

MSEL/SE/2020-21/29

August 29, 2020

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

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

STOCK CODE – 540650

The Secretary
The Calcutta Stock
Exchange Ltd.
7, Lyons Range
Kolkata 700 001

SCRIP CODE - 23935

Dear Sirs,

Sub: Annual Report including Audited Financial Statemnts for the year ended 31st March, 2020

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, 2020 together with the Notice dated 23rd June, 2020 convening the 6th Annual General Meeting of the Company on September 22, 2020.

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



L15122UP20152PLC069632

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 Sixth Annual General Meeting of **MAGADH SUGAR & ENERGY LIMITED** will be held on Tuesday, the 22nd day of September, 2020 at 11:00 A.M., through Video Conferencing (“VC”) / Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 and the Reports of the Board of 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 in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), approval of the members be and is hereby accorded to the re-appointment of Mr Chandra Mohan (DIN 07760264), as a Whole-time Director of the Company for a period of three (3) years with effect from 9th March, 2020 to 8th March, 2023, whose office is liable to retire by rotation, if required, on such terms and conditions as set out in the Explanatory Statement annexed to this Notice with the authority to the Board of Directors (the “Board”) to alter and vary the terms and conditions of appointment including remuneration of the Whole-time Director from time to time at its discretion, within the permissible limits as per the Companies Act, 2013 and/or subject to such approvals as may be required, if any, as on the date of alteration/variation.

RESOLVED FURTHER THAT Mr. Chandra Mohan shall, subject to superintendence, control and directions of the Board of Directors perform such duties and exercise such powers as have been or may from time to time be entrusted to or conferred upon him by the Board.

RESOLVED FURTHER THAT the Board of Directors be and they are hereby authorised to determine, from time to time, such increments, payable to Mr Chandra Mohan, Whole-time Director, as it may deem fit and proper, within the limits as specified, and to do or cause to be done in the name and at the cost of the Company all such acts, deeds and things and to take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution”.

5. 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, 2021, as approved by the Board of Directors on the recommendation of the Audit Committee, be and is hereby approved and ratified.”

Place : Kolkata

Dated :23rd June, 2020

By Order of the Board

S Subramanian

Company Secretary

FCS – 4974

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
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. The Board of Directors have considered and decided to include item nos. 4 & 5 of the accompanying Notice as Special Business in the forthcoming AGM, as they are unavoidable in nature.
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 is annexed.
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 6th 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, September 16, 2020 to Tuesday, September 22, 2020 (both days inclusive) for the purpose of the AGM and payment of dividend. Dividend on Equity Shares for the financial year ended March 31, 2020, as recommended by the Board, if declared at the AGM, will be paid, subject to deduction of tax at source, as applicable to:
 - 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 Tuesday, September 15, 2020.
 - 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 Tuesday, September 15, 2020.
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. To support the 'Green Initiative', Members who have not yet registered their email addresses are requested to register the same with their DPs 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 September 15, 2020 through email on 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 2019-20 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 2019-20 will also be available on the Company's website www.birla-sugar.com and the websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited at www.bseindia.com, www.nseindia.com and www.cse-india.com respectively and the website of National Securities Depository Limited ("NSDL") at 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. At the third AGM held on August 1, 2017 the Members approved the appointment of M/s Singhi & Co., Chartered Accountants (Firm Registration No. 302049E) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the eighth AGM, subject

to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the sixth AGM.

16. 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 or magadhsugar@birlasugar.org by 15th September, 2020. 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 or magadhsugar@birlasugar.org. The aforesaid declarations and documents need to be submitted by the shareholders by 15th September, 2020.

17. 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
18. The special business under Item No 4 & 5 of the notice of AGM, to be transacted at the AGM, has been considered unavoidable by the Board of Directors of the Company.
19. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
20. Instructions for e-voting and joining the AGM are as follows:

VOTING THROUGH ELECTRONIC MEANS

- I. In compliance with the provisions of Section 108 of the Act, read with Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below :
- II. The remote e-voting period commences on Friday, September 18, 2020 (9:00 a.m. IST) and ends on Monday, September 21, 2020 (5:00 p.m. IST). During this period, Members holding shares either in physical form or in dematerialized form, as on Tuesday September 15, 2020 i.e. cut-off date, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Those Members, who will be present in the AGM through VC / OAVM facility and have not cast 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 during the AGM.
- III. The Board of Directors has appointed Mr Mohan Ram Goenka (Membership No. FCS 4515), Practicing Company Secretary as the Scrutinizer to scrutinize the voting during the AGM and remote e-voting process in a fair and transparent manner.
- IV. 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.
- V. 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.
- VI. Any person, 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. 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.
- VII. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.birla-sugar.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited at www.bseindia.com, www.nseindia.com and www.cse-india.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
- VIII. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

How to Log-in to NSDL e-Voting website?

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 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.
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.

4. 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***

5. Your password details 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**
6. 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.
 - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre, Manager, NSDL, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in
- 4 A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.

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 kolkata@linkintime.co.in or 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 kolkata@linkintime.co.in or magadhsugar@birlasugar.org
3. Alternatively member may send an e-mail request to evoting@nsdl.co.in for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.

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.

NOTICE

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 the same at <https://www.evoting.nsd.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
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 latest by 5.00 p.m. (IST) on Tuesday, 15th September, 2020.
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 latest by 5.00 p.m. (IST) on Tuesday, 15th September, 2020. 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 NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in / 022-24994545.

Other Instructions

1. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
2. The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.birla-sugar.com and on the website of NSDL <https://www.evoting.nsd.com> immediately. The Company shall simultaneously forward the results to BSE Limited, National Stock Exchange of India Limited and The Calcutta Stock Exchange Limited where the shares of the Company are listed.

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

Item No. 4

Mr Chandra Mohan (DIN-07760264) was appointed as Whole-time Director for a period of 3 years from 9th March, 2017 to 8th March, 2020 at the Extra-Ordinary General Meeting of the Company held on 9th March 2017. The Board of Directors at their meeting held on 6th February, 2020 had upon the recommendation of the Nomination and Remuneration Committee decided to re-appoint Mr. Chandra Mohan as the Whole-time Director of the Company for a further period of 3 years with effect from 9th March, 2020 on the remuneration and the terms and conditions as approved by the Board, subject to the approval of the members.

The main terms and conditions of appointment of Mr Chandra Mohan are given below:

i.	Tenure of appointment	:	Three years from 9th March, 2020
ii.	Basic Salary	:	Rs. 7,32,600/-- (Rupees Seven lac thirty two thousand six hundred) only per month. (The Nomination and Remuneration Committee may recommend to the Board such increase in emoluments after taking into account the Company's performance, within the limits contained in Companies Act, 2013 or any amendment thereof or otherwise as may be permissible in law)

iii.	House	:	The Company shall provide free furnished accommodation and also pay all rents, rates, taxes, electricity, fuel charges, water charges and all other expenses for the upkeep and maintenance thereof
iv.	Provident Fund	:	Contribution to Provident Fund shall be as per the Rules of the Company i.e. @12% of Basic Salary
v.	Gratuity Fund	:	Contribution to Gratuity Fund shall be as per the Rules of the Company
vi.	Leave	:	Leave as per the Rules of the Company.
vii.	Travelling and other Expenses	:	Reimbursement of travelling and all other expenses incurred for the business of the Company
viii.	Car & Telephone	:	The Company shall provide a car with driver and telephone at the residence of the Whole-time Director. Provision of car for use on the Company's business and telephone will not be considered as perquisites. Personal long distance calls and use of car for private purposes shall, however, be paid for by the Whole-time Director.
ix.	Notice Period	:	The appointment may be terminated by giving three months' notice by either side without assigning any reason whatsoever.
x.	Minimum Remuneration	:	Wherein in any financial year during the tenure of his employment, the company has no profit or its profits are inadequate, the remuneration payable to you him be as outlined above, subject to necessary approval of shareholders/ Central Government, if so required.
xi.	Sitting Fee	:	The Whole-time Director shall not be paid any sitting fees for attending the meeting of the Board of Directors or any Committees thereof during his tenure as Whole-time Director.
xii.	Disengagement	:	The appointment is subject to disengagement in accordance with the provisions of the Articles of Association of the Company, the Companies Act, 2013, the Rules made there under and Code of Conduct & Ethics and all other applicable Codes & Policies of the Company and the SEBI listing regulations as and when applicable.

Mr Chandra Mohan, holds Diploma in Mechanical Engineering from Roorkee and has over 30 years of experience in working in Sugar industries in varied designation before reaching the top position of the Unit Head. Mr Chandra Mohan possess sound knowledge in technical areas of sugar factory besides being a good administrator and controller. This Statement may also be regarded as a disclosure under SEBI (LODR) Regulations, 2015 as well as also be regarded as an abstract and memorandum under section 190 of the Companies Act, 2013.

As a Whole-time Director of the Company Mr Chandra Mohan shall be responsible to give direction to the Management team of the Company in accomplishment of its business plan. Mr Chandra Mohan is a member of the Corporate Social Responsibility Committee, Risk Management Committee and Finance & Corporate Affairs Committee respectively and has attended 3 meetings of the Board of Directors during the financial year 2019-20. The remuneration paid to Mr Chandra Mohan during the financial year 2019-20 was Rs 97.10 lakhs.

The Board considers the appointment of Mr Chandra Mohan as Whole-time Director as desirable in the interest of the Company and recommends the Resolution set out at Item No.4 of the Notice for approval by the shareholders.

Except Mr. Chandra Mohan, being an appointee, none of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 4.

Item No 5.

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 2020-21 at a remuneration of Rs. 1,25,000 /-

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.5 of the notice for approval by the shareholders.

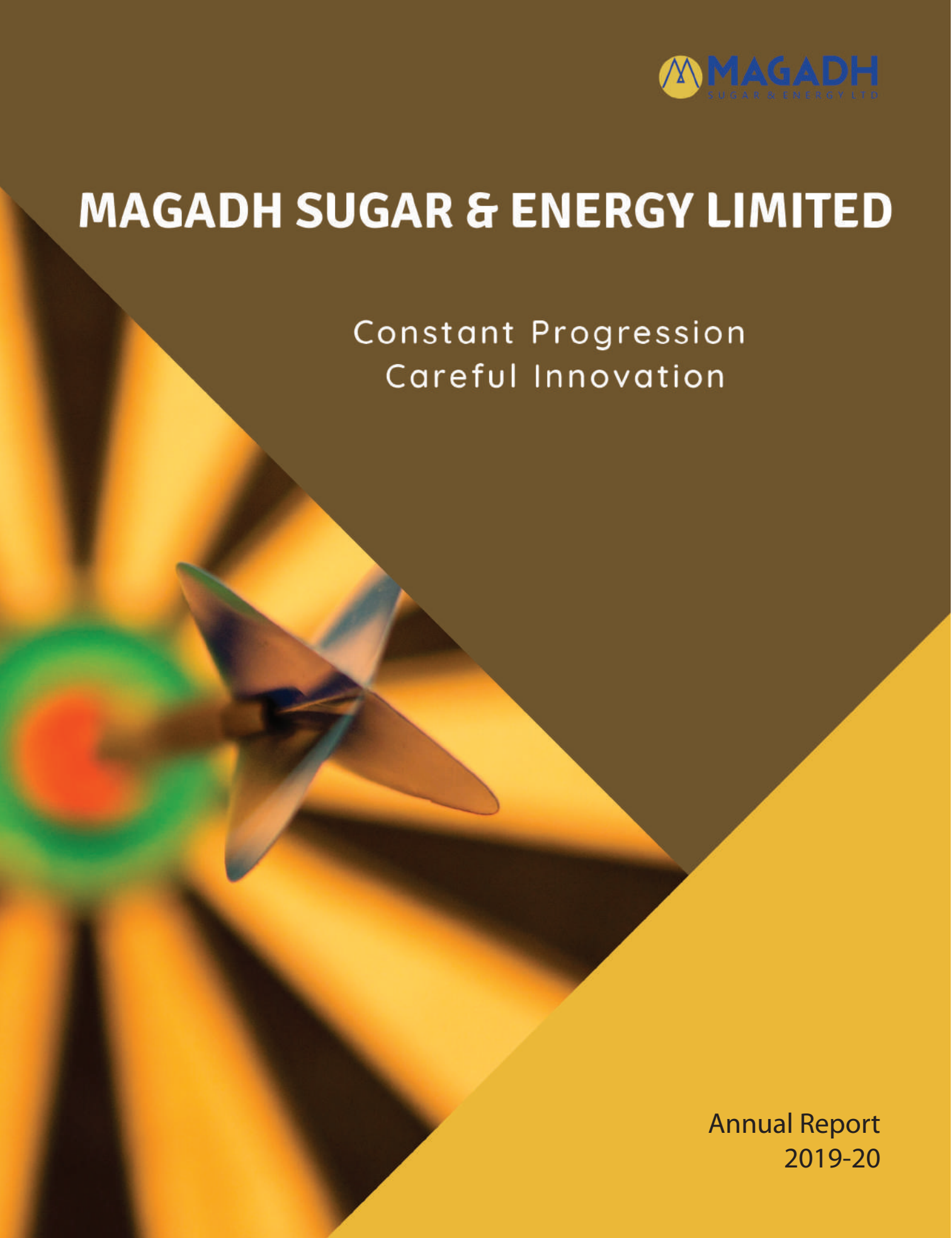
None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution set out at Item No. 5..

Particulars of Directors seeking appointment/re-appointment at the Annual General Meeting
(In pursuance of Section 196 (4) of the Companies Act, 2013, read with Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2)

Name	Mr Chandra Shekhar Nopany	Mr Chandra Mohan		
Date of birth	19.09.1965	10.05.1960		
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.	Mr Chandra Mohan, holds Diploma in Mechanical Engineering from Roorkee and has over 30 years of experience in working in Sugar industries in varied designation before reaching the top position of the Unit Head. Mr Chandra Mohan possess sound knowledge in technical areas of sugar factory besides being a good administrator and controller.		
Date of appointment	29.07.2016	09.03.2017		
Inter-se relationship	Mr. Chandra Shekhar Nopany is the son of Mrs. Nandini Nopany.	None		
Shareholding	71,844 Equity Shares	Nil		
	Name of Company(ies)	Committee Memberships, if any with position	Name of Company(ies)	Committee Memberships, if any with position
Other Directorships	Magadh Sugar & Energy Limited	Corporate Social Responsibility Committee - Chairperson	NIL	NIL
	SIL Investments Limited	Stakeholders' Relationship Committee, Chairperson		
	Yashovardhan Investment & Trading Company Limited	-		
	Ronson Traders Limited	Stakeholders' Relationship Committee, Chairperson		
	New India Retailing & Investment Limited	-		
	Sutlej Textiles and Industries Limited	-		
	Chambal Fertilisers and Chemicals Limited	Nomination and Remuneration Committee, Member		
	Corporate Social Responsibility Committee, Chairperson			

MAGADH SUGAR & ENERGY LIMITED

Constant Progression
Careful Innovation



Annual Report
2019-20

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. Mehtab Singh, 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.

Contents

CORPORATE OVERVIEW

Chairperson’s Insight	02
-----------------------	----

STATUTORY REPORTS

Directors’ Report	03
-------------------	----

Management Discussion and Analysis	09
------------------------------------	----

Report on Corporate Governance	16
--------------------------------	----

FINANCIAL STATEMENTS	56
-----------------------------	-----------

Chairperson's Insight



Dear Shareholders,

It is with great pleasure that I, on behalf of the Board of Directors, present the performance of your Company for the Fiscal 2020 and express my sincere gratitude to all our stakeholders for your partnership in this journey. Your unconditional encouragement is the testimony of your strong support and faith in us which inspires us to continue achieving newer milestones of success.

The Fiscal 2020 was unprecedented in many respects with a trade war between the major economies in the world; an impending slow-down in other key economies and finally, the outbreak of the pandemic Covid-19. Consequently, the global economy is expected to contract by 3.0% for 2020, after registering a growth of 2.9% in 2019.

The Indian Economy too, encountered various challenges during the first half of this Fiscal with the NBFC crisis unfolding, coupled with weak rural income growth. The Government's proactive measures to boost the economy like the reduced corporate tax rate and other measures to increase rural income helped in fostering some green shoots of recovery. However, the last quarter was vastly impacted by the unprecedented challenges arising from the pandemic COVID-19. As a result, the IMF

revised India's growth rate for Fiscal 2020 to 4.2%. While, India's firm preventive actions led India to stand at a better position as compared to other economies, the growth outlook for Fiscal 2021 is forecasted lower than 2%.

INDUSTRY INSIGHT

India has been one of the fastest growing emerging economies with a robust domestic consumption story and is also the largest consumer of sugar. During the Fiscal 2020, the industry saw a dip in sugar production by almost 20% amid crop destruction on account of heavy rainfall in various States. The Government's policy push of increasing the MSP and a new export policy mandating 5.0 mn tonnes of sugar to be exported, kept the sugar prices above the cost of production. For Ethanol, the Government's impetus on production, especially as an import substitute for fuel, continued with an increase in the procurement price of ethanol especially from B Heavy Molasses.

Since the last month of Fiscal 2020, the Industry has witnessed Covid-19 led disruptions to both the demand side, with curbs on social gatherings, celebrations etc. as well as the supply side caused by restrictions placed during the lockdown.

BUSINESS PERFORMANCE

Your Company delivered a robust performance on account of improved performance across segments. Sugar segment saw a growth in volumes (crushed 242.08 lac quintals vs 242.26 lac quintals in Fiscal 2019) and realizations during the Fiscal with better recovery rate, followed by enhanced volumes and realizations in distillery segment and power segment. With better operating leverage, the operating margins expanded during the Fiscal 2020. However, there has been some impact on the performance on account of the Covid-19 led lockdown towards the end of the Fiscal.

During the Fiscal 2020, our Total Income stood at Rs. 919.41 crores against Rs. 744.91 crores in Fiscal 2019; Profit Before Tax stood at Rs. 107.64 crores as against Rs. 53.87 crores and Profit After Tax was at Rs. 83.03 crores in Fiscal 2020 as against Rs. 34.22 crores in the same period last year.

WAY FORWARD

Our proactive approach towards changing market dynamics have always helped us stay ahead of the curve. At Magadh we have consistently achieved remarkable sugar recoveries in Bihar enabling us to achieve better operating performance. The recent capex project of setting up of 75KLPD Distillery including installation of incineration boiler will further enhance our distillery segment. Our approach towards maintain a disciplined balance sheet will aid us to withstand during difficult periods. We believe post economic recovery we are well poised to regain momentum towards growth going forward.

"Our strong roots and disciplined philosophy will help us to withstand the storm, and cherish the sunshine"

Thank You,

Chandra Shekhar Nopany

Chairperson

Directors' Report

Dear Members,

Your Directors present herewith the 6th Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2020.

1. Financial Results

(Rs. in lakhs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Revenue from Operations (Gross)		91,615.85		73,915.65
Profit before Finance Costs, Tax, Depreciation and Amortization		15,804.34		10,653.85
Less: Depreciation & Amortization Expenses	1,801.60		1,773.29	
: Finance Costs	4,832.72	-	3,541.28	5,339.28
Profit/(Loss) Before Tax		9,170.02		5,386.83
Less: Provision for Tax:				
Current Tax	1,887.43		1,145.26	
Income Tax for earlier years	0.05		(3.09)	
Deferred Tax Charge	572.95		823.12	
Profit/(Loss) After Tax		8,303.91		3,421.54

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 2019-20

The Company recorded Total Revenue of Rs. 91,941.27 lakhs (including other income aggregating to Rs 325.42 Lakhs) during the financial year ended 31st March, 2020. The Revenue from Operations (Gross) of the Company for the year 2019-20 stood at Rs. 91,615.85 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at Rs. 15804.34 lakhs representing 17.19% 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 2020 and date of this report.

4. 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. his policy is also available on the website of the Company and can be accessed at the weblink -

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 2019-20 to the Members of your Company. The proposal is subject to the approval of the Members at the 6th Annual General Meeting (AGM) of your Company scheduled to be held on September 22, 2020. The dividend together with the dividend distribution tax will entail a cash outflow of Rs. 563.67 lakhs (previous year Rs. 242.69 lakhs).

5. 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 2019-20.

6. 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 crore) Preference Shares of Rs.10/- and there is no change in the authorised capital.

7. Issue of Bonus Shares

40,26,180 Equity Shares of Rs.10/- each, fully paid-up, were issued and allotted as Bonus Shares, in the proportion of 4 (Four) Bonus Share of Rs.10/- each for every existing 10 (Ten) fully paid-up Equity Shares of Rs.10/- each held on 30th June, 2019, being the Record Date determined by the Board for the purpose. The Bonus Shares were allotted on 2nd July, 2019.

Consequently, the Issued and Subscribed Share Capital of your Company, as on 31st March, 2020, stands increased to Rs. 14,09,16,300/- divided into 1,40,91,630 Equity Shares of Rs.10/- each. The Equity Shares issued during the year rank pari passu with the existing Equity Shares of your Company.

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 30 March 2020, has revised the Credit Rating of the Company to "CARE BBB+" 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 herself for re-appointment as Director of the Company.

The Board of Directors at its meeting held on February 6, 2020 had re-appointed Mr. Chandra Mohan (DIN 07760264) as Wholetime Director of the Company for a period of 3 years with effect from March 9, 2020 and the Board commends the re-appointment of Mr. Chandra Mohan for approval of the shareholders.

The Company has received necessary declaration from each independent director under Section 149(7) of the Companies Act, 2013, that they meets 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 2019-20. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 6th March, 2020 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 Choraria, 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.113.88 lakhs. As against this, the Company had spent Rs. 116.83 lakhs on CSR projects / programs during the Financial Year 2019-20.

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 2020, 5 (five) 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, 2020, 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 change in this policy with respect to leak or suspected leak of Unpublished Price Sensitive Information has been incorporated so that whistle blowers can report concerns. 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 2018-19 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 2020-21. 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 2019-20. 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:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- b. 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, 2020 and of the profit or loss of the Company for the year ended on that date;
- c. 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;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. 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

Kolkata
Dated 23rd June, 2020

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.

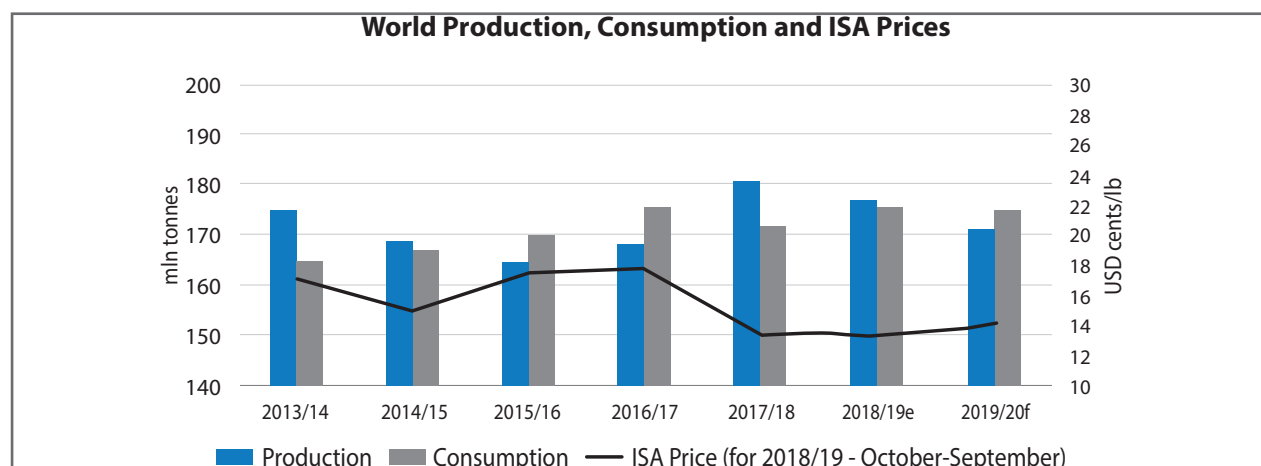
World Sugar Balance Sheet (mln tons)

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.



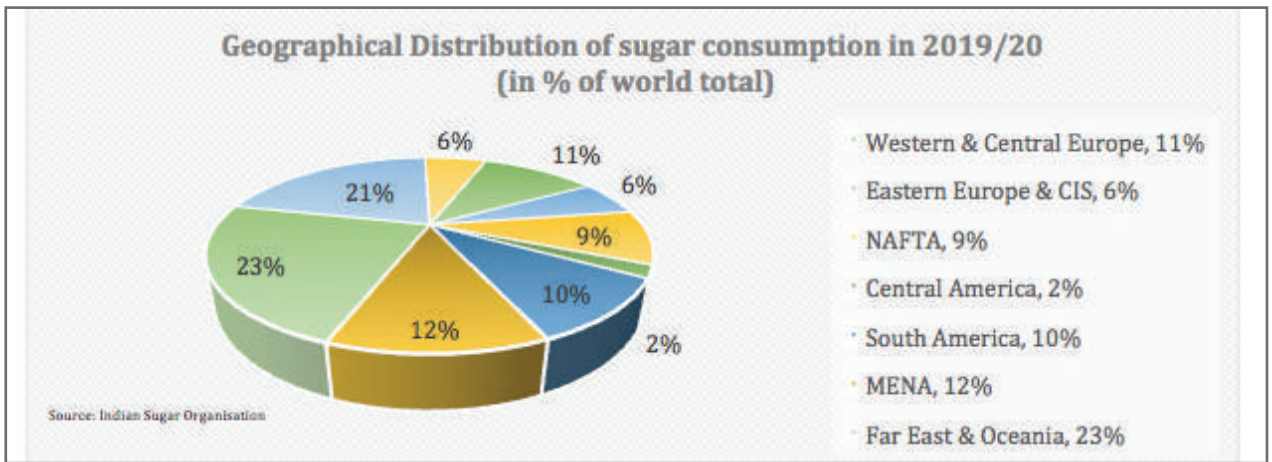
Source: International Sugar Organization

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

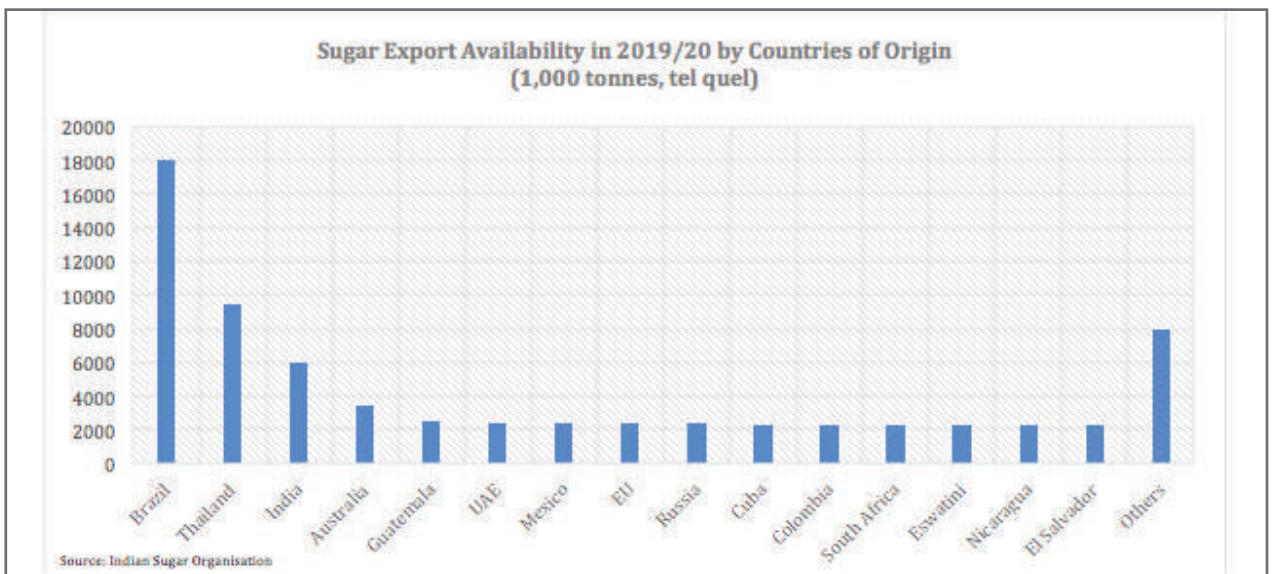
As per ISO world sugar consumption is estimated at 176.10 mln tonnes for SS 2019/20. The global use of sugar is estimated to grow by 2.18 mln tonnes or 1.25% from 2018/19. Unprecedented macro-economic factors like Covid-19 will have an impact on the consumption which shall revive post pandemic fades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



Source: International Sugar Organization

Global Exports

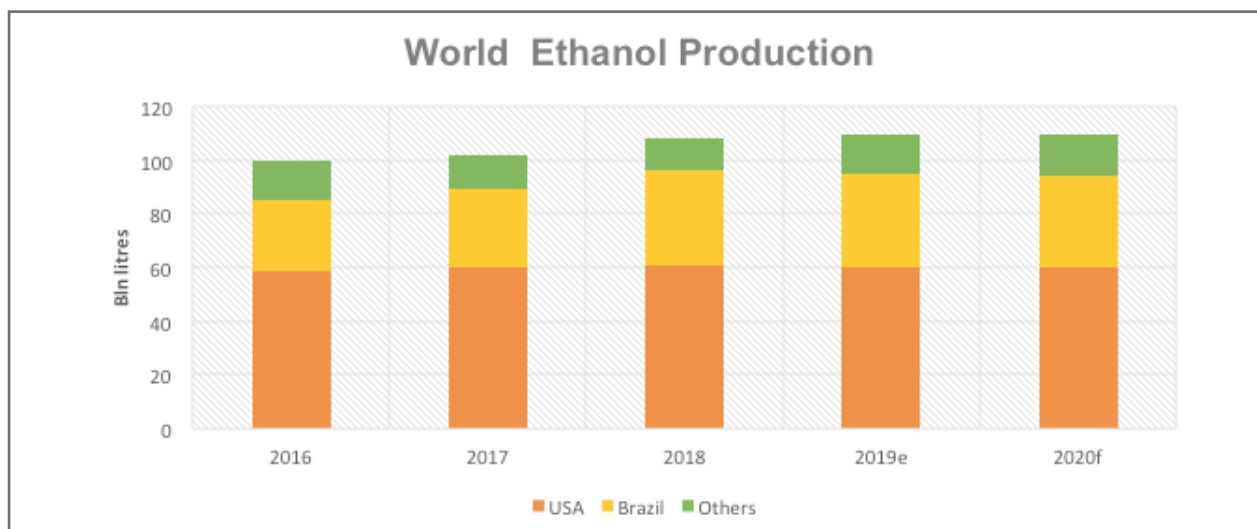
As per ISO the world export availability of sugar is estimated to improve by 5.589 mln tonnes in to reach 60.73 mln tonnes. The nominal exportable surplus is not expected to reduce much from earlier SS 2018/19 . According to ISO, the availability of exports is expected to increase from Brazil, Russia, 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.



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.



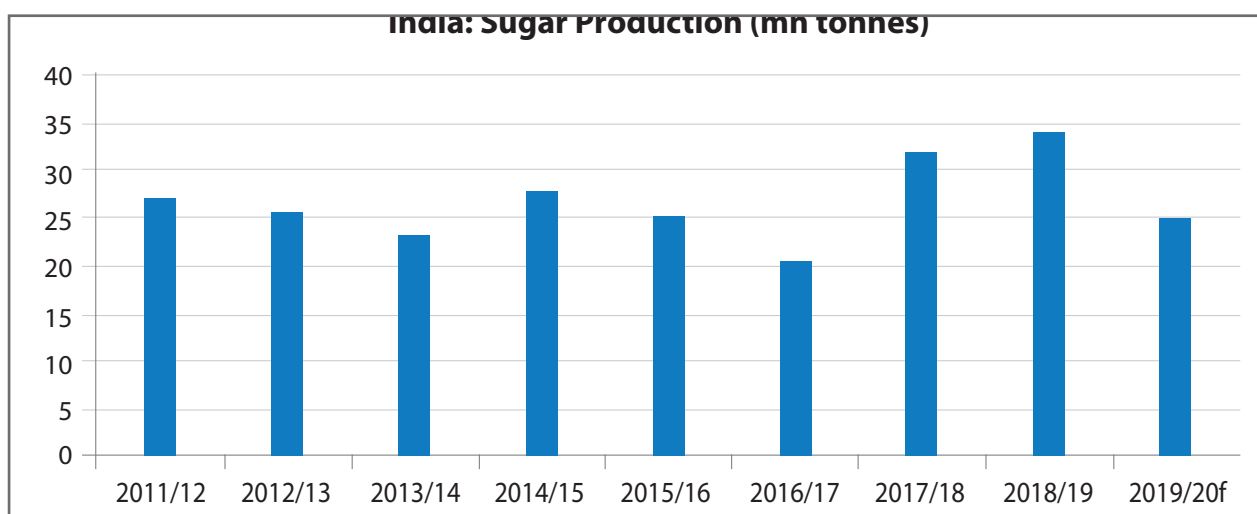
Source: International Sugar Organization

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.



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

Sl. No.	Particulars	Year ended 31 March 2020 (Amount in ₹ Lakhs)
1	Total Income from Operations	91,615.85
2	Net Profit / (Loss) for the period(before Tax, Exceptional and / or Extraordinary items)	9,170.02
3	Net Profit / (Loss) for the period before tax(after Exceptional and / or Extraordinary items)	10,764.34
4	Net Profit / (Loss) for the period after tax(after Exceptional and / or Extraordinary items)	8,303.91
5	Total Comprehensive Income for the period[Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	8,228.29
6	Equity Share Capital	1,409.16
7	Other Equity	52,222.32
8	Earning Per Share (Basic & Diluted) ₹	58.93

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

Sl No.	Ratio	FY 2019-20
1	Debtor Turnover	5.95
2	Inventory Turnover	0.88
3	Interest Coverage Ratio	3.60
4	Current Ratio	1.00
5	Debt Equity Ratio	1.00
6	Operating Profit Margin (%)	15.63%
7	Net Profit Margin (%)	9.03%
8	Return on Network	15.48%

Operational Highlights

Sugar Production

Particulars	Financial Year 2019-20			Financial Year 2018-19		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Sugarcane Crushed (lacs quintal)	112.62	58.07	63.09	121.90	65.67	59.64
Recovery (%)	11.58	10.75	10.95	11.31	10.32	11.23
Sugarcane produced (lacs quintal)	13.04	6.22	6.91	13.78	6.78	6.69
Crusing days	148	119	141	168	131	143

Distillery Segment

Alcohol Production (including Ethanol)

Particulars	NARKATIAGANJ	
	Financial Year 2019-20	Financial Year 2018-19
Alcohol Procured (per litre)	170.83	181.73
Recovery (%)	27.91	23.25
No. of days Distillery was operational	270	291

Power Segment

Power Generated, Consumer and Sold

Particulars (units in lac)	Financial Year 2019-20			Financial Year 2018-19		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Power generated	290.46	525.74	328.14	335.54	655.36	279.26
Power Sold to grid	147.55	392.67	182.99	165.55	495.95	142.42
No. of days worked	157	160	167	173	203	143

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 2019-20 is 131 and non-management staff is 1043.

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 Wholetime 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 Wholetime Director has no other directorship in compliance with Regulation 17A of Listing Regulations, and none of Directors 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 the Securities and Exchange Board of India /Ministry of Corporate Affairs 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 AGM scheduled to be held on September 22, 2020 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 6th February, 2020 without the presence of the Chairperson, Wholetime 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 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. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (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 2019-20. 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 five Board Meetings were held on, 14th May, 2019, 9th August, 2019, 11th October, 2019, 7th November, 2019 and 6th February, 2020 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 2010-20 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	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	4	No	8	2	-	<ul style="list-style-type: none"> ● Avadh Sugar & Energy Ltd ● Chambal Fertilisers and Chemicals Ltd ● New India Retailing & Investment Ltd ● Sutlej Textiles and Industries Ltd ● SIL Investments Ltd ● Ronson Traders Ltd 	NED NED NED NED NED NED	43175
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	NEID	5	No	-	-	-	NIL	-	NIL
Mr Padam Kumar Khaitan (DIN – 00019700)	NEID	5	No	8	1	2	<ul style="list-style-type: none"> ● Asian Hotels (East) Limited ● Cheviot Co. Limited ● Ramkrishna Forgings Limited 	NEID NEID NEID	NIL
Mr Yashwant Daga (DIN – 00040632)	NEID	4	No	5	-	10	<ul style="list-style-type: none"> ● Mint Investments Limited ● Longview Tea Co. Ltd ● Deepak Spinners Limited ● HGI Industries Limited ● Deepak Industries Limited 	NEID NED ED NED ED	NIL
Mrs Shashi Sharma (DIN – 02904948)	NEID	4	No	-	-	1	NIL	-	NIL
Mr Raj Kumar Bagri (DIN- 00231766)	NEID	5	Yes	2	2	-	NIL	-	NIL
Mr Chandra Mohan (DIN – 07760264)	WTD	3	Yes	-	-	-	NIL	-	NIL
P – Promoter	C – Chairperson / CO – Co-Chairperson			NEID – Non-executive Independent Director/ NED - Non-executive Director			WTD – Whole-time Director		

Note:

- (i) 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.
- (ii) Other Directorships given above excludes directorships in foreign companies.
- (iii) 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. Ishwari 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 2019-20 on 14th May, 2019, 9th August, 2019, 7th November, 2019 and 6th February, 2020 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, 2020 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 four times on 14th May, 2019, 8th August, 2019, 7th November, 2019 and 6th February, 2020 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	4
Mr Yashwant Kumar Daga	Member	Independent Director	4
Mr Padam Kumar Khaitan	Member	Independent Director	4

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 on a day to day basis.

During the financial year ended March 31, 2020, 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, 2020.

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 thrice on 14th May, 2019, 9th August, 2019 and 6th February, 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	3
Mr Padam Kumar Khaitan	Member	Independent Director	3
Mr Ishwari Prosad Singh Roy	Member	Independent Director	3
Mr Raj Kumar Bagri	Member	Independent Director	3

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>.

Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2019-20:

a. Wholetime Director (₹ in lakhs)

Wholetime Director	Salary	Perquisites	Retirement Benefits	Total
Mr. Chandra Mohan	97.10	-	-	97.10

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 2017-18 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:

(₹ in lakhs)

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2019-20 (₹)
1	Mr Chandra Shekhar Nopany	2,40,000	5,00,000
2	Mrs Shashi Sharma	3,40,000	5,00,000
3	Mr Yashwant Kumar Daga	4,20,000	5,00,000
4	Mr Padam Kumar Khaitan	3,80,000	5,00,000
5	Mr Ishwari Prosad Singh Roy	4,00,000	5,00,000
6	Mr Raj Kumar Bagri	3,40,000	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 twice on 14th May, 2019 and 9th August, 2019.

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	2
Mr Padam Kumar Khaitan	Member	Independent Director	2
Mr Chandra Mohan	Member	Whole-time Director	1

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, Whole-time 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 6th February, 2020. 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	Independent Director	1
Mr. Chandra Mohan	Member	Whole-time Director	-
Mr. Chand Bihari Patodia	Member	Group President	-
Mr. Sunil Choraria	Member	Chief Financial Officer	1

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.

3 (Three) meetings of the Finance & Corporate Affairs Committee of Directors of the Company were held during the year 2019-20 on April 30, 2019, July 2, 2019 and February 29, 2020.

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	2
Mr Yashwant Kumar Daga	Member	Independent Director	2
Mr Ishwari Prosad Singh Roy	Member	Independent Director	3
Mr Chandra Mohan	Member	Whole-time Director	1

9. Subsidiary Companies

The Company does not have any subsidiary neither does has any associate nor 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 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 2019-20, 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 2019-20.

13. General Body Meetings

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

Financial Year	Date	Time	Location
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.	
2016-17	01.08.2017	11.00 A.M.	

The last Annual General Meeting was held on 3rd September, 2019, which was chaired by Mr Chandra Mohan. No Special Resolution was passed in the previous three Annual General Meetings.

ii. Postal Ballot

During the year 2019-20, the Company had sought Shareholders' approval by way of special resolution through postal ballots as per details given below

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total No of Valid votes	No of Votes in favour	No of Votes Against
Issue of Bonus Shares	14-05-2019	22-06-2019	6715220	6715220	-

The Board of Directors of the Company appointed Mr Atul Kumar Labh, Practising Company Secretary was appointed as the Scrutinizer for scrutinizing the postal ballot and e-voting process in a fair and transparent manner.

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. However, as per the relaxation provided by SEBI vide its Circular No SEBI/HO/CFD/CMD1/CIR/P/2020/38 March 19, 2020, for

publication of audited results for the financial year till 30th June, 2020 due to Covid 19 pandemic, the financial results were announced on 23rd June 2020 this year. 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.

- ii. 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.
- iii. 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 and can be downloaded.
- iv. The Company also displays official press releases as and when released on the above website.
- v. Email id earmarked for redressing Investor queries is magadhinvestors@birla-sugar.com
- vi. 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. 6th Annual General Meeting

Day : Tuesday

Date : September 22, 2020

Time : 11:00 A.M.

Venue : The Company is conducting meeting through VC/OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

ii. Financial Year : April to March

iii. Tentative Financial Calendar

Event	Date
Approval of Audited Annual Results (2019-20)	23rd June, 2020
First Quarter Results	On or before 14th August, 2020
Second Quarter Results	On or before 14th November, 2020
Third Quarter Results	On or before 14th January, 2021
Audited Annual Results (2020-21)	On or before 30th May, 2021

iv. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from September 16, 2020 (Wednesday) to September 22, 2020 (Tuesday) (both day 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:

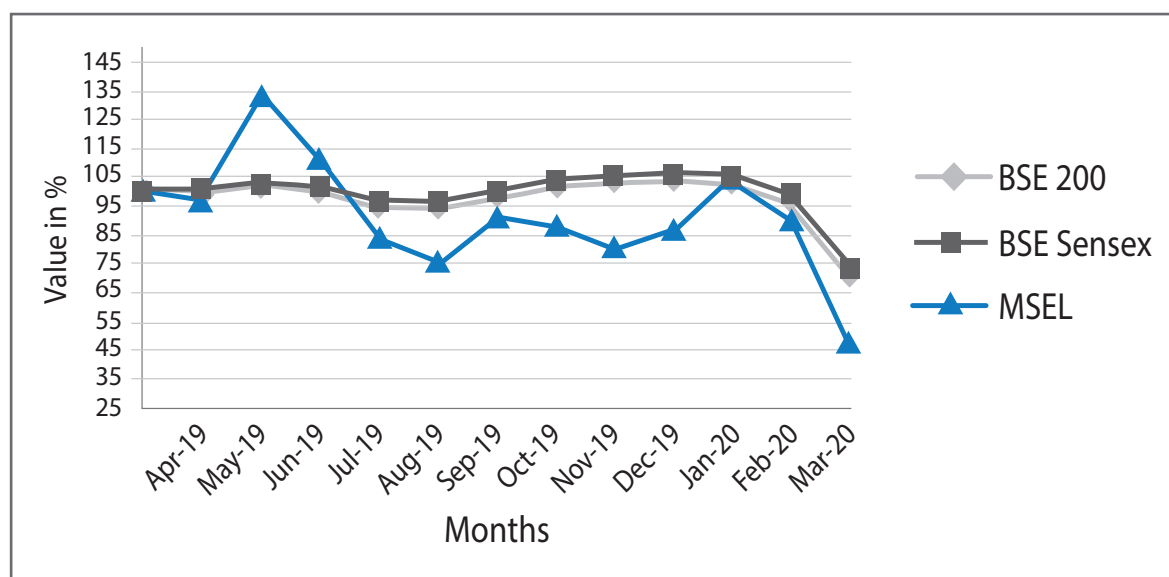
Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Demateri- alised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540650	
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051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

The Company has paid annual listing fees for the Financial Year 2020-21 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, 2019	124.15	110.00	124.50	106.00
May, 2019	172.00	114.20	172.90	108.35
June, 2019	190.00	125.55	190.95	128.10
July, 2019	136.50	91.05	137.75	90.45
August, 2019	104.90	80.50	108.45	80.00
September, 2019	123.00	82.20	123.00	81.10
October, 2019	111.05	97.00	115.00	95.10
November, 2019	119.80	93.80	118.25	93.50
December, 2019	108.25	92.55	108.40	92.00
January, 2020	141.05	101.75	141.00	102.25
February, 2020	150.00	105.35	148.70	105.00
March, 2020	127.00	54.00	127.70	49.60

viii. Performance of Company's Equity Shares in comparison to BSE Sensex and BSE 200


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

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 819 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, 2020 was as follows:

No of Equity Shares	No. of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	6617	84.28	641007	4.55
501 to 1000	567	7.22	406688	2.89
1001 to 2000	290	3.69	411341	2.92
2001 to 3000	129	1.64	315889	2.24
3001 to 4000	44	0.56	154124	1.09
4001 to 5000	46	0.59	208594	1.48
5001 to 10000	83	1.06	585833	4.16
10001 and above	75	0.96	11368154	80.67
Total	7851	100.00	14091630	100.00

c. Detail of Shareholding pattern of the Company as on 31st March, 2020 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	85,88,482	60.95
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	36,213	0.26
Indian Public		
Bodies Corporate	16,51,979	11.72
Individuals/HUF/Trust	37,01,573	26.27
Stock Exchange Clearing Members/Market Maker	39,379	0.28
NRIs / OCBs / FII's / Foreign Nationals	74,004	0.53
Total	1,40,91,630	100.00

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. 1,39,54,614 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:

The Company Secretary,	Link Intime India Pvt. Ltd. Registrar & Share Transfer Agent
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 : 91-033-2289 0540
Fax: 91 - 033 - 2248 6369	Fax : 91-033-2289 0539
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.

i. Credit Ratings

Particulars	Agency	Assigned Rating	Revised ratings w.e.f. 31.3.2020
Long-term Bank facilities	CARE Ratings Limited	CARE A-	CARE BBB+
Short-term Bank facilities		CARE A2+	CARE A2

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, 2020, 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, 2020 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2020 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 and was uploaded on company's website at 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. 23.80 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 2019-20 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 2019-20 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. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. 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, 2020.
- 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>
- f. **Policy on preservation of documents including archival:**
<http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-on-preservation-of-documents-including-archival.pdf>
- g. **Policy on Related Party Transaction/s :**
<http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy-.pdf>
- h. **Whistle Blower Policy :**
<http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf>
- i. **Familiarisation Programme :**
<http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Familiarisation-Programme-for-Independent-Directors.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 2019-20.

Place: Kolkata
Date: June 23, 2020

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, 2020, 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, 2020.
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: 20050773AAAAA05542

Place: Kolkata
Date: June 23, 2020

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) 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, 2020 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.

Atul Kumar Labh

Membership No.: FCS 4848

CP No.: 3238

UDIN: F004848B000358641

Place: Kolkata
Date : June 23, 2020

Annexure F

Secretarial Audit Report

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended on March 31, 2020

*[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 financial year ended 31st March, 2020 ['**Audit Period**']. 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 as provided in **Annexure I** 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 audit period, covering the financial year ended on March 31, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records as maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

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 and compliance whereof, as confirmed 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 for Board Meetings (SS-1) and for General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

During the audit period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. as mentioned above:

Management and Auditor Responsibility:

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;
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. 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 has taken place with very limited physical access in view of the prevailing lockdown due to the outbreak of COVID-19.
4. 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.
5. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;
6. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
7. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
8. 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.
9. 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.

We report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors 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 commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period, the Company has not undertaken any specific event/action 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. Issue of bonus shares

During the Audit Period, the shareholders through postal ballot and through e-voting which commenced from Thursday, May 23, 2019 (9:00 A.M. IST) and ended on Friday, June 21, 2019 (5:00 P.M. IST) approved the issue of bonus shares via ordinary resolution in the ratio of 4:10 [i.e. 4 (Four) Bonus equity shares of Rs. 10/- each for every 10 (Ten) existing fully paid up equity shares of Rs. 10/- each].

Further, the fractional shares arising out of the bonus issuance has been transferred to and lying with Magadh Sugar and Energy Limited Bonus Fractional Shares Trust which has been settled by the Company.

For **M/s Vinod Kothari & Company**
Company Secretaries in Practice

Pammy Jaiswal
Partner
Membership No: A48046
CP No.: 18059
UDIN: A048046B000367244

Place: Kolkata
Date: June 23, 2020

ANNEXURE-A1

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;
 - g. Annual General Meeting;
2. Annual Report 2018-19;
3. Notice and Agenda for Board and Committee Meeting on sample basis.
4. Memorandum and Articles of Association;
5. Disclosures under Act, 2013 on sample basis and those under Listing Regulations;
6. Policies framed under Act, 2013 and Listing Regulations;
7. Forms and returns filed with the ROC, RBI (under FEMA) on sample basis;
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 made to the stock exchange
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 made to the stock exchange.

Annexure G

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2020

[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 Hargaon 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	Link Intime India Private Limited 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	93.32%

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 – 2019				Shareholding at the end of the year - 2020				% 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	672885	0	672885	6.69	242037	0	242037	1.72	4.97
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00

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 - 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Any Other (Specify)									
	Promoter Trust	200	0	200	0.00	700280	0	700280	4.97	-4.97
	Bodies Corporate	5461551	0	5461551	54.26	7646165	0	7646165	54.26	0.00
	Sub Total (A)(1)	6134636	0	6134636	60.95	8588482	0	8588482	60.95	0.00
[2]	Foreign								0.00	0.00
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Government	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Specify)				0.00				0.00	0.00
	Sub Total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	6134636	0	6134636	60.95	8588482	0	8588482	60.95	0.00
(B)	Public Shareholding									
[1]	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(a)	Mutual Funds / UTI	0	662	662	0.01	0	926	926	0.01	0.00
(b)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Alternate Investment Funds	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Foreign Portfolio Investor	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Financial Institutions / Banks	0	251	251	0.00	34936	351	35287	0.25	-0.25
(g)	Insurance Companies	309332	0	309332	3.07	0	0	0	0.00	3.07
(h)	Provident Funds/ Pension Funds	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (Specify)									
	Sub Total (B)(1)	309332	913	310245	3.08	34936	1277	36213	0.26	2.83
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0.00	0	0	0	0.00	0.00
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	1502916	61399	1564315	15.54	2163207	81000	2244207	15.93	-0.38
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	620973	21027	642000	6.38	1257627	29437	1287064	9.13	-2.76
(b)	NBFCs registered with RBI	39	0	39	0.00	0	0	0	0.00	0.00
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.00	0	0	0	0.00	0.00

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 – 2019				Shareholding at the end of the year - 2020				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Any Other (Specify)				0.00				0.00	0.00
	Trusts	0	0	0	0.00	2340	0	2340	0.02	-0.02
	Foreign Nationals	0	212	212	0.00	0	296	296	0.00	0.00
	Hindu Undivided Family	124618	0	124618	1.24	167962	0	167962	1.19	0.05
	Non Resident Indians (Non Repat)	27251	0	27251	0.27	29356	0	29356	0.21	0.06
	Non Resident Indians (Repat)	47313	3	47316	0.47	44349	3	44352	0.31	0.16
	Clearing Member	30649	0	30649	0.30	38826	0	38826	0.28	0.03
	Market Maker	777	0	777	0.01	553	0	553	0.00	0.00
	Bodies Corporate	1165528	17864	1183392	11.76	1626976	25003	1651979	11.72	0.03
	Sub Total (B)(3)	3520064	100505	3620569	35.97	5331196	135739	5466935	38.80	-2.83
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	3829396	101418	3930814	39.05	5366132	137016	5503148	39.05	0.00
	Total (A)+(B)	9964032	101418	10065450	100.00	13954614	137016	14091630	100.00	0.00
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.00	0	0	0	0.00	0.00
	Total (A)+(B)+(C)	9964032	101418	10065450	100.00	13954614	137016	14091630	100.00	

Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 14091630 Shares.

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

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
Nandini Nopany	6,31,446	6.27	-	1,84,024	1.31	-	4.96
Chandra Shekhar Nopany	30,840	0.31	-	43,175	0.31	-	-
Urvi Nopany	10,599	0.11	-	14,838	0.11	-	-
SIL Investments Limited	12,04,756	11.97	-	16,86,658	11.97	-	-
Avadh Sugar & Energy Limited	10,61,539	10.55	-	14,86,154	10.55	-	-
New India Retailing And Investment Ltd	7,54,636	7.5	-	10,56,490	7.50	-	-
Yashovardhan Investment & Trading Co. Ltd.	5,12,650	5.09	-	7,17,710	5.09	-	-
Hargaon Investment & Tradind Co. Ltd.	5,12,399	5.09	-	7,17,358	5.09	-	-
RTM Investment And Trading Co. Ltd.	3,21,185	3.19	-	4,49,659	3.19	-	-
SCM Investment & Trading Co. Ltd.	2,72,544	2.71	-	3,81,561	2.71	-	-

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

ii) Shareholding of Promoters (Contd.)

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/encumbered to total shares	
Champaran Marketing Co. Ltd.	2,03,133	2.02	-	2,84,386	2.02	-	-
OSM Investment & Trading Co. Ltd.	1,82,924	1.82	-	2,56,093	1.82	-	-
Nilgiri Plantations Limited	1,07,470	1.07	-	1,50,458	1.07	-	-
Sidh Enterprises Ltd.	81,392	0.81	-	1,13,948	0.81	-	-
Narkatiaganj Farms Limited	67,293	0.67	-	94,210	0.67	-	-
Ronson Traders Limited	65,033	0.65	-	91,046	0.65	-	-
Rajpur Farms Limited	52,003	0.52	-	72,804	0.52	-	-
Shree Vihar Properties Ltd	24,559	0.24	-	34,382	0.24	-	-
La Monde Trading & Investments Private Ltd	19,610	0.19	-	27,454	0.19	-	-
Palash Securities Limited	14,456	0.14	-	20,238	0.14	-	-
Uttam Commercial Ltd.	1,735	0.02	-	2,429	0.02	-	-
Sonali Commercial Ltd.	1,285	0.01	-	1,799	0.01	-	-
Pavapuri Trading And Investment Company Ltd.	900	0.01	-	1,260	0.01	-	-
Deepshikha Trading Co. Private Limited	49	0.00	-	68	0.00	-	-
Chandra Shekhar Nopany #	100	0.00	-	7,00,140	4.96	-	4.96
Chandra Shekhar Nopany ##	100	0.00	-	140	0.00	-	-
Total	61,34,636	60.95	-	85,88,482	60.95	-	-

Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 14091630 Shares.

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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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	1204756	11.97				
	Bonus shares credited #			12 Jul 2019	481902	1686658	11.97
	AT THE END OF THE YEAR					1686658	11.97
2	AVADH SUGAR & ENERGY LIMITED	1061539	10.55				
	Bonus shares credited #			12 Jul 2019	424615	1486154	10.55
	AT THE END OF THE YEAR					1486154	10.55
3	NEW INDIA RETAILING AND INVESTMENT LTD	754636	7.50				
	Bonus shares credited #			12 Jul 2019	301854	1056490	7.50
	AT THE END OF THE YEAR					1056490	7.50

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) (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
4	YASHOVARDHAN INVESTMENT & TRADING CO. LTD.	512650	5.09				
	Bonus shares credited #			12 Jul 2019	205060	717710	5.09
	AT THE END OF THE YEAR					717710	5.09
5	HARGAON INVESTMENT & TRADING CO. LTD.	512399	5.09				
	Bonus shares credited #			12 Jul 2019	204959	717358	5.09
	AT THE END OF THE YEAR					717358	5.09
6	CHANDRA SHEKHAR NOPANY ##	100	0.00				
	Bonus shares credited #			12 Jul 2019	40	140	0.00
	Transfer			15 Nov 2019	700000	700140	4.97
	AT THE END OF THE YEAR					700140	4.97
7	RTM INVESTMENT AND TRADING CO. LTD.	321185	3.19				
	Bonus shares credited #			12 Jul 2019	128474	449659	3.19
	AT THE END OF THE YEAR					449659	3.19
8	SCM INVESTMENT & TRADING CO. LTD.	272544	2.71				
	Bonus shares credited #			12 Jul 2019	109017	381561	2.71
	AT THE END OF THE YEAR					381561	2.71
9	CHAMPARAN MARKETING CO. LTD.	203133	2.02				
	Bonus shares credited #			12 Jul 2019	81253	284386	2.02
	AT THE END OF THE YEAR					284386	2.02
10	OSM INVESTMENT & TRADING CO. LTD.	182924	1.82				
	Bonus shares credited #			12 Jul 2019	73169	256093	1.82
	AT THE END OF THE YEAR					256093	1.82
11	NANDINI NOPANY	631446	6.27				
	Bonus shares credited #			12 Jul 2019	252578	884024	6.27
	Transfer			15 Nov 2019	-700000	184024	1.31
	AT THE END OF THE YEAR					184024	1.31
12	NILGIRI PLANTATIONS LIMITED	107470	1.07				
	Bonus shares credited #			12 Jul 2019	42988	150458	1.07
	AT THE END OF THE YEAR					150458	1.07
13	SIDH ENTERPRISES LTD.	81392	0.81				
	Bonus shares credited #			12 Jul 2019	32556	113948	0.81
	AT THE END OF THE YEAR					113948	0.81
14	NARKATIAGANJ FARMS LIMITED	67293	0.67				
	Bonus shares credited #			12 Jul 2019	26917	94210	0.67
	AT THE END OF THE YEAR					94210	0.67
15	RONSON TRADERS LIMITED	65033	0.65				
	Bonus shares credited #			12 Jul 2019	26013	91046	0.65
	AT THE END OF THE YEAR					91046	0.65

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) (Contd.)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
16	RAJPUR FARMS LIMITED	52003	0.52				
	Bonus shares credited #			12 Jul 2019	20801	72804	0.52
	AT THE END OF THE YEAR					72804	0.52
17	CHANDRA SHEKHAR NOPANY	30840	0.31				
	Bonus shares credited #			12 Jul 2019	12335	43175	0.31
	AT THE END OF THE YEAR					43175	0.31
18	SHREE VIHAR PROPERTIES LTD	24559	0.24				
	Bonus shares credited #			12 Jul 2019	9823	34382	0.24
	AT THE END OF THE YEAR					34382	0.24
19	LA MONDE TRADING & INVESTMENTS PRIVATE LTD	19610	0.19				
	Bonus shares credited #			12 Jul 2019	7844	27454	0.19
	AT THE END OF THE YEAR					27454	0.19
20	PALASH SECURITIES LIMITED	14456	0.14				
	Bonus shares credited #			12 Jul 2019	5782	20238	0.14
	AT THE END OF THE YEAR					20238	0.14
21	URVI NOPANY	10599	0.11				
	Bonus shares credited #			12 Jul 2019	4239	14838	0.11
	AT THE END OF THE YEAR					14838	0.11
22	UTTAM COMMERCIAL LTD.	1735	0.02				
	Bonus shares credited #			12 Jul 2019	694	2429	0.02
	AT THE END OF THE YEAR					2429	0.02
23	SONALI COMMERCIAL LTD.	1285	0.01				
	Bonus shares credited #			12 Jul 2019	514	1799	0.01
	AT THE END OF THE YEAR					1799	0.01
24	PAVAPURI TRADING AND INVESTMENT COMPANY LTD.	900	0.01				
	Bonus shares credited #			12 Jul 2019	360	1260	0.01
	AT THE END OF THE YEAR					1260	0.01
25	CHANDRA SHEKHAR NOPANY ###	100	0.00				
	Bonus shares credited #			12 Jul 2019	40	140	0.00
	AT THE END OF THE YEAR					140	0.00
26	DEEPSHIKHA TRADING CO. PRIVATE LIMITED	49	0.00				
	Bonus shares credited #			12 Jul 2019	19	68	0.00
	AT THE END OF THE YEAR					68	0.00

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 14091630 Shares.

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.)
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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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 INSTITUT	559398	3.9697			559398	3.9697
	Bonus shares credited #			12 Jul 2019	223759	783157	5.5576
	AT THE END OF THE YEAR					783157	5.5576
2	ANIL KUMAR GOEL	0	0.0000			0	0.0000
	Transfer			03 May 2019	34670	34670	0.2460
	Transfer			10 May 2019	53880	88550	0.6284
	Transfer			17 May 2019	104854	193404	1.3725
	Transfer			24 May 2019	58391	251795	1.7868
	Transfer			31 May 2019	22205	274000	1.9444
	Transfer			07 Jun 2019	537	274537	1.9482
	Transfer			21 Jun 2019	463	275000	1.9515
	Bonus shares credited #			12 Jul 2019	110000	385000	2.7321
	Transfer			23 Aug 2019	505	385505	2.7357
	Transfer			15 Nov 2019	14485	399990	2.8385
	Transfer			22 Nov 2019	10	400000	2.8386
	Transfer			06 Mar 2020	25000	425000	3.0160
	Transfer			27 Mar 2020	5000	430000	3.0515
	AT THE END OF THE YEAR					430000	3.0515
3	SHRI PARASRAM HOLDINGS PRIVATE LIMITED	779	0.0055			779	0.0055
	Transfer			12 Apr 2019	4	783	0.0056
	Transfer			19 Apr 2019	(4)	779	0.0055
	Transfer			17 May 2019	300	1079	0.0077
	Transfer			24 May 2019	(300)	779	0.0055
	Transfer			07 Jun 2019	13000	13779	0.0978
	Transfer			14 Jun 2019	84775	98554	0.6994
	Transfer			21 Jun 2019	26070	124624	0.8844
	Transfer			29 Jun 2019	42415	167039	1.1854
	Transfer			05 Jul 2019	20306	187345	1.3295
	Bonus shares credited #			12 Jul 2019	83497	270842	1.9220
	Transfer			19 Jul 2019	33283	304125	2.1582
	Transfer			26 Jul 2019	(126993)	177132	1.2570
	Transfer			02 Aug 2019	14076	191208	1.3569
	Transfer			09 Aug 2019	50356	241564	1.7142
	Transfer			16 Aug 2019	(127575)	113989	0.8089
	Transfer			23 Aug 2019	9159	123148	0.8739
	Transfer			30 Aug 2019	(3099)	120049	0.8519
	Transfer			06 Sep 2019	(84)	119965	0.8513
	Transfer			13 Sep 2019	(16004)	103961	0.7377
	Transfer			20 Sep 2019	7120	111081	0.7883
	Transfer			27 Sep 2019	23472	134553	0.9548
	Transfer			30 Sep 2019	(1986)	132567	0.9407
	Transfer			04 Oct 2019	4404	136971	0.9720
	Transfer			11 Oct 2019	29562	166533	1.1818
	Transfer			18 Oct 2019	6767	173300	1.2298
	Transfer			25 Oct 2019	3950	177250	1.2578
	Transfer			01 Nov 2019	7779	185029	1.3130
	Transfer			08 Nov 2019	19339	204368	1.4503

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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			15 Nov 2019	14199	218567	1.5510
	Transfer			22 Nov 2019	15444	234011	1.6606
	Transfer			29 Nov 2019	100500	334511	2.3738
	Transfer			06 Dec 2019	3781	338292	2.4007
	Transfer			13 Dec 2019	(12438)	325854	2.3124
	Transfer			20 Dec 2019	17157	343011	2.4341
	Transfer			27 Dec 2019	77723	420734	2.9857
	Transfer			31 Dec 2019	15389	436123	3.0949
	Transfer			03 Jan 2020	(20533)	415590	2.9492
	Transfer			10 Jan 2020	102633	518223	3.6775
	Transfer			17 Jan 2020	(14422)	503801	3.5752
	Transfer			24 Jan 2020	10000	513801	3.6461
	Transfer			31 Jan 2020	(5990)	507811	3.6036
	Transfer			07 Feb 2020	(43100)	464711	3.2978
	Transfer			14 Feb 2020	(5976)	458735	3.2554
	Transfer			21 Feb 2020	(237887)	220848	1.5672
	Transfer			28 Feb 2020	(28828)	192020	1.3627
	Transfer			06 Mar 2020	(54010)	138010	0.9794
	Transfer			13 Mar 2020	206510	344520	2.4449
	Transfer			20 Mar 2020	(86680)	257840	1.8297
	Transfer			27 Mar 2020	(46976)	210864	1.4964
	Transfer			31 Mar 2020	(10934)	199930	1.4188
	AT THE END OF THE YEAR					199930	1.4188
4	EARTHSTONE HOLDING (TWO) PRIVATE LIMITED	110243	0.7823			110243	0.7823
	Bonus shares credited #			12 Jul 2019	44097	154340	1.0953
	AT THE END OF THE YEAR					154340	1.0953
5	NATARAJAN B	0	0.0000			0	0.0000
	Transfer			31 May 2019	10000	10000	0.0710
	Transfer			07 Jun 2019	3	10003	0.0710
	Transfer			14 Jun 2019	50647	60650	0.4304
	Transfer			05 Jul 2019	(8026)	52624	0.3734
	Bonus shares credited #			12 Jul 2019	24261	76885	0.5456
	Transfer			19 Jul 2019	(47778)	29107	0.2066
	Transfer			26 Jul 2019	(4847)	24260	0.1722
	Transfer			13 Sep 2019	(2040)	22220	0.1577
	Transfer			06 Dec 2019	9	22229	0.1577
	Transfer			10 Jan 2020	19	22248	0.1579
	Transfer			17 Jan 2020	1	22249	0.1579
	Transfer			14 Feb 2020	8	22257	0.1579
	Transfer			06 Mar 2020	1	22258	0.1580
	Transfer			13 Mar 2020	60486	82744	0.5872
	Transfer			27 Mar 2020	7829	90573	0.6427
	Transfer			31 Mar 2020	2000	92573	0.6569
	AT THE END OF THE YEAR					92573	0.6569
6	UNIVERSE PROPERTY LLP	21161	0.1502			21161	0.1502
	Bonus shares credited #			12 Jul 2019	8464	29625	0.2102
	Transfer			27 Mar 2020	38110	67735	0.4807
	AT THE END OF THE YEAR					67735	0.4807

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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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
7	JYOTSNA PODDAR	46137	0.3274			46137	0.3274
	Bonus shares credited #			12 Jul 2019	18454	64591	0.4584
	AT THE END OF THE YEAR					64591	0.4584
8	SHOBHANA BHARTIA	46137	0.3274			46137	0.3274
	Bonus shares credited #			12 Jul 2019	18454	64591	0.4584
	AT THE END OF THE YEAR					64591	0.4584
9	SUNGOLD COMMOTRADE PRIVATE LIMITED	38682	0.2745			38682	0.2745
	Bonus shares credited #			12 Jul 2019	15472	54154	0.3843
	AT THE END OF THE YEAR					54154	0.3843
10	AJAYKUMAR BHASKAR PATIL	90664	0.6434			90664	0.6434
	Transfer			07 Jun 2019	(27500)	63164	0.4482
	Bonus shares credited #			12 Jul 2019	25265	88429	0.6275
	Transfer			10 Jan 2020	(9000)	79429	0.5637
	Transfer			17 Jan 2020	(26355)	53074	0.3766
	Transfer			07 Feb 2020	(3000)	50074	0.3553
	AT THE END OF THE YEAR					50074	0.3553
11	RANJIT SINGH MUNDRA	45000	0.3193			45000	0.3193
	Transfer			05 Jul 2019	(20782)	24218	0.1719
	Bonus shares credited #			12 Jul 2019	18000	42218	0.2996
	AT THE END OF THE YEAR					42218	0.2996
12	NISHA AJAY PATIL	71000	0.5038			71000	0.5038
	Transfer			31 May 2019	(12000)	59000	0.4187
	Transfer			07 Jun 2019	(26500)	32500	0.2306
	Transfer			14 Jun 2019	(3615)	28885	0.2050
	Transfer			29 Jun 2019	(5179)	23706	0.1682
	Bonus shares credited #			12 Jul 2019	9482	33188	0.2355
	AT THE END OF THE YEAR					33188	0.2355
13	JM FINANCIAL SERVICES LTD	110025	0.7808			110025	0.7808
	Transfer			19 Apr 2019	2	110027	0.7808
	Transfer			26 Apr 2019	(2)	110025	0.7808
	Transfer			10 May 2019	1000	111025	0.7879
	Transfer			17 May 2019	840	111865	0.7938
	Transfer			24 May 2019	(1740)	110125	0.7815
	Transfer			31 May 2019	(3725)	106400	0.7551
	Transfer			07 Jun 2019	(1435)	104965	0.7449
	Transfer			14 Jun 2019	(7562)	97403	0.6912
	Transfer			21 Jun 2019	(582)	96821	0.6871
	Transfer			05 Jul 2019	(55119)	41702	0.2959
	Bonus shares credited #			12 Jul 2019	43728	85430	0.6062
	Transfer			19 Jul 2019	24654	110084	0.7812
	Transfer			26 Jul 2019	3164	113248	0.8037
	Transfer			02 Aug 2019	100	113348	0.8044
	Transfer			09 Aug 2019	(50)	113298	0.8040
	Transfer			16 Aug 2019	49	113347	0.8044
	Transfer			23 Aug 2019	560	113907	0.8083
	Transfer			30 Aug 2019	(259)	113648	0.8065
	Transfer			06 Sep 2019	284	113932	0.8085

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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			13 Sep 2019	(684)	113248	0.8037
	Transfer			20 Sep 2019	1495	114743	0.8143
	Transfer			30 Sep 2019	(12328)	102415	0.7268
	Transfer			04 Oct 2019	(120)	102295	0.7259
	Transfer			11 Oct 2019	40	102335	0.7262
	Transfer			18 Oct 2019	300	102635	0.7283
	Transfer			25 Oct 2019	(220)	102415	0.7268
	Transfer			01 Nov 2019	4570	106985	0.7592
	Transfer			08 Nov 2019	(1570)	105415	0.7481
	Transfer			15 Nov 2019	(3600)	101815	0.7225
	Transfer			22 Nov 2019	2680	104495	0.7415
	Transfer			13 Dec 2019	10	104505	0.7416
	Transfer			20 Dec 2019	687	105192	0.7465
	Transfer			27 Dec 2019	1163	106355	0.7547
	Transfer			31 Dec 2019	(1460)	104895	0.7444
	Transfer			03 Jan 2020	(1400)	103495	0.7344
	Transfer			10 Jan 2020	(5498)	97997	0.6954
	Transfer			17 Jan 2020	(12645)	85352	0.6057
	Transfer			07 Feb 2020	(7858)	77494	0.5499
	Transfer			14 Feb 2020	(7117)	70377	0.4994
	Transfer			21 Feb 2020	(50)	70327	0.4991
	Transfer			28 Feb 2020	(1800)	68527	0.4863
	Transfer			06 Mar 2020	(60520)	8007	0.0568
	Transfer			13 Mar 2020	(7077)	930	0.0066
	Transfer			20 Mar 2020	(620)	310	0.0022
	Transfer			27 Mar 2020	732	1042	0.0074
	Transfer			31 Mar 2020	(161)	881	0.0063
	AT THE END OF THE YEAR					881	0.0063
14	LIFE INSURANCE CORPORATION OF INDIA	309332	2.1951			309332	2.1951
	Transfer			05 Apr 2019	(359)	308973	2.1926
	Transfer			12 Apr 2019	(25389)	283584	2.0124
	Transfer			19 Apr 2019	(11615)	271969	1.9300
	Transfer			26 Apr 2019	(16242)	255727	1.8147
	Transfer			03 May 2019	(25000)	230727	1.6373
	Transfer			10 May 2019	(30580)	200147	1.4203
	Transfer			17 May 2019	(21476)	178671	1.2679
	Transfer			24 May 2019	(36608)	142063	1.0081
	Transfer			31 May 2019	(22179)	119884	0.8507
	Transfer			07 Jun 2019	(3000)	116884	0.8295
	Transfer			14 Jun 2019	(10606)	106278	0.7542
	Transfer			21 Jun 2019	(13388)	92890	0.6592
	Bonus shares credited #			12 Jul 2019	37156	130046	0.9229
	Transfer			11 Oct 2019	(378)	129668	0.9202
	Transfer			18 Oct 2019	(8449)	121219	0.8602
	Transfer			25 Oct 2019	(4249)	116970	0.8301
	Transfer			01 Nov 2019	(24340)	92630	0.6573

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 - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		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			08 Nov 2019	(36000)	56630	0.4019
	Transfer			15 Nov 2019	(15566)	41064	0.2914
	Transfer			27 Dec 2019	(20000)	21064	0.1495
	Transfer			03 Jan 2020	(21064)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
15	VINOD AGGARWAL	66836	0.4743			66836	0.4743
	Transfer			05 Apr 2019	450	67286	0.4775
	Transfer			12 Apr 2019	12421	79707	0.5656
	Transfer			19 Apr 2019	(300)	79407	0.5635
	Transfer			26 Apr 2019	(12781)	66626	0.4728
	Transfer			10 May 2019	(10448)	56178	0.3987
	Transfer			17 May 2019	(38327)	17851	0.1267
	Transfer			22 Nov 2019	(16601)	1250	0.0089
	Transfer			13 Dec 2019	4000	5250	0.0373
	Transfer			20 Dec 2019	(5229)	21	0.0001
	Transfer			03 Jan 2020	(21)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 14091630 Shares.

Allotment of Bonus Shares in the proportion of 4 (Four) Bonus Share of 10/- each for every existing 10 (Ten) fully paid-up Equity Shares of 10/- each.

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
Mr. Chandra Shekhar Nopany, Chairperson				
At the beginning of the year	30840	0.31	30840	0.31
Add: Bonus shares credited on July 12, 2019 #			12335	
Changes during the year	-	-	43175	0.31
At the end of the year	43175	0.31	43175	0.31
Mr Chandra Mohan, Wholetime Director				
At the beginning of the year	NIL	NIL	NIL	NIL
Changes during the year	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL
Mr Sunil Choraria, Chief Financial Officer				
At the beginning of the year	NIL	NIL	NIL	NIL
Changes during the year	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL
Mr. Subramanian Sathyamurthy, Company Secretary and Compliance Officer				
At the beginning of the year	NIL	NIL	NIL	NIL
Changes during the year	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

Allotment of Bonus Shares in the proportion of 4 (Four) Bonus Share of 10/- each for every existing 10 (Ten) fully paid-up Equity Shares of 10/- each.

(1) Percentage calculated on the paid-up share capital (1,00,65,450 shares) as at the beginning of the year.

(2) Percentage calculated on the paid-up share capital (1,40,91,630 shares) as at the end of the year

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

v) Shareholding of Directors and Key Managerial Personnel: (Contd.)

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	Total Indebtedness
Indebtness at the beginning of the financial year					
i) Principal Amount	12,092.50	11,575.00	-	30,205.16	53,872.66
ii) Interest due but not paid	-	-	-		-
iii) Interest accrued but not due		282.45	-		282.45
Total (i+ii+iii)	12,092.50	11,857.45	-	30,205.16	54,155.11
Change in Indebtedness during the financial year					
Additions	15,580.00		-	-416.02	15,163.98
Reduction	3,936.69	800.00	-		4,736.69
Net Change	11,643.31	-800.00	-	-416.02	10,427.29
Indebtedness at the end of the financial year					
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
Total (i+ii+iii)	23,735.81	11,057.45	-	29,789.14	64,582.40

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	97,09,980	97,09,980
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(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		
	Total (A)	97,09,980	97,09,980

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)
B) Remuneration to other Directors:

Sl. 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 (₹)	
1	Independent Directors							
	Fee for attending Board/Committee Meetings	-	3,40,000	4,20,000	4,00,000	3,80,000	3,40,000	18,80,000
	Commission	-	5,00,000	5,00,000	5,00,000	5,00,000	5,00,000	25,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total B (1)	-	8,40,000	9,20,000	9,00,000	8,80,000	8,40,000	43,80,000
2	Non- Executive Directors							
	Fee for attending Board/Committee Meetings	2,40,000	-	-	-	-	-	2,40,000
	Commission	5,00,000	-	-	-	-	-	5,00,000
	Others, please specify	-	-	-	-	-	-	-
	Total B (2)	7,40,000	-	-	-	-	-	7,40,000
	Total B (1+2)	7,40,000	8,40,000	9,20,000	9,00,000	8,80,000	8,40,000	51,20,000

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

Sl 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	21,00,988	21,74,550	42,75,538
	b) Value of perquisites u/s 17(2) Income-tax Act, 1961	3,11,626	2,48,500	5,60,126
	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	-	-	-
	Total (A)	24,12,614	24,23,050	48,35,664

Vii. Penalties / Punishment/ Compounding of Offences:

During the financial year 2019-20, 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 of The Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2020

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 2019-20:

- Various machineries and equipment 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 reduces the consumption of bagasse.
- 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.

The above measures have reduced the consumption of fuel and power substantially and consequently the cost of production.

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 for which Research and Development work is also undertaken in the following areas:

1) Control of Insect, Pest and Disease

- Through Hot Water Treatment:** In order to maintain the genetic purity of varieties of Sugarcane, treatment is given to cane seed with moist hot air treatment. It improves the quality and yield of sugarcane. This process shall continue for the future also.
- Chemical Control:** In order to control the Insect, Pest and Diseases, insecticide and fungicide is being applied on the crop just before indent of incidence of Insect Pest and Diseases for its timely control.
- Soil Treatment with Bio-Agent:** To control the soil borne diseases application of Trichoderma is done. Azotobactor and PSB are also applied to improve the natural soil fertility.

2) **Seed Multiplication:** For rapid multiplication and production of diseased free cane seed, production of seedlings is being done through Tissue Culture and IVPS Technique.

3) **Encouragement of Planting Cane through Trench Method:** Farmers are being encouraged to sow the seeds of Cane through Trench method of sowing so as to increase the yield.

4) Ratoon Management

To increase the yield of the Ratoon Crop, farmers are being educated on regular basis for stubble shaving after harvesting of the plant gap filling and other ratoon management activities. Growers are educated for application of the balanced fertilizer dose, spray of Insecticides and fungicides and timely irrigation.

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

(ii) The Company has not imported any new technology during last three years.

(iii) The Company had incurred an expenditure on research and cane development amounting to Rs. 399.02 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) ₹ Nil
- 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 2019-20 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20:

Name	Designation	Remuneration for the year ended 31.03.2020 (₹ in lakhs)	% age increase in remuneration in the FY 2019-20 as compared to Previous year 2018-19	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr Chandra Shekhar Nopany	Chairperson	7.40	-13.95	3.54
Mr Raj Kumar Bagri	Independent Director	9.20	4.55	4.40
Mr Yashwant Kumar Daga	Independent Director	9.00	-10.00	4.31
Mr Ishwari Prosad Singh Roy	Independent Director	9.00	-4.26	4.31
Mr padam Kumar Khaitan	Independent Director	9.00	12.50	4.31
Mrs Shashi Sharma	Independent Director	7.60	-9.52	3.64
Mr Chandra Mohan	Wholetime Director	97.10	8.88	46.46
Mr Sunil Choraria	Chief Financial Officer	26.37	13.08	Not Applicable
Mr Subramanian Sathyamurthy	Company Secretary	24.78	4.21	Not Applicable

- ii. The percentage increase in the median remuneration of employees in the financial year 2019-20 : 4.63%
- iii. The number of permanent employees on the rolls of the Company : 1173
- 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 2019-20 is 4.88%. 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 2019-20

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	60	36	18.05.2007	97,09,980	The Oudh Sugar Mills Ltd	Nil
2	Chand Bihari Patodia	Group President	Intermediate	71	52	01.02.1990	72,57,600	The Oudh Sugar Mills Ltd	Nil
3	Mehtab Singh	Executive President, Hasanpur	Msc. Ag., MA Indl. Psychology	55	29	24.07.2014	61,87,541	Upper Ganges Sugar & Industries Ltd	Nil
4	Shri Brij Mohan Agarwal	President Sales	B.Com , MBA (Finance)	50	29	01.04.2017	35,91,950	The Oudh Sugar Mills Ltd	Nil
5	Shri Manoj Kumar Singh	Executive Vice President	M.Sc. (Ag)	51	24	18.08.2019	31,01,904	Balampur Sugar Factory	Nil
6	Shri Sunil Choraria	Chief Financial Officer	B.Com,CS, PGDBM	48	26	01.04.2017	26,36,985	Shree Service & Trading Co. Ltd	Nil
7	Shri S Subramanian	Company Secretary	B.Com(Hons), FCS	54	27	01.04.2017	24,77,920	Upper Ganges Sugar & Industries Ltd	Nil
8	Om Prakash Singh	Executive Vice President (Technical)	Diploma in Mechanical Engineering	56	34	01.05.2013	24,10,506	Lakshmi Sugar Mills Co. Ltd.	Nil
9	Shri Raj Kumar Agrwal	Vice President	B.Tech (Hons)	66	37	01.07.2017	22,65,600	Shree Service & Trading Co. Ltd	Nil
10	Manoj Prasad	V.P.Finance	B.Com, AICWA	50	25	28.05.2008	22,13,839	Upper Ganges Sugar & Industries Ltd	Nil

Notes :

1. The remuneration includes salary, Company's contribution to provident fund and perquisite value of rent paid.
2. The appointment is contractual.
3. Other terms and conditions are as per rules of the Company.
4. No employee is a relative of any Director or Key Managerial Personnel of the Company. Rule 5(2)(iii) of the captioned Rules is not applicable.

For and on behalf of the Board

Place: Kolkata

Date: 23rd June, 2020

Chandra Shekhar Nopany

Chairperson

Annexure J

Annual Report on CSR Activities to be Included in The Board's Report

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.	<p>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.</p> <p>The CSR policy is available on the website of the Company viz. http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf</p>
2	The Composition of the CSR Committee.	<ul style="list-style-type: none"> ● Mr Chandra Shekhar Nopany, Chairperson ● Mr Padam Kumar Khaitan, Independent Director ● Mr Chandra Mohan, Whole-time Director
3	Average net profit of the Company for last three financial years.	Rs. 5693.54 Lacs approximately
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	Rs. 113.88 lacs approximately
5	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year	Rs. 116.83 lacs approximately
	b) Amount unspent, if any;	NIL
	c) Manner in which the amount spent during the financial year is detailed below	As provided in enclosed Table
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objective and Policy of the company	The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Table – Manner in which the amount spent during the financial year 2019-20

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount/Outlay (budget)* project or programs wise (in Rs. lacs)	Amount spent on the project or programs (in Rs. lacs)		Cumulative expenditure upto the reporting period (in Rs. lacs)	Amount Spent: Direct or through implementing agency
			Area	Name of District		Direct Expenditure	Overheads		
1.	Healthcare Initiative (Construction of Toilets)	Sanitation	Near Narkatiaganj factory in Dhoom Nagar, Amlowa and Dhobani Villages	West Champaran		20.35		20.35	Direct
2.	Education Initiative Promoting education, incl. Sp. education and employment enhancing vocation skills especially among children, women, elderly, differently abled and livelihood enhancement projects	Promotion of education activities	Kolkata	Kolkata (W.B.)		7.65		28.00	Contribution to Nopany Foundation, Kolkata
3.	Healthcare initiative including preventive healthcare (Installation of Water Coolers at Public Places)	Safe drinking water	Neighbouring areas of Narkatiaganj	West Champaran		3.51		31.51	Direct
4.	Healthcare initiative including preventive healthcare (Installation of Air Coolers)	Promotion of Health care initiative	Neighbouring areas of Narkatiaganj	West Champaran		1.30		32.81	Direct
5.	Supply and installation of fans in Govt. School	Promotion of education activities	Neighbouring areas of Narkatiaganj	West Champaran		1.65		34.46	Direct
6.	Distribution of blankets to women and senior citizens	Promotion of Health care initiative	Neighbouring areas of Narkatiaganj	West Champaran		2.39		36.85	Direct
7.	Training to promote Sports	Promotion of sports	Neighbouring areas of Narkatiaganj	West Champaran		8.31		45.16	Direct
8.	Healthcare Initiative (Construction of Toilets)	Sanitation	Near Sidhwalia factory in Sidhwalia and Mohammadpur	Gopalganj		17.00		62.16	Direct
9.	Medical Kit t PHC Sidhwalia	Promotion of Health care initiative	Near Sidhwalia	Gopalganj		7.80		69.96	Direct
10.	Healthcare initiative including preventive healthcare (Installation of Water Coolers at Public Places)	Safe drinking water	Neighbouring areas of Sidhwalia	Gopalganj		4.41		74.37	Direct
11.	Supply and installation of fans in Govt. School	Promotion of education activities	Neighbouring areas of Sidhwalia	Gopalganj		0.32		74.69	Direct
12.	Steel Almirah & Furniture in Primary School	Promotion of education activities	Neighbouring areas of Sidhwalia	Gopalganj		6.41		81.10	Direct
13.	Distribution of blankets to women and senior citizens	Promotion of Health care initiative	Neighbouring areas of Sidhwalia	Gopalganj		1.45		82.55	Direct
14.	Healthcare Initiative (Medical check up, Camp and Medicine distribution to patients)	Promotion of Health care initiative	Neighbouring areas of Hasapur	Samastipur		11.20		93.75	Direct
15.	Healthcare Initiative (Construction of Toilets)	Sanitation	Neighbouring areas of Hasapur	Samastipur		16.73		110.48	Direct
16.	Healthcare Initiative (Installation of hand pumps)	Safe drinking water	Neighbouring areas of Hasapur	Samastipur		0.96		111.44	Direct
17.	Healthcare initiative including preventive healthcare (Installation of R/o & Water Coolers at Public Places)	Safe drinking water	Neighbouring areas of Hasapur	Samastipur		2.71		114.15	Direct
18.	Supply and installation of fans in Govt. School	Promotion of education activities	Neighbouring areas of Hasapur	Samastipur		0.99		115.14	Direct
19.	Distribution of blankets to women and senior citizens	Promotion of Health care initiative	Neighbouring areas of Hasapur	Samastipur		0.17		115.31	Direct
20.	Training to promote Sports	Promotion of sports	Neighbouring areas of Hasapur	Samastipur		1.49		116.8	Direct

Chandra Mohan
Chairperson, CSR Committee

Chandra Shekhar Nopany
Whole-time Director

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 2020, 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, 2020, 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, 2020. 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
(a) Determination of net realizable value of inventory of Sugar as at the year ended March 31, 2020 (Refer note 3.7 and 8 of the financial statements)	
<p>The inventory of Sugar is valued at the lower of cost and net realizable value ('NRV'). As on March 31, 2020, the Company has inventory of Sugar with the carrying value of Rs. 71324.54 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"> 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. We considered various factors including the actual selling price prevailing around and subsequent to the year end, minimum selling price & monthly quota and other notifications of the Government of India, initiative taken by the Government with respect to sugar industry as a whole. <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
Accounting for Government Grants (Refer note 43 of the financial statements)	
<p>The Central Government have issued various notifications for assistance to sugar units, inter alia, export of sugar along with compliance of other conditions to be eligible to get certain government grants for offsetting the cost of cane crushed and/or to facilitate payment of farmers' dues for sugar season 2018-19 and 2019-20.</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"> ● Evaluating eligibility requirements of schemes issued by the Central Government. ● 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. <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, 2020 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 over financial reporting 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, 2020 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: 20050773AAAAAN8372

Place: Kolkata
 Date: June 23, 2020

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, 2020

- (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 information and explanations given by the management, the title deeds of certain Freehold land included in Property, Plant & Equipment, of Rs. 478.91 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: 20050773AAAAAN8372

Place: Kolkata
 Date: June 23, 2020

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 over financial reporting of Magadh Sugar and Energy Limited ("the Company") as of March 31, 2020 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 over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 over financial reporting 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 internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions 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 with reference to financial statements were operating effectively as at March 31, 2020, 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: 20050773AAAAAN8372

Place: Kolkata
Date: June 23, 2020

Balance Sheet as at 31st March, 2020

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2020	As at 31st March, 2019
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	67,030.52	65,661.30
(b) Capital Work-in-Progress	5	664.09	227.57
(c) Other Intangible Assets	6	15.22	11.12
(d) Financial Assets			
(i) Investments	7	0.68	0.68
(ii) Loans	13	3.68	4.12
(iii) Other Financial Assets	14	2.00	2.00
(e) Other Non-current Assets	16	272.89	125.18
Total Non-current Assets		67,989.08	66,031.97
2. Current Assets			
(a) Inventories	8	76,966.44	65,072.08
(b) Biological assets other than bearer plants	9	110.88	106.79
(c) Financial Assets			
(i) Trade Receivables	10	878.82	2,108.75
(ii) Cash and Cash Equivalents	11	66.79	51.15
(iii) Bank Balances other than (ii) above	12	5.78	3.47
(iv) Loans	13	49.79	38.83
(v) Other Financial Assets	14	618.84	156.24
(d) Current Tax Assets (net)	15	273.55	224.74
(e) Other Current Assets	17	7,471.38	4,847.91
Total Current Assets		86,442.27	72,609.96
TOTAL ASSETS		1,54,431.35	1,38,641.93
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	18	1,409.16	1,006.55
(b) Other Equity	19	52,222.32	44,639.33
Total Equity		53,631.48	45,645.88
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	12,130.77	8,363.56
(ii) Other Financial Liabilities	22	128.35	22.00
(b) Provisions	23	316.16	270.31
(c) Deferred Tax Liabilities (net)	24	2,115.39	1,546.36
Total Non-current Liabilities		14,690.67	10,202.23
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	48,889.14	41,330.16
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	21	94.21	296.90
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	21	31,227.20	34,499.95
(iii) Other Financial Liabilities	22	4,246.90	5,144.33
(b) Provisions	23	560.97	528.49
(c) Other Current Liabilities	25	485.21	569.19
(d) Current Tax Liabilities (net)	26	605.57	424.80
Total Current Liabilities		86,109.20	82,793.82
Total Liabilities		1,00,799.87	92,996.05
TOTAL EQUITY AND LIABILITIES		1,54,431.35	1,38,641.93
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements			

As per our report of even date

 For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Pradeep Kumar Singhi

Partner

Membership No.: 050773

Place: Kolkata

Date: 23rd June, 2020

For and on behalf of the Board of Directors

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, 2020

(₹ in lakhs)

Particulars	Notes	Year ended 31st March, 2020		Year ended 31st March, 2019	
I. Revenue from Operations	27		91,615.85		73,915.65
II. Other Income	28		325.42		575.79
III. Total Income (I + II)			91,941.27		74,491.44
IV. Expenses					
Cost of Materials Consumed	29		74,768.14		71,973.20
Changes in inventories of Finished Goods and Work-in-progress	30		(12,527.51)		(19,858.17)
Employee benefits expense	31		4,840.26		4,455.85
Finance costs	32		4,832.72		3,541.28
Depreciation and amortization expense	33		1,801.60		1,773.29
Other expenses	34		9,056.04		7,219.16
Total Expenses			82,771.25		69,104.61
V. Profit before exceptional items and tax (III - IV)			9,170.02		5,386.83
VI. Exceptional Items	44		1,594.32		-
VII. Profit before tax (V + VI)			10,764.34		5,386.83
VIII. Tax expense					
Current tax	35	1,887.43		1,145.26	
Provision for tax related to earlier years	35	0.05		-	
Provision for tax no longer required written back	35	-		(3.09)	
Deferred tax	35	572.95		823.12	
Total Tax expenses			2,460.43		1,965.29
IX. Profit for the year (VII - VIII)			8,303.91		3,421.54
X. Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
(a) Remeasurement of defined benefit liability / (asset)		(79.54)		(65.62)	
(b) Income taxes relating to items that will not be reclassified to profit or loss		3.92		23.26	
Other comprehensive income for the year, net of income tax			(75.62)		(42.36)
XI. Total comprehensive income for the year (IX + X)			8,228.29		3,379.18
XII. Earnings per equity share [Nominal value per equity share ₹10 (₹10)]					
(a) Basic (₹)	36		58.93		24.28
(b) Diluted (₹)	36		58.93		24.28
Summary of significant accounting policies	3				
The accompanying notes are an integral part of the financial statements.					

As per our report of even date

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Pradeep Kumar Singhi

Partner

Membership No.: 050773

Place: Kolkata

Date: 23rd June, 2020

For and on behalf of the Board of Directors

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, 2020

A. Equity Share Capital

Particulars	Notes	As at 31st March, 2020		As at 31st March, 2019	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	18	1,00,65,450	1,006.55	1,00,65,450	1,006.55
Change in equity share capital during the year	18	40,26,180	402.61	-	-
Balance at the end of the year	18	1,40,91,630	1,409.16	1,00,65,450	1,006.55

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Capital Redemption Reserve	Molasses Storage and Maintenance Reserve	Retained Earnings	
Balance at 1st April, 2018	36,897.75	1,150.00	9.89	3,333.74	41,391.38
Total comprehensive income for the year					
- Profit	-	-	-	3,421.54	3,421.54
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	-	(42.36)	(42.36)
Total comprehensive income	-	-	-	3,379.18	3,379.18
Utilised during the year	-	-	(9.89)	-	(9.89)
Dividend (including dividend distribution tax) on equity shares [Note 19]	-	-	-	(121.34)	(121.34)
Balance at 31st March, 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 dividend distribution tax) 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

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

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Pradeep Kumar Singhi

Partner

Membership No.: 050773

Place: Kolkata

Date: 23rd June, 2020

For and on behalf of the Board of Directors

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, 2020

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	10,764.34	5,386.83
Adjustments for:		
Depreciation and amortisation expense	1,801.60	1,773.29
Depreciation in relation to Biological Assets other than bearer plants	9.29	16.39
Finance Costs	4,832.72	3,541.28
Provision for bad and doubtful debts / advances	86.15	4.77
Bad debts, irrecoverable claims and advances written off (net)	0.04	0.35
Loss / (Gain) on sale / discard of Property, Plant and Equipment (net)	1.15	(58.10)
Interest income	(25.80)	(50.60)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(39.27)	(34.01)
	17,430.22	10,580.20
Working capital adjustments:		
Increase in Inventories	(11,894.36)	(19,671.92)
Increase in Biological assets other than bearer plants	(4.09)	(25.38)
Decrease / (Increase) in Trade Receivables and Loans	1,155.56	(857.21)
(Increase) / Decrease in Other Financial Assets	(466.23)	526.21
Increase in Other Assets	(2,637.96)	(3,574.54)
(Decrease) / Increase in Trade Payables	(3,436.25)	17,835.35
(Decrease) / Increase in Other Financial Liabilities	(32.28)	51.56
Decrease in Provisions	(1.21)	(13.40)
Decrease in Other Liabilities	(11.20)	(76.95)
Cash generation from Operations	102.20	4,773.92
Income tax paid	(1,755.52)	(720.46)
Net Cash (used in) / generated from Operating Activities	(1,653.32)	4,053.46
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, Plant and Equipment	12.58	299.13
Acquisition of Property, Plant and Equipment	(3,641.81)	(2,736.24)
Acquisition of Other Intangible Assets	(7.64)	-
Interest received	29.43	50.96
Bank deposits made (net)	-	(2.00)
Net Cash used in Investing Activities	(3,607.44)	(2,388.15)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-current Borrowings	(4,403.20)	(5,954.18)
Proceeds from Non-current Borrowings	7,080.00	-
Proceeds from Current Borrowings (net)	7,558.98	7,848.40
Repayment of Lease liabilities	(2.70)	-
Interest on lease liabilities paid	(12.30)	-
Other Interest paid	(4,701.69)	(3,462.15)
Dividend on Equity Shares including tax thereon paid	(242.69)	(121.34)
Net Cash generated from / (used in) Financing Activities	5,276.40	(1,689.27)
Net Changes in Cash & Cash Equivalents (A + B + C)	15.64	(23.96)
Cash & Cash Equivalents at the beginning of the year	51.15	75.11
Cash & Cash Equivalents at the end of the year	66.79	51.15

Change in Liability arising from financing activities

(₹ in lakhs)

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
Particulars	As on 1st April 2018	Cash Flow	Fair Value Change	As on 31st March 2019
Non-current Borrowings (Note 20)	18,415.03	(5,954.18)	81.65	12,542.50
Current Borrowings (Note 20)	33,481.76	7,848.40	-	41,330.16

As per our report of even date

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Pradeep Kumar Singhi

Partner

Membership No.: 050773

Place: Kolkata

Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandra Mohan

Whole-time Director

DIN: 07760264

Chandra Shekhar Nopany

Chairperson

DIN: 00014587

Subramanian Sathyamurthy

Company Secretary

Sunil Choraria

Chief Financial Officer

Notes to Financial Statements for the year ended 31st March, 2020

1. Reporting entity

Magadh Sugar & Energy Limited ('the Company') is a public company domiciled in India. The Company is incorporated under the provisions of the Companies Act, 2013. Its equity shares are listed on the National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE).

The Company is primarily engaged in the manufacture and sale of sugar and its by-products (molasses, bagasse and press-mud), 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 23rd June, 2020.

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.

Assumptions and estimation uncertainties

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 38 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

- Note 24 - Recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used;
- Note 45 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

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:

- (i) it is expected to be realised in or intended for sale or consumption in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) 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:

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) 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, 2020 (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, 2020 (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, 2020 (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 fixed asset 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, 2020 (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, 2020 (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, 2020 (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.

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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.

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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

Ind AS 116 supersedes Ind AS 17 Leases including its appendices. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

The Company has adopted Ind AS 116 using the modified retrospective method of adoption under the transitional provisions of the Standards, with the date of initial application on 1st April, 2019. The Company also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of twelve months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is of low value (low-value assets). The impact of adoption of Ind AS 116 on the financial statements of the Company has been described under Note 40.

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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).

(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 in substance 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

Lessor accounting under Ind AS 116 is substantially unchanged from Ind AS 17. Lessor will continue to classify leases as either operating or finance leases using similar principles as in Ind AS 17. Therefore, Ind AS 116 does not have an impact for leases where the Company is the 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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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.

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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.

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

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1st April, 2020.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

4. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land (a)	Buildings	Plant and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right of use - assets (Note 40)	Total
Reconciliation of carrying amount									
Gross carrying amount									
Balance at 1st April, 2018	36,427.20	3,960.07	27,578.34	177.05	60.88	227.91	31.92	-	68,463.37
Additions during the year	233.49	802.66	1,883.81	11.10	31.55	9.87	9.60	-	2,982.08
Disposal / deduction during the year	63.45	0.04	454.62	0.72	0.44	-	0.30	-	519.57
Balance at 31st March, 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	36,852.23	5,062.89	31,406.97	196.03	142.79	255.61	53.86	124.05	74,094.43
Accumulated depreciation									
Balance at 1st April, 2018	-	305.98	3,047.71	127.50	13.71	52.34	10.84	-	3,558.08
Depreciation for the year (b)	-	170.76	1,544.99	16.62	8.63	38.48	6.53	-	1,786.01
Disposal / deduction during the year	-	-	79.02	0.24	0.08	-	0.17	-	79.51
Balance at 31st March, 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	-	668.27	6,045.43	161.70	35.37	119.48	25.39	8.27	7,063.91
Carrying amount (net)									
At 31st March, 2019	36,597.24	4,285.95	24,493.85	43.55	69.73	146.96	24.02	-	65,661.30
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

(a) In respect of freehold land of ₹ 478.91 lakhs, comprising of farm land ₹ 433.27 lakhs and other land ₹ 45.64 lakhs (31st March, 2019: ₹ 7,464.70 lakhs), revenue receipts in the name of the Company, transferred to the Company pursuant to the scheme of arrangement in earlier year, is in process.

(b) Includes ₹ 9.29 lakhs (31st March, 2019 ₹ 16.39 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, 2020 (Contd.)

5. Capital Work-in-Progress

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Reconciliation of carrying amount		
Balance at the beginning of the year	227.57	204.39
Add: Additions during the year	2,269.85	2,245.06
Less: Transfer to Property, Plant and Equipment	1,833.33	2,221.88
Balance at the end of the year	664.09	227.57

6. Other Intangible Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Computer Software		
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year	44.25	44.25
Additions during the year	7.64	-
Balance at the end of the year	51.89	44.25
Accumulated depreciation		
Balance at the beginning of the year	33.13	29.46
Amortisation for the year	3.54	3.67
Balance at the end of the year	36.67	33.13
Carrying amount (net)	15.22	11.12

7. Investments

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current Investments		
Investment in Government securities carried at amortised cost - unquoted (fully paid)*		
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
	0.68	0.68

* Deposited / pledged with various Government authorities.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

8. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials	357.55	845.98
Work-in-progress	831.39	1,023.39
Finished goods	72,076.95	60,358.66
Stores, chemicals and spare parts*	1,394.53	1,539.25
Bio-compost	75.78	94.38
<i>(Valued at estimated net realisable value)</i>		
By-Products	2,187.90	1,158.55
Scrap	42.34	51.87
	76,966.44	65,072.08
* includes stock in transit:		
Stores, chemicals and spare parts	2.06	5.12

- a) Inventories are hypothecated against borrowings [Note 20].
- b) Finished goods includes ₹ **10,846.82 lakhs** (31st March, 2019: ₹ 5,203.21 lakhs) towards Buffer Stock maintained by the Company as per directions of the Government of India [Note 45(C)].

9. Biological assets other than bearer plants

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Reconciliation of carrying amount		
Balance at the beginning of the year	106.79	81.41
Expenditure incurred during the year	110.53	61.85
Change in fair value	39.92	49.53
New Crop Plantations	92.27	89.85
Decrease due to harvested sugarcane transferred to inventory [including captive consumption of ₹ 156.08 lakhs (31st March, 2019: ₹ 135.64 lakhs)]	(238.63)	(175.85)
Balance at the end of the year	110.88	106.79

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, 2020 (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, 2020	As at 31st March, 2019
Current		
Considered good - Unsecured	878.82	2,108.75
Considered doubtful - Unsecured	63.85	-
	942.67	2,108.75
Less: Provision for loss allowance	63.85	-
	878.82	2,108.75

- a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further, no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
- (b) Information about the Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 45(C).
- (c) Trade receivables are hypothecated against borrowings [Note 20].

11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Cash and cash equivalents		
Cash on hand	30.02	10.80
Balances with banks		
- Current accounts	36.77	40.35
	66.79	51.15

12. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Earmarked balances with bank for unpaid dividend accounts	5.65	3.34
In Post office Saving bank account *	0.13	0.13
	5.78	3.47

* Pledged / lodged with various Government Authorities.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

13. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<i>(Considered good - Unsecured)</i>		
Non-current		
Security and other deposits	3.68	2.11
Loans to employees	-	2.01
	3.68	4.12
Current		
Security and other deposits	9.69	8.02
Loans to employees	40.10	30.81
	49.79	38.83

14. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Bank deposits due to mature after twelve months of the reporting date*	2.00	2.00
	2.00	2.00
Current (Considered good - Unsecured)		
Unbilled Revenue	593.86	127.63
Renewable Energy Certificates Entitlement	23.03	23.03
Interest accrued on Loans, deposits, investments etc.	1.95	5.58
	618.84	156.24

* Pledged / lodged with a bank as margin money.

15. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance tax and tax deducted at sources	1,657.73	2,344.56
Less: Provision for taxation	1,384.18	2,119.82
	273.55	224.74

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

16. Other Non-current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
<i>(Considered good - Unsecured)</i>		
Capital Advances	155.48	-
Advances other than Capital Advances		
Other advances		
- Deposits against demand under appeal and / or under dispute	102.17	111.00
- Prepaid Expenses	15.24	14.18
	117.41	125.18
	272.89	125.18

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advances to suppliers		
- Considered good - Unsecured	421.56	348.73
- Considered doubtful - Unsecured	54.86	33.91
	476.42	382.64
Less: Provision for loss allowance	54.86	33.91
	421.56	348.73
Other advances (considered good - unsecured)		
- Claims and Subsidies / refunds receivable	6,824.18	4,364.70
- Balance with Excise and other Government Authorities	189.64	94.19
- Prepaid Expenses	36.00	40.29
	7,049.82	4,499.18
	7,471.38	4,847.91

18. Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Authorised:		
2,51,00,000 (31st March, 2019: 2,51,00,000) equity shares of ₹ 10 each	2,510.00	2,510.00
15,00,000 (31st March, 2019: 15,00,000) preference shares of ₹ 100 each	1,500.00	1,500.00
	4,010.00	4,010.00
Issued, subscribed and fully paid-up:		
1,40,91,630 (31st March, 2019: 1,00,65,450) equity shares of ₹ 10 each	1,409.16	1,006.55
	1,409.16	1,006.55

Notes to Financial Statements for the year ended 31st March, 2020 (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, 2020		As at 31st March, 2019	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity shares				
At the beginning of the year	1,00,65,450	1,006.55	1,00,65,450	1,006.55
Add: Bonus shares issued during the year	40,26,180	402.61	-	-
At the end of the year	1,40,91,630	1,409.16	1,00,65,450	1,006.55

(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, 2020		As at 31st March, 2019	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by				
SIL Investments Limited	16,86,658	11.97%	12,04,756	11.97%
Avadh Sugar & Energy Limited	14,86,154	10.55%	10,61,539	10.55%
New India Retailing & Investment Limited	10,56,490	7.50%	7,54,636	7.50%
Mrs. Nandini Nopany	refer note given below		6,31,446	6.27%
Navjeevan Medical Institute	7,83,157	5.56%	5,59,398	5.56%
Yashovardhan Investment & Trading Company Limited	7,17,710	5.09%	5,12,650	5.09%
Hargaon Investment & Trading Company Limited	7,17,358	5.09%	5,12,399	5.09%

Note: As at 31st March, 2020, shareholding of Mrs. Nandini Nopany in the Company's equity shares is not more than 5%.

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2017	Year ended 31st March, 2016
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	-

(e) Bonus shares issued during the current year includes 2,340 equity shares for fractional entitlements issued in favour of a trust and its distribution to respective shareholders is pending as on the Balance Sheet date.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

19. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Capital Reserve		
Balance at the beginning and at the end of the year	36,897.75	36,897.75
Capital Redemption Reserve		
Balance at the beginning of the year	1,150.00	1,150.00
Less: Utilised for Bonus shares issued during the year	(402.61)	-
Balance at the end of the year	747.39	1,150.00
Molasses Storage and Maintenance Reserve		
Balance at the beginning of the year	-	9.89
Less: Utilised during the year	-	(9.89)
Balance at the end of the year	-	-
Retained Earnings		
Balance at the beginning of the year	6,591.58	3,333.74
Profit for the year	8,303.91	3,421.54
Remeasurement of defined benefit liability / (asset) (net of tax)	(75.62)	(42.36)
Dividend (including dividend distribution tax) on equity shares [refer Note (a) below]	(242.69)	(121.34)
Balance at the end of the year	14,577.18	6,591.58
	52,222.32	44,639.33

(a) Dividend (including dividend distribution tax) on equity shares

The following dividends were declared and paid by the Company:

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
₹ 2 per equity share (31st March, 2019: ₹ 1) as final dividend	201.31	100.65
Dividend distribution tax on final dividend to equity shareholders	41.38	20.69
	242.69	121.34

After the reporting date, the following dividends (excluding dividend distribution tax) were proposed by the board of directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would not attract dividend distribution tax w.e.f. 1st April, 2020.

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Proposed dividend for the year ended 31st March, 2020 ₹ 4 per equity share (31st March, 2019: ₹ 2 per equity share)	563.67	201.31
	563.67	201.31

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

20. Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current Borrowings		
Term Loans (secured)		
From banks -		
Under project finance / corporate loan scheme	-	996.86
Rupee term loans	7,014.68	8,098.17
Under financial assistance scheme (SOFT 2015 State)	1,175.04	2,346.33
Under financial assistance scheme (SOFT 2019 Central)	7,046.09	-
From sugar development fund	-	651.14
Term Loans (unsecured)		
From a bank -		
Medium term loan	-	450.00
	15,235.81	12,542.50
Less: Current portion of Non-current borrowings [Note 22]	3,105.04	4,178.94
	12,130.77	8,363.56
Current Borrowings		
Secured		
From banks (repayable on demand)		
Cash credit including working capital demand loan	29,789.14	30,205.16
Short term loan from a bank	8,500.00	-
Unsecured		
Short term loan from a bank	-	2,500.00
Inter-corporate deposits	10,600.00	8,625.00
	48,889.14	41,330.16

Information about the Company's exposure to interest and liquidity risk is included in Note 45(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 10.40% 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 Sulej Textiles & Industries Ltd. and 12.63 lakhs shares of Chambal Fertilisers & Chemicals Ltd. held by a promoter company.

- (b) Term loans from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015), carry interest in the range of 10.70% to 11.00% p.a. and repayable in 20 equal quarterly installments by 31st March, 2021. The Company is 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 are 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.

- (c) Term loan from a bank under Financial Assistance Scheme of the Government of India (SOFT Loan 2019), carry interest @ 9.60% 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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

20. Borrowings (Contd.)

A. Nature of Securities and Terms of repayment (Contd.)

(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 8.50% to 11.25% p.a.
- (c) Short Term loan (Secured) from a bank carry interest @ 9.45% p.a. and is repayable in three equal monthly installments from January, 2021 to March, 2021 and is secured by subservient charge over by way of hypothecation of the Company's entire inventories and book debts, both present and future.
- (d) Inter-corporate deposits carry interest range of 8.50% to 10.20% p.a. and repayable on demand.

21. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total outstanding dues of micro enterprises and small enterprises	94.21	296.90
Total outstanding dues of creditors other than micro enterprises and small enterprises	31,227.20	34,499.95
	31,321.41	34,796.85

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 45(C).

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

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(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	91.15	291.79
Interest due on above	-	0.29
Total	91.15	292.08
(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.	224.94	94.60
(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.	4.82	7.28
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	3.06	5.11
(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.	3.02	3.57

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

22. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Non-current		
Trade and other deposits	22.00	22.00
Lease liability [Note 40]	106.35	-
	128.35	22.00
Current		
Current portion of Non-current borrowings [Note 20]	3,105.04	4,178.94
Interest accrued but not due	457.45	282.45
Lease liability [Note 40]	15.00	-
Payable to employees	508.36	542.05
Liability for capital goods	102.04	85.60
Unclaimed dividend *	5.65	3.34
Other payables	53.36	51.95
	4,246.90	5,144.33

* 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 45(C).

23. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Net defined benefit liability - Gratuity	629.76	591.59
Liability for compensated absences	157.96	117.80
	787.72	709.39
Other Provisions		
For litigation, claims and contingencies	89.41	89.41
	89.41	89.41
	877.13	798.80
Non-current	316.16	270.31
Current	560.97	528.49
	877.13	798.80

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

23. Provisions)Contd.)

Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Present value of defined benefit obligations	1,477.39	1,366.87
Fair value of plan assets	847.63	775.28
Net defined benefit liabilities	629.76	591.59

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 ₹ 186.97 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, 2020	As at 31st March, 2019
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	1,366.87	1,263.39
(b) Service cost	85.20	75.14
(c) Interest cost	104.16	97.91
(d) Benefits paid	(152.78)	(129.81)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	75.13	8.94
- due to experience changes	(1.19)	51.30
Balance at the end of the year	1,477.39	1,366.87
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	775.28	717.46
(b) Actual return on plan assets	53.48	50.22
(c) Contributions by the employer	171.65	137.41
(d) Benefits paid	(152.78)	(129.81)
Balance at the end of the year	847.63	775.28
(iii) Actuarial gain / (loss) on plan assets		
(a) Expected Interest Income	59.08	55.60
(b) Actual return on plan assets	53.48	50.22
Actuarial gain / (loss) on plan assets	(5.60)	(5.38)
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	85.20	75.14
(b) Interest cost	104.16	97.91
(c) Interest income	(59.08)	(55.60)
Amount charged to Employee benefits expenses	130.28	117.45

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

23. Provisions)Contd.)

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

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial loss on defined benefit obligations	(73.94)	(60.24)
(b) Actuarial loss on plan assets	(5.60)	(5.38)
Amount recognised in Other Comprehensive Income	(79.54)	(65.62)
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(vii) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	6.60%	7.62%
(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, 2020		As at 31st March, 2019	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	39.76	(37.78)	33.77	(35.46)
(b) Future salary growth (1% movement)	(73.89)	80.36	(73.03)	67.67
(c) Withdrawal assumption (4% movement)	(17.83)	22.34	(34.44)	26.38

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.

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

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Within the next 12 months (next annual reporting period)	313.60	321.28
Between 1 and 2 years	32.23	139.37
Between 2 and 3 years	147.28	131.07
Between 3 and 4 years	145.08	122.32
Between 4 and 5 years	131.16	117.03
Between 5 and 6 years	132.89	106.78
Beyond 6 years	575.15	429.02
	1,477.39	1,366.87

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

24. Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2019	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2020
Deferred tax liabilities				
Property, plant and equipments including intangible assets and right of use assets net of lease liabilities	6,124.37	(1,544.50)	-	4,579.87
	6,124.37	(1,544.50)	-	4,579.87
Deferred tax assets				
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
	4,578.01	(2,117.45)	3.92	2,464.48
Net deferred tax liabilities / (assets)	1,546.36	572.95	(3.92)	2,115.39

Particulars	As at 31st March, 2018	Recognised in profit or loss	Recognised in other comprehensive income	As at 31st March, 2019
Deferred tax liabilities				
Property, plant and equipments including intangible assets	5,844.38	279.99	-	6,124.37
	5,844.38	279.99	-	6,124.37
Deferred tax assets				
Carried forward unabsorbed depreciation	2,585.93	(1,728.01)	-	857.92
MAT credit entitlement	2,122.00	1,142.17	-	3,264.17
Provisions - employee benefits	227.43	(1.51)	23.26	249.18
Provisions - others	18.47	(6.62)	-	11.85
Deduction of disallowances allowed on payment / other basis	144.05	50.84	-	194.89
	5,097.88	(543.13)	23.26	4,578.01
Net deferred tax liabilities / (assets)	746.50	823.12	(23.26)	1,546.36

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, 2020	As at 31st March, 2019
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		
Assessment Year 2032-2033 [Financial Year 2031-2032]	719.79	1,880.00
Assessment Year 2033-2034 [Financial Year 2032-2033]	238.91	238.91
Assessment Year 2034-2035 [Financial Year 2033-2034]	1,145.28	1,145.26
	2,103.98	3,264.17

Section 115 BAA of the Income Tax Act, 1961, introduced by the Taxation Laws (Amendment) Act, 2019 gives a one-time irreversible option for payment of income tax at reduced rate with effect from financial year commencing 1st April, 2019 subject to certain conditions. The Company has made an assessment of the impact of the above amendment and decided to continue with the existing tax structure until utilisation of accumulated minimum alternative tax ("MAT").

However, the Company has re-measured the deferred tax assets / liability that is expected to reverse on exercising the option on the future date as per Ind-AS 12 "Income Taxes" and thus, reversal of net deferred tax liability of ₹ **1,573.38 lakhs** (after netting-off reversal of deferred tax assets of ₹ 23.87 lakhs recognised through other comprehensive income) has been recognised in these financial statements.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

25. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Advance against Sale of Goods / Property, plant and equipments	202.71	206.37
Statutory dues	282.50	338.56
Deferred Income on Government Grant	-	24.26
	485.21	569.19

26. Current Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Provision for taxation	1,887.43	1,145.26
Less: Advance tax and tax deducted at sources	1,281.86	720.46
	605.57	424.80

27. Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Sale of Goods (A)		
Finished goods	83,562.62	69,181.07
Power	3,776.42	3,924.75
By products	1,850.90	252.80
Others	431.63	202.97
	89,621.57	73,561.59
Other operating revenue (B)		
Subsidy towards Export Quota (net)	1,599.26	133.17
Excise Duty Reimbursement	-	74.23
Buffer Stock Subsidy towards Insurance & Storage Charges	132.06	57.95
Production Incentive	208.00	36.00
Scrap Sales	54.96	52.71
	1,994.28	354.06
Total revenue from operations (A+B)	91,615.85	73,915.65

Notes to Financial Statements for the year ended 31st March, 2020 (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, 2020			
	Sugar	Distillery	Co-generation	Total
Type of Goods:				
Finished goods				
- Sugar	76,827.52	-	-	76,827.52
- Spirits	-	6,735.10	-	6,735.10
	76,827.52	6,735.10	-	83,562.62
Power	-	-	3,776.42	3,776.42
By products				
- Molasses	1,660.39	-	-	1,660.39
- Bagasse	178.39	-	-	178.39
- Press-mud	12.12	-	-	12.12
	1,850.90	-	-	1,850.90
Others	72.62	359.01	-	431.63
Total revenue from contracts with customers	78,751.04	7,094.11	3,776.42	89,621.57
Revenue by Customers:				
- 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
Total revenue from contracts with customers	78,751.04	7,094.11	3,776.42	89,621.57

(₹ in lakhs)

Segment	Year ended 31st March, 2019			
	Sugar	Distillery	Co-generation	Total
Type of Goods:				
Finished goods				
- Sugar	61,022.64	-	-	61,022.64
- Spirits	-	8,158.43	-	8,158.43
	61,022.64	8,158.43	-	69,181.07
Power	-	-	3,924.75	3,924.75
By products				
- Molasses	178.60	-	-	178.60
- Bagasse	66.35	-	-	66.35
- Press-mud	7.85	-	-	7.85
	252.80	-	-	252.80
Others	38.28	164.69	-	202.97
Total revenue from contracts with customers	61,313.72	8,323.12	3,924.75	73,561.59
Revenue by Customers:				
- Government concerns (including PSUs)	-	8,158.43	3,924.75	12,083.18
- Others	61,313.72	164.69	-	61,478.41
Total revenue from contracts with customers	61,313.72	8,323.12	3,924.75	73,561.59

Notes to Financial Statements for the year ended 31st March, 2020 (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, 2020			
	Sugar	Distillery	Co-generation	Total
Sale of Goods				
- 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
Other Operating Revenue	1,990.50	3.78	-	1,994.28
	86,230.26	7,118.75	8,360.33	1,01,709.34
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
Total revenue from contracts with customers	78,751.04	7,094.11	3,776.42	89,621.57

(₹ in lakhs)

Segment	Year ended 31st March, 2019			
	Sugar	Distillery	Co-generation	Total
Sale of Goods				
- External customers	61,313.72	8,323.12	3,924.75	73,561.59
- Inter-segment	5,266.07	12.00	4,492.80	9,770.87
Other Operating Revenue	354.06	-	-	354.06
	66,933.85	8,335.12	8,417.55	83,686.52
Inter-segment elimination	5,266.07	12.00	4,492.80	9,770.87
Less: Other Operating Revenue	354.06	-	-	354.06
Total revenue from contracts with customers	61,313.72	8,323.12	3,924.75	73,561.59

- 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].
- 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, 2020	Year ended 31st March, 2019
Interest income on:		
- Loans and deposits	25.80	50.60
Government Grant	-	53.88
Insurance and other claims	188.49	285.05
Gain on Sale / Discard of Property, Plant & Equipments (net)	-	58.10
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	39.27	34.01
Change in fair value of biological assets other than bearer plants [Note 9]	39.92	49.53
Miscellaneous receipts	31.94	44.62
	325.42	575.79

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

29. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Inventory of materials at the beginning of the year	845.98	1,515.40
Add: Purchases and procurement expenses *	74,279.71	71,303.78
	75,125.69	72,819.18
Less: Inventory of materials at the end of the year	357.55	845.98
	74,768.14	71,973.20

* Net of Government Grants [Note 43].

30. Changes in inventories of Finished Goods and Work-in-Progress

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Inventories at the end of the year		
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
	75,214.36	62,686.85
Inventories at the beginning of the year		
Finished goods	60,358.66	40,170.52
By Products	1,158.55	1,920.09
Work-in-progress	1,023.39	638.18
Bio-compost	94.38	60.36
Scrap	51.87	39.53
	62,686.85	42,828.68
	(12,527.51)	(19,858.17)

31. Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Salaries, wages, bonus etc.	4,302.56	3,949.75
Contribution to provident and other funds	297.83	284.90
Expenses related to post-employment defined benefit plans * [Note 23]	129.64	117.22
Staff welfare expenses	110.23	103.98
	4,840.26	4,455.85

* excluding ₹ 0.64 lakhs (31st March, 2019: ₹ 0.23 lakhs) in relation to biological assets other than bearer plants.

Defined contribution plans

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Contribution to Provident / Pension Funds	293.35	280.85
Contribution to Superannuation Fund	4.48	4.05
	297.83	284.90

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

32. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest expense on financial liabilities measured at amortised cost *	4,752.56	3,492.57
Interest on lease liabilities	12.30	-
Interest on income tax	67.86	48.71
	4,832.72	3,541.28

* Net of Government Grants [Note 43].

33. Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Depreciation of property, plant and equipment * [Note 4]	1,798.06	1,769.62
Amortisation of intangible assets [Note 6]	3.54	3.67
	1,801.60	1,773.29

* excluding ₹ 9.29 lakhs (31st March, 2019: ₹ 16.39 lakhs) in relation to biological assets other than bearer plants.

34. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Consumption of stores and spares	1,078.71	1,041.27
Packing materials	969.30	1,015.98
Power and fuel	571.77	326.44
Repairs to:		
- Buildings	255.05	295.86
- Machinery	2,700.13	2,031.87
- Others	30.00	25.64
Rent	215.89	122.24
Rates and taxes	34.96	26.41
Insurance	122.40	67.85
Payment to auditors [refer Note (a) below]	24.42	24.25
Payment to cost auditors	1.22	1.10
Commission on sales	297.83	241.18
Freight and forwarding charges	1,110.20	1,109.84
Charity and donations*	201.05	10.43
Provision for bad and doubtful advances	86.15	4.77
Bad debts, irrecoverable claims and advances written off	1.31	15.15
Less: Adjusted against provisions	1.27	14.80
Loss on sale / discard of Property, Plant and Equipment (net)	1.15	-
Contribution towards Corporate Social Responsibility expenses [refer Note (b) below]	116.83	81.39
Director's commission	30.00	30.00
Director's sitting fees	21.20	23.20
Miscellaneous expenses**	1,187.74	739.09
	9,056.04	7,219.16

* Includes contribution of ₹ 200.00 lakhs (31st March, 2019: ₹ Nil) to an Electoral trust company.

** Includes ₹ 350.68 lakhs (31st March, 2019: ₹ Nil) being earlier levy sugar differential price as per demand received.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

34. Other expenses (Contd.)

(a) Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
As Auditors		
- Statutory audit	12.00	12.00
- Limited review of quarterly results	7.20	7.20
In other capacity		
- Tax audit	3.60	3.60
- For certificates and other services	1.00	-
Reimbursement of expenses	0.62	1.45
	24.42	24.25

(b) Contribution towards Corporate Social Responsibility expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(A) Gross amount required to be spent by the Company during the year	113.88	77.48
(B) Amount spent during the year on:		
(i) Construction / acquisition of any asset		
- In Cash	-	-
- Yet to be paid in cash	-	-
Total	-	-
(ii) On purpose other than (i) above		
- In Cash	116.83	81.39
- Yet to be paid in cash	-	-
Total	116.83	81.39

35. Tax expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax	1,887.43	1,145.26
Provision for tax related to earlier years	0.05	-
Provision for tax no longer required written back	-	(3.09)
Deferred tax		
Attributable to origination and reversal of temporary differences / MAT Credits	572.95	823.12
Total tax expense for the year	2,460.43	1,965.29

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

35. Tax expense (Contd.)

Reconciliation of effective tax rate

(₹ in lakhs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
Profit before tax		10,764.34		5,386.83
Tax using the Company's domestic tax rate	34.944%	3,761.49	34.944%	1,882.37
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"		(1,597.25)		-
- Amount related to earlier years		234.20		(3.09)
- Others (including due to permanent differences)		61.99		86.01
		2,460.43		1,965.29

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:

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i) Profit attributable to equity shareholders (₹ in lakhs)	8,303.91	3,421.54
(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) Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]		
Basic and Diluted (₹)	58.93	24.28

There is no dilutive potential equity share.

37. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ **1,397.72 lakhs** (31st March, 2019: ₹ 28.06 lakhs).

Notes to Financial Statements for the year ended 31st March, 2020 (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, 2020	As at 31st March, 2019
(i) Excise duty and service tax	4,601.92	4,453.82
(ii) Sales and entry tax	115.98	129.40
(iii) Duty under state acts	321.41	321.41
(iv) Others	44.03	44.03
Total *	5,083.34	4,948.66

* 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) There has been a Supreme Court Judgment dated 28th February, 2019, relating to components of salary structure that need to be taken into account while computing the contribution to provident fund under the Employees Provident Fund & Miscellaneous Provisions Act, 1952. There are interpretative aspects related to the judgment including the effective date of application. The Company will continue to assess any further developments in this matter for the implications on financial statements, if any.
- (c) 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 COVID-19 outbreak and resulted national lockdown imposed by the Government from 25th March, 2020 has caused on Pan-India disruption of businesses. The Government took adequate steps to ensure uninterrupted crushing operation of the sugar mills and the Company has successfully completed its crushing operation of the sugar season 2019-20.

The Company has considered the possible risk that may result from the pandemic relating to COVID-19 on the carrying amounts of assets including inventories, receivables and other financial and non-financial assets, for which the Company has used the principles of prudence in applying judgments, estimates and assumptions including sensitivity analysis as well as the internal / external information available up to the date of approval of these financial statements and the same does not have any material impact on these financial statements.

However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of the global health pandemic 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 to future economic conditions.

40. Lease

The Company has adopted Ind AS 116 "Leases" with the date of initial application being 1st April, 2019, using the modified retrospective method. On transition to Ind AS 116, Right of use assets as at 1st April, 2019 for lease previously classified as operating lease were recognised and measured at an amount equal to lease liabilities. Accordingly, previous period information has not been reinstated.

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. 10% p.a.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

(₹ in lakhs)

Particulars	Amount
Increase in Property, Plant and Equipment by	124.05
Increase in Lease liabilities by	124.05

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

40. Lease (Contd.)

As Lessee

(i) Carrying value of Right-of-use assets by class:

(₹ in lakhs)

Particulars	Building
Balance as at 1st April, 2019	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	124.05
Additions during the year	-
Depreciation for the year	8.27
Balance as at 31st March, 2020	115.78

(ii) Movement in lease liabilities:

(₹ in lakhs)

Particulars	As at 31st March, 2020
Balance as at 1st April, 2019	-
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	12.30
Payment of lease liabilities for the year	(15.00)
Balance as at 31st March, 2020	121.35
Lease liabilities - Non-current (refer Note 22)	106.35
Lease liabilities - Current (refer Note 22)	15.00

(iii) Contractual maturities of lease liabilities on an undiscounted basis:

(₹ in lakhs)

Particulars	As at 31st March, 2020
Less than one year	15.00
One to five years	60.00
More than five years	173.25
Total	248.25

(iv) Amounts recognised in profit or loss:

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Interest on lease liabilities	12.30	-
Expenses relating to short-term and low-value leases *	215.89	122.24
Total	228.19	122.24

* excluding ₹ 9.21 lakhs (31st March, 2019: ₹ 9.21 lakhs) incurred in relation to biological assets other than bearer plants [Note 9].

(v) Amounts recognised in the statement of cash flows

(₹ in lakhs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Total cash outflow of leases including cash outflow for short term leases and leases of low value	230.89	122.24

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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 industrial spirits (including ethanol), fusel oil 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.

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31st March, 2020				
Revenue:				
Segment revenue	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
Total revenue from operations	80,741.53	7,097.90	3,776.42	91,615.85
Segment profit before income tax	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
Profit before tax				10,764.34
As at 31st March, 2020				
Segment assets	1,29,918.02	14,762.44	8,087.87	1,52,768.33
Unallocated assets				1,663.02
Total assets				1,54,431.35
Segment liabilities	33,068.41	233.74	12.52	33,314.67
Unallocated liabilities				67,485.20
Total liabilities				1,00,799.87
Year ended 31st March, 2020				
Other segment information				
Capital expenditure				
- Property, Plant and Equipments	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
Amortization	3.54	-	-	3.54

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

41. Operating Segments (Contd.)

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31st March, 2019				
Revenue:				
Segment revenue	66,933.85	8,335.12	8,417.55	83,686.52
Less: Inter-segment revenue	5,266.07	12.00	4,492.80	9,770.87
Total revenue from operations	61,667.78	8,323.12	3,924.75	73,915.65
Segment profit before income tax	1,669.10	3,728.17	3,759.29	9,156.56
Finance costs				3,541.28
Unallocable expenses (net of unallocable income)				228.45
Profit before tax				5,386.83
As at 31st March, 2019				
Segment assets	1,15,184.64	14,087.96	8,513.22	1,37,785.82
Unallocated assets				856.11
Total assets				1,38,641.93
Segment liabilities	36,510.33	256.73	8.65	36,775.71
Unallocated liabilities				56,220.34
Total liabilities				92,996.05
Year ended 31st March, 2019				
Other segment information				
Capital expenditure				
- Property, Plant and Equipments	2,522.90	347.39	134.97	3,005.26
- Intangible assets	-	-	-	-
Depreciation	1,267.80	248.54	253.28	1,769.62
Amortization	3.67	-	-	3.67

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	Reportable segments		Total
	Indian	Overseas*	
Year ended 31st March, 2020			
Revenue:			
Sales (including other operating revenue) to external customers	89,322.37	2,293.48	91,615.85
Segment assets	1,52,768.33	-	1,52,768.33
Segment liabilities	33,314.67	-	33,314.67
Year ended 31st March, 2019			
Revenue:	73,915.65	-	73,915.65
Sales (including other operating revenue) to external customers			
Segment assets	1,37,785.82	-	1,37,785.82
Segment liabilities	36,775.71	-	36,775.71

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.

* 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, 2020 and 31st March, 2019.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

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

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
Key management personnel					
Mr. Chandra Shekhar Nopany	2020	0.62	2.40	5.00	4.50
	2019	0.27	3.60	5.00	4.50
Mr. Padam Kumar Khaitan	2020	-	4.00	5.00	4.50
	2019	-	3.00	5.00	4.50
Mr. Yashwant Kumar Daga	2020	-	4.00	5.00	4.50
	2019	-	5.00	5.00	4.50
Mr. Ishwari Prosad Singh Roy	2020	-	4.00	5.00	4.50
	2019	-	4.40	5.00	4.50
Mr. Raj Kumar Bagri	2020	-	4.20	5.00	4.50
	2019	-	4.60	5.00	4.50
Mrs. Shashi Sharma	2020	-	2.60	5.00	4.50
	2019	-	2.60	5.00	4.50
Relatives of key management personnel					
Mrs. Nandini Nopany	2020	12.63	-	-	-
	2019	6.31	-	-	-

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*	2020	97.10	-	3.88
	2019	89.18	-	2.95
Mr. Sunil Choraria	2020	26.37	-	0.83
	2019	23.32	-	-
Mr. Subramanian Sathyamurthy	2020	24.78	-	1.16
	2019	23.78	-	-

* excluding ₹ 6.66 lakhs (31st March, 2019: ₹ 6.16 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

42. Related Party Disclosures (Contd.)

(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, 2020 or year ended 31st March, 2019.

D. Terms and conditions of transactions with related parties

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.
- (iii) For the year ended 31st March, 2020, the Company has not recorded any impairment of receivables relating to amounts owed by 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.
- (iv) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

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, cane price subsidy, 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, 2020	Year ended 31st March, 2019
Revenue related Government Grants:				
(i)	Reimbursement of Goods and Service Tax / Excise duty as Production Subsidy [Note (a) below]	Shown as "Exceptional Items" in the Statement of Profit and Loss Shown as "Excise duty reimbursement" in Note 27	1,594.32 -	- 74.23
(ii)	Export Subsidy / Production Subsidy [Note (b) below]	Shown as "Subsidy towards Export Quota (net)" in Note 27 Deducted from "Cost of Material Consumed" in Note 29	1,599.26 762.09	133.17 177.18
(iii)	Reimbursement of Carrying Cost towards maintenance of Buffer Stock [Note (c) below]	Shown as "Buffer Stock Subsidy towards Insurance & Storage Charges" in Note 27 Deducted from "Finance costs" in Note 32	132.06 963.28	57.95 369.25
(iv)	Incentive on Higher Recovery [Note (d) below]	Shown as "Production Incentive" in Note 27	208.00	36.00
(v)	GPS Subsidy	Shown as "Government Grant" in Note 28	-	53.88
(vi)	Cane Price Subsidy on sugarcane purchased [Note (e) below]	Deducted from "Cost of Material Consumed" in Note 29	269.15	2,821.23
(vii)	Remission of Sugarcane Commission to Zonal Development Council [Note (f) below]	Deducted from "Cost of Material Consumed" in Note 29	1,178.29	1,157.46
(viii)	Interest Subvention / grant on term loans [Note (g) below]	Deducted from "Finance costs" in Note 32	649.61	488.64

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

43. Government Grants (Contd.)

- (a) The State Government of Bihar under Industrial Promotion Policy, 2006 (as amended) has allowed reimbursement of Goods and Service Tax on Sale of excess production of sugar over the average production in the base year. Accordingly, the Company has accounted for the Goods and Service Tax reimbursement of ₹ **1,594.32 lakhs** for the sugar season 2016-17, 2017-18 and 2018-19 during the year.
- (b) The Central Government, pursuant to notification dated 12th September, 2019 issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for a lump sum financial assistance of ₹ 10,448 per MT for expenses on export of sugar limited to MAEQ of sugar mills for the sugar season 2019-20. The subsidy of ₹ **1,599.26 lakhs**, net of expenses of ₹ **3,056.99 lakhs** incurred towards performing the obligation, has been accounted for during the year as per the said scheme and disclosed as "Subsidy towards Export Quota (net)" under the head Other Operating Revenue.
- The Central Government, pursuant to notification dated 5th October, 2018, issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for financial assistance of ₹ 13.88 per quintal of actual sugarcane crushed during sugar season 2018-19 or the proportionate inter-se allocation of 3000 lakhs MT of sugarcane to be crushed (for sugar season 2018-19) on the basis of their average sugar production of last three sugar seasons, whichever is lower. The subsidy of ₹ **762.09 lakhs** has been accounted for during the year in these accounts by netting with "Cost of Material Consumed". The said assistance is after adjusting the related cost of ₹ **2,242.48 lakhs** incurred in performing the obligation.
- (c) 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.
- (d) 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 during the year Production Incentive of ₹ **208.00 lakhs** for the sugar season 2018-19.
- (e) The State Government of Bihar vide Order dated 5th March, 2019 announced a financial assistance of ₹ 12.50 per quintal of sugarcane purchased during the sugar season 2018-19. The above subsidy related to purchases made in current year related to the sugar season 2018-19 has been netted with the Cost of Material Consumed.
- (f) The State Government of Bihar has granted Remission of Sugarcane Commission by reducing from 1.80% to 0.2% of Sugarcane Purchase Price for the sugar season 2019-20, 2018-19 and 2017-18. In accordance with the accounting policy, the above reduction in sugarcane commission to Zonal Development Council applicable on sugarcane purchased during the year has been netted with the Cost of Material Consumed.
- (g) The Company has obtained certain term loans from banks under financial assistance schemes (SOFT 2019 - Central and SOFT 2015 - Bihar) and Sugar Development Fund at below market rate of interest. 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.

- 44.** Exceptional items represents re-imburement of goods and service tax for the sugar season 2016-17, 2017-18 and 2018-19 on sale of excess production of sugar over the average production in the base year under Industrial Promotion Policy, 2006 (as amended) by the state government of Bihar.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

45. 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	
As at 31st March, 2020					
Financial assets not measured at fair value					
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
	-	-	1,626.38	1,626.38	1,626.38
Financial liabilities not measured at fair value					
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
	-	-	96,716.57	96,716.57	96,788.56
As at 31st March, 2019					
Financial assets not measured at fair value					
Investment in Government Securities	-	-	0.68	0.68	0.68
Trade receivables	-	-	2,108.75	2,108.75	2,108.75
Cash and cash equivalents	-	-	51.15	51.15	51.15
Other bank balances	-	-	3.47	3.47	3.47
Loans	-	-	42.95	42.95	42.95
Other financial assets	-	-	158.24	158.24	158.24
	-	-	2,365.24	2,365.24	2,365.24
Financial liabilities not measured at fair value					
Borrowing	-	-	53,872.66	53,872.66	53,936.89
Trade payables	-	-	34,796.85	34,796.85	34,796.85
Other financial liabilities	-	-	987.39	987.39	987.39
	-	-	89,656.90	89,656.90	89,721.13

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, 2020 (Contd.)

45. 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
Credit risk	Trade receivables	Ageing analysis, credit rating	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk 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, 2020 (Contd.)

45. Financial instruments - fair values and risk management (Contd.)

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, 2020	As at 31st March, 2019
Government concerns (including government undertakings)	802.63	1,487.26
Others	76.19	621.49
	878.82	2,108.75

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, 2020	770.21	66.93	12.45	3.05	26.18	878.82
As at 31st March, 2019	1,160.50	536.49	81.19	34.87	295.70	2,108.75

During the year, the Company has made the provision of ₹ **63.85 lakhs** towards doubtful debts, not written off and the Company is exploiting 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, 2020 (Contd.)

45. Financial instruments - fair values and risk management (Contd.)

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 year	1 to 2 years	2 to 5 years	More than 5 years
As at 31st March, 2020						
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	1,270.21	1,141.86	-	-	128.35
	96,716.57	99,988.19	86,067.29	4,432.70	8,974.91	513.29
As at 31st March, 2019						
Secured term loan from banks and others*	12,092.50	15,074.43	4,677.10	3,519.64	5,093.04	1,784.65
Unsecured term loan from a bank*	450.00	453.70	453.70	-	-	-
Cash credit including working capital demand loan	30,205.16	30,205.16	30,205.16	-	-	-
Unsecured short term loan from a bank	2,500.00	2,500.00	2,500.00	-	-	-
Inter-corporate deposits	8,625.00	8,625.00	8,625.00	-	-	-
Trade payables	34,796.85	34,796.85	34,796.85	-	-	-
Other financial liabilities	987.39	987.39	965.39	-	-	22.00
	89,656.90	92,642.53	82,223.20	3,519.64	5,093.04	1,806.65

* 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.

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.

Notes to Financial Statements for the year ended 31st March, 2020 (Contd.)

45. Financial instruments - fair values and risk management (Contd.)

C. Financial risk management (Contd.)

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, 2020	As at 31st March, 2019
Fixed rate instruments		
Financial assets	2.00	2.00
Financial liabilities	10,600.00	9,276.14
Variable rate instruments		
Financial assets	-	-
Financial liabilities	53,524.95	44,596.52

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
31st March, 2020				
Variable rate instruments	(267.62)	267.62	(174.10)	174.10
31st March, 2019				
Variable rate instruments	(222.98)	222.98	(145.06)	145.06

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, 2020 (Contd.)

46. 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, 2020	As at 31st March, 2019
Total debt (Bank and other borrowings)	64,124.95	53,872.66
Total Equity	53,631.48	45,645.88
Debt to equity ratio	1.2 : 1	1.18 : 1

47. 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

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Pradeep Kumar Singhi

Partner

Membership No.: 050773

Place: Kolkata

Date: 23rd June, 2020

For and on behalf of the Board of Directors

Chandra Mohan

Whole-time Director

DIN: 07760264

Chandra Shekhar Nopany

Chairperson

DIN: 00014587

Subramanian Sathyamurthy

Company Secretary

Sunil Choraria

Chief Financial Officer

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