>15.53</b>	<b>15.22</b>

### 7. Investments

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Non-current Investments</b>		
<b>Investment in Government securities carried at amortised cost - unquoted (fully paid)*</b>		
11% Bihar State Development Loan, 2001	0.53	0.53
7 Years National Savings Certificates	0.07	0.07
6 Years National Savings Certificates	0.08	0.08
	<b>0.68</b>	<b>0.68</b>

\* Deposited / pledged with various Government authorities.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 8. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials	402.12	357.55
Work-in-progress	185.72	831.39
Finished goods*	61,802.69	72,076.95
Stores, chemicals and spare parts*	1,246.54	1,394.53
Bio-compost	84.07	75.78
<i>(Valued at estimated net realisable value)</i>		
By-Products	1,991.99	2,187.90
Scrap	45.39	42.34
	<b>65,758.52</b>	<b>76,966.44</b>
<b>* includes stock in transit:</b>		
Finished goods	2,388.32	-
Stores, chemicals and spare parts	2.66	2.06

- a) ₹ **1,576.64 lakhs** (31st March, 2020: ₹ Nil) is recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods and Work-in-progress [Note 30].
- b) Inventories are hypothecated against borrowings [Note 20].

### 9. Biological assets other than bearer plants

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Reconciliation of carrying amount</b>		
Balance at the beginning of the year	110.88	106.79
Expenditure incurred during the year	123.83	110.53
Change in fair value	(14.63)	39.92
New Crop Plantations	102.52	92.27
Decrease due to harvested sugarcane transferred to inventory [including captive consumption of ₹ <b>120.31 lakhs</b> (31st March, 2020: ₹ 156.08 lakhs)]	(219.70)	(238.63)
<b>Balance at the end of the year</b>	<b>102.90</b>	<b>110.88</b>

#### A. Measurement of fair values

The fair value of the sugarcane and other agriculture products at harvest is determined by the quantities harvested, it is valued at the rate fixed through Association (Level 1). The fair value of the harvested sugarcane is the cost of the raw material used in the production of sugar including captive consumption. For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation upto the balance sheet date (Level 3).

#### B. Risk management strategy related to agricultural activities

The Company is exposed to a number of risks related to its sugarcane plantations.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 9. Biological assets other than bearer plants (Contd.)

#### i. Regulatory and environmental risks

The Company has established environmental policies and procedures, aimed for compliance, with local environmental and other laws.

#### ii. Supply and demand risk

The Company is exposed to risks arising from fluctuations in the sale price and quantity of sugarcane produced. When possible the Company manages this risk by aligning its harvest volume to market supply and demand.

#### iii. Climate and other risks

The Company's sugar cane plantations are exposed to the risk of damage from climatic changes, diseases, forest fires and other natural forces. The Company has extensive processes in place aimed at monitoring and mitigating those risks.

### 10. Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Current</b>		
Considered good - Unsecured	1,205.80	878.82
Considered doubtful - Unsecured	85.14	63.85
	<b>1,290.94</b>	<b>942.67</b>
Less: Provision for loss allowance	85.14	63.85
	<b>1,205.80</b>	<b>878.82</b>

- No debt due by directors or other officers of the Company or any of them either severally or jointly with any other person or no debt due by firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- Information about the Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 44(C).
- Trade receivables are hypothecated against borrowings [Note 20].

### 11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Cash and cash equivalents</b>		
Cash on hand	16.21	30.02
Balances with banks		
- Cash credit account	5.02	-
- Current accounts	24.62	36.77
	<b>45.85</b>	<b>66.79</b>

### 12. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Earmarked balances with banks		
- Unpaid dividend accounts	12.60	5.65
- Unpaid fractional share pay-out account	0.86	-
In Post office Saving bank account *	0.13	0.13
	<b>13.59</b>	<b>5.78</b>

\* Pledged / lodged with various Government Authorities.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 13. Loans

(₹ in lakhs)

Particulars	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<i>(Considered good - Unsecured)</i>				
Security and other deposits	68.76	3.68	11.69	9.69
Loans to employees	-	-	34.45	40.10
	<b>68.76</b>	<b>3.68</b>	<b>46.14</b>	<b>49.79</b>

### 14. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Non-current</b>		
Bank deposits due to mature after twelve months of the reporting date*	2.00	2.00
	<b>2.00</b>	<b>2.00</b>
<b>Current</b> <i>(Considered good - Unsecured)</i>		
Unbilled Revenue	272.77	593.86
Renewable Energy Certificates Entitlement	23.03	23.03
Interest accrued on Loans, deposits, investments etc.	3.55	1.95
	<b>299.35</b>	<b>618.84</b>

\* Pledged / lodged with a bank as margin money.

### 15. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance tax and tax deducted / collected at sources	3,073.89	1,657.73
Less: Provision for taxation	3,032.71	1,384.18
	<b>41.18</b>	<b>273.55</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 16. Other Non-current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<i>(Considered good - Unsecured)</i>		
<b>Capital Advances</b>	835.07	155.48
<b>Advances other than Capital Advances</b>		
Other advances		
- Deposits against demand under appeal and / or under dispute	102.17	102.17
- Prepaid Expenses	19.39	15.24
	<b>121.56</b>	<b>117.41</b>
	<b>956.63</b>	<b>272.89</b>

### 17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Advances to suppliers</b>		
- Considered good - Unsecured	877.39	421.56
- Considered doubtful - Unsecured	62.45	54.86
	939.84	476.42
Less: Provision for loss allowance	62.45	54.86
	<b>877.39</b>	<b>421.56</b>
<b>Other advances</b> (considered good - unsecured)		
- Claims and Subsidies / refunds receivable	2,705.53	6,824.18
- Balance with Excise and other Government Authorities	278.02	189.64
- Prepaid Expenses	39.50	36.00
	<b>3,023.05</b>	<b>7,049.82</b>
	<b>3,900.44</b>	<b>7,471.38</b>

### 18. Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Authorised:</b>		
2,51,00,000 equity shares of ₹ 10 each	2,510.00	2,510.00
15,00,000 preference shares of ₹ 100 each	1,500.00	1,500.00
	<b>4,010.00</b>	<b>4,010.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,40,91,630 equity shares of ₹ 10 each	1,409.16	1,409.16
	<b>1,409.16</b>	<b>1,409.16</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 18. Share Capital (Contd.)

#### (a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Equity shares</b>				
At the beginning of the year	1,40,91,630	1,409.16	1,00,65,450	1,006.55
Add: Bonus shares issued during the year	-	-	40,26,180	402.61
<b>At the end of the year</b>	<b>1,40,91,630</b>	<b>1,409.16</b>	<b>1,40,91,630</b>	<b>1,409.16</b>

#### (b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares with par value of ₹ 10 per share. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets on winding up. The equity shareholders are entitled to receive dividend as declared by the Company from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

#### (c) Particulars of shareholders holding more than 5% shares of fully paid up equity shares

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of ₹ 10 each fully paid up held by</b>				
SIL Investments Limited	16,86,658	11.97%	16,86,658	11.97%
Avadh Sugar & Energy Limited	14,86,154	10.55%	14,86,154	10.55%
New India Retailing & Investment Limited	10,56,490	7.50%	10,56,490	7.50%
Navjeevan Medical Institute	7,83,157	5.56%	7,83,157	5.56%
Yashovardhan Investment & Trading Company Limited	7,17,710	5.09%	7,17,710	5.09%
Hargaon Investment & Trading Company Limited	7,17,358	5.09%	7,17,358	5.09%

#### (d) Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2017
Equity shares of ₹ 10 each fully paid-up issued as Bonus share	-	40,26,180	-	-	-
<i>Issued pursuant to the scheme of arrangement:</i>					
Equity shares of ₹ 10 each allotted as fully paid-up	-	-	-	-	1,00,65,450
Preference shares of ₹ 100 each allotted as fully paid-up (redeemed during the year 2017-18)	-	-	-	-	11,50,000

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 19. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	36,897.75	36,897.75
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	747.39	1,150.00
Less: Utilised for Bonus shares issued during the year	-	(402.61)
Balance at the end of the year	<b>747.39</b>	<b>747.39</b>
<b>Retained Earnings</b>		
Balance at the beginning of the year	14,577.18	6,591.58
Profit for the year	2,708.12	8,303.91
Remeasurement of defined benefit liability / (asset) (net of tax)	(12.18)	(75.62)
Dividend (including dividend distribution tax if any) on equity shares [refer Note (a) below]	(563.67)	(242.69)
Balance at the end of the year	<b>16,709.45</b>	<b>14,577.18</b>
	<b>54,354.59</b>	<b>52,222.32</b>

#### (a) Dividend (including dividend distribution tax if any) on equity shares

The following dividends were declared and paid by the Company:

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
₹ 4 per equity share (31st March, 2020: ₹ 2 per equity share) as final dividend	563.67	201.31
Dividend distribution tax on final dividend to equity shareholders	-	41.38
	<b>563.67</b>	<b>242.69</b>

After the reporting date, the following dividends were proposed by the board of directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Proposed dividend for the year ended 31st March, 2021 ₹ 4 per equity share (31st March, 2020: ₹ 4 per equity share)	563.67	563.67
	<b>563.67</b>	<b>563.67</b>



## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 20. Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Non-current Borrowings</b>		
<b>Term Loans (secured)</b>		
From banks -		
Rupee term loans	5,577.82	7,014.68
Under financial assistance scheme (SOFT 2019 Central)	6,579.50	7,046.09
Under financial assistance scheme (SOFT 2015 State)	-	1,175.04
	12,157.32	15,235.81
Less: Current portion of Non-current borrowings [Note 22]	3,748.95	3,105.04
	<b>8,408.37</b>	<b>12,130.77</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
From banks (repayable on demand)		
Cash credit including working capital demand loan	30,949.97	29,789.14
Short term loan from a bank	8,500.00	8,500.00
<b>Unsecured</b>		
Short term loan from a bank	2,000.00	-
Inter-corporate deposits	9,500.00	10,600.00
	<b>50,949.97</b>	<b>48,889.14</b>

Information about the Company's exposure to interest and liquidity risk is included in Note 44(C).

#### A. Nature of Securities and Terms of repayment

##### (i) Term Loans

- (a) Rupee Term Loans from a bank, carry interest in the range of 9.70% to 10.75% p.a. and are repayable in 14 / 28 quarterly installments by June, 2025. These loans are secured by first mortgage / charge created on entire fixed assets, present and future, of the Company, ranking pari-passu amongst the various lenders.  
The same is further secured by pledge of 30 lakhs shares of Sutlej Textiles & Industries Ltd. and 12.63 lakhs shares of Chambal Fertilisers & Chemicals Ltd. held by a promoter company.
- (b) Term loan from a bank under Financial Assistance Scheme of the Government of India (SOFT Loan 2019), carry interest @ 9.00% p.a. and repayable in 14 quarterly installments commencing from December, 2020 and ending by March, 2024. The Company is entitled to interest subvention from the Government of India upto 7% p.a. for the first year as per terms of the Scheme. The above loan is secured by first charge created on all the fixed assets of the Company, both present and future, ranking pari-passu amongst the various lenders and further secured by second charge on current assets of the sugar units of the Company.
- (c) Term loans from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015), carried interest of 11.00% p.a., was repayable in 20 equal quarterly installments and fully repaid in March, 2021. The Company was entitled to interest subvention from the State Government of Bihar upto 10% p.a. as per terms of the Scheme and the same will be reimbursed directly to Banks by the State Government of Bihar and hence, no liability towards interest under subvention has been provided for in these financial statements. The above loans were secured by first mortgage / charge created on all the fixed assets, both present and future, of the Company, ranking pari-passu amongst the various lenders.

##### (ii) Cash credit including working capital demand loan

- (a) Cash Credit from Banks is secured by hypothecation of all current assets of Sugar units of the Company ranking pari-passu amongst the various lenders and also by 2nd / 3rd charge created / to be created on all the fixed assets of the Company.
- (b) Cash Credit borrowings including Working Capital Demand Loan (WC DL) carry interest in the range of 7.25% to 10.10% p.a.
- (c) Short Term loan (Secured) from a bank carry interest @ 7.90% p.a. and is repayable in three equal monthly installments from December, 2021 to February, 2022 and is secured by subservient charge over by way of hypothecation of the Company's entire inventories, receivables and book debts, both present and future.
- (d) Short Term loan (Unsecured) from a bank carry interest @ 7.25% p.a. and repayable on demand.
- (e) Inter-corporate deposits carry interest range of 8.50% to 10.20% p.a. and repayable on demand.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 21. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of micro enterprises and small enterprises	67.34	94.21
Total outstanding dues of creditors other than micro enterprises and small enterprises	16,454.03	31,227.20
	<b>16,521.37</b>	<b>31,321.41</b>

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 44(C).

#### The following details relating to Micro enterprises and small enterprises are as under:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	62.24	91.15
Interest due on above	0.84	-
<b>Total</b>	<b>63.08</b>	<b>91.15</b>
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	243.90	224.94
(iii) 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 the MSMED Act, 2006.	1.03	4.82
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	5.10	3.06
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	3.06	3.02

### 22. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Non-current</b>		
Trade and other deposits	22.00	22.00
Lease liability [Note 40]	103.38	106.35
	<b>125.38</b>	<b>128.35</b>
<b>Current</b>		
Current portion of Non-current borrowings [Note 20]	3,748.95	3,105.04
Interest accrued but not due	278.66	457.45
Lease liability [Note 40]	15.00	15.00
Payable to employees	470.79	508.36
Liability for capital goods	253.80	102.04
Unclaimed dividend *	12.60	5.65
Unclaimed Fractional Share Pay-out *	0.86	-
Other payables	4.58	53.36
	<b>4,785.24</b>	<b>4,246.90</b>

\* There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Information about the Company's exposure to liquidity risks related to the above financial liabilities is disclosed in Note 44(C).

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 23. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity	585.83	629.76
Liability for compensated absences	173.98	157.96
	<b>759.81</b>	<b>787.72</b>
<b>Other Provisions</b>		
For litigation, claims and contingencies	89.41	89.41
	<b>89.41</b>	<b>89.41</b>
	<b>849.22</b>	<b>877.13</b>
Non-current	262.06	316.16
Current	587.16	560.97
	<b>849.22</b>	<b>877.13</b>

#### Defined benefits - Gratuity Plan

The Company has a defined benefit gratuity plan. Every employee who has completed continuously at least five years or more of service is entitled to Gratuity on terms as per the provisions of The Payment of Gratuity Act, 1972. The approved gratuity fund of erstwhile companies in respect of transferred business undertakings has been transferred to the Company and which has taken an insurance policy with Life Insurance Corporation of India (LIC) to cover the gratuity liabilities.

#### Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of defined benefit obligations	1,518.14	1,477.39
Fair value of plan assets	932.31	847.63
Net defined benefit liabilities	585.83	629.76

These defined benefit plans expose the Company to actuarial risks, such as currency risk, interest risk and market (investment) risk.

The Company expects to contribute ₹ 190.57 lakhs to Gratuity Fund in the next year.

#### Inherent risk

The plan is defined benefit in nature which is sponsored by the Company and hence it underwrites all the risk pertaining to the plan. In particular, this exposes the Company, to actuarial risk such as adverse salary growth, change in demographic experience, inadequate return on underlying plan assets. This may result in an increase in cost of providing these benefits to employees in future. Since the benefits are lump sum in nature, the plan is not subject to longevity risk.

The following tables analyse present value of defined benefit obligations, fair value of defined plan assets, actuarial gain / (loss) on plan assets, expense recognised in the Statement of Profit and Loss and Other Comprehensive Income, actuarial assumptions and other information:

#### Reconciliation of the net defined benefit liabilities / (assets):

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the beginning of the year	1,477.39	1,366.87
(b) Service cost	88.81	85.20
(c) Interest cost	97.51	104.16
(d) Benefits paid	(158.92)	(152.78)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	14.98	75.13
- due to experience changes	(1.63)	(1.19)
<b>Balance at the end of the year</b>	<b>1,518.14</b>	<b>1,477.39</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 23. Provisions )Contd.)

#### Reconciliation of the net defined benefit liabilities / (assets): (Contd.)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	847.63	775.28
(b) Actual return on plan assets	53.01	53.48
(c) Contributions by the employer	190.59	171.65
(d) Benefits paid	(158.92)	(152.78)
<b>Balance at the end of the year</b>	<b>932.31</b>	<b>847.63</b>
<b>(iii) Actuarial gain / (loss) on plan assets</b>		
(a) Expected Interest Income	55.94	59.08
(b) Actual return on plan assets	53.01	53.48
<b>Actuarial gain / (loss) on plan assets</b>	<b>(2.93)</b>	<b>(5.60)</b>
<b>(iv) Expense recognised in Employee benefits expenses</b>		
(a) Service cost	88.81	85.20
(b) Interest cost	97.51	104.16
(c) Interest income	(55.94)	(59.08)
<b>Amount charged to Employee benefits expenses</b>	<b>130.38</b>	<b>130.28</b>
<b>(v) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial loss on defined benefit obligations	(13.35)	(73.94)
(b) Actuarial loss on plan assets	(2.93)	(5.60)
<b>Amount recognised in Other Comprehensive Income</b>	<b>(16.28)</b>	<b>(79.54)</b>
<b>(vi) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
<b>(vii) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	6.41%	6.60%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	Less than 40 Years - 4.2%	
	40 Years and above - 1.8%	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

#### (viii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligations by the amounts shown below:

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	38.83	(40.88)	39.76	(37.78)
(b) Future salary growth (1% movement)	(82.49)	75.84	(73.89)	80.36
(c) Withdrawal assumption (4% movement)	(20.42)	15.99	(17.83)	22.34

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions as shown.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 23. Provisions )Contd.)

#### Reconciliation of the net defined benefit liabilities / (assets): (Contd.)

##### (ix) Maturity profile of defined benefit obligations (valued on undiscounted basis)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months (next annual reporting period)	323.77	313.60
Between 1 and 2 years	35.06	34.36
Between 2 and 3 years	177.05	167.36
Between 3 and 4 years	186.22	175.74
Between 4 and 5 years	193.94	169.36
Between 5 and 6 years	146.05	182.93
Beyond 6 years	1,206.61	1,191.54
	<b>2,268.70</b>	<b>2,234.89</b>

### 24. Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2020	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2021
<b>Deferred tax liabilities</b>				
Property, plant and equipment including intangible assets	4,579.87	197.43	-	4,777.30
	<b>4,579.87</b>	<b>197.43</b>	-	<b>4,777.30</b>
<b>Deferred tax assets</b>				
MAT credit entitlement	2,103.98	(600.18)	-	1,503.80
Provisions - employee benefits	198.79	(11.18)	4.10	191.71
Provisions - others	29.88	6.27	-	36.15
Deduction of disallowances allowed on payment / other basis	131.83	30.29	-	162.12
	<b>2,464.48</b>	<b>(574.80)</b>	<b>4.10</b>	<b>1,893.78</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>2,115.39</b>	<b>772.23</b>	<b>(4.10)</b>	<b>2,883.52</b>

Particulars	As at 31st March, 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2020
<b>Deferred tax liabilities</b>				
Property, plant and equipment including intangible assets	6,124.37	(1,544.50)	-	4,579.87
	<b>6,124.37</b>	<b>(1,544.50)</b>	-	<b>4,579.87</b>
<b>Deferred tax assets</b>				
Carried forward unabsorbed depreciation	857.92	(857.92)	-	-
MAT credit entitlement	3,264.17	(1,160.19)	-	2,103.98
Provisions - employee benefits	249.18	(54.31)	3.92	198.79
Provisions - others	11.85	18.03	-	29.88
Deduction of disallowances allowed on payment / other basis	194.89	(63.06)	-	131.83
	<b>4,578.01</b>	<b>(2,117.45)</b>	<b>3.92</b>	<b>2,464.48</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>1,546.36</b>	<b>572.95</b>	<b>(3.92)</b>	<b>2,115.39</b>

MAT credit entitlement is the amount which can be recovered and set off in subsequent years as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Year of expiry, based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date</b>		
Assessment Year 2027-2028 [Financial Year 2026-2027]	119.61	719.79
Assessment Year 2033-2034 [Financial Year 2032-2033]	238.91	238.91
Assessment Year 2034-2035 [Financial Year 2033-2034]	1,145.28	1,145.28
	<b>1,503.80</b>	<b>2,103.98</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 25. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance against Sale of Goods / Property, plant and equipments	2,059.11	202.71
Statutory dues	424.83	282.50
	<b>2,483.94</b>	<b>485.21</b>

### 26. Current Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for taxation	750.77	1,887.43
Less: Advance tax and tax deducted / collected at sources	547.36	1,281.86
	<b>203.41</b>	<b>605.57</b>

### 27. Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Sale of Goods (A)</b>		
Finished goods	87,923.77	83,562.62
Power	2,753.90	3,776.42
By products	1,528.72	1,850.90
Others	544.35	431.63
	<b>92,750.74</b>	<b>89,621.57</b>
<b>Other operating revenue (B)</b>		
Subsidy towards Export Quota (net)	1,977.28	1,599.26
Buffer Stock Subsidy towards Insurance & Storage Charges	56.41	132.06
Production Incentive	336.00	208.00
Scrap Sales	74.05	54.96
	<b>2,443.74</b>	<b>1,994.28</b>
<b>Total revenue from operations (A+B)</b>	<b>95,194.48</b>	<b>91,615.85</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 27. Revenue from Operations (Contd.)

#### Disaggregated revenue information

The disaggregation of the Company's revenue from contracts with customers as under:

(₹ in lakhs)

Segment	Year ended 31st March, 2021			
	Sugar	Distillery	Co-generation	Total
<b>Type of Goods:</b>				
<b>Finished goods</b>				
- Sugar	78,565.35	-	-	78,565.35
- Spirits	-	9,358.42	-	9,358.42
	<b>78,565.35</b>	<b>9,358.42</b>	-	<b>87,923.77</b>
<b>Power</b>	-	-	<b>2,753.90</b>	<b>2,753.90</b>
<b>By products</b>				
- Molasses	1,329.80	-	-	1,329.80
- Bagasse	190.19	-	-	190.19
- Press-mud	8.73	-	-	8.73
	<b>1,528.72</b>	-	-	<b>1,528.72</b>
<b>Others</b>	<b>91.11</b>	<b>453.24</b>	-	<b>544.35</b>
<b>Total revenue from contracts with customers</b>	<b>80,185.18</b>	<b>9,811.66</b>	<b>2,753.90</b>	<b>92,750.74</b>
<b>Revenue by Customers:</b>				
- Government concerns (including PSUs)	-	9,180.37	2,753.90	11,934.27
- Export (including through third parties)	9,916.88	-	-	9,916.88
- Others	70,268.30	631.29	-	70,899.59
<b>Total revenue from contracts with customers</b>	<b>80,185.18</b>	<b>9,811.66</b>	<b>2,753.90</b>	<b>92,750.74</b>

(₹ in lakhs)

Segment	Year ended 31st March, 2020			
	Sugar	Distillery	Co-generation	Total
<b>Type of Goods:</b>				
<b>Finished goods</b>				
- Sugar	76,827.52	-	-	76,827.52
- Spirits	-	6,735.10	-	6,735.10
	<b>76,827.52</b>	<b>6,735.10</b>	-	<b>83,562.62</b>
<b>Power</b>	-	-	<b>3,776.42</b>	<b>3,776.42</b>
<b>By products</b>				
- Molasses	1,660.39	-	-	1,660.39
- Bagasse	178.39	-	-	178.39
- Press-mud	12.12	-	-	12.12
	<b>1,850.90</b>	-	-	<b>1,850.90</b>
<b>Others</b>	<b>72.62</b>	<b>359.01</b>	-	<b>431.63</b>
<b>Total revenue from contracts with customers</b>	<b>78,751.04</b>	<b>7,094.11</b>	<b>3,776.42</b>	<b>89,621.57</b>
<b>Revenue by Customers:</b>				
- Government concerns (including PSUs)	-	6,735.10	3,776.42	10,511.52
- Export through third parties	2,293.48	-	-	2,293.48
- Others	76,457.56	359.01	-	76,816.57
<b>Total revenue from contracts with customers</b>	<b>78,751.04</b>	<b>7,094.11</b>	<b>3,776.42</b>	<b>89,621.57</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 27. Revenue from Operations (Contd.)

The reconciliation of the revenue from contracts with customers and other operating revenue with amount disclosed in the segment information (Note 41):

(₹ in lakhs)

Segment	Year ended 31st March, 2021			
	Sugar	Distillery	Co-generation	Total
<b>Sale of Goods</b>				
- External customers	80,185.18	9,811.66	2,753.90	92,750.74
- Inter-segment	5,615.33	50.98	3,434.53	9,100.84
<b>Other Operating Revenue</b>	2,438.90	4.84	-	2,443.74
	<b>88,239.41</b>	<b>9,867.48</b>	<b>6,188.43</b>	<b>1,04,295.32</b>
Inter-segment elimination	5,615.33	50.98	3,434.53	9,100.84
Less: Other Operating Revenue	2,438.90	4.84	-	2,443.74
<b>Total revenue from contracts with customers</b>	<b>80,185.18</b>	<b>9,811.66</b>	<b>2,753.90</b>	<b>92,750.74</b>

(₹ in lakhs)

Segment	Year ended 31st March, 2020			
	Sugar	Distillery	Co-generation	Total
<b>Sale of Goods</b>				
- External customers	78,751.04	7,094.11	3,776.42	89,621.57
- Inter-segment	5,488.72	20.86	4,583.91	10,093.49
<b>Other Operating Revenue</b>	1,990.50	3.78	-	1,994.28
	<b>86,230.26</b>	<b>7,118.75</b>	<b>8,360.33</b>	<b>1,01,709.34</b>
Inter-segment elimination	5,488.72	20.86	4,583.91	10,093.49
Less: Other Operating Revenue	1,990.50	3.78	-	1,994.28
<b>Total revenue from contracts with customers</b>	<b>78,751.04</b>	<b>7,094.11</b>	<b>3,776.42</b>	<b>89,621.57</b>

- The Company presented disaggregated revenue based on the type of goods sold to customers and type of customers. Further, the revenue is recognised for goods transferred at a point in time. The Company believes that the above disaggregation best depicts how the nature, amount, timing and uncertainty of revenues and cash flows are effected by industry, market and other economic factors.
- For contract balances i.e. trade receivables [Note 10] and advance from customers [Note 25].
- The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.

### 28. Other Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on:		
- Loans and deposits	33.31	25.80
- Refund from income tax department	47.26	-
Insurance and other claims	99.85	188.49
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	22.87	39.27
Change in fair value of biological assets other than bearer plants [Note 9]	-	39.92
Miscellaneous receipts	22.21	31.94
	<b>225.50</b>	<b>325.42</b>



## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 29. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Inventory of materials at the beginning of the year	357.55	845.98
Add: Purchases and procurement expenses *	60,166.41	74,279.71
	60,523.96	75,125.69
Less: Inventory of materials at the end of the year	402.12	357.55
	<b>60,121.84</b>	<b>74,768.14</b>

\* Net of Government Grants [Note 43].

### 30. Changes in inventories of Finished Goods and Work-in-Progress

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Inventories at the end of the year</b>		
Finished goods	61,802.69	72,076.95
By Products	1,991.99	2,187.90
Work-in-progress	185.72	831.39
Bio-compost	84.07	75.78
Scrap	45.39	42.34
	<b>64,109.86</b>	<b>75,214.36</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	72,076.95	60,358.66
By Products	2,187.90	1,158.55
Work-in-progress	831.39	1,023.39
Bio-compost	75.78	94.38
Scrap	42.34	51.87
	<b>75,214.36</b>	<b>62,686.85</b>
	11,104.50	(12,527.51)

### 31. Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages, bonus etc.	4,233.09	4,302.56
Contribution to provident and other funds	299.41	297.83
Expenses related to post-employment defined benefit plans [Note 23]*	130.67	129.64
Staff welfare expenses	115.58	110.23
	<b>4,778.75</b>	<b>4,840.26</b>

\* excluding ₹ 0.29 lakhs, being reversal of excess liability (31st March, 2020: ₹ 0.64 lakhs, being expense) in relation to biological assets other than bearer plants.

#### Defined contribution plans

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Contribution to Provident / Pension Funds	294.82	293.35
Contribution to Superannuation Fund	4.59	4.48
	<b>299.41</b>	<b>297.83</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 32. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense on financial liabilities measured at amortised cost *	5,485.02	4,752.56
Interest on lease liabilities [Note 40]	12.03	12.30
Interest on income tax	33.60	67.86
	<b>5,530.65</b>	<b>4,832.72</b>

\* Net of Government grants [Note 43] and interest capitalised [Note 5].

### 33. Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation of property, plant and equipment [Note 4]*	1,912.90	1,798.06
Amortisation of intangible assets [Note 6]	5.61	3.54
	<b>1,918.51</b>	<b>1,801.60</b>

\* excluding ₹ 9.12 lakhs (31st March, 2020: ₹ 9.29 lakhs) in relation to biological assets other than bearer plants.

### 34. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores and spares	975.15	1,078.71
Packing materials	773.70	969.30
Power and fuel	419.24	571.77
Repairs to:		
- Buildings	252.99	255.05
- Machinery	2,188.06	2,700.13
- Others	48.21	30.00
Rent [Note 40]	126.18	215.89
Rates and taxes	26.45	34.96
Insurance	184.97	122.40
Payment to auditors [refer Note (a) below]	28.73	24.42
Payment to cost auditors	1.23	1.22
Commission on sales	311.42	297.83
Freight and forwarding charges	1,076.67	1,110.20
Charity and donations*	300.32	201.05
Provision for bad and doubtful advances	28.88	86.15
Bad debts, irrecoverable claims and advances written off	-	1.31
Less: Adjusted against provisions	-	1.27
Change in fair value of biological assets other than bearer plants [Note 9]	14.63	-
Loss on sale / discard of Property, Plant and Equipment (net)	44.49	1.15
Contribution towards Corporate Social Responsibility expenses [refer Note (b) below]	125.50	116.83
Director's commission	30.00	30.00
Director's sitting fees	26.00	21.20
Miscellaneous expenses	751.79	1,187.74
	<b>7,734.61</b>	<b>9,056.04</b>

\* Includes contribution of ₹ 300.00 lakhs (31st March, 2020: ₹ 200.00 lakhs) to an Electoral trust company.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 34. Other expenses (Contd.)

#### (a) Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>As Auditors</b>		
- Statutory audit	14.50	12.00
- Limited review of quarterly results	8.70	7.20
<b>In other capacity</b>		
- Tax audit	3.60	3.60
- For certificates and other services	1.80	1.00
<b>Reimbursement of expenses</b>	0.13	0.62
	<b>28.73</b>	<b>24.42</b>

#### (b) Contribution towards Corporate Social Responsibility expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>(A) Gross amount required to be spent by the Company during the year</b>	117.23	113.88
<b>(B) Amount spent during the year on:</b>		
(i) Construction / acquisition of any asset		
- In Cash	-	-
- Yet to be paid in cash	-	-
<b>Total</b>	-	-
(ii) On purpose other than (i) above		
- In Cash	125.50	116.83
- Yet to be paid in cash	-	-
<b>Total</b>	<b>125.50</b>	<b>116.83</b>

### 35. Tax expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Current tax</b>	750.77	1,887.43
<b>Provision for tax related to earlier years</b>	-	0.05
<b>Deferred tax</b>		
Attributable to origination and reversal of temporary differences / MAT Credits	772.23	572.95
<b>Total tax expense for the year</b>	<b>1,523.00</b>	<b>2,460.43</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 35. Tax expense (Contd.)

#### Reconciliation of effective tax rate

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
<b>Profit before tax</b>		4,231.12		10,764.34
Tax using the Company's domestic tax rate	34.944%	1,478.52	34.944%	3,761.49
Tax effect of:				
- Reversal of deferred tax liabilities (net) due to re-measurement of deferred tax assets / liabilities as per Ind-AS 12 "Income Taxes"		(18.50)		(1,597.25)
- Amount related to earlier years		-		234.20
- Others (including due to permanent differences)		62.98		61.99
		<b>1,523.00</b>		<b>2,460.43</b>

### 36. Earnings per equity share (EPS)

#### Basic and Diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i) Profit attributable to equity shareholders (₹ in lakhs)	2,708.12	8,303.91
(ii) Weighted average number of equity shares for the year including bonus shares issued		
At the beginning and at the end of the year	1,40,91,630	1,40,91,630
(iii) <b>Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]</b>		
Basic and Diluted (₹)	19.22	58.93

There is no dilutive potential equity share.

### 37. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹ **6,353.80 lakhs** (31st March, 2020: ₹ 1,397.72 lakhs).

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 38. Contingent Liabilities

(to the extent not provided for)

#### (a) Claims against the Company not acknowledged as debt

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Excise duty and service tax	4,523.34	4,601.92
(ii) Sales and entry tax	115.98	115.98
(iii) Duty under state acts	321.41	321.41
(iv) Others	44.03	44.03
<b>Total *</b>	<b>5,004.76</b>	<b>5,083.34</b>

#### \* Notes:

- (1) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.
  - (2) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Company does not expect any reimbursement in respect of the above contingent liabilities.
- (b) The land ceiling matter under Bihar Land Reforms (Fixation of Ceiling, Area and Acquisition of Surplus Land) Act, 1961 for acquisition of agriculture land by the Government is pending before the appropriate adjudicating authorities.

**39.** The possible impacts of COVID-19, if any, have been considered in these financial statements, including internal and external factors known upto the date of approval of these financial statements, to assess the carrying amount of assets and liabilities of the Company. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

### 40. Lease

#### As Lessee

The Company has lease contracts for various items of buildings (including godowns), vehicles and other equipment used in its operations. The Company's obligations under its lease are secured by lessor's title to the leased assets.

The Company also has certain leases of godowns and vehicles with lease term of twelve months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amount of right-of-use assets (Buildings) recognised and its movements during the year are disclosed in Note 4.

The carrying amount of lease liabilities included in Note 22 and its movement during the year are as under:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	121.35	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	-	124.05
Additions during the year	-	-
Finance cost accrued during the year	12.03	12.30
Payment of lease liabilities for the year	(15.00)	(15.00)
<b>Balance at the end of the year</b>	<b>118.38</b>	<b>121.35</b>
Non-current	103.38	106.35
Current	15.00	15.00
	<b>118.38</b>	<b>121.35</b>

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 40. Lease (Contd.)

#### As Lessee (Contd.)

The maturity analysis of lease liabilities on an undiscounted basis are as under:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Less than one year	15.00	15.00
One to two years	15.00	15.00
Two to five years	46.50	45.00
More than five years	156.75	173.25
<b>Total</b>	<b>233.25</b>	<b>248.25</b>

Lease liabilities is being measured by discounting the lease payments using the incremental borrowing rate i.e. 10% p.a.

The followings are the amounts recognised during the year in profit or loss:

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest on lease liabilities [Note 32]	12.03	12.30
Depreciation on right-of-use assets [Note 4]	8.27	8.27
Expenses relating to short-term and low-value leases [Note 34] *	126.18	215.89
<b>Total</b>	<b>146.48</b>	<b>236.46</b>

\* excluding ₹ 8.98 lakhs (31st March, 2020: ₹ 9.21 lakhs) incurred in relation to biological assets other than bearer plants [Note 9].

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

### 41. Operating Segments

#### A. Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments and its operating results are reviewed regularly by the Company's Whole-Time Director (WTD) as the Company's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has three reportable segments as described below, which are the Company's strategic business:

Reportable segments	Operations
Sugar	Manufacture and sale of sugar, molasses and bagasse
Distillery	Manufacture and sale of denatured spirits (including ethanol) and bio-compost
Co-generation	Generation and transmission of power

#### B. Information about reportable segments

Information related to each reportable segment is set-out below. The Company's WTD reviews the results of each segment on a quarterly basis. The Company's WTD uses Earning Before Interest and Tax (EBITA) to assess the performance of the operating segments. Segment is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within same industries. Inter-segment pricing is determined on an arm's length basis.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 41. Operating Segments

#### B. Information about reportable segments (Contd.)

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
<b>Year ended 31st March, 2021</b>				
<b>Revenue:</b>				
<b>Segment revenue</b>	88,239.41	9,867.47	6,188.44	1,04,295.32
Less: Inter-segment revenue	5,615.33	50.98	3,434.53	9,100.84
<b>Total revenue from operations</b>	<b>82,624.08</b>	<b>9,816.49</b>	<b>2,753.91</b>	<b>95,194.48</b>
<b>Segment profit before income tax</b>	3,055.14	4,782.16	2,592.39	10,429.69
Finance costs				5,530.65
Unallocable expenses (net of unallocable income)				667.92
<b>Profit before tax</b>				<b>4,231.12</b>
<b>As at 31st March, 2021</b>				
<b>Segment assets</b>	1,17,162.70	17,485.08	7,361.45	1,42,009.23
Unallocated assets				964.94
<b>Total assets</b>				<b>1,42,974.17</b>
<b>Segment liabilities</b>	20,160.17	441.08	9.24	20,610.49
Unallocated liabilities				66,599.93
<b>Total liabilities</b>				<b>87,210.42</b>
<b>Year ended 31st March, 2021</b>				
<b>Other segment information</b>				
Capital expenditure				
- Property, Plant and Equipment	3,061.16	1,746.87	7.19	4,815.22
- Intangible assets	5.92	-	-	5.92
Depreciation	1,375.43	281.82	255.65	1,912.90
Amortisation	5.61	-	-	5.61
<b>Year ended 31st March, 2020</b>				
<b>Revenue:</b>				
<b>Segment revenue</b>	86,230.25	7,118.76	8,360.33	1,01,709.34
Less: Inter-segment revenue	5,488.72	20.86	4,583.91	10,093.49
<b>Total revenue from operations</b>	<b>80,741.53</b>	<b>7,097.90</b>	<b>3,776.42</b>	<b>91,615.85</b>
<b>Segment profit before income tax</b>	9,540.32	3,092.19	3,718.85	16,351.36
Finance costs				4,832.72
Unallocable expenses (net of unallocable income)				754.30
<b>Profit before tax</b>				<b>10,764.34</b>
<b>As at 31st March, 2020</b>				
<b>Segment assets</b>	1,29,918.02	14,762.44	8,087.87	1,52,768.33
Unallocated assets				1,663.02
<b>Total assets</b>				<b>1,54,431.35</b>
<b>Segment liabilities</b>	33,068.41	233.74	12.52	33,314.67
Unallocated liabilities				67,485.20
<b>Total liabilities</b>				<b>1,00,799.87</b>
<b>Year ended 31st March, 2020</b>				
<b>Other segment information</b>				
Capital expenditure				
- Property, Plant and Equipment	2,851.44	775.38	-	3,626.82
- Intangible assets	7.64	-	-	7.64
Depreciation	1,286.92	255.50	255.64	1,798.06
Amortisation	3.54	-	-	3.54

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 41. Operating Segments

#### C. Geographical information

The Company primarily operates in India only and the analysis of geographical segments demarcated into its Indian and Overseas Operations are as under:

(₹ in lakhs)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Reportable segments		Total	Reportable segments		Total
	Indian	Overseas*		Indian	Overseas*	
<b>Revenue:</b>						
Sales (including other operating revenue) to external customers	85,277.60	9,916.88	95,194.48	89,322.37	2,293.48	91,615.85
<b>Segment assets</b>	1,41,856.23	153.00	1,42,009.23	1,52,768.33	-	1,52,768.33
<b>Segment liabilities</b>	20,435.84	174.65	20,610.49	33,314.67	-	33,314.67

The Company has common property, plant and equipment for producing goods for Indian and Overseas markets. Hence, no separate figures for fixed assets / additions to fixed assets / depreciation and amortisation on fixed assets have been furnished.

\* including export through third parties.

#### D. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2021 and 31st March, 2020.

### 42. Related Party Disclosures

In accordance with the requirements of Indian Accounting Standard (Ind-AS) 24 "Related Party Disclosures", names of the related parties, related party relationships, transactions and outstanding balances, where control exist and with whom transactions have been taken placed during the reported periods are:

#### A. Names of related parties and related party relationship

##### Related parties with whom transactions have taken place during the year

Key management personnel	Mr. Chandra Shekhar Nopany	- Chairperson/Non-Executive Director
	Mr. Padam Kumar Khaitan	- Independent / Non-Executive Director
	Mr. Yashwant Kumar Daga	- Independent / Non-Executive Director
	Mr. Ishwari Prosad Singh Roy	- Independent / Non-Executive Director
	Mr. Raj Kumar Bagri	- Independent / Non-Executive Director
	Mr. Shashi Sharma	- Independent / Non-Executive Director
	Mr. Chandra Mohan	- Whole-Time Director
	Mr. Sunil Choraria	- Chief Financial Officer
	Mr. Subramanian Sathyamurthy	- Company Secretary
Relatives of key management personnel	Mrs. Nandini Nopany	- Mother of Mr. Chandra Shekhar Nopany



## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 42. Related Party Disclosures (Contd.)

#### B. The following transactions were carried out with related parties in the ordinary course of business

##### a. Dividend / Director's sitting fees / commission

(₹ in lakhs)

Particulars	Year ended 31st March	Dividend on Equity Shares	Director's sitting fees	Director's commission	Amount owed to related parties
<b>Key management personnel</b>					
Mr. Chandra Shekhar Nopany	2021	1.73	3.40	5.00	4.62
	2020	0.62	2.40	5.00	4.50
Mr. Padam Kumar Khaitan	2021	-	4.80	5.00	4.62
	2020	-	4.00	5.00	4.50
Mr. Yashwant Kumar Daga	2021	-	5.00	5.00	4.62
	2020	-	4.00	5.00	4.50
Mr. Ishwari Prosad Singh Roy	2021	-	4.00	5.00	4.63
	2020	-	4.00	5.00	4.50
Mr. Raj Kumar Bagri	2021	-	5.00	5.00	4.63
	2020	-	4.20	5.00	4.50
Mrs. Shashi Sharma	2021	-	3.80	5.00	4.63
	2020	-	2.60	5.00	4.50
<b>Relatives of key management personnel</b>					
Mrs. Nandini Nopany	2021	7.36	-	-	-
	2020	12.63	-	-	-

##### b. Remuneration to key managerial personnel

##### (i) Short term employee benefits

(₹ in lakhs)

Particulars	Year ended 31st March	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. Chandra Mohan*	2021	105.72	-	0.34
	2020	97.10	-	3.88
Mr. Sunil Choraria	2021	27.02	-	1.26
	2020	26.37	-	0.83
Mr. Subramanian Sathyamurthy	2021	28.32	-	1.37
	2020	24.78	-	1.16

\* excluding ₹ 7.30 lakhs (31st March, 2020: ₹ 6.66 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

##### (ii) Post employment benefits

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

#### C. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013

The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2021 or year ended 31st March, 2020.

#### D. Terms and conditions of transactions with related parties

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.
- For the year ended 31st March, 2021, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 43. Government Grants

The Company is eligible to receive various government grants by way of production subsidy, export subsidy, reimbursement of carrying cost towards maintenance of buffer stock, incentive on higher recovery, remission of sugarcane commission to zonal development council and interest subvention / grant on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:

(₹ in lakhs)

Sr. No.	Particulars	Treatment in Financial Statements	Year ended 31st March, 2021	Year ended 31st March, 2020
<b>Revenue related Government Grants:</b>				
(i)	Reimbursement of Goods and Service Tax as Production Subsidy	Shown as "Exceptional Items" in the Statement of Profit and Loss	-	1,594.32
(ii)	Export Subsidy / Production Subsidy [Note (a) below]	Shown as "Subsidy towards Export Quota (net)" in Note 27	1,977.28	1,599.26
		Deducted from "Cost of Material Consumed" in Note 29	-	762.09
(iii)	Reimbursement of Carrying Cost towards maintenance of Buffer Stock [Note (b) below]	Shown as "Buffer Stock Subsidy towards Insurance & Storage Charges" in Note 27	56.41	132.06
		Deducted from "Finance costs" in Note 32	416.60	963.28
(iv)	Incentive on Higher Recovery [Note (c) below]	Shown as "Production Incentive" in Note 27	336.00	208.00
(v)	Cane Price Subsidy on sugarcane purchased	Deducted from "Cost of Material Consumed" in Note 29	-	269.15
(vi)	Interest Subvention / grant on term loans [Note (d) below]	Deducted from "Finance costs" in Note 32	117.75	649.61

- (a) The Central Government, pursuant to notification dated 29th December, 2020 issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for a lump sum financial assistance of ₹ 6,000 / ₹ 4,000 per MT for expenses on export of sugar limited to Maximum Admissible Export Quantity (MAEQ) of sugar mills for the sugar season 2020-21. Such financial assistance is subject to fulfilment of certain eligibility conditions as specified in the said notification. The Company has fulfilled the conditions as stipulated in the said scheme and accordingly, the subsidy of ₹ **1,977.28 lakhs** has been accounted for during the year and disclosed as "Subsidy towards Export Quota (net)" under the head Other Operating Revenue.
- (b) The Government of India vide its Notification No. 1(6)/2018-SP-I and 1(8)/2019-SP-I dated 15th June, 2018 and 31st July, 2019 respectively announced a financial assistance as reimbursement of carrying cost pertaining to interest and insurance including storage charges towards maintenance of buffer stock. The above subsidy related to interest cost has been netted with the Finance Cost and in respect of insurance including storage charges has been disclosed as "Buffer Stock Subsidy towards Insurance & Storage Charges" under the head Other Operating Revenue.
- (c) The State Government of Bihar under Industrial Promotion Policy, 2014 had announced an incentive on higher recovery of sugar over the recovery in base years. The Company has received / entitled for Production Incentive of ₹ **336.00 lakhs** for the sugar season 2019-20 and 2020-21 during the current year.
- (d) The Company has obtained certain term loans from banks under financial assistance schemes (SOFT 2019 - Central and SOFT 2015 - Bihar). The difference between the fair value of the loans based on prevailing market interest rates and interest paid on such loans has been recognised in the Statement of Profit and Loss by netting with the related finance cost.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 44. Financial instruments - fair values and risk management

#### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31st March, 2021</b>					
<b>Financial assets not measured at fair value</b>					
Investment in Government Securities	-	-	0.68	0.68	0.68
Trade receivables	-	-	1,205.80	1,205.80	1,205.80
Cash and cash equivalents	-	-	45.85	45.85	45.85
Other bank balances	-	-	13.59	13.59	13.59
Loans	-	-	114.90	114.90	114.90
Other financial assets	-	-	301.35	301.35	301.35
	-	-	<b>1,682.17</b>	<b>1,682.17</b>	<b>1,682.17</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowing	-	-	63,107.29	63,107.29	63,149.97
Trade payables	-	-	16,521.37	16,521.37	16,521.37
Other financial liabilities	-	-	1,161.67	1,161.67	1,161.67
	-	-	<b>80,790.33</b>	<b>80,790.33</b>	<b>80,833.01</b>
<b>As at 31st March, 2020</b>					
<b>Financial assets not measured at fair value</b>					
Investment in Government Securities	-	-	0.68	0.68	0.68
Trade receivables	-	-	878.82	878.82	878.82
Cash and cash equivalents	-	-	66.79	66.79	66.79
Other bank balances	-	-	5.78	5.78	5.78
Loans	-	-	53.47	53.47	53.47
Other financial assets	-	-	620.84	620.84	620.84
	-	-	<b>1,626.38</b>	<b>1,626.38</b>	<b>1,626.38</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowing	-	-	64,124.95	64,124.95	64,196.94
Trade payables	-	-	31,321.41	31,321.41	31,321.41
Other financial liabilities	-	-	1,270.21	1,270.21	1,270.21
	-	-	<b>96,716.57</b>	<b>96,716.57</b>	<b>96,788.56</b>

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits including working capital loan, inter corporate deposits and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

#### B. Measurement of fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

# Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

## 44. Financial instruments - fair values and risk management (Contd.)

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

#### Risk management framework

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances, investments, loans and other financial assets that derive directly from its operations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's Risk Management Committee monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

**The sources of risks which the Company is exposed to and their management is given below:**

Risk	Exposure Arising from	Measurement	Management
<b>Credit risk</b>	Trade receivables	Ageing analysis, credit rating	Credit limit and credit worthiness monitoring, credit based approval process
<b>Liquidity risk</b>	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
<b>Market risk</b> Interest rate risk	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Fund management
Regulatory risk	Commercial traction	Impact of policies	Monitoring of Policies and assessing impact
Commodity price risk	Commercial traction	Cash flow forecasting	Business diversification

#### (i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables from customers and loans. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

#### Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivable on case to case basis and has accordingly created loss allowance on trade receivables.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 44. Financial instruments - fair values and risk management

#### C. Financial risk management (Contd.)

##### Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to trade receivables as low, as the Company sugar sales are mostly on cash. Power and Ethanol are sold to Government entities, thereby the credit default risk is significantly mitigated.

The Company's exposure to credit risk for trade receivables by type of counterparty is as follows.

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Government concerns (including government undertakings)	945.93	802.63
Others	259.87	76.19
	<b>1,205.80</b>	<b>878.82</b>

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

##### Ageing of trade receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31st March, 2021	867.03	293.10	39.78	0.12	5.77	1,205.80
As at 31st March, 2020	770.21	66.93	12.45	3.05	26.18	878.82

During the year, the Company has made the provision of ₹ **21.29 lakhs** towards doubtful debts, not written off and the Company is exploring all means to recover the same. The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

#### (ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 44. Financial instruments - fair values and risk management

#### C. Financial risk management (Contd.)

##### Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31st March, 2021</b>						
Secured term loan from banks and others*	12,157.32	14,357.69	4,753.31	4,071.27	5,533.11	-
Cash credit including working capital demand loan	30,949.97	30,949.97	30,949.97	-	-	-
Secured short term loan from a bank*	8,500.00	9,061.12	9,061.12	-	-	-
Unsecured short term loan from a bank	2,000.00	2,000.00	2,000.00	-	-	-
Inter-corporate deposits	9,500.00	9,500.00	9,500.00	-	-	-
Trade payables	16,521.37	16,521.37	16,521.37	-	-	-
Other financial liabilities*	1,161.67	1,276.54	1,036.29	15.00	46.50	178.75
	<b>80,790.33</b>	<b>83,666.69</b>	<b>73,822.06</b>	<b>4,086.27</b>	<b>5,579.61</b>	<b>178.75</b>
<b>As at 31st March, 2020</b>						
Secured term loan from banks and others*	15,235.81	17,797.13	4,004.58	4,432.70	8,974.91	384.94
Cash credit including working capital demand loan	29,789.14	29,789.14	29,789.14	-	-	-
Secured short term loan from a bank*	8,500.00	9,210.30	9,210.30	-	-	-
Inter-corporate deposits	10,600.00	10,600.00	10,600.00	-	-	-
Trade payables	31,321.41	31,321.41	31,321.41	-	-	-
Other financial liabilities*	1,270.21	1,397.11	1,141.86	15.00	45.00	195.25
	<b>96,716.57</b>	<b>1,00,115.09</b>	<b>86,067.29</b>	<b>4,447.70</b>	<b>9,019.91</b>	<b>580.19</b>

\* including estimated interest.

#### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

##### Foreign currency risks

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

##### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 44. Financial instruments - fair values and risk management

#### C. Financial risk management (Contd.)

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

#### Exposure to interest rate risks

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<b>Fixed rate instruments</b>		
Financial assets	2.00	2.00
Financial liabilities	9,500.00	10,600.00
<b>Variable rate instruments</b>		
Financial assets	-	-
Financial liabilities	53,725.67	53,646.30

#### Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in interest rate at the reporting dates would have increased or decreased equity and profit or loss by the amounts shown below:

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
<b>31st March, 2021</b>				
Variable rate instruments	(268.63)	268.63	(174.76)	174.76
<b>31st March, 2020</b>				
Variable rate instruments	(268.23)	268.23	(174.50)	174.50

#### Regulatory and Commodity price risk

Sugar industry, being cyclical in nature, is regulated by both Central Government as well as State Government policies. The Company is exposed to the risk of price fluctuations of its raw material (Sugarcane) as well as its finished goods (Sugar). To counter the raw material risk, the Company worked with development of various cane varieties with the objective to moderate the raw material cost and increase product functionality. The risk towards finished goods (Sugar) has been moderated through the various schemes of the Central Government including but not limited to introduction of Minimum Support Price (MSP), creation of buffer stock and export of excess inventory. The Company has further mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilising its by-products.

## Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

### 45. Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

**The Company's objective when managing capital are to:**

- (a) to maximise shareholders value and provide benefits to other stakeholders, and
- (b) maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Debt (Bank and other borrowings)	63,107.29	64,124.95
Total Equity	55,763.75	53,631.48
Debt to Equity ratio	1.13 : 1	1.2 : 1

### 46. Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification / disclosure.

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

**Pradeep Kumar Singhi**

Partner

Membership No.: 050773

Place: Kolkata

Date: 11th May, 2021

**Chandra Mohan**

Whole-time Director

DIN: 07760264

**Subramanian Sathyamurthy**

Company Secretary

**Chandra Shekhar Nopany**

Chairperson

DIN: 00014587

**Sunil Choraria**

Chief Financial Officer