

MSEL/SE/2022-23/07

June 29, 2022

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

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

SYMBOL – MAGADSUGAR

STOCK CODE – 540650


Dear Sirs,

Sub: Annual Report including Audited Financial Statements for the year ended 31st March, 2022

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, 2022 together with the Notice dated 11th May, 2022 convening the 8th Annual General Meeting of the Company on Thursday, July 21, 2022.

Thanking you,

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


S Subramanian
Company Secretary
FCS – 4974



Encl – as above



K.K. BIRLA GROUP OF SUGAR COMPANIES

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

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

Regd Office: P.O. Hargaon, Dist. Sitapur, U.P., PIN 261 121 • Website : www.birla-sugar.com • CIN: L15122UP2015PLC069632



MAGADH SUGAR & ENERGY LIMITED

INVESTING IN FUTURE



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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. Sudershan Bajaj

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 President, Sidhwalia
 Mr. Ravindra Kumar Tewari Executive President, Hasanpur
 Mr. Sudershan Bajaj, 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
 The South Indian Bank Limited
 HDFC 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

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

CO-GENERATION POWER PLANT

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

FORWARD LOOKING STATEMENT

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

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Chairperson's Insight



Dear Shareholders,

My greetings and good wishes to you on the 7th anniversary of the formation of Magadh Sugar & Energy Limited. I take this platform to express my sincere gratitude to all our stakeholders for their partnership in this journey. Your company has always focussed towards disciplined and sustainable growth and with your unconditional support, we are in the midst of reaching the next leg of our growth.

During the fiscal, the world economies boosted the mass vaccination campaign to contain from the material impact of Covid-19 pandemic. The world economies are beginning to witness gradual recovery, but the emergence of numerous leading macroeconomics indicators create a sight of concern. According to IMF, the World economy is expected to grow at around 4.4% in 2022 and 3.8% in 2023.

India is standing out as a strong emerging economy in the world. Government of India's support for growth has enabled the economy to portray its strength. The Union Budget 2022-23, boosted the sentiments as the Government of India focussed towards growth of the economy. As the world economy is moving towards "China plus one" strategy, it opens the gates of tremendous export opportunity for Indian players. In addition, the Reserve Bank of India with its accommodative policy gives further thrust to the growth sentiment. Although rising inflation and global macro events can have an adverse marginal impact, the Indian GDP is expected to witness a growth of over 9% in 2022 and around 5.4% in 2023.

INDUSTRY INSIGHT

The Indian sugar economy is at the midst of a positive structural change. During the fiscal, the Indian sugar industry had a healthy crop which enabled Indian sugar millers to participate in export demand. The deficit in production of sugar in Brazil created a global supply deficit which resulted in higher realizations for India. In addition, the forthcoming sugar season is also expected to see a higher production in India. The expected production is around 360 lakh tonnes for the upcoming sugar season. During the season, Maharashtra surpassed Uttar Pradesh in sugar production. Government of India's thrust for ethanol production will enable the sugar millers to divert surplus sugar towards ethanol manufacturing, thus reducing the cyclicity in sugar business. As per "Niti Ayog", by 2025 the ethanol blending is targetted to reach 20% which envisions the ethanol requirement to ~1,500 crore litres. Also, with the roll out of Flex-fuel vehicles on 100 percent Bio Ethanol, the demand for ethanol is expected to jump by 4-5 times.

BUSINESS PERFORMANCE

Your Company delivered encouraging results on account of improved performance across segments due to better realization of sugar. Additionally, a greenfield distillery was set up at Sidhwalia during the current fiscal, which expanded your company's ethanol capacity from 80 KLPD to 150 KLPD.

During the Fiscal 2022, our revenue stood at Rs. 997.88 Crores against Rs. 954.20 Crores in Fiscal 2021; Profit before Tax stood at Rs. 66.45 Crores in FY2022 as against Rs. 42.31 Crores and Profit After Tax was at Rs. 46.02 Crores in Fiscal 2022 as against Rs. 27.08 Crores in the same period last year.

WAY FORWARD

A stable Government policy and favourable sugar market dynamics will aid towards improving sugar profitability. The huge potential in ethanol manufacturing will enable your company to deliver strong growth in the years to come.

"Discipline and Persistence is the key for the sustainable future"

Thank You,

Chandra Shekhar Nopany

Chairperson

Directors' Report

Dear Members,

Your Directors present herewith the 8th Annual Report on the business & operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2022.

1. Financial Results

(Rs. in lakhs)

Particulars	Year ended 31st March, 2022		Year ended 31st March, 2021	
Revenue from Operations (Gross)		99,505.83		95,194.48
Profit before Finance Costs, Tax, Depreciation and Amortization		12,714.88		11,680.28
Less: Depreciation & Amortization Expenses	2,092.01		1,918.51	
Finance Costs	3,977.97		5,530.65	
Profit/(Loss) Before Tax		6,644.90		4,231.12
Less: Provision for Tax:				
Current Tax		1,147.06		750.77
Income Tax for earlier years		0.08		-
Deferred Tax Charge		896.05		772.23
Profit/(Loss) After Tax		4,607.71		2,708.12

2. Operating Performance

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 2021-22

The Company recorded Total Revenue of Rs. 99,787.76 lakhs (including other income aggregating to Rs 281.93 lakhs) during the financial year ended 31st March, 2022. The Revenue from Operations (Gross) of the Company for the year 2021-22 stood at Rs. 99,505.83 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at Rs. 12,714.88 lakhs representing 12.74% 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 2022 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.

Consistent with this policy, your Board has recommended a dividend of Rs 6.50 p. on Equity Shares (65%) for the financial year 2021-22 to the Members of your Company. The proposal is subject to the approval of the Members at the 8th Annual General Meeting (AGM) of your Company scheduled to be held on July 21, 2022. The dividend will entail a cash outflow of Rs. 915.96 lakhs (previous year Rs. 563.67 lakhs).

As permitted under the provisions of the Companies Act, 2013, the Board does not propose to transfer any amount to General Reserve.

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 2021-22.

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. The Issued and Subscribed Share Capital of your Company, as on 31st March, 2022, stood at Rs. 14,09,16,300/- divided into 1,40,91,630 Equity Shares of Rs.10/- each.

7. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") 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>.

8. CREDIT RATING

India Ratings and Research - a Credit Rating Agency, has assigned the Credit Rating IND A with respect to long-term bank facilities whereas short-term bank facilities rating has been assigned rating of IND A1.

9. 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.

10. 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 AGM and being eligible has offered himself for re-appointment as Director of the Company.

The shareholders of the Company have have vide resolution passed through Postal Ballot on March 13, 2022 re-appointed Messrs Padam Kumar Khaitan (DIN – 00019700), Ishwari Prosad Singh Roy (DIN:00217532), Yashwant Kumar Daga (DIN:00040632), Raj Kumar Bagri (DIN:00231766) and Shashi Sharma (DIN:02904948) as Independent Directors of the Company for a second term to hold office for a term of 5 (five) consecutive years from March 14, 2022 to March 13, 2027.

The Board of Directors is of the opinion that the Independent Directors are persons of integrity with high level of ethical standards, they possess requisite expertise and experience for appointment as Independent Director of the Company. All the Independent Directors are exempt from the requirement to undertake online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs.

In terms of Section 150 of the Companies Act, 2013 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014, as amended, the names of all the Independent Directors of the Company have been included in the data bank maintained by the Indian Institute of Corporate Affairs.

In accordance with Regulation 17(1A) of the Listing Regulations, consent of the shareholders was accorded by way of Special Resolution passed by Postal Ballot for continuation of directorship of Mr Ishwari Prosad Singh Roy beyond the age of 75 (seventy-five) years, as he would attain the said prescribed age limit during the during the midst of his second term.

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

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

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Listing Regulations, 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 2021-22. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 14th March, 2022 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.

A certificate obtained by the Company 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, is enclosed as **Annexure "E"** to this Report.

11. KEY MANAGERIAL PERSONNEL

During the year under review Mr Sunil Choraria, Chief Financial Officer resigned from the services of the Company with effect from August 3, 2021. Based on the recommendation of the Nomination and Remuneration Committee and the Audit Committee, the Board of Directors at its meeting held on August 3, 2021 appointed Mr Sudershan Bajaj, as Chief Financial Officer with effect from the said date. The Key Managerial Personnel of the Company as on 31st March, 2022 are as under:

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

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.

12. 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>

13. 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.

14. 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 Corporate Social Responsibility ("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 CSR 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 I"** 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.138.96 lakhs. As against this, the Company had spent Rs. 142.21 lakhs on CSR projects / programs during the Financial Year 2021-22.

15. 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 2022, 6 (Six) 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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, 2022, 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.

21. 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>.

22. CORPORATE GOVERNANCE & ANNUAL RETURN

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2021-22 is attached as **"Annexure B"** to this Report. All the Directors of the Company and senior management personnel have confirmed the compliance of Code of Conduct of the Company. 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. Pursuant to Section 92(3) of the Act, the Annual Return as on 31st March 2022 is available on the website of the Company weblink: <http://birla-sugar.com/Magadh-Shareholders-Info/Annual>Returns-Magadh>

23. 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.

24. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

STATUTORY AUDITORS

The shareholders of the Company, at the AGM held on August 1, 2017, had approved the appointment 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. M/s Singhi & Co., Chartered Accountants, will retire at the conclusion of the ensuing AGM of the Company. The Board places on record its appreciation of the services rendered by M/s. Singhi & Co during their association with 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.

On the recommendations of the Audit Committee, the Board recommends to the shareholders of the Company, the appointment of M/s. B S R & Co LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022), as the Statutory Auditors of the Company to hold office from the conclusion of 8th AGM of the Company till the conclusion of 13th AGM of the Company to be held in the year 2027.

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 2022-23. 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 2021-22. 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.

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.

25. 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.

26. 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 G”.

27. 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 H” to this Report and forms an integral part of this Report.

28. 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, 2022, 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, 2022 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.

29. CEO/CFO CERTIFICATION

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

30. 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 of Directors

Place: Kolkata

Dated: 11th May, 2022

Chandra Shekhar Nopany

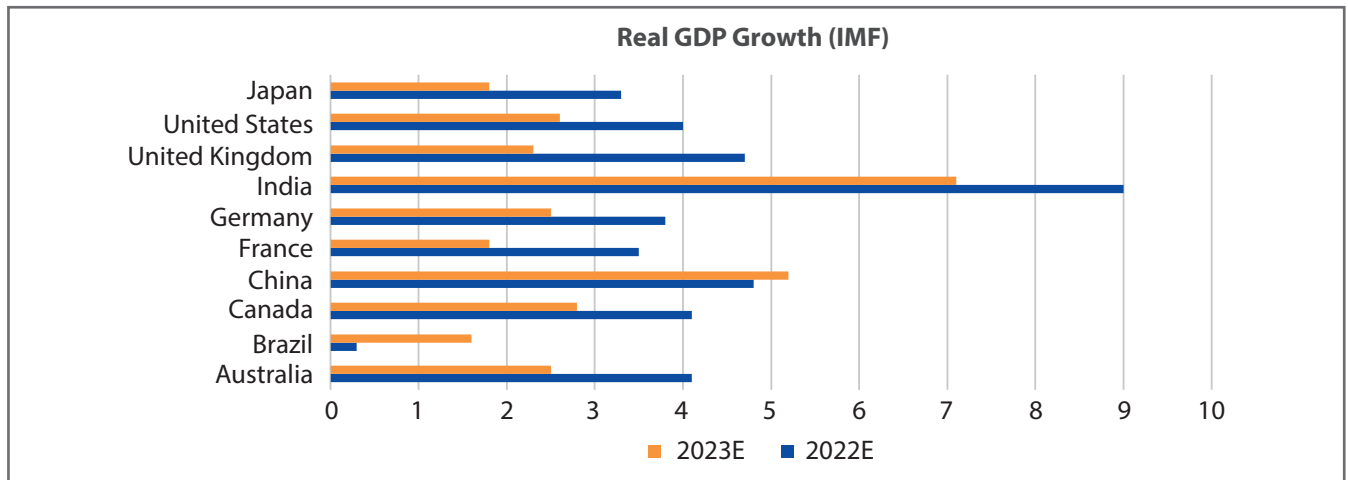
Chairperson

Annexure A

Management Discussion and Analysis

Global Economy

The Global economy is going through various headwinds, from omicron wave in first half to Russia-Ukraine invasion in the second half. China is experiencing another covid-19 wave and mass lock-downs, whereas Europe experienced energy crisis. Disruptions in supply on account of restrictions due to covid-19 pandemic lead to higher inflation in the world economies. As per IMF the global growth is expected to grow at around 4.4% in 2022 and 3.8% in 2023. The accommodative stance Fed proclaimed the confidence of USA's economy. Going forward, according to IMF the early withdrawal of monetary support to contain the concern of increasing inflation, prevailing financial stress among property developers in China and geo-political crisis; can slow-down the growth of the world economy. However, the successful mass vaccination and strong pent-up demand will enable the world economies to embark its journey towards growth in 2023.



Indian Economy

Deleveraging has begun

The Indian economy showed a strong sign of recovery after numerous headwinds in recent past. During the fiscal Indian economy on account of successful mass vaccination was able to withstand the new omicron variant of covid-19. The Union Budget 2022-23, boosted the sentiments of the economy with its focus on growth and creating jobs by implementing sector focused PLI schemes. The supply chain disruptions are expected to pick-up going forward. The Indian GDP is expected to witness a growth of 9.1% (Moody's Investors Service) in 2022 and 5.4% in 2023. The Russia-Ukraine invasion, has impacted the inflation in the economy. The CPI inflation touched 6.1% in February 2022; largely on account of higher crude prices and power costs. The capital expenditure-led Budget, Reserve Bank of India's accommodative policy and diminutive damage on the Indian economy from the omicron wave have set the stage for GDP pickup.



Global Sugar Economy:

The world sugar faced supply deficit from Brazil which is the major sugar exporter. However, the deficit is expected to diminish due to a better than expected sugar production in India. During previous sugar season the deficit was on account of lower output from Brazil and Thailand because of drought. The global sugar production is likely to reach 1705.10 lakh tonnes against previous production of 1690.30 lakh tonnes as per the estimate of International Sugar Organisations (ISO). As per ISO the production in Brazil is likely to revive during SS 2021/22. The higher Indian production will offset glitches in Thailand and China, where production is expected to be lower than expected. However the world sugar economy is likely to witness a balanced demand supply in SS 2021/22 on account of higher Indian output and ~7% (compared to previous year same period) higher output from Brazil, which expects a sugarcane crop of 5300 lakh tonnes in the new season and a sugar production of 323.10 lakh tonnes.

World Sugar Balance Sheet (lakh tonnes)

Particulars	(October/September)		Change	
	2021/22 (Projected)	2020/21 (Actuals)	in lakh tonnes	in %
Production	1705.10	1690.30	14.80	0.88
Consumption	1724.40	1733.30	11.10	0.65
Surplus/Deficit	-19.30	-22.90	-	-
Import demand	580.50	627.90	-47.40	-7.54
Export availability	582.60	627.50	-45.00	-7.17
End Stocks	944.30	965.50	-21.30	-2.20
Stocks/Consumption ratio in %	547.60	563.50	-	-

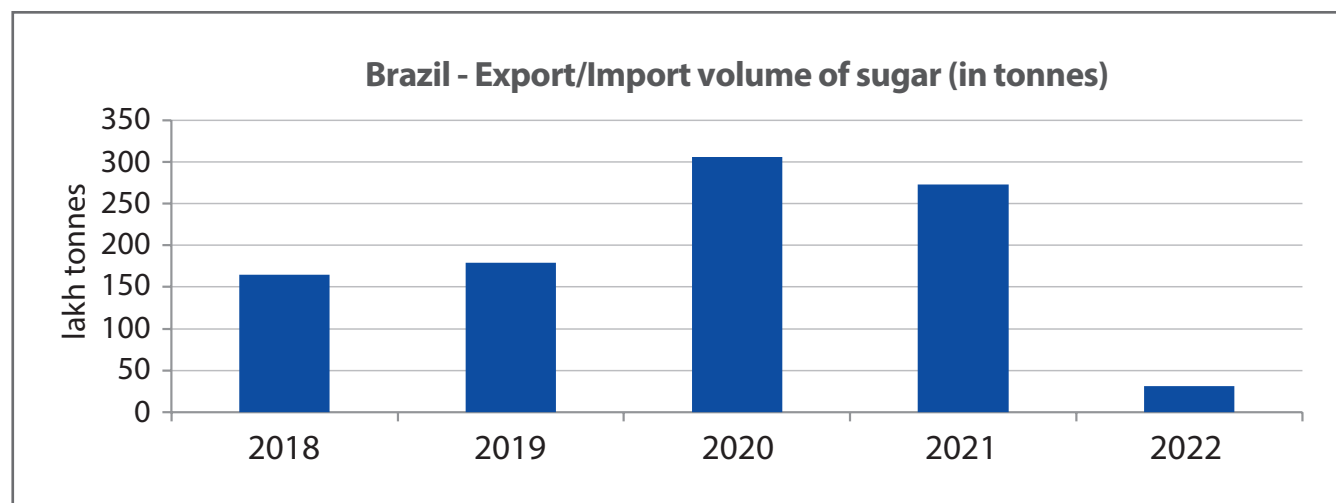
Source: International Sugar Organisation (ISO)

Consumption Outlook

According to ISO estimates for 2021/22, the global consumption has been reduced to 1724 lakh tonnes. During 2021/22 population-based growth is expected partly due to changing consumer habits. The global consumption is hampered because of high sugar consuming developed countries seeing relatively low population growth while higher rates are found in East, West and Central Africa, where per capita sugar consumption is traditionally low.

Brazil Production Outlook:

As per ISO, the Brazil CS region is expected to produce around 530 million tonnes of cane and 323.10 lakh tonnes of sugar. According to ISO estimates Brazil experienced a significant fall in cane production by overall 7.8%. The state Sao Paulo witnessed a significant fall by 16% in the production of cane. Higher ethanol share and lower cane production resulted in a deficit in Brazil. However, Brazilian sugarcane producers are expected to keep favouring sugar production over ethanol in the Center-South crop that starts on April 2022, taking advantage of the positive premium paid in the sugar export market over hydrous ethanol in the domestic market. According to S&P Global Platts analytics, total cane crop is estimated at around 5500 lakh tonnes which translates to total sugar production of 3370 lakh tonnes, to be reached on March 31, 2022.



Source: International Sugar Organisation (ISO)

Global Sugar Exports:

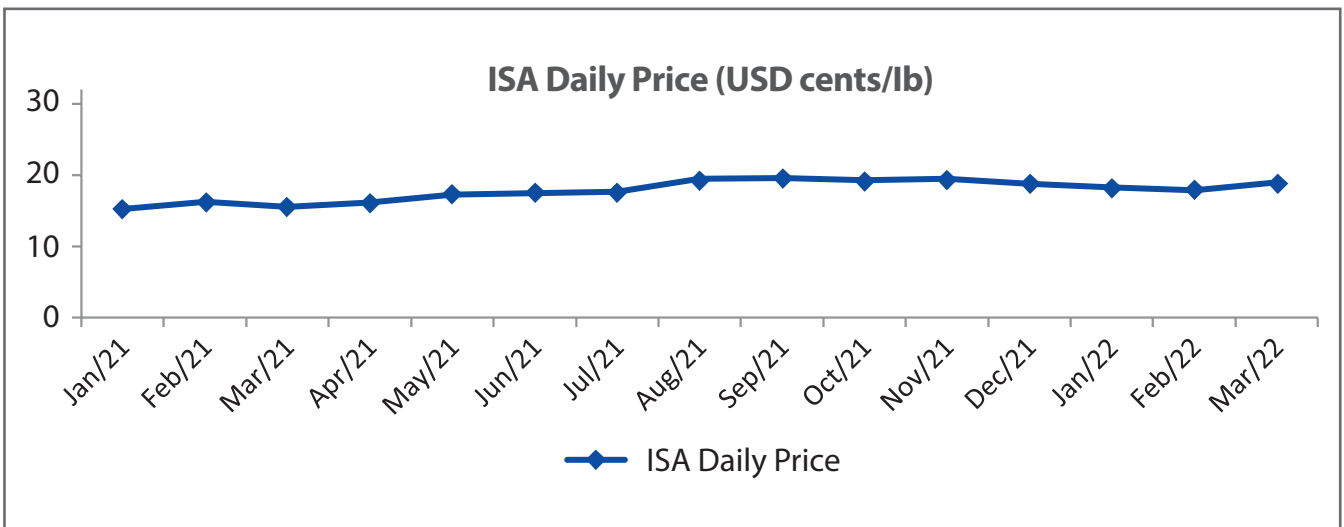
ISO estimates world sugar exports to decline from 627.50 lakh tonnes in 2020/21 to close to 582.60 lakh tonnes in 2021/22.



The major contributor to the decline in exports is Brazil which declined by around 54.50 lakh tonnes. Exports from Brazil in 2021/22 stood at 247.30 lakh tonnes against 301.80 lakh tonnes in 2020/21. Indian exports rose to 62.50 lakh tonnes in 2021/22.

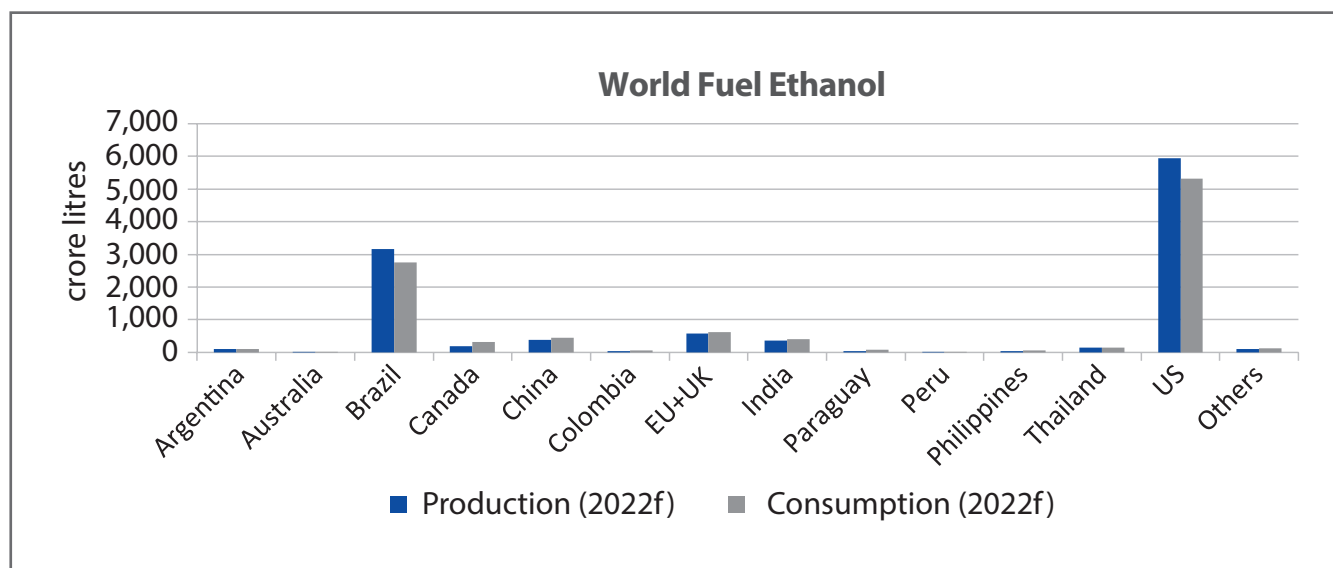
Global Price Scenario:

The ISA Daily raw sugar price touched its peak in September 2021 and remained on the higher side at around USD 19.59 cents/lb. The supply deficit from Brazil amidst drought inflated the international sugar prices. India remained a strong export player on account of healthy crop. However, in upcoming season Brazil is expected to witness a recovery in the crop which can have some impact on price. The current average for March, up to the 21st, stands at USD 18.92 cents/lb.



Global Ethanol

The world fuel ethanol production is anticipated to reach 11160 crore litres by 2022 (ISO) and the global consumption is expected to reach 10510 crore litres. Production is driven by higher ethanol inclusion in the US, India, and the EU+UK. In Brazil, 2021 was a challenging year for ethanol on account of lower production of sugarcane amid drought conditions.



Domestic Sugar Industry

India is emerging as a strong player in global sugar markets. Domestic sugar industry has embarked on a robust growth journey. The Sugar Industry is on the cusp of Mega transformation and has emerged as a potential driver of clean energy, driving India's shift to renewable energy faster than ever. The growing ethanol demand and better utilization of excess cane aids towards over supply of sugar in the industry, thus reducing cyclicity in the sector. During FY22 the domestic sugar millers faced numerous tailwinds; the sugar realizations reached high by September. The deficit production by Brazil resulted in strong export realizations pegged the exports by Indian players on account of healthier crop. The sugar exports are expected to reach 90 lakh tonnes indicating a 18% growth compared to same period last year. As per ISMA, the domestic sugar production is estimated to be around 350 lakh tonnes in 2021/22 after considering diversion of 34 lakh tonnes of sugar equivalent into ethanol and B-Heavy molasses. The domestic sugar consumption is estimated at around 272 lakh tonnes in 2021/22. The ethanol push by the Government of India has enhanced distillery capex cycle in India. Higher ethanol sales enables improved product mix and thus improving operating margin of the domestic sugar millers.

Particulars (lakh tonnes)	SS 2021-22 (E)
Opening balance (as on 1st Oct, 2021)	82.00
Estimated sugar production	350.00
Sugar availability during the season	432.00
Estimated sugar consumption	272.00
Estimated exports	90.00
Closing balance (as on 30th Sept, 2022)	70.00

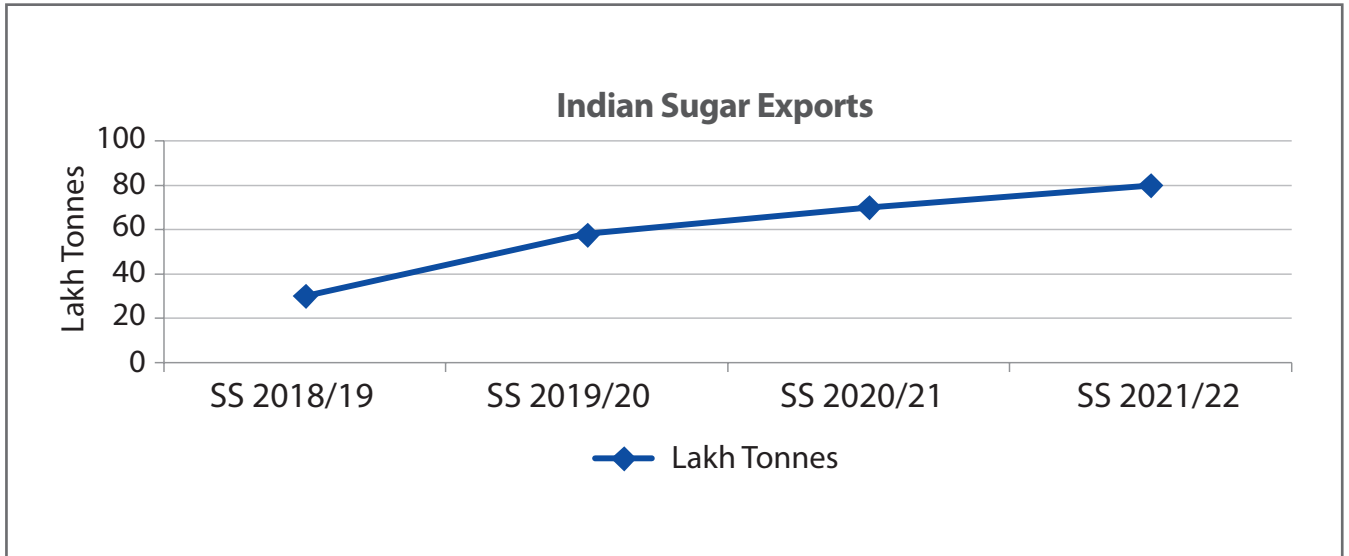
Source: ISMA

Regional Domestic Scenario

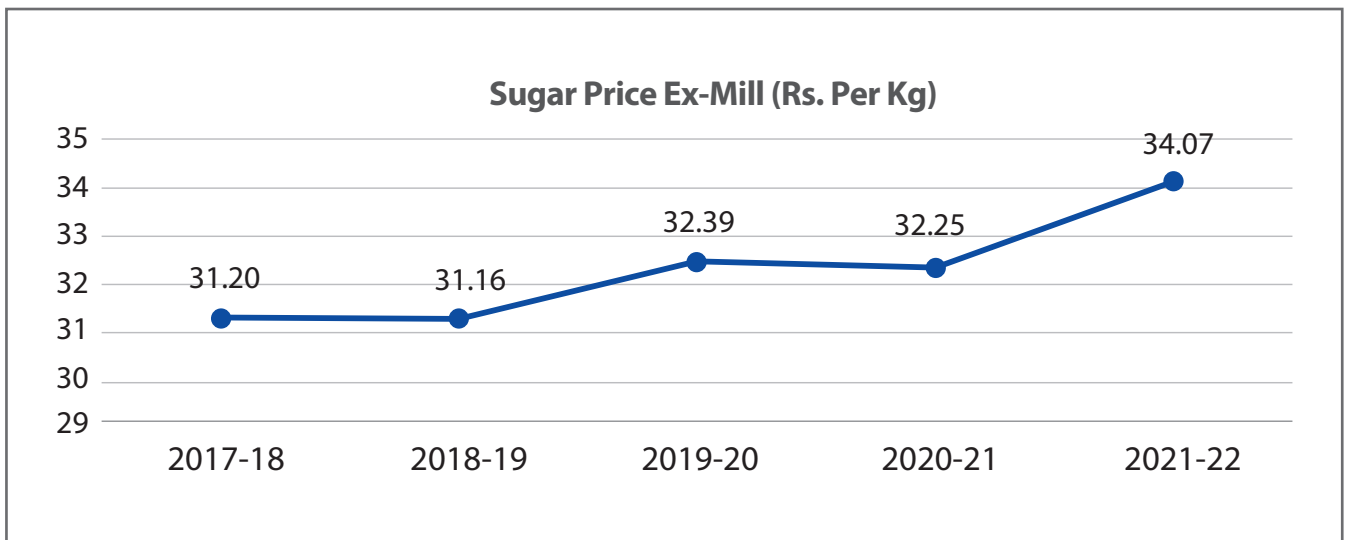
Maharashtra surpassed Uttar Pradesh and emerged as the largest state to produce sugar in current season. Bihar produced 4.60 lakh tonnes in SS 2021/22, with an average yield of 9.50%. As per ISMA, upto 31st March, 2022 Andhra Pradesh, Telangana, Bihar, Uttarakhand, Punjab, Haryana, Madhya Pradesh, Chhattisgarh, Rajasthan, and Odisha have collectively produced 28.10 lakh tonnes of sugar. Maharashtra reported sugar production of 118.80 lakh tonnes and Uttar Pradesh reported 87.50 lakh tonnes of sugar.

Domestic Sugar Exports

According to ISMA, the Indian sugar exports is likely to reach 90.00 lakh tonnes in the season 2021/22. The sugar exports are likely to witness a jump of 18% year on year. On account of favourable climatic conditions, India is expected to have a higher production in the season 2021/22 which will enable Indian exports momentum to continue going forward. India emerged as a strong sugar exporter as the supplies were impacted because of deficit production in Brazil.



Domestic Sugar Price Trend



Source: ISMA

Domestic Ethanol Production

According to ISMA, against the total Letter of Intent (LOI) quantity of 416.33 crore litres, 113.17 crore litres of ethanol have been supplied as of March 13, 2022. Out of the total supply, around 86% comprises of ethanol made from sugarcane juice / B heavy molasses. The contracted quantity as on March 13, 2022 stood at 391.85 crore litres as against LOIs of about 416.00 crore litres issued by OMCs. India has achieved an average blending percentage of 9.45%.

Ethanol Procurement Status

The Indian ethanol industry reached a blending of 9.6% as on 27th March 2022. The total receipt quantity as on March 27th, 2022, stood at 131.69 crore litres. Ethanol from B-heavy molasses had the highest contribution and comprised of 49% of overall contribution. Contribution from sugarcane juice / sugar syrup / sugar stood at 36%. Contribution from others i.e. C-Heavy Molasses, Damaged Foods Grains and Surplus Rice stood at 3%, 7% and 4% of total ethanol supply.

Source-wise Procurement Status of Ethanol (as on 27th March 2022) (in crore litres)

Raw material	Total LOI Qty	Total Contracted Qty	Receipt Qty
Sugarcane Juice / Sugar Syrup / Sugar	73.32	72.98	48.06
B-Heavy Molasses	254.21	250.89	64.70
C-Heavy Molasses	13.03	12.01	4.31
Damaged Food Grains	42.47	38.69	9.59
Surplus Rice	33.30	28.09	5.03
Total	416.33	402.66	131.69

Company-wise Procurement Status of Ethanol (in crore litres)

OMC	LOI Qty	Contracted Qty	Receipt Qty
BPC	121.43	120.93	38.11
IOC	185.94	174.89	59.91
HPC	108.96	106.84	33.67
Total	4,16.33	402.66	131.69

All India Average Ethanol Blending

The average all-India Ethanol Blending Percentage as on 27.03.2022 = 9.60%

Source: Ministry of Oil & Gas

Ethanol Supply Position (as on 27th March, 2022)

STATE	Quantities (Crore Ltr)				% to Total Supply	State Blending %
	Req. Qty	Finalised Qty	Contracted Qty	Supplied/ Lifted Qty		
Uttar Pradesh	60.80	59.70	57.59	17.70	31	10.35
Maharashtra	53.58	54.51	53.73	15.73	29	10.20
Karnataka	36.11	32.87	32.70	10.37	32	10.45
Bihar	17.68	16.99	16.71	5.93	35	9.32
Andhra Pradesh	21.49	17.98	16.76	6.40	38	10.36
Uttarakhand	2.81	2.81	2.68	0.91	34	9.76
Madhya Pradesh	20.12	18.28	17.20	5.85	34	9.85

Raw Material wise status (In Crore Ltr.) as on 27th March 2022:-

Raw Material	Total LOI Qty	Total Contracted Qty	Receipt Qty	% of Total Receipt Against Total Contracted Qty
SCJ (Sugarcane Juice)	73.32	72.98	48.06	66
BHM (B-Heavy Molasses)	254.21	250.89	64.70	25
CHM (C-Heavy Molasses)	13.03	12.01	4.31	36
DFG (Damaged Food Grains)	42.47	38.69	9.59	25
SR (Surplus Rice)	33.30	28.09	5.03	18
Total	416.33	402.66	131.69	33

Indian Ethanol Industry, huge potential ahead

Indian biofuel market is expected to grow by 15% from 2019-2024 (International Energy Agency (IEA)). Indian ethanol requirement is expected to be around 1570 crore litres making it a 1660 crore ethanol economy. According to "Niti Ayog", it has set target to achieve E20 or 20% blending by 2025.

The expected distillery capacity requirement to achieve this target is around 1500 crore litres, indicating huge growth potential going ahead. In addition, the Government of India's focus towards reducing oil imports will thrust the ethanol demand. The implementation of manufacturing flexi-fuel cars. In the recent Sugar & Ethanol India Conference (SEIC) 2022, the Government of India indicated a huge potential for ethanol as world is moving towards green fuel. E-20 programme has huge potential to reach 2.2x from current 465 crore litres to 1500 crore litres by 2025. There was also an indication that over implementation of flex engines, ethanol requirement can reach up to 4000 crore litres in coming 5 years. Higher ethanol demand will enable sugar millers to liquidate its inventories and strengthen their financial position.

Flexi Fuels to Drive Ethanol Growth

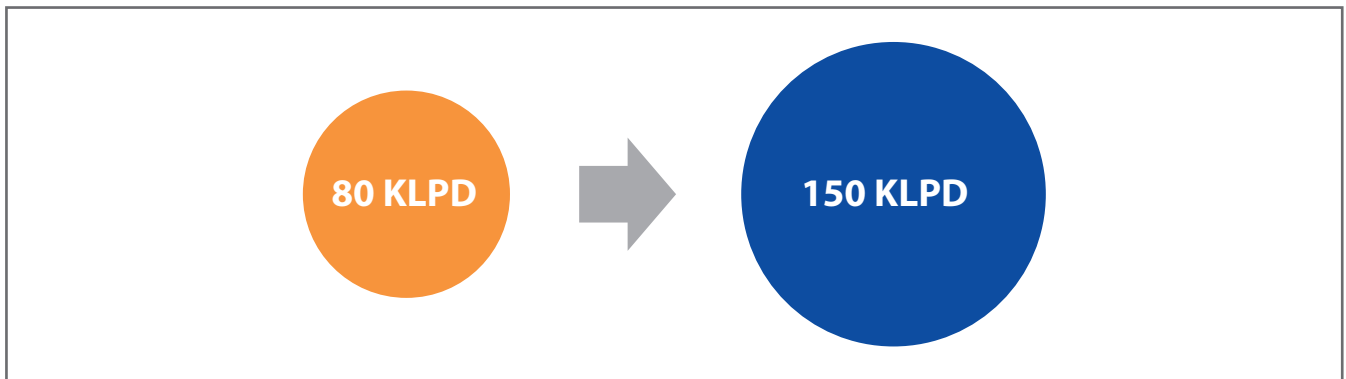
As per discussion in Sugar & Ethanol India Conference (SEIC) 2022, India is framing policies to promote the use of clean fuels including electric vehicles (EVs) and tightening emission norms to meet its carbon reduction targets. India is a large consumer of fossil fuels for transport and thus Government of India is shifting towards import substitutes and pollution free fuel. Also, the implementation of norms like Corporate Average Fuel Efficiency (CAFE) will push automakers to gradually shift to green fuel. India is targeting reducing carbon emissions by 33%-35% by 2030 as part of its commitment under the Paris Climate Agreement. The South Asian nation intends electric cars to make up 30% of total private car sales by 2030 and for electric motorcycles and scooters to make up 40% of total sales. In addition the Government of India is also planning to make it mandatory for the gasoline cars to have flexible fuel engines so they can also run on ethanol blends. Also, the Ministry in future can encourage sugar millers to have their own ethanol stations. Growing ethanol demand will reduce sugar sector cyclicalities and improve the operational profitability going forward.

Company Overview

Magadh Sugar & Energy Limited (Magadh Sugar), is a part of the K. K. Birla Group of Sugar Companies. Established in 1932, the Group is in the sugar business for over 7 decades and consequent upon various schemes of merger and demerger, this Company was incorporated on 19th March 2015. Magadh Sugar's core business includes sugar and sugar products, spirits and alcohol, co-generation of power. Sugar mills have a combined crushing capacity of 17,500 TCD, Distillery capacity is at 150 KLPD and a cogeneration facility generating 38 MW power. Magadh Sugar's plants are all located in Bihar.

New distillery capacity to drive growth

During the fiscal Magadh Sugar has set up a Greenfield Distillery at Sidhwalia enhancing its total capacity by ~88% from 80 KLPD to 150 KLPD. This expansion will drive the company to new leg of growth and also aid towards surplus sugar diversion. The increase in ethanol sales will improve the product mix of the company and enhance operating margins.



Export Demand to benefit

The strong sugar export demand and healthy crop in India will encourage the Indian exports. Magadh Sugar has exported close to 2.60 lakh quintals of raw/white sugar during the fiscal.

Strengthening the Balance Sheet

On account of favourable sugar and allied products sales and better realizations in the current fiscal, the company was able to generate healthy cash-flow. The debt to equity has been reduced to 1.06 from 1.13 in March 2021.

Magadh Sugar Business Segments

Sugar Segment: Sugar segment reported a revenue of Rs. 822.56 Crores in FY22 as compared to Rs. 801.85 Crores achieved in 2021.

Distillery Segment: Magadh Sugar has recently expanded its distillery capacity by ~88% from 80 KLPD to 150 KLPD. Distillery segment reported a revenue of Rs. 135.45 Crores in FY22 compared to Rs. 98.17 Crores_ in FY21.

Power Segment: Co-generation segment reported a revenue of Rs. 25.01 Crores in FY22 compared to Rs. 27.54 Crores in FY21.

Operational Highlights

Sugar Production

Particulars	Financial Year 2021-22			Financial Year 2020-21		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Sugarcane Crushed (lacs quintal)	80.75	32.41	48.69	92.94	39.48	55.95
Recovery (%)	10.38	9.20	10.32	10.42	10.16	10.64
Sugarcane produced (lacs quintal)	7.91	2.99	5.02	9.69	4.04	5.95
Crusing days	109	75	91	120	83	113

Distillery Segment

Alchol Production (including Ethanol)

Particulars	Financial Year 2021-22		Financial Year 2020-21	
	Narkatiaganj	Sidhwalia	Narkatiaganj	Sidhwalia
Alcohol Produced (per litre)				
- B Heavy	120.03	27.90	123.15	-
- C Heavy	40.78	29.06	54.12	-
- Syrup	36.36	-	-	-
Recovery (%) - B Heavy	30.76	29.53	30.94	-
Recovery (%) - C Heavy	20.64	19.20	20.85	-
Recovery (%) - Syrup	31.65	-	-	-
No. of days Distillery was operational	263	82	248	-

Power Segment

Power Generated, Consumer and Sold

Particulars (units in lac)	Financial Year 2021-22			Financial Year 2020-21		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Power generated	221.61	252.30	262.99	232.81	300.64	274.29
Power Sold to grid	108.90	175.68	175.73	127.60	220.17	169.64
No. of days worked	113	78	128	124	90	140

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 2021-22 is 127 and non-management staff is 1037.

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.

Key Financial Ratios and details of significant changes therein (i.e. change of 25% or more in comparison to the previous financial year)

SI. No.	RATIO	FY 2021-22	FY 2020-21
1	Debtors Turnover	30.95	62.91
2	Inventory Turnover	1.38	1.02
3	Interest Coverage Ratio	3.20	2.29
4	Current Ratio	0.94	0.95
5	Debt Equity Ratio	1.06	1.13
6	Operating Profit Margin (%)	10.53%	8.09%
7	Net Profit Margin (%)	4.61%	2.86%
8	Return on Networth	7.69%	4.86%

The change in Debtors Turnover Ratio (50.80%) as compared to the preceding year is due to increase in trade receivable towards sale of ethanol to oil companies under credit period.

The change in Interest Coverage Ratio (40.19%) as compared to the preceding year is due to decrease (net) in borrowings and increase in other equity

The change in Inventory Turnover Ratio (35.29%) as compared to the preceding year is due to decrease in average inventories.

The change in Operating Profit Margin (30.16%), Net Profit Margin (61.19%) and Return on Networth (58.23%) as compared to the previous year is due to higher earnings from operations.

Cautionary Statement

Some statements in the Management Discussion and Analysis describing the Company's objectives, predictions, expectations and the macro-economic estimates may be "forward-looking statements". Actual results may differ from the forward-looking statements contained in this document due to various uncertainties, 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.

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 “ ”** 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 July 21, 2022 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 14th March, 2022 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 2022-21. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson/Co-chairperson of the Company and Non-Independent Directors. The Independent Directors have briefed the Board of Directors about performance evaluation by Independent Directors of the Company.

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

Board Diversity Policy

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

Board meetings

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

During the period under review 6 (Six) Board Meetings were held on 11th May, 2021, 3rd August, 2021, 10th November, 2021, 18th January, 2022, 4th February, 2022 and 25th March, 2022 respectively.

The names and categories of the Directors on the Board, their attendance at Board meetings and at the last Annual General Meeting (AGM) held during the financial year and the number of directorships and committee Chairmanships/ Memberships held by them in other public limited companies are given below:

Name of Director	Category of Director	No. of Board Meetings held and attended during FY 2021-22		Whether attended last AGM held on Monday, 24rd August, 2021	No. of Directorships in other Indian Public Limited Companies (As on 31st March 2022)#	No. of Committee positions held in other Indian Public Companies (As on 31st March 2022)##		Number of Equity shares held (As on 31st March, 2022)
		Held	Attended			Chairman	Member	
Mr. Chandra Shekhar Nopany (DIN – 00014587)	P/C/NED	6	6	Yes	8	1	-	37,724
Mr. Ishwari Prosad Singh Roy (DIN –00217532)	NEID	6	6	Yes	-	-	-	-
Mr Padam Kumar Khaitan (DIN – 00019700)	NEID	6	6	Yes	8	1	2	-
Mr Yashwant Daga (DIN – 00040632)	NEID	6	6	Yes	5	-	10	-
Mrs Shashi Sharma (DIN – 02904948)	NEID	6	6	-	-	-	-	-
Mr Raj Kumar Bagri (DIN- 00231766)	NEID	6	6	Yes	2	2	-	-
Mr Chandra Mohan (DIN – 07760264)	WTD	6	6	Yes	-	-	-	-

P – Promoter; C – Chairperson; CO – Co-Chairperson; ID – Independent Director; NED - Non-executive Director; WTD – Whole-time Director

Notes :

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

The other Indian listed entities where Directors of the Company hold directorship as on 31st March 2022 are as follows:

Name of the Director	Other Indian Listed Entity Directorships	Category of Directorship
Mr Chandra Shekhar Nopany	Avadh Sugar & Energy Limited	Non-Executive Chairperson
	Chambal Fertilisers and Chemicals Limited	Non-Executive Director
	New India Retailing & Investment Limited	Non-Executive Chairperson
	Sutlej Textiles and Industries Limited	Executive Chairperson
	SIL Investments Limited	Non-Executive Chairperson
Mr Padam Kumar Khaitan	● Asian Hotels (East) Limited	Non-Independent Non Executive Director
	● Cheviot Co. Limited	Non-Independent Non Executive Director
	● Ramkrishna Forgings Limited	Non-Independent Non Executive Director
Mr Yashwant Kumar Daga	● Mint Investments Limited	Non-Independent Non Executive Director
	● Longview Tea Co. Ltd	Non Executive Director
	● Deepak Spinners Limited	Executive Director
	● HGI Industries Limited	Non Executive Director
	● Deepak Industries Limited	Executive Director

Mr Ishwari Prosad Singh Roy, Mrs Shashi Sharma, Mr Raj Kuamr Bagri and Mr Chandra Mohan are not holding any directorship in any other listed entity.

Committees of the Board

The Board of Directors has constituted various committees with specific terms of reference to ensure timely and effective working of the Board of Directors and the Company in addition to comply with the provisions of the Companies Act, 2013, Rules framed thereunder, Listing Regulations. With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, 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 the Audit 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.

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.

iii. Composition and Meetings

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.

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

4 (Four) meetings of the Audit Committee were held during the year 2021-22 on 11th May, 2021, 3rd August, 2021, 10th November, 2021 and 4th February, 2022 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 terms of reference of the Stakeholders Relationship Committee are in accordance with the provisions of Companies Act, 2013 and the Listing Regulations. 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 transfer/transmission of more than 1000 shares, taking note of shares transferred status of dematerialized shares stock of blank stationery of share certificates, shareholding pattern of the Company and detail of investors' grievances pending as at 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, 2022 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 11th May, 2021, 3rd August, 2021, 10th November, 2021 and 4th February, 2022 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	3

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 31st March, 2022, no complaints were received and no complaints were pending as on 31st March, 2022.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of SEBI (LODR) Regulations, 2015, 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 four times on 11th May, 2021, 3rd August, 2021, 10th November, 2021 and 4th February, 2022.

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	4
Mr Padam Kumar Khaitan	Member	Independent Director	3
Mr Ishwari Prosad Singh Roy	Member	Independent Director	4
Mr Raj Kumar Bagri	Member	Independent Director	4

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/ASEL-Nomination-and-Remuneration-Policy.pdf>.

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

Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2021-22:

a. Wholetime Director

(₹ in lakhs)

Name	Salary	Perquisites	Retirement Benefits	Total
Mr. Chandra Mohan	103.17	7.96	12.30	123.43

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

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

b. Non-Executive Directors

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

The shareholders of the Company, at the Extra-Ordinary General Meeting held on March 14, 2017, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2017-18 subject to the aggregate annual limit of one percent of the net profits of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013. However, the Board of Directors of the Company within the aforesaid limit has further put forth a ceiling of maximum ` 5 lakhs to be paid to each Non-Executive Directors. In pursuance of the approval of the shareholders the Board of Directors determined the commission payable to individual Directors for the Financial Year 2021-22 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 2021-22 (₹)
1	Mr Chandra Shekhar Nopany	3,40,000	5,00,000
2	Mrs Shashi Sharma	3,40,000	5,00,000
3	Mr Yashwant Kumar Daga	5,40,000	5,00,000
4	Mr Padam Kumar Khaitan	4,00,000	5,00,000
5	Mr Ishwari Prosad Singh Roy	4,60,000	5,00,000
6	Mr Raj Kumar Bagri	4,80,000	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 11th May, 2021 and 25th March, 2022.

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	Executive Director	2

7. Risk Management Committee

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

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

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

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

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

One meeting of the Risk Management Committee of the Company was held during the year on 30th March, 2022. The attendance of each member of the Committee is given below:

Name of the Member	Status	Category	No of meetings attended
Mrs. Shashi Sharma	Chairperson	Non-Executive Director	1
Mr. Chandra Mohan	Member	Executive Director	1
Mr. Chand Bihari Patodia	Member	Group President	1
Mr. Sudershan Bajaj	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.

During the period under review the Committee met thrice on 22nd April, 2021, 22nd October, 2021 and 6th January, 2022.

Attendance of the members at the meetings was as follows :

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

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 2021-22, 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 2021-22.

13. General Body Meetings

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

Financial Year	Date	Time	Location
2020-21	24-08-2021	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means "OAVM" and deemed venue: Registered Office of the Company P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2019-20	22-09-2020	11.00 A.M.	
2018-19	03.09.2019	01:00 P.M.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

The last Annual General Meeting was held on 24th August, 2021, which was chaired by Mr Chandra Shekhar Nopany. No Special Resolution was passed in the previous three Annual General Meetings.

ii. Postal Ballot

During the year under review, the Company had sought Shareholders' approval by way of special/ordinary resolutions through postal ballot as per details given below:

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total No of Valid votes	No. of Votes with Assent for the Resolution	No. of Votes with Assent for the Resolution
Special Resolution to re-appoint Mr. Padam Kumar Khaitan (DIN:00019700) as an Independent Director	04.02.2022	13.03.2022	9393466	9392453 (99.99%)	1013 (0.01%)
Special Resolution to re-appoint Mr. Ishwari Prosad Singh Roy (DIN: 00217532) as an Independent Director			9393468	9392515 (99.99%)	953 (0.01%)
Special Resolution to re-appoint Mr. Yashwant Kumar Daga (DIN: 00040632) as an Independent Director			9393468	9392455 (99.99%)	1013 (0.01%)
Re-appointment of Mr. Raj Kumar Bagri y (DIN: 00231766) as an Independent Director			9393468	9392455 (99.99%)	1013 (0.01%)
Re-appointment of Mrs. Shashi Sharma (DIN: 02904948) as an Independent Director.			9393468	9392515 (99.99%)	953 (0.01%)

Mr. Mohan Ram Goenka, Practising Company Secretary, was appointed as scrutinizer for conducting the postal ballot exercise for the aforesaid matters.

There is no immediate proposal for passing a resolution through postal ballot. In case a resolution is proposed to be passed through postal ballot, the procedure of postal ballot and other requisite details shall be provided in the postal ballot notice.

14. Means of Communication

- 14.01 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 60 days from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) 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.
- 14.02 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.
- 14.03 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.
- 14.04 The Company also displays official press releases as and when released on the above website.
- 14.05 Email id earmarked for redressing Investor queries is magadhinvestors@birla-sugar.com
- 14.06 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

- 15.01 8th Annual General Meeting
 Day & Date : Thursday, July 21, 2022
 Time : 11.00 A.M.
 Venue : 8th Annual General Meeting will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at P.O. Hargaon, Dist. Sitapur Uttar Pradesh – 261121.

15.02 Financial Year : April to March

15.03 Tentative Financial Calendar

Event	Date
Approval of Audited Annual Results (2021-22)	11th May, 2022
First Quarter Results	On or before 14th August, 2022
Second Quarter Results	On or before 14th November, 2022
Third Quarter Results	On or before 14th February, 2023
Audited Annual Results (2021-22)	On or before 30th May, 2023

15.04 Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from Friday, July 15, 2022 to Thursday, July 21, 2022 (both days inclusive) for the purpose of payment of dividend on equity shares, if declared at the forthcoming Annual General Meeting.

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

15.06 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 (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540650	INE347W01011
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	MAGADSUGAR	

The Company has paid annual listing fees for the Financial Year 2022-23 to the above Stock Exchanges.

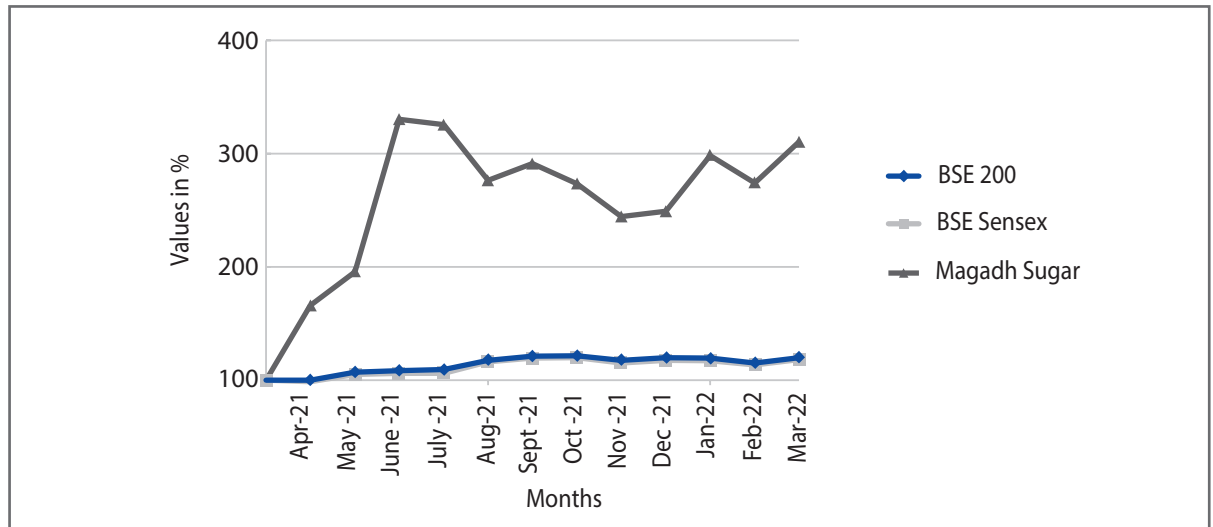
15.07 **Market Price data**

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

(Amount in ₹)

Month	BSE		NSE	
	High	Low	High	Low
April, 2021	172.55	95.00	172.90	99.45
May, 2021	198.60	153.10	199.35	154.10
June, 2021	335.40	205.50	335.85	205.05
July, 2021	386.35	311.00	386.95	318.50
August, 2021	335.05	241.00	336.00	241.50
September, 2021	307.00	271.70	305.80	270.55
October, 2021	340.00	273.95	340.00	270.85
November, 2021	310.50	239.55	310.00	237.70
December, 2021	288.00	230.15	274.75	230.00
January, 2022	346.80	244.25	346.75	245.40
February, 2022	366.70	255.70	367.00	255.90
March, 2022	366.05	265.00	365.65	272.35

15.08 **Performance of Company's Equity Shares in comparison to BSE Sensex**



The base of 100 is taken to be the closing price of shares at BSE and values of indices, as on March 31, 2021.

The shares of the company were never suspended.

15.09 **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

15.10 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 no Equity Shares were transferred/transmitted.

15.11 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, 2022 was as follows

No of Equity Shares	No. of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	10571	91.11	798433	5.67
501 to 1000	507	4.37	378380	2.69
1001 to 2000	226	1.95	329661	2.34
2001 to 3000	103	0.89	254568	1.81
3001 to 4000	38	0.33	135855	0.96
4001 to 5000	36	0.31	169031	1.20
5001 to 10000	61	0.53	450430	3.20
10001 and above	61	0.53	11575272	82.14
Total	11603	100.00	14091630	100.00

c. Detail of Shareholding pattern of the Company as on 31st March, 2022 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	85,98,482	61.02
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	1,270	0.01
Indian Public		
Bodies Corporate	12,20,374	8.66
Individuals/HUF/Trust	40,50,981	28.75
Stock Exchange Clearing Members/Market Maker	23,560	0.17
NRIs / OCBs / FIIs / Foreign Nationals	1,41,453	1.00
Unclaimed Shares	55,510	0.39
Total	1,40,91,630	100.00

15.12 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. 1,40,12,659 Equity Shares viz. 99.44% of the Equity Share Capital of the Company have already been dematerialized.

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

15.14 Commodities price risk or foreign exchange risk and hedging: Not Applicable

15.15 **Location of Plants:****Sugar Mills:**

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

Distillery:

- a. Narkatiaganj, District West Champaran, Bihar, Pin-845 455.
- b. Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428

Co-generation Power Plants:

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

15.16 **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 : 91-033-4004 9728
Fax: 91 - 033 - 2248 6369	Fax : 91-033-4073 1698
e-mail: magadhinvestors@birla-sugar.com	e-mail: kolkata@linkintime.co.in

15.17 **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.

15.18 **Credit Ratings**

The details of the Credit Rating assigned to the Company as on 31st March 2022 is as under:

Particulars	Amount Rs in Crore	Agency	Assigned Rating
Term Loan	1,945.00	India Ratings and Research	IND A STABLE
Fund-based limit	5,600.00		IND A STABLE/IND A1
Non-fund based limit	20.00		IND A1

15.19 **Details of Unpaid Dividend**

The details of amount lying in the unpaid dividend accounts of the Company are as under:

Dividend Year	Amount lying in Unpaid Dividend Account as on March 31, 2022 (in Rs)	Due date for transfer to Investor Education and Protection Fund ("IEPF")
2016-2017	216892.00	07.09.2024
2017-2018	116989.00	01.11.2025
2018-2019	221996.00	10.10.2026
2019-2020	556913.00	28.10.2027
2020-2021	534416.00	30.09.2028

15.20 Transfer of shares in Unclaimed Suspense Account

The Company has transferred to the 'Unclaimed Suspense Account' the unclaimed equity shares which were issued in physical form from time to time. The details of such unclaimed shares are as under:

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2021	226	55510
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2021-22		
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2021-22		
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2022	226	55510

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, 2022, 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.

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, 2022 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2022 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out the M/s Vinod Kothari & Co, Practising Company Secretary and their report was submitted to Stock Exchange in stipulated time Exchange within stipulated time and shall also be uploaded on company's website at www.birla-sugar.com

25. Disclosures

- 1 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.
- 2 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.
- 3 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.

- 4 The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- 5 The Company has complied with all the applicable mandatory requirements.
- 6 In the preparation of the financial statements, the Company has followed Standards of Accounting notified under Sec 133 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.
- 7 Total fees paid/payable by the Company for the financial year 2021-22, to the statutory auditor M/s Singhi & Co., is Rs 29.76 Lakhs. The Company had not paid any fees to any entity in the network firm of the Auditor or to any network entity of which Auditor is a part.
- 8 During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of SEBI (LODR) Regulations, 2015, as amended from time to time.

All the recommendations/ suggestions made by the Committees of Board of Directors which is mandatorily required during the financial year 2021-22 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. In compliance with the Circular no. 20/2020 dated May 05, 2020 read with Circular no. 14/2020 dated April 08, 2020, Circular no. 17/2020 dated April 13, 2020, Circular no. 02/2021 dated January 13, 2021 and Circular no. 02/2022 dated May 5, 2022 issued by Ministry of Corporate Affairs and Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 read with Circular no. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 issued by SEBI, the Annual Report for the Financial Year 2021-22 and notice of 8th Annual General Meeting of the Company will be sent only through emails registered with the Company or with the depository participants / Depositories. These documents will also be available on the website of the Company at www.birla-sugar.com. 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, 2022.
- 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-Sugar-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 2021-22.

Place: Kolkata
Date: May 11, 2022

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, 2022, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E 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, D and E of Schedule V to the Listing Regulations during the year ended 31st March, 2022.
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.

Place: Kolkata
Date: May 11, 2022

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

(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AITKE06632

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, 2022 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 has been issued relying on the documents and information as mentioned herein above and as were made available to us or as came to our knowledge for verification without taking any cognizance of any legal dispute(s) or sub-judice matters which may have effect otherwise, if ordered so, by any concerned authority(ies). This certificate is also neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

CS Atul Kumar Labh

Membership No.: FCS 4848

CP No.: 3238

PRCN: 1038/2020

UIN: S1999WB026800

UDIN: F004848D000301859

Place: Kolkata
Date : 11.05.2022

Annexure F

Secretarial Audit Report

Form No. MR-3

Secretarial Audit Report For the Financial Year Ended on March 31, 2022

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Magadh Sugar & Energy Limited** [hereinafter called 'the Company'] for the year ended March 31, 2022 [**"Period under Review"**] in terms of Audit Engagement Letter dated 3rd August, 2021. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

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

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

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

Management Responsibility:

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

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

Recommendations as a matter of best practice:

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

We further report that:

The Board of Directors of the Company is duly constituted with a 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' views, if any, are captured and recorded as part of the minutes.

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

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

Place: Kolkata
Date: 11th May 2022

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

Pammy Jaiswal
Partner
Membership No.: A48046
CP No.: 18059
UDIN: A48046D000300122
Peer Review Certificate No.: 781/2020

Annexure I

ANNEXURE TO SECRETARIAL AUDIT REPORT (UN-QUALIFIED)

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in **Annexure II**;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.
4. Wherever our Audit has required our examination of books and records maintained by the Company, we have relied upon electronic versions of such books and records, as provided to us through online communication. We have conducted online verification & examination of records, as facilitated by the Company;
5. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as well as correctness of the values and figures reported in various disclosures and returns as required to be submitted by the Company under the specified laws, though we have relied to a certain extent on the information furnished in such returns.
6. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulation and happening of events etc.
7. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedure on test basis and sample basis.
8. Due to the inherent limitations of an audit including internal, financial, and operating controls, there is an unavoidable risk that some misstatements or material non-compliances may not be detected, even though the audit is properly planned and performed in accordance with audit practices.
9. The contents of this Report have to be read in conjunction with and not in isolation of the observations, if any, in the report(s) furnished/to be furnished by any other auditor(s)/agencies/authorities with respect to the Company.
10. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company

ANNEXURE-II

List of Documents

1. Draft Minutes shared through electronic mode, of the following meetings:
 - a. Board Meeting;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Stakeholders Relationship Committee;
 - e. Corporate Social Responsibility Committee;
 - f. Risk Management Committee
 - g. Finance & Corporate Affairs Committee;
2. Annual Report 2020-21;
3. Notice and Agenda for Board and Committee Meetings on sample basis;
4. Memorandum and Articles of Association;
5. Disclosures under Act, 2013 on sample basis and Listing Regulations;
6. Forms and returns filed with the ROC;
7. Policies framed under Act, 2013 and Listing Regulations;
8. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

Annexure G

Information under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2022

A. Conservation of Energy:

i. The steps taken or impact on conservation of energy:

1. Variable Frequency Drive (VFDs) is being added in the system in all the Units for reduction of electrical energy consumption.
2. Installation of planetary gears in replacement of inefficient worm wheel type gears in area of Crystallizer, ETP and at lime station etc is also being done on regular basis in all the Units for saving of electrical energy.
3. Part wise replacement of LED lights it will help for reduction in power consumption.
4. Installation of Auto Slip Resistance STR Panel at Injection and at Boiler for reduction of electrical losses.
5. Installation of Split casing pump (high flow pump) in place of inefficient centrifugal pumps (high flow pumps) which reduce power consumption.

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

The Company has installed One Incineration Power Plants in its Distillery to use the waste water / spent wash water as fuel after concentration to generate electrical energy through waste.

iii. the capital investment on energy conservation equipment's: Nil

B. Technology Absorption:

i. the efforts made towards technology absorption

1) Control of Insect, Pest and disease

- a) Through Hot Water Treatment: in order to maintain disease free planting material of sugarcane, Hot water treatment is given to cane seed to eradicate disease pathogens i.e. fungal, mycoplasma, bacterial and viral contaminants which causes major diseases, affect cane yield and recovery as well. Hot water process improves the seed quality and yield of sugarcane.
 - b) Chemical Control: in order to control the insects, pest and diseases effective insecticides and fungicides are being applied in the sugarcane crop at previous incidence of insect, pest and diseases for timely control. Prophylactic foliar spray of effective fungicide is also being done to control the major diseases i.e. Red rot, Wilt, Smut and Pokka Boeing etc. To increase the foliar application of fungicides, Insecticide and soluble fertilizers on standing cane crop, distributing knap sack sprayers and tractor mounted sprayers on subsidized rates to our cane growers. Farmers are also being communicated for timely application of insecticide, fungicide and fertilizers through WhatsApp, SMS, pamphlets and personal contact too.
 - c) Soil Treatment with bio-agent: To control the soil borne diseases application of Trichoderma is being applied just before planting and in standing crop also to reduce the inoculum load of pathogens. Azotobactor and PSB (Phosphorous solubilizing bacteria) are also being applied to improve the natural soil fertility. Farmers are also being educated to apply press mud bio-compost or FYM to increase the population of useful microbes, reduce the fertilizer cost and enrich the natural soil fertility longer.
2. **Seed Multiplication:** For the rapid multiplication and production of disease free planting material (Cane Seed) production of seedlings is being done through Tissue culture and IVPS technique. Single bud cane seed nursery is also being done for further fast multiplication of new promising varieties.
 3. **Disease free seed Nursery:** Maintaining disease free seed nurseries at Co.'s farms and farmer's fields as well. Intensive monitoring and timely application of fungicide, insecticide and required fertilizer application is being done under direction of cane development.
 4. **Encouragement of wider space planting through Trench planters and Ring Pit Machine:** farmers are being encouraged for wider space planting through trench and Ring pit method of planting to increase the cane yield.
 5. **Ratoon management:** To increase the cane yield of the ratoon crop, farmers are being educated on regular basis for timely agronomical practices i.e. stubble shaving, gaps filling, timely irrigation, fertilizer, insecticide and fungicide application activities. Time to time village meetings, distribution of pamphlets and farmer's seminar, is being conducted to educate the cane growers.

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

- 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 449.72 lakhs during financial year 2021-22.

C. Foreign Exchange Earnings and Outgo:

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

Annexure H

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 2021-22 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2021-22:

Name	Designation	Remuneration for the year ended 31.03.2022	% age increase in remuneration in the FY 2021-22 as compared to Previous year 2020-21	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr Chandra Shekhar Nopany	Chairperson	8.20	(2.38)	3.94
Mr Raj Kumar Bagri	Independent Director	9.80	(2.00)	4.69
Mr Yashwant Kumar Daga	Independent Director	10.20	2.00	4.69
Mr Ishwari Prosad Singh Roy	Independent Director	9.60	6.67	4.23
Mr Padam Kumar Khaitan	Independent Director	8.80	(10.20)	4.60
Mrs Shashi Sharma	Independent Director	8.40	(4.55)	4.13
Mr Chandra Mohan	Wholetime Director	115.47	9.23	49.63
Mr Sunil Choraria #	Chief Financial Officer	8.73	Not Applicable	Not Applicable
Mr Subramanian Sathyamurthy	Company Secretary	29.18	0.86	Not Applicable
Mr Sudershan Bajaj @	Chief Financial Officer	18.56	Not Applicable	Not Applicable

Note:

- # Percentage increase/decrease in remuneration is not comparable for Mr. Sunil Choraria, Chief Financial Officer as he was employed only for the part of FY 2021-22.
- @ Percentage increase/decrease in remuneration is not comparable for Mr. Sudershan Bajaj, Chief Financial Officer as he was employed only for the part of FY 2021-22.
- ii. The percentage increase in the median remuneration of employees in the financial year 2021-22: 2.40%
- iii. The number of permanent employees on the rolls of the Company: 563
- 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 2021-22 is 2.13%. 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.

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

DETAILS OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN DURING THE FINANCIAL YEAR 2021-22

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	62	38	18-05-2007	1,15,47,279	The Oudh Sugar Mills Ltd	Nil
2	Shri Chand Bihari Patodia	Group President	Intermediate	73	54	01-04-2017	72,57,600	The Oudh Sugar Mills Ltd	Nil
3	Shri Brij Mohan Agarwal	Vice President Sales	B. Com, MBA (Finance)	52	31	01-04-2017	46,74,147	The Oudh Sugar Mills Ltd	Nil
4	Shri Ravindra Kumar Tewari	Executive President, Hasanpur	B.Sc Ag & Ah	53	28	08-05-2021	43,46,246	Bajaj Hindustan Ltd., Unit - Khambhar Kheda (U.P)	Nil
5	Shri V Sivaram	Executive Vice President	BE Mechanical, NSI	51	25	07-12-2020	40,23,675	Sugar Corporation of Uganda	Nil
6	Shri Shashi Kedia	Executive President, Sidhwalia	MBA	43	21	01-08-2001	34,99,446	The Oudh Sugar Mills, Hargoaan	Nil
7	Shri Om Prakash Singh	Executive Vice President (Technical)	Diploma in Mechanical Engineering	56	35	01-05-2013	30,94,764	Lakshmi Sugar Mills Co. Ltd.	Nil
8	Shri S Subramanian	Company Secretary	B.Com (Hons) FCS	56	35	01-04-2017	29,18,033	Upper Ganges Sugar & Industries Ltd.	Nil
9	Shri Manoj Prasad	Vice President Finance	B.Com, AICWA	52	27	28-05-2008	26,90,174	Gobind Sugar iMills Ltd., Aira (U.P)	Nil
10	Shri Raj Kumar Agarwal	Vice President	B.Tech (Hons)	68	39	01-07-2017	26,24,000	Shree Service & Trading Co. Ltd	Nil

Notes :

- The remuneration includes salary, Company's contribution to provident fund and perquisite value of rent paid.
- The appointment is contractual.
- Other terms and conditions are as per rules of the Company.
- 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: 11th May, 2022

Chandra Shekhar Nopany
Chairperson

Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2021-22

Sr. No	Particulars		Remarks							
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.		The Company's CSR policy focuses on practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with an intent to make a positive difference to society and to conduct the business in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.							
2.	Composition of the CSR Committee.									
	Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number meetings of CSR Committee attended during the year					
	1.	Mr Chandra Shekhar Nopany	Chairperson	2	2					
	2.	Mr Padam Kumar Khaitan	Independent Director	2	2					
	3.	Mr Chandra Mohan	Whole-time Director	2	2					
3.	Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.		The CSR policy is available on the website of the Company viz. http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf							
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)		Not applicable for the financial year under review							
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any									
	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)						
			NIL							
6.	Average net profit of the Company as per section 135(5)					Rs. 6948.01 lakhs				
7.	a.	Two percent of average net profit of the company as per section 135(5)					Rs 138.96 lakhs			
	b.	Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.					Nil			
	c.	Amount required to be set off for the financial year, if any					Nil			
	d.	Total CSR obligation for the financial year (7a+7b-7c)					Rs 138.96 lakhs			
8.	(a)	CSR amount spent or unspent for the financial year :					NIL			
		Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)							
			Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)					
			Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer			
		142.21 lakhs	Not applicable		Not applicable					
	(b)	Details of CSR amount spent against on-going projects for the financial year:								
	Sl. No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project	Project Duration	Amount allotted for the project (in Rs.)	Amount spent in the current financial year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Director (Yes/No)
					State	District				
	Not Applicable									

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

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/No)	Mode of implementing agency	
				State	District			Name	CSR registration number
1	Oxygen Generation Plant & Oxygen Concentrator	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	4,487,658.75	Yes	N/A	N/A
2	Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	69,739.09	Yes	N/A	N/A
3	Eye and Health Camp	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	2,79,568.00	Yes	N/A	N/A
4	Training and Sport Material Distribution	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	Yes	Bihar	West Champaran	3,85,389.00	Yes	N/A	N/A
5	Repairing of Old Toilets	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	2,38,950.00	Yes	N/A	N/A
6	Contribution to Nopany Education Trust	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	West Bengal	Kolkata	25,00,000.00	No	Nopany Education Trust	CSR00019941
7	Toilet in School	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Samastipur	1,29,800.00	Yes	N/A	N/A
8	Supply and Installation of Hand Pump with complete set	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Samastipur	84,000.00	Yes	N/A	N/A

8	(c)	Details of CSR amount spent against other than on-going projects for the financial year: (Contd.)									
		Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
					State	District					
9		Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Samastipur	8,25,42,4,94	Yes	N/A	N/A	
10		Oxygen Generation Plant & Oxygen Concentrator	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Gopalganj	42,98,602.00	Yes	N/A	N/A	
11		Supply and Installation of Hand Pump with complete set	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Gopalganj	6,00,995.68	Yes	N/A	N/A	
12		Water Cooler	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Gopalganj	2,29,000.00	Yes	N/A	N/A	
13		Health Camp	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Goalganj	91,730.00	Yes	N/A	N/A	

8	(d)	Amount spent in Administrative Overheads	NIL
	(e)	Amount spent on Impact Assessment, if applicable	NIL
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)	Rs 142.21 Lakhs
	(g)	Excess amount for set off, if any	NIL

SI No	Particulars	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	138.96 lakhs
(ii)	Total amount spent for the Financial Year	142.21 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.25 lakhs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	3.25 lakhs

9	(a)	Details of Unspent CSR amount for the preceding three financial years:	
---	-----	--	--

SI No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer	
Not applicable							

	(b)	Details of CSR amount spent in the financial year for on-going projects of the preceding financial year(s):	
--	-----	---	--

Sl. No.	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the Project – Completed / On-going
Not applicable								

10	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).		
	(a)	Date of creation or acquisition of the capital asset(s).	Not applicable
	(b)	Amount of CSR spent for creation or acquisition of capital asset.	Not applicable
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not applicable
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	Not applicable
11	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)		Not applicable

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, 2022, 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, as amended ("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, 2022, 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 thereunder, 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, 2022. 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, 2022 (Refer note 3.7 and 9 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, 2022, the Company has inventory of Sugar with the carrying value of Rs.36807.62 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 3.14 and 43 of the financial statements)	
<p>The Company operates in the sugar industry and accordingly, it has to comply with the various applicable directives, notifications, orders, etc, issued by the relevant authorities from time to time.</p> <p>In order to determine the timing of recognition of grants, the Company evaluates the achievement of reasonable assurance in respect of:</p> <ul style="list-style-type: none"> - the Company complying with the conditions attaching to them and - the certainty that these grants will be received. <p>Significant judgement is involved in assessing such assurance. Due to the significant level of judgement as stated aforesaid and quantum of grants, we have identified recognition of government grants as a key audit matter</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 such 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2022 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, 2020("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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls with reference to 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, 2022 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 40 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.
- iv.
 - a) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, as disclosed in the note 47 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
 - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v.
 - (a) The dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
 - (b) As stated in note 20(a) to the financial statements, the Board of Directors of the Company have proposed dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.

Place: Kolkata
Date: May 11, 2022

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

(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AITKHH7077

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, 2022

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, Plant and Equipment were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note 4 to the financial statements included in property, plant and equipment are held in the name of the Company except title deeds of the immovable Properties, in the nature of freehold land, as indicated below are not held in the name of the Company.

Description of Property	Gross carrying value	Held in name of	Whether promoter, director or their relative or employee	Period held – indicate range, where appropriate	Reason for not being held in the name of Company
Freehold Land	Rs. 230.72 lakhs	Erstwhile Company	No	Since April 1,2015	Transferred to the Company pursuant to Composite Scheme of Arrangement, mutation in the name of the Company is pending as on the Balance Sheet date

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed.
- (b) As disclosed in note 21 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of sugar units of the Company. The quarterly returns/statements filed by the Company with such banks are in agreement with the books of accounts of the Company except the discrepancies as under:

Quarter ending	Value per books of account in respect of Stock of Sugar, Mollasses and Stores & Spares (Rs. In lakhs)	Value per quarterly return/statement (Rs. In lakhs)	Difference (Rs. In lakhs)	Reason for discrepancies
June 30,2021	42738.16	43992.23	-1254.07	Discrepancies is mainly on account of valuation basis considered in stock statements and books of account.
September 30,2021	26935.16	27753.29	-818.13	
December 31,2021	34179.15	37208.47	-3029.32	
March 31,2022	44266.78	45110.70	-843.92	

- (iii) During the year, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the requirement to report on clause 3(iii)(a) to (f) of the Order are not applicable to the Company.
- (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 accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) 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) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) According to the records of the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited 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.	56.23	2010-11 & 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) According to the information and explanations given to us, the Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) According to the information and explanations given to us and as per the books and records examined by us, in our opinion, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) 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.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix) (e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.

- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) 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 has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) (a) to (c) of the order are not applicable to the Company.
- (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) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) 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) (a) 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. Accordingly, the requirement to report on clause (xvi) (a) & (b) of the order is not applicable to the Company.
- (b) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) (c) of the Order is not applicable to the Company.
- (c) According to the information and explanations given to us, the Group has one Core Investment Company as part of the Group.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediate preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 46 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xxa) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 36(b) to the financial statements.
- (xxb) There are no ongoing projects as specified in sub section (6) of section 135 of Companies Act,2013 and hence reporting under this clause is not applicable to the Company.

Place: Kolkata
Date: May 11, 2022

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

(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AITKHH7077

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

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

We have audited the internal financial controls with reference to financial statements of Magadh Sugar and Energy Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statement is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls were operating effectively as at March 31, 2022, 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.

Place: Kolkata
Date: May 11, 2022

FOR **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E
(Aditya Singhi)
Partner
Membership No. 305161
UDIN: 22305161AITKHH7077

Balance Sheet as at 31st March, 2022

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2022	As at 31st March, 2021
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	80,658.53	69,057.11
(b) Capital Work-in-Progress	5	88.28	1,458.94
(c) Intangible Assets	6	10.75	15.53
(d) Intangible assets under development	7	3.45	0.75
(e) Financial Assets			
(i) Investments	8	0.66	0.68
(ii) Other Financial Assets	15	71.32	70.76
(f) Other Non-current Assets	17	161.76	956.63
Total Non-current Assets		80,994.75	71,560.40
2. Current Assets			
(a) Inventories	9	47,129.92	65,758.52
(b) Biological assets other than bearer plants	10	105.99	102.90
(c) Financial Assets			
(i) Trade Receivables	11	4,879.28	1,478.57
(ii) Cash and Cash Equivalents	12	22.77	42.26
(iii) Bank Balances other than (ii) above	13	21.04	17.18
(iv) Loans	14	29.98	34.45
(v) Other Financial Assets	15	121.54	38.27
(d) Current Tax Assets (net)	16	108.99	41.18
(e) Other Current Assets	18	1,377.82	3,900.44
Total Current Assets		53,797.33	71,413.77
TOTAL ASSETS		1,34,792.08	1,42,974.17
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	19	1,409.16	1,409.16
(b) Other Equity	20	58,422.71	54,354.59
Total Equity		59,831.87	55,763.75
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	13,781.75	8,408.37
(ii) Lease Liabilities	22	100.10	103.38
(iii) Other Financial Liabilities	24	22.00	22.00
(b) Provisions	25	95.13	262.06
(c) Deferred Tax Liabilities (net)	26	3,789.68	2,883.52
Total Non-current Liabilities		17,788.66	11,679.33
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	21	49,812.02	54,698.92
(ii) Lease Liabilities	22	15.00	15.00
(iii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises	23	83.69	67.34
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	3,860.01	16,454.03
(iv) Other Financial Liabilities	24	1,899.94	1,021.29
(b) Other Current Liabilities	27	504.57	2,483.94
(c) Provisions	25	651.05	587.16
(d) Current Tax Liabilities (net)	28	345.27	203.41
Total Current Liabilities		57,171.55	75,531.09
Total Liabilities		74,960.21	87,210.42
TOTAL EQUITY AND LIABILITIES		1,34,792.08	1,42,974.17
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For and on behalf of the Board of Directors

For Singhi & Co.

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Aditya Singhi

Partner

Membership No.: 305161

Place: Kolkata

Date: 11th May, 2022

Chandra Mohan

Whole-time Director

DIN: 07760264

Subramanian Sathyamurthy

Company Secretary

Chandra Shekhar Nopany

Chairperson

DIN: 00014587

Sudershan Bajaj

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Notes	Year ended 31st March, 2022	Year ended 31st March, 2021
I. Revenue from Operations	29	99,505.83	95,194.48
II. Other Income	30	281.93	225.50
III. Total Income (I + II)		99,787.76	95,419.98
IV. Expenses			
Cost of Materials Consumed	31	54,268.60	60,121.84
Changes in inventories of Finished Goods and Work-in-progress	32	20,282.98	11,104.50
Employee benefits expense	33	4,848.83	4,778.75
Finance costs	34	3,977.97	5,530.65
Depreciation and amortization expense	35	2,092.01	1,918.51
Other expenses	36	7,672.47	7,734.61
Total Expenses		93,142.86	91,188.86
V. Profit before tax (III + IV)		6,644.90	4,231.12
VI. Tax expense	37		
Current tax		1,147.06	750.77
Provision for tax related to earlier years		0.08	-
Deferred tax		896.05	772.23
Total tax expenses		2,043.19	1,523.00
VII. Profit for the year (V - VI)		4,601.71	2,708.12
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit liability / (asset)		40.19	(16.28)
(b) Income taxes relating to items that will not be reclassified to profit or loss		(10.11)	4.10
Other comprehensive income for the year, net of income tax		30.08	(12.18)
IX. Total comprehensive income for the year (VII + VIII)		4,631.79	2,695.94
X. Earnings per equity share [Nominal value per equity share ₹ 10 (₹ 10)]	38		
(a) Basic (₹)		32.66	19.22
(b) Diluted (₹)		32.66	19.22
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Aditya Singhi

Partner

Membership No.: 305161

Place: Kolkata

Date: 11th May, 2022

Chandra Mohan

Whole-time Director

DIN: 07760264

Subramanian Sathyamurthy

Company Secretary

Chandra Shekhar Nopany

Chairperson

DIN: 00014587

Sudershan Bajaj

Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2022

A. Equity Share Capital

Particulars	Notes	As at 31st March, 2022		As at 31st March, 2021	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	19	1,40,91,630	1,409.16	1,40,91,630	1,409.16
Changes in Equity Share Capital due to prior period errors		-	-	-	-
Restated balance at the beginning of the year		1,40,91,630	1,409.16	1,40,91,630	1,409.16
Change in Equity Share Capital during the year		-	-	-	-
Balance at the end of the year	19	1,40,91,630	1,409.16	1,40,91,630	1,409.16

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
Balance at 1st April, 2020	36,897.75	747.39	14,577.18	52,222.32
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the year	36,897.75	747.39	14,577.18	52,222.32
Total comprehensive income for the year				
- Profit	-	-	2,708.12	2,708.12
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	(12.18)	(12.18)
Total comprehensive income	-	-	2,695.94	2,695.94
Dividend paid on equity shares [Note 20]	-	-	(563.67)	(563.67)
Balance at 31st March, 2021	36,897.75	747.39	16,709.45	54,354.59
Changes in accounting policy or prior period errors	-	-	-	-
Restated balance at the beginning of the year	36,897.75	747.39	16,709.45	54,354.59
Total comprehensive income for the year				
- Profit	-	-	4,601.71	4,601.71
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	30.08	30.08
Total comprehensive income	-	-	4,631.79	4,631.79
Dividend paid on equity shares [Note 20]	-	-	(563.67)	(563.67)
Balance at 31st March, 2022	36,897.75	747.39	20,777.57	58,422.71

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

(a) Capital Reserve

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

(b) Capital Redemption Reserve

The Company had created Capital Redemption Reserve on Non-Convertible Cumulative Redeemable Preference Shares in accordance with the Companies Act, 2013. The reserve may be applied in accordance with the provisions of Section 69 of the Companies Act, 2013.

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

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**

Chartered Accountants

ICAI Firm's Registration No.: 302049E

Aditya Singhi

Partner

Membership No.: 305161

Place: Kolkata

Date: 11th May, 2022

Chandra Mohan

Whole-time Director

DIN: 07760264

Subramanian Sathyamurthy

Company Secretary

Chandra Shekhar Nopany

Chairperson

DIN: 00014587

Sudershan Bajaj

Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2022

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	6,644.90	4,231.12
Adjustments for:		
Depreciation and Amortisation Expense	2,092.01	1,918.51
Depreciation in relation to Biological Assets other than bearer plants	8.66	9.12
Finance Costs	3,977.97	5,530.65
Provision for Bad and Doubtful Debts/Advances	-	28.88
Bad debts, irrecoverable claims and advances written off (net)	8.77	-
Loss on sale / discard of Property, Plant and Equipment (net)	24.86	44.49
Interest income	(65.86)	(80.57)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(105.89)	(22.87)
	12,585.42	11,659.33
Working capital adjustments:		
Decrease in Inventories	18,628.60	11,207.92
(Increase) / Decrease in Biological assets other than bearer plants	(3.09)	7.98
(Increase) in Trade Receivables and Loans	(3,396.22)	(21.53)
(Increase) in Other Financial Assets	(83.54)	(70.67)
Decrease in Other Assets	2,520.38	3,559.20
(Decrease) in Trade Payables	(12,541.72)	(14,777.17)
Increase / (Decrease) in Other Financial Liabilities	13.37	(86.35)
(Decrease) in Provisions	(62.85)	(44.19)
(Decrease) / Increase in Other Liabilities	(1,979.37)	1,998.73
Cash generation from Operations	15,680.98	13,433.25
Income tax paid (net of refund received)	(1,005.29)	(920.56)
Net Cash generated from Operating Activities	14,675.69	12,512.69
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, Plant and Equipment	14.43	26.52
Acquisition of Property, Plant and Equipment	(10,656.61)	(5,343.05)
Acquisition of Other Intangible Assets	(2.70)	(5.92)
Interest received	65.58	78.97
Net Cash used in Investing Activities	(10,579.30)	(5,243.48)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-current Borrowings	(3,750.00)	(3,107.80)
Proceeds from Non-current Borrowings	10,150.00	-
(Repayments of) / Proceeds from Current Borrowings (net)	(5,806.70)	2,060.83
Repayment of Lease liabilities	(3.28)	(2.97)
Interest on lease liabilities paid	(11.72)	(12.03)
Other Interest paid	(4,130.51)	(5,668.10)
Dividend paid on Equity Shares	(563.67)	(563.67)
Net Cash used in Financing Activities	(4,115.88)	(7,293.74)
Net Changes in Cash & Cash Equivalents (A + B + C)	(19.49)	(24.53)
Cash & Cash Equivalents at the beginning of the year	42.26	66.79
Cash & Cash Equivalents at the end of the year	22.77	42.26

Change in Liability arising from financing activities

(₹ in lakhs)

Particulars	As on 31st March, 2021	Cash Flow	Fair Value Change	As on 31st March, 2022
Non-current Borrowings [Note 21]	12,157.32	6,400.00	(106.82)	18,450.50
Current Borrowings [Note 21]	50,949.97	(5,806.70)	-	45,143.27
Lease Liabilities [Note 22]	118.38	(15.00)	11.72	115.10

Particulars	As on 1st April, 2020	Cash Flow	Fair Value Change	As on 31st March, 2021
Non-current Borrowings [Note 21]	15,235.81	(3,107.80)	29.31	12,157.32
Current Borrowings [Note 21]	48,889.14	2,060.83	-	50,949.97
Lease Liabilities [Note 22]	121.35	(15.00)	12.03	118.38

As per our report of even date attached

For and on behalf of the Board of Directors

For **Singhi & Co.**
Chartered Accountants
ICAI Firm's Registration No.: 302049E

Aditya Singhi
Partner
Membership No.: 305161
Place: Kolkata
Date: 11th May, 2022

Chandra Mohan
Whole-time Director
DIN: 07760264

Subramanian Sathyamurthy
Company Secretary

Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Sudershan Bajaj
Chief Financial Officer

Notes to Financial Statements for the year ended 31st March, 2022

1. Reporting entity

Magadh Sugar & Energy Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 261121, India. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

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

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 11th May, 2022.

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 (present value of defined benefit obligation less fair value of plan assets)
(iv) Assets held for sale	Lower of its carrying amount and fair value less costs to sell

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

2.4 Use of judgments and estimates

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

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

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

- Note 4 and 6 - Useful life and residual value of property, plant and equipment and other intangible assets;
- Note 10 - Determining the fair values of biological assets other than bearer plants on the basis of significant unobservable inputs;
- Note 25 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 26 - Recognition of deferred tax assets (including MAT credit entitlement): availability of future taxable profit and income tax liabilities thereon against which MAT credit entitlement can be used;
- Note 40 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 44 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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

- Note 22 - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.

2.5 Measurement of fair value

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

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

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

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

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

3. Summary of Significant accounting policies

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

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

Assets

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

- (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.

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

All other liabilities are classified as non-current.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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, 2022 (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, 2022 (Contd.)

Derecognition

(i) Financial assets

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

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

(ii) Financial liabilities

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

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

Offsetting

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

3.4 Property, plant and equipment [PPE]

Recognition and measurement

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

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

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

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

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

Subsequent expenditure

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

Depreciation

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

The useful lives have been determined based on technical evaluation done by the management's expert, supported by independent assessment by professionals, and are in line with the useful life specified in Part C of Schedule II to the Companies Act; 2013, except for certain plant and equipment 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.

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 equipment	5 - 40
Computer and data processing equipment	3 - 6
Furniture and fixtures	10
Vehicles	8 - 10
Office equipment	5

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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). Freehold land is not depreciated.

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 / general borrowings for construction or acquisition of property, plant and equipment) 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 five 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.

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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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.

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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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.

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. Since, the employee has unconditional right to avail the leave, the benefit is classified as short term leave.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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.

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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

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".

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates and is being recognised in the Statement of Profit and Loss by netting with the related finance cost. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

3.15 Leases

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

As a lessee

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

(i) Right-of-use assets

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

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

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

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

(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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

As a lessor

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

3.16 Income tax

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

Current tax

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

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

Deferred tax

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

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

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

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

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

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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

3.18 Borrowing costs

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

3.19 Cash and cash equivalents

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

3.20 Cash flow statement

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

3.21 Earnings per share

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

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

3.22 Determination of fair values

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

i) *Financial assets*

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

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

ii) *Trade and other receivables*

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

iii) *Financial liabilities*

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

3.23 Recent accounting pronouncement

On 23rd March, 2022, the Ministry of Corporate Affairs ("MCA") through notifications, amended to the existing Ind AS. The same shall come into force from annual reporting period beginning on or after 1st April, 2022. Key Amendments relating to the same whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

- Ind AS 16 Property, Plant and Equipment – For items produced during testing / trail phase, clarification added that revenue generated out of the same shall not be recognised in the profit or loss and considered as part of cost of PPE.
- Ind AS 37 Provisions, Contingent Liabilities & Contingent Assets – Guidance on what constitutes cost of fulfilling contracts (to determine whether the contract is onerous or not) is included.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

- Ind AS 41 Agriculture – This aligns the fair value measurement therein with the requirements of Ind AS 113 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post-tax cash flows and discount rates for the most appropriate fair value measurement.
- Ind AS 101 – First time Adoption of Ind AS – Measurement of Foreign Currency Translation Difference in case of subsidiary / associate / JV's date of transition to Ind AS is subsequent to that of Parent – FCTR in the books of subsidiary / associate / JV can be measured based Consolidated Financial Statements.
- Ind AS 103 – Business Combination – Reference to revised Conceptual Framework. For contingent liabilities / levies, clarification is added on how to apply the principles for recognition of contingent liabilities from Ind AS 37. Recognition of contingent assets is not allowed.
- Ind AS 109 Financial Instruments – The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.

The Company will evaluate the effect to the above on the financial statements and the impact is not material.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

4. Property, Plant and Equipment

Particulars	(₹ in lakhs)									
	Freehold Land	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right of use - assets	Total	
Reconciliation of carrying amount										
Gross carrying amount										
Balance at 1st April, 2020	36,852.23	5,062.89	31,406.97	196.03	142.79	255.61	53.86	124.05	74,094.43	
Additions during the year	51.45	934.14	2,941.95	22.31	15.49	39.78	14.50	-	4,019.62	
Disposal / deduction during the year	-	21.02	68.78	0.46	0.48	-	0.65	-	91.39	
Balance at 31st March, 2021	36,903.68	5,976.01	34,280.14	217.88	157.80	295.39	67.71	124.05	78,022.66	
Additions during the year	367.20	2,097.72	11,156.73	49.17	14.32	33.97	17.49	-	13,736.60	
Disposal / deduction during the year	-	-	52.97	10.67	9.01	7.22	4.84	-	84.71	
Balance at 31st March, 2022	37,270.88	8,073.73	45,383.90	256.38	163.11	322.14	80.36	124.05	91,674.55	
Accumulated depreciation										
Balance at 1st April, 2020	-	668.27	6,045.43	161.70	35.37	119.48	25.39	8.27	7,063.91	
Depreciation for the year (b)	-	209.77	1,633.04	16.16	14.96	31.10	8.72	8.27	1,922.02	
Disposal / deduction during the year	-	1.77	17.16	0.39	0.45	-	0.61	-	20.38	
Balance at 31st March, 2021	-	876.27	7,661.31	177.47	49.88	150.58	33.50	16.54	8,965.55	
Depreciation for the year (b)	-	248.42	1,769.62	14.87	15.98	28.77	9.96	8.27	2,095.89	
Disposal / deduction during the year	-	-	18.50	8.06	7.92	6.63	4.31	-	45.42	
Balance at 31st March, 2022	-	1,124.69	9,412.43	184.28	57.94	172.72	39.15	24.81	11,016.02	
Carrying amount (net)										
At 31st March, 2021	36,903.68	5,099.74	26,618.83	40.41	107.92	144.81	34.21	107.51	69,057.11	
At 31st March, 2022	37,270.88	6,949.04	35,971.47	72.10	105.17	149.42	41.21	99.24	80,658.53	

(a) Freehold land of ₹ 230.72 lakhs (31st March, 2021: ₹ 385.07 lakhs) including farm land of ₹ 223.80 lakhs (31st March, 2021: ₹ 373.75 lakhs), which is not part of security offered to lenders, are not in the name the Company, details of which are given below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether Title Deed holder is a Promoter, Director or Relative # of Promoter * / Director or Employee of Promoter / Director	Property held since which date	Reason for not being held in the name of the Company
As on 31st March, 2022	Freehold Land	230.72	The erstwhile company	No	1st April, 2015	Mutation in the name of Company is pending.
As on 31st March, 2021	Freehold Land	385.07	same as above	No	1st April, 2015	Mutation in the name of Company is pending.

Relative here means relative as defined in the Companies Act, 2013.

* Promoter here means promoter as defined in the Companies Act, 2013.

(b) Includes ₹ 8.66 lakhs (31st March, 2021 ₹ 9.12 lakhs) in relation to biological assets other than bearer plants.

(c) Property, Plant and Equipment given as security for borrowings [Note 21].

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

5. Capital Work-in-Progress

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Reconciliation of carrying amount		
Balance at the beginning of the year	1,458.94	663.34
Add: Additions during the year	12,022.72	4,611.71
Less: Transfer to Property, Plant and Equipment	13,393.38	3,816.11
Balance at the end of the year	88.28	1,458.94

- a) The amount of borrowing costs capitalised during the year ₹ **365.07 lakhs** (31st March, 2021: ₹101.72 lakhs). The annual rate i.e. the effective rate of interest used to determine the amount of borrowing costs eligible for capitalisation is in the range of **7.37% to 8.65%** (31st March, 2021: 8.71% to 9.80%) for the borrowings other than specific and **5.04%** (31st March, 2021: Nil) (post-subvention) for the specific borrowing.
- b) Pre-operative and trial run expenses capitalised during the year ₹ **482.49 lakhs** (31st March, 2021: ₹ 165.57 lakhs) include salary and wages of ₹ **103.32 lakhs** (31st March, 2021: ₹ 6.02 lakhs), power and fuel of ₹ **116.04 lakhs** (31st March, 2021: ₹ 1.89 lakhs) and other expenses of ₹ **263.13 lakhs** (31st March, 2021: ₹ 157.66 lakhs).
- c) **Capital Work-in-Progress ageing schedule:**

(₹ in lakhs)

Capital Work-in-Progress (CWIP)	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31st March, 2022					
Projects in progress	88.28	-	-	-	88.28
Projects temporarily suspended	-	-	-	-	-
Total	88.28	-	-	-	88.28
As on 31st March, 2021					
Projects in progress	1,401.11	44.80	13.03	-	1,458.94
Projects temporarily suspended	-	-	-	-	-
Total	1,401.11	44.80	13.03	-	1,458.94

6. Intangible Assets

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Computer Software:		
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year	57.81	51.89
Additions during the year	-	5.92
Balance at the end of the year	57.81	57.81
Accumulated depreciation		
Balance at the beginning of the year	42.28	36.67
Amortisation for the year	4.78	5.61
Balance at the end of the year	47.06	42.28
Carrying amount (net)	10.75	15.53

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

7. Intangible assets under development

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Reconciliation of carrying amount		
Balance at the beginning of the year	0.75	0.75
Add: Additions during the year	2.70	-
Balance at the end of the year	3.45	0.75

Intangible assets under development ageing schedule:

(₹ in lakhs)

Intangible assets under development (IAUD)	Amount of IAUD for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31st March, 2022					
Projects in progress	2.70	-	0.75	-	3.45
Projects temporarily suspended	-	-	-	-	-
Total	2.70	-	0.75	-	3.45
As on 31st March, 2021					
Projects in progress	-	0.75	-	-	0.75
Projects temporarily suspended	-	-	-	-	-
Total	-	0.75	-	-	0.75

8. Investments

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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	0.05	0.07
6 Years National Savings Certificates	0.08	0.08
	0.66	0.68
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	0.66	0.68
Aggregate amount of impairment in value of investments	-	-

* Deposited / pledged with various Government authorities.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

9. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials	1,437.69	402.12
Work-in-progress	154.47	185.72
Finished goods *	38,547.91	61,802.69
Stores, chemicals and spare parts *	1,865.35	1,246.54
Bio-compost	99.15	84.07
<i>(Valued at estimated net realisable value)</i>		
By-Products	4,984.97	1,991.99
Scrap	40.38	45.39
	47,129.92	65,758.52
* includes stock in transit:		
Finished goods	174.99	2,388.32
Stores, chemicals and spare parts	16.56	2.66

- a) ₹ 915.31 lakhs (31st March, 2021: ₹ 1,576.64 lakhs) is recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods and Work-in-progress [Note 32].
- b) Inventories are hypothecated against borrowings [Note 21].

10. Biological Assets other than Bearer Plants

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Reconciliation of carrying amount		
Balance at the beginning of the year	102.90	110.88
Expenditure incurred during the year	92.76	123.83
Change in fair value	28.17	(14.63)
New Crop Plantations	102.78	102.52
Decrease due to harvested sugarcane transferred to inventory	(220.62)	(219.70)
[including captive consumption of ₹ 98.02 lakhs (31st March, 2021: ₹ 120.31 lakhs)]		
Balance at the end of the year	105.99	102.90

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.

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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

11. Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Current		
Trade Receivables considered good - Unsecured	4,879.28	1,478.57
Trade Receivables which have significant increase in credit risk	85.14	85.14
	4,964.42	1,563.71
Less: Loss allowance		
Trade Receivables which have significant increase in credit risk	85.14	85.14
	4,879.28	1,478.57

- (a) No debt is due by directors or other officers of the Company or any of them either severally or jointly with any other person or no debt due by firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- (b) Information about the Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 44(C).
- (c) Trade Receivables are hypothecated against borrowings [Note 21].
- (d) **Trade Receivables ageing schedule:**

(₹ in lakhs)

Particulars	Trade Receivables considered good - Unsecured			Trade Receivables which have significant increase in credit risk			Grand Total
	Undisputed	Disputed	Total	Undisputed	Disputed	Total	
As on 31st March, 2022							
Outstanding for following periods from due dates of payment							
- Less than 6 months	1,662.79	74.77	1,737.56	-	-	-	1,737.56
- 6 months - 1 year	0.99	-	0.99	-	-	-	0.99
- 1 - 2 years	0.32	-	0.32	-	-	-	0.32
- 2 - 3 years	2.34	0.79	3.13	-	-	-	3.13
- More than 3 years	-	4.89	4.89	-	85.14	85.14	90.03
	1,666.44	80.45	1,746.89	-	85.14	85.14	1,832.03
Not due	2,771.86	-	2,771.86	-	-	-	2,771.86
Unbilled dues	360.53	-	360.53	-	-	-	360.53
	4,798.83	80.45	4,879.28	-	85.14	85.14	4,964.42
As on 31st March, 2021							
Outstanding for following periods from due dates of payment							
- Less than 6 months	382.57	-	382.57	-	-	-	382.57
- 6 months - 1 year	-	-	-	-	-	-	-
- 1 - 2 years	2.42	0.79	3.21	-	-	-	3.21
- 2 - 3 years	-	1.14	1.14	-	-	-	1.14
- More than 3 years	-	3.75	3.75	-	85.14	85.14	88.89
	384.99	5.68	390.67	-	85.14	85.14	475.81
Not due	815.11	-	815.11	-	-	-	815.11
Unbilled dues	272.79	-	272.79	-	-	-	272.79
	1,472.89	5.68	1,478.57	-	85.14	85.14	1,563.71

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

12. Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balances with banks		
– Current accounts	10.48	26.05
Cash on hand	12.29	16.21
	22.77	42.26

13. Other Bank Balances

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Earmarked balances with banks		
– Unpaid dividend accounts	16.48	12.60
– Unpaid fractional share pay-out account	0.85	0.86
– Current accounts	3.58	3.59
In Post office Saving bank account *	0.13	0.13
	21.04	17.18

* Pledged / lodged with various Government Authorities.

14. Loans

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<i>(Considered good - Unsecured)</i>		
Loans to employees	29.98	34.45
	29.98	34.45

15. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<i>(Considered good - Unsecured, unless stated otherwise)</i>		
Non-current		
Security and other deposits	69.32	68.76
Bank deposits due to mature after twelve months of the reporting date*	2.00	2.00
	71.32	70.76
Current		
Security and other deposits	8.14	11.69
Renewable Energy Certificates Entitlement	109.57	23.03
Interest accrued on Loans, deposits, investments, etc.	3.83	3.55
	121.54	38.27

* Pledged / lodged with a bank as margin money.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

16. Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance tax and tax deducted / collected at sources	859.75	3,073.89
Less: Provision for taxation	750.76	3,032.71
	108.99	41.18

17. Other Non-current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
<i>(Considered good - Unsecured, unless stated otherwise)</i>		
Capital Advances	44.59	835.07
Advances other than Capital Advances		
Other advances		
– Deposits against demand under appeal and / or under dispute	101.16	102.17
– Prepaid Expenses	16.01	19.39
	117.17	121.56
	161.76	956.63

18. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advances to suppliers		
– Considered good - Unsecured	950.91	877.39
– Considered doubtful - Unsecured	15.72	62.45
	966.63	939.84
Less: Loss allowance	15.72	62.45
	950.91	877.39
Other advances (considered good - unsecured)		
– Claims and Subsidies / Refunds receivable	277.81	2,705.53
– Balance with Excise and other Government Authorities	135.85	278.02
– Prepaid Expenses	13.25	39.50
	426.91	3,023.05
	1,377.82	3,900.44

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

19. Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Authorised:		
2,51,00,000 Equity Shares of ₹ 10 each	2,510.00	2,510.00
15,00,000 Preference Shares of ₹ 100 each	1,500.00	1,500.00
	4,010.00	4,010.00
Issued, subscribed and fully paid-up:		
1,40,91,630 Equity Shares of ₹ 10 each	1,409.16	1,409.16
	1,409.16	1,409.16

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

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity Shares				
At the beginning and at the end of the year	1,40,91,630	1,409.16	1,40,91,630	1,409.16

(b) Rights, preferences and restrictions attached to Equity Shares

The Company has only one class of equity shares with face 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.

(c) Particulars of shareholders holding more than 5% shares of fully paid up Equity Shares

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	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%	16,86,658	11.97%
Avadh Sugar & Energy Limited	14,86,154	10.55%	14,86,154	10.55%
New India Retailing & Investment Limited	10,56,490	7.50%	10,56,490	7.50%
Navjeevan Medical Institute	7,83,157	5.56%	7,83,157	5.56%
Yashovardhan Investment & Trading Company Limited	7,17,710	5.09%	7,17,710	5.09%
Hargaon Investment & Trading Company Limited	7,17,358	5.09%	7,17,358	5.09%

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018
Equity Shares of ₹ 10 each fully paid-up issued as bonus shares	-	-	40,26,180	-	-

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

19. Share Capital (Contd.)

(e) Details of shares held by promoters:

Sr. No.	Name of promoters	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
As on 31st March, 2022						
Equity shares of ₹ 10 each fully paid up held by						
1	SIL Investments Limited	16,86,658	-	16,86,658	11.97%	-
2	Avadh Sugar & Energy Limited	14,86,154	-	14,86,154	10.55%	-
3	New India Retailing & Investment Limited	10,56,490	-	10,56,490	7.50%	-
4	Yashovardhan Investment & Trading Company Limited	7,17,710	-	7,17,710	5.09%	-
5	Hargaon Investment & Trading Company Limited	7,17,358	-	7,17,358	5.09%	-
6	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	7,00,140	10,000	7,10,140	5.04%	0.07%
7	RTM Investment & Trading Company Limited	4,49,659	-	4,49,659	3.19%	-
8	SCM Investment & Trading Company Limited	3,81,561	-	3,81,561	2.71%	-
9	Champaran Marketing Company Limited	2,84,386	-	2,84,386	2.02%	-
10	OSM Investment & Trading Company Limited	2,56,093	-	2,56,093	1.82%	-
11	Mrs. Nandini Nopany	1,84,024	140	1,84,164	1.31%	0.00%
12	Nilgiri Plantations Limited	1,50,458	-	1,50,458	1.07%	-
13	Sidh Enterprises Limited	1,13,948	-	1,13,948	0.81%	-
14	Narkatiaganj Farms Limited	94,210	-	94,210	0.67%	-
15	Ronson Traders Limited	91,046	-	91,046	0.65%	-
16	Rajpur Farms Limited	72,804	-	72,804	0.52%	-
17	Mr. Chandra Shekhar Nopany	43,175	(5,451)	37,724	0.27%	(0.04%)
18	Shree Vihar Properties Limited	34,382	-	34,382	0.24%	-
19	La Monde Trading & Investments Private Limited	27,454	-	27,454	0.19%	-
20	Palash Securities Limited	20,238	-	20,238	0.14%	-
21	Mrs. Urvi Mittal	14,838	-	14,838	0.11%	-
22	Mr. Arihant Vikram Nopany	-	5,451	5,451	0.04%	0.04%
23	Uttam Commercial Limited	2,429	-	2,429	0.02%	-
24	Sonali Commercial Limited	1,799	-	1,799	0.01%	-
25	Pavapuri Trading and Investment Company Limited	1,260	-	1,260	0.01%	-
26	Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]	140	(140)	-	0.00%	(0.00%)
27	Deepshikha Trading Company Private Limited	68	-	68	0.00%	-
		85,88,482	10,000	85,98,482	61.02%	0.07%

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

19. Share Capital (Contd.)

(e) Details of shares held by promoters: (Contd.)

Sr. No.	Name of promoters	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
As on 31st March, 2021						
Equity shares of ₹ 10 each fully paid up held by						
1	SIL Investments Limited	16,86,658	-	16,86,658	11.97%	-
2	Avadh Sugar & Energy Limited	14,86,154	-	14,86,154	10.55%	-
3	New India Retailing & Investment Limited	10,56,490	-	10,56,490	7.50%	-
4	Yashovardhan Investment & Trading Company Limited	7,17,710	-	7,17,710	5.09%	-
5	Hargaon Investment & Trading Company Limited	7,17,358	-	7,17,358	5.09%	-
6	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	7,00,140	-	7,00,140	4.97%	-
7	RTM Investment & Trading Company Limited	4,49,659	-	4,49,659	3.19%	-
8	SCM Investment & Trading Company Limited	3,81,561	-	3,81,561	2.71%	-
9	Champaran Marketing Company Limited	2,84,386	-	2,84,386	2.02%	-
10	OSM Investment & Trading Company Limited	2,56,093	-	2,56,093	1.82%	-
11	Mrs. Nandini Nopany	1,84,024	-	1,84,024	1.31%	-
12	Nilgiri Plantations Limited	1,50,458	-	1,50,458	1.07%	-
13	Sidh Enterprises Limited	1,13,948	-	1,13,948	0.81%	-
14	Narkatiaganj Farms Limited	94,210	-	94,210	0.67%	-
15	Ronson Traders Limited	91,046	-	91,046	0.65%	-
16	Rajpur Farms Limited	72,804	-	72,804	0.52%	-
17	Mr. Chandra Shekhar Nopany	43,175	-	43,175	0.31%	-
18	Shree Vihar Properties Limited	34,382	-	34,382	0.24%	-
19	La Monde Trading & Investments Private Limited	27,454	-	27,454	0.19%	-
20	Palash Securities Limited	20,238	-	20,238	0.14%	-
21	Mrs. Urvi Mittal	14,838	-	14,838	0.11%	-
22	Uttam Commercial Limited	2,429	-	2,429	0.02%	-
23	Sonali Commercial Limited	1,799	-	1,799	0.01%	-
24	Pavapuri Trading and Investment Company Limited	1,260	-	1,260	0.01%	-
25	Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]	140	-	140	0.00%	-
26	Deepshikha Trading Company Private Limited	68	-	68	0.00%	-
		85,88,482	-	85,88,482	60.95%	-

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

20. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
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 and at the end of the year	747.39	747.39
Retained Earnings		
Balance at the beginning of the year	16,709.45	14,577.18
Profit for the year	4,601.71	2,708.12
Remeasurement of defined benefit liability / (asset) (net of tax)	30.08	(12.18)
Dividend paid on equity shares	(563.67)	(563.67)
Balance at the end of the year	20,777.57	16,709.45
	58,422.71	54,354.59

(a) Dividend on Equity Shares

The following dividends were declared and paid by the Company:

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
₹ 4.00 per equity share (31st March, 2021: ₹ 4.00 per equity share) as dividend	563.67	563.67

After the reporting date, the following dividend was proposed by the board of directors subject to the approval at the Annual General Meeting; the dividend has not been recognised as liabilities.

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Proposed dividend for the year ended 31st March, 2022 ₹ 6.50 per equity share (31st March, 2021: ₹ 4.00 per equity share)	915.96	563.67

21. Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current Borrowings		
Term Loans (secured)		
From Banks -		
Rupee Term Loans	4,037.09	5,577.82
Under financial assistance scheme (SOFT 2019 Central)	4,390.54	6,579.50
Under financial assistance scheme (SEFASM 2018 Central)	10,022.87	-
	18,450.50	12,157.32
Current portion of Non-current borrowings disclosed in Current Borrowings stated below	4,668.75	3,748.95
	13,781.75	8,408.37
Current Borrowings		
Current portion of Non-current borrowings	4,668.75	3,748.95
Secured		
From Banks (repayable on demand)		
Cash credit including working capital demand loan	35,443.27	30,949.97
Short term loan from a bank	-	8,500.00
Unsecured		
Short term loan from a bank	3,000.00	2,000.00
Inter-corporate deposits	6,700.00	9,500.00
	49,812.02	54,698.92

The Company's exposure to interest and liquidity risk is disclosed in Note 44(C).

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

21. Borrowings (Contd.)

Nature of Securities and Terms of repayment

(i) Term Loans

- Rupee Term Loan from a bank, carry interest in the range of 7.95% to 9.70% p.a. and are repayable in 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.
- Term loan from a bank under Financial Assistance Scheme of the Government of India (SOFT Loan 2019), carry interest @ 8.75% p.a. and repayable in 14 quarterly installments by March, 2024. 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.
- Term loan from a bank under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity (SEFASM 2018 - Central), carry interest @ 8.55% p.a. and repayable in 16 quarterly installments commencing from December 2022 and ending by September 2026. The Company is entitled to interest subvention from the Government of India upto 6% p.a. or 50% of rate of interest charged by banks as per terms of the scheme. The above loan is secured by first charge created on all the property, plant and equipment (fixed assets) of the Company, both present and future, ranking pari-passu amongst the various lenders.

(ii) Cash credit including working capital demand loan

- 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.
 - Cash Credit borrowings including Working Capital Demand Loan (WC DL) carry interest in the range of 5.70% to 7.85% p.a.
 - Short Term loan (Unsecured) from a bank carry interest @ 5.45% p.a. and repayable on demand.
 - Inter-corporate deposits carry interest range of 5.75% to 7.75% p.a. and repayable on demand.
- (iii) The Company is filing monthly stock statement to Banks (SBI, ICICI Bank, DCB, HDFC, South Indian Bank) for working capital facilities. The below is summary of reconciliation of quarterly statement filed to the banks and books of accounts:

Quarter ended on	Amount as per books of account * (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)
31st March, 2022	47,129.92	45,110.70	2,019.22
31st December, 2021	37,069.28	37,208.47	(139.19)
30th September, 2021	27,982.25	27,753.29	228.96
30th June, 2021	44,148.57	43,992.23	156.34
31st March, 2021	65,758.52	61,941.50	3,817.02
31st December, 2020	54,456.31	54,857.52	(401.21)
30th September, 2020	47,697.86	51,128.83	(3,430.97)
30th June, 2020	65,744.69	67,635.31	(1,890.62)

* represents total value of Inventories as per books of accounts.

The above differences are on account of certain inventories do not form part of stock statements submitted with banks as per the terms and conditions and difference in valuations due to different valuation method followed in stock statements and books of accounts.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

22. Lease

As Lessee

The Company has lease contracts for various items of buildings (including godowns), vehicles and other equipment used in its operations. The Company's obligations under its lease are secured by lessor's title to the leased assets.

The Company also has certain leases of godowns and vehicles with lease term of twelve months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amount of right-of-use assets (Buildings) recognised and its movements during the year are disclosed in Note 4.

Lease liabilities is being measured by discounting the lease payments using the incremental borrowing rate i.e. 10% p.a. Movement of the carrying amount of lease liabilities during the year are as under:

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Balance at the beginning of the year	118.38	121.35
Finance cost accrued during the year [Note 34]	11.72	12.03
Payment of lease liabilities for the year	(15.00)	(15.00)
Balance at the end of the year	115.10	118.38
Non-current	100.10	103.38
Current	15.00	15.00
	115.10	118.38

The maturity analysis of lease liabilities on an undiscounted basis are as under:

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Less than one year	15.00	15.00
One to two years	15.00	15.00
Two to five years	48.00	46.50
More than five years	140.25	156.75
Total	218.25	233.25

The followings are the amounts recognised during the year in profit or loss:

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest on lease liabilities [Note 34]	11.72	12.03
Depreciation on right-of-use assets [Note 4]	8.27	8.27
Expenses relating to short-term and low-value leases [Note 36] *	54.76	126.18
Total	74.75	146.48

* excluding ₹ 9.71 lakhs (31st March, 2021: ₹ 8.98 lakhs) incurred in relation to biological assets other than bearer plants.

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, 2022 (Contd.)

23. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total outstanding dues of micro enterprises and small enterprises (MSME)	83.69	67.34
Total outstanding dues of creditors other than micro enterprises and small enterprises	3,860.01	16,454.03
	3,943.70	16,521.37

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

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

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(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	83.69	62.24
Interest due on above	-	0.08
Total	83.69	62.32
(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.	68.70	243.90
(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.	5.83	1.03
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	5.10
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	3.06

(b) Trade Payables ageing schedule:

(₹ in lakhs)

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payment				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31st March, 2022							
(i) MSME	-	20.67	63.02	-	-	-	83.69
(ii) Others	44.26	48.87	3,467.19	94.34	68.32	16.77	3,739.75
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	112.45	7.81	120.26
	44.26	69.54	3,530.21	94.34	180.77	24.58	3,943.70
As on 31st March, 2021							
(i) MSME	-	32.68	32.89	1.77	-	-	67.34
(ii) Others	45.47	129.71	15,822.52	220.23	95.72	20.12	16,333.77
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	112.45	-	7.81	120.26
	45.47	162.39	15,855.41	334.45	95.72	27.93	16,521.37

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

24. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Non-current		
Trade and other deposits	22.00	22.00
	22.00	22.00
Current		
Interest accrued but not due	221.22	278.66
Payable to employees	483.08	470.79
Liability for capital goods	1,172.65	253.80
Unclaimed dividend *	16.48	12.60
Unclaimed Fractional Share Pay-out *	0.85	0.86
Other payables	5.66	4.58
	1,899.94	1,021.29

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

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

25. Provisions

(₹ in lakhs)

Particulars	Non-current		Current	
	As at 31st March, 2022	As at 31st March, 2021	As at 31st March, 2022	As at 31st March, 2021
Provision for employee benefits				
Net defined benefit liability - Gratuity	95.13	262.06	380.25	323.77
Liability for compensated absences	-	-	181.39	173.98
	95.13	262.06	561.64	497.75
Other Provisions				
For litigation, claims and contingencies	-	-	89.41	89.41
	-	-	89.41	89.41
	95.13	262.06	651.05	587.16

Defined benefits - Gratuity Plan

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

Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Present value of defined benefit obligations	1,546.98	1,518.14
Fair value of plan assets	1,071.60	932.31
Net defined benefit liabilities	475.38	585.83

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

The Company expects to contribute ₹ **202.87 lakhs** to Gratuity Fund in the next year.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

25. Provisions (Contd.)

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, 2022	As at 31st March, 2021
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	1,518.14	1,477.39
(b) Service cost	92.88	88.81
(c) Interest cost	97.31	97.51
(d) Benefits paid	(129.07)	(158.92)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	(31.63)	14.98
- due to experience changes	(0.65)	(1.63)
(f) Balance at the end of the year	1,546.98	1,518.14
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	932.31	847.63
(b) Actual return on plan assets	67.67	53.01
(c) Contributions by the employer	200.69	190.59
(d) Benefits paid	(129.07)	(158.92)
(e) Balance at the end of the year	1,071.60	932.31
(iii) Actuarial gain / (loss) on plan assets		
(a) Expected Interest Income	59.76	55.94
(b) Actual return on plan assets	67.67	53.01
(c) Actuarial gain / (loss) on plan assets	7.91	(2.93)
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	92.88	88.81
(b) Interest cost	97.31	97.51
(c) Interest income	(59.76)	(55.94)
(d) Amount charged to Employee benefits expenses	130.43	130.38
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial loss on defined benefit obligations	32.28	(13.35)
(b) Actuarial loss on plan assets	7.91	(2.93)
(c) Amount recognised in Other Comprehensive Income	40.19	(16.28)
(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	6.81%	6.41%
(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).

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

25. Provisions (Contd.)

(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, 2022		As at 31st March, 2021	
	Increase	Decrease	Increase	Decrease
a) Discount rate (0.50% movement)	37.76	(39.74)	38.83	(40.88)
b) Future salary growth (1% movement)	(80.11)	74.14	(82.49)	75.84
c) Withdrawal assumption (4% movement)	(26.64)	20.92	(20.42)	15.99

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 undiscounted basis)

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Within the next 12 months (next annual reporting period)	380.25	323.77
Between 1 and 2 years	34.99	35.06
Between 2 and 3 years	197.49	177.05
Between 3 and 4 years	206.11	186.22
Between 4 and 5 years	142.79	193.94
Between 5 and 6 years	120.42	146.05
Beyond 6 years	1,261.48	1,206.61
	2,343.53	2,268.70

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

26. Deferred Tax Liabilities (net)

Particulars	(₹ in lakhs)						
	As at 31st March, 2020	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2021	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2022
Deferred tax liabilities							
PPE including other intangible assets	4,579.87	197.43	-	4,777.30	461.46	-	5,238.76
	4,579.87	197.43	-	4,777.30	461.46	-	5,238.76
Deferred tax assets							
MAT credit entitlement	2,103.98	(600.18)	-	1,503.80	(351.14)	-	1,152.66
Provisions - employee benefits	198.79	(11.18)	4.10	191.71	(15.81)	(10.11)	165.79
Provisions - others	29.88	6.27	-	36.15	(10.77)	-	25.38
Deduction of disallowances allowed on payment / other basis	131.83	30.29	-	162.12	(56.87)	-	105.25
	2,464.48	(574.80)	4.10	1,893.78	(434.59)	(10.11)	1,449.08
Net deferred tax liabilities / (assets)	2,115.39	772.23	(4.10)	2,883.52	896.05	10.11	3,789.68

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:

Particulars	(₹ in lakhs)	
	As at 31st March, 2022	As at 31st March, 2021
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 2027-2028 [Financial Year 2026-2027]	-	119.61
Assessment Year 2033-2034 [Financial Year 2032-2033]	7.38	238.91
Assessment Year 2034-2035 [Financial Year 2033-2034]	1,145.28	1,145.28
	1,152.66	1,503.80

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

27. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Advance against Sale of Goods / Property, plant and equipment	176.59	2,059.11
Statutory dues	327.98	424.83
	504.57	2,483.94

28. Current Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Provision for taxation	1,147.06	750.77
Less: Advance tax and tax deducted / collected at sources	801.79	547.36
	345.27	203.41

29. Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Sale of Goods		
Finished goods	95,284.07	87,923.77
Power	2,500.59	2,753.90
By products	142.73	1,528.72
Others	373.73	544.35
	98,301.12	92,750.74
Other operating revenue		
Subsidy towards Export Quota	569.96	1,977.28
Renewable Energy Certificates (REC)	364.60	-
Buffer Stock Subsidy towards Insurance & Storage Charges	-	56.41
Production Incentive	172.00	336.00
Scrap Sales	98.15	74.05
	1,204.71	2,443.74
Total Revenue from Operations	99,505.83	95,194.48

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

29. Revenue from Operations (Contd.)

Disaggregated revenue information

The disaggregation of the Company's revenue from contracts with customers as under:

(₹ in lakhs)

Segment	Segment			Total
	Sugar	Distillery	Co-generation	
Year ended 31st March, 2022				
Revenue based on the type of goods sold to customers:				
Finished goods				
– Sugar	82,038.28	-	-	82,038.28
– Spirits	-	13,245.79	-	13,245.79
	82,038.28	13,245.79	-	95,284.07
Power	-	-	2,500.59	2,500.59
By products				
– Molasses	82.96	-	-	82.96
– Bagasse	46.08	-	-	46.08
– Press-mud	13.69	-	-	13.69
	142.73	-	-	142.73
Others	74.72	299.01	-	373.73
	82,255.73	13,544.80	2,500.59	98,301.12
Revenue based on the type of customers:				
– Government concerns (including PSUs)	-	13,241.55	2,500.59	15,742.14
– Export (including through third parties)	17,012.78	-	-	17,012.78
– Others	65,242.95	303.25	-	65,546.20
	82,255.73	13,544.80	2,500.59	98,301.12
Year ended 31st March, 2021				
Revenue based on the type of goods sold to customers:				
Type of Goods:				
Finished goods				
– Sugar	78,565.35	-	-	78,565.35
– Spirits	-	9,358.42	-	9,358.42
	78,565.35	9,358.42	-	87,923.77
Power	-	-	2,753.90	2,753.90
By products				
– Molasses	1,329.80	-	-	1,329.80
– Bagasse	190.19	-	-	190.19
– Press-mud	8.73	-	-	8.73
	1,528.72	-	-	1,528.72
Others	91.11	453.24	-	544.35
	80,185.18	9,811.66	2,753.90	92,750.74
Revenue based on the type of customers:				
– Government concerns (including PSUs)	-	9,180.37	2,753.90	11,934.27
– Export (including through third parties)	9,916.88	-	-	9,916.88
– Others	70,268.30	631.29	-	70,899.59
	80,185.18	9,811.66	2,753.90	92,750.74

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

29. Revenue from Operations (Contd.)

Disaggregated revenue information (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	Segment			Total
	Sugar	Distillery	Co-generation	
Year ended 31st March, 2022				
Sale of Goods				
– External customers	82,255.73	13,544.80	2,500.59	98,301.12
– Inter-segment	10,986.57	39.13	3,416.79	14,442.49
Other Operating Revenue	1,200.28	4.43	-	1,204.71
	94,442.58	13,588.36	5,917.38	1,13,948.32
Inter-segment elimination	10,986.57	39.13	3,416.79	14,442.49
Less: Other Operating Revenue	1,200.28	4.43	-	1,204.71
	82,255.73	13,544.80	2,500.59	98,301.12
Year ended 31st March, 2021				
Sale of Goods				
– External customers	80,185.18	9,811.66	2,753.90	92,750.74
– Inter-segment	5,615.33	50.98	3,434.53	9,100.84
Other Operating Revenue	2,438.90	4.84	-	2,443.74
	88,239.41	9,867.48	6,188.43	1,04,295.32
Inter-segment elimination	5,615.33	50.98	3,434.53	9,100.84
Less: Other Operating Revenue	2,438.90	4.84	-	2,443.74
	80,185.18	9,811.66	2,753.90	92,750.74

- a) The Company presented disaggregated revenue based on the type of goods sold to customers and type of customers. Further, the Company's sales are made within India including export through third party and revenue is recognised for goods transferred at a point in time. The Company's performance obligations are satisfied on delivery of goods to the customer. Delivery of goods completes when the goods have been dispatched or delivered to the specific location, of the customer, as the case may be.

The Company does not have any contracts where the period between the transfer of the promised goods to the customer and payments by the customer exceeds one year and hence, there are no significant financing component included in such contracts.

The Company believes that the above disaggregation depicts the nature, amount, timing and uncertainty of revenues and cash flows effected by industry, market and other economic factors.

- b) For contract balances i.e. Trade Receivables [Note 11] and Advance from Customers [Note 27].
 c) The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.

30. Other Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest income on:		
– Loans and deposits	65.86	33.31
– Refund from income tax department	-	47.26
Insurance and other claims	56.99	99.85
Unspent liabilities, Provisions no longer required and Unclaimed balances written back *	105.89	22.87
Change in fair value of biological assets other than bearer plants [Note 10]	28.17	-
Miscellaneous receipts	25.02	22.21
	281.93	225.50

* in case of current period, includes ₹ 67.80 lakhs towards amount written back in respect of interest under section 234B and 234C of the Income Tax Act, 1961 paid / provided in earlier year, now determined as refundable under Vivad Se Viswas Act, 2020.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

31. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Inventory of materials at the beginning of the year	402.12	357.55
Add: Purchases and procurement expenses	55,304.17	60,166.41
	55,706.29	60,523.96
Less: Inventory of materials at the end of the year	1,437.69	402.12
	54,268.60	60,121.84

32. Changes in inventories of Finished Goods and Work-in-progress

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Inventories at the end of the year		
Finished goods	38,547.91	61,802.69
By Products	4,984.97	1,991.99
Work-in-progress	154.47	185.72
Bio-compost	99.15	84.07
Scrap	40.38	45.39
	43,826.88	64,109.86
Inventories at the beginning of the year		
Finished goods	61,802.69	72,076.95
By Products	1,991.99	2,187.90
Work-in-progress	185.72	831.39
Bio-compost	84.07	75.78
Scrap	45.39	42.34
	64,109.86	75,214.36
	20,282.98	11,104.50

33. Employee Benefits Expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Salaries, wages, bonus etc.	4,294.10	4,233.09
Contribution to provident and other funds	305.43	299.41
Expenses related to post-employment defined benefit plans * [Note 25]	129.08	130.67
Staff welfare expenses	120.22	115.58
	4,848.83	4,778.75

* excluding provision towards liability of ₹ 1.35 lakhs (31st March, 2021: ₹ 0.29 lakhs as reversal of excess liability) in relation to biological assets other than bearer plants.

Defined contribution plans

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Contribution to Provident / Pension Funds	305.44	294.82
Contribution to Superannuation Fund	-	4.59
	305.44	299.41

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

34. Finance Costs

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Interest expense on financial liabilities measured at amortised cost *	3,948.53	5,485.02
Interest on lease liabilities [Note 22]	11.72	12.03
Interest on income tax	17.72	33.60
	3,977.97	5,530.65

* Net of Government grants [Note 43] and interest capitalised [Note 5].

35. Depreciation and Amortization Expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Depreciation of Property, Plant and Equipment * [Note 4]	2,087.23	1,912.90
Amortisation of Intangible Assets [Note 6]	4.78	5.61
	2,092.01	1,918.51

* excluding ₹ 8.66 lakhs (31st March, 2021: ₹ 9.12 lakhs) in relation to biological assets other than bearer plants.

36. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
Consumption of Stores and Spares	1,061.09	975.15
Packing Materials	726.79	773.70
Power and Fuel	401.31	419.24
Repairs to:		
– Buildings	221.55	252.99
– Machinery	2,021.85	2,188.06
– Others	33.02	48.21
Rent [Note 22]	54.76	126.18
Rates and Taxes	49.45	26.45
Insurance	162.33	184.97
Payment to Auditors [refer Note (a) below]	29.76	28.73
Payment to Cost Auditors	1.25	1.23
Commission on Sales	295.90	311.42
Freight and Forwarding Charges	1,543.48	1,076.67
Charity and Donations *	50.68	300.32
Provision for Bad and Doubtful Advances	-	28.88
Bad debts, Irrecoverable Claims and Advances written off	53.36	-
Less: Adjusted against Provisions	44.59	8.77
Change in fair value of Biological Assets other than Bearer Plants [Note 10]	-	14.63
Loss on sale / discard of Property, Plant and Equipment (net)	24.86	44.49
Corporate Social Responsibility Expenses [refer Note (b) below]	142.21	125.50
Director's Commission	30.00	30.00
Director's Sitting Fees	25.00	26.00
Miscellaneous Expenses	788.41	751.79
	7,672.47	7,734.61

* Includes contribution of ₹ 50.00 lakhs (31st March, 2021: ₹ 300.00 lakhs) to an Electoral trust company.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

36. Other expenses (Contd.)

(a) Payment to Auditors

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
As Auditors		
– Statutory Audit	14.50	14.50
– Limited Review of Quarterly Results	8.70	8.70
In other capacity		
– Tax Audit	4.35	3.60
– For Certificates and Other Services	1.80	1.80
Reimbursement of Expenses	0.41	0.13
	29.76	28.73

(b) Corporate Social Responsibility (CSR) Expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2022	Year ended 31st March, 2021
(i) Gross amount required to be spent by the Company during the year	138.96	117.23
(ii) Amount spent during the year on:		
(A) Construction / acquisition of any asset		
– In Cash	-	-
– Yet to be paid in cash	-	-
Total	-	-
(B) On purpose other than (A) above		
– In Cash	142.21	125.50
– Yet to be paid in cash	-	-
Total	142.21	125.50
(iii) Surplus / (shortfall) at the end of the year	3.25	8.27
(iv) Total of previous years surplus / (shortfall)	8.27	-
(v) Reason for shortfall, if any	Not Applicable	
(vi) Nature of CSR Activities		
(A) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	113.36	25.50
(B) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	25.00	100.00
(C) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	3.85	-
	142.21	125.50
(vii) The Movements in the provision for CSR expenditure during the year		
Provision for CSR expenditure at the beginning and at the end of the year	-	-

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

37. Tax Expense

(₹ in lakhs)

Particulars	Year ended	
	31st March, 2022	31st March, 2021
Current tax	1,147.06	750.77
Provision for tax related to earlier years	0.08	-
Deferred tax		
Attributable to origination and reversal of temporary differences / MAT Credits	896.05	772.23
	2,043.19	1,523.00

Reconciliation of effective tax

(₹ in lakhs)

Particulars	Year ended		Year ended	
	31st March, 2022		31st March, 2021	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
Profit before tax		6,644.90		4,231.12
Tax using the Company's domestic tax rate	34.944%	2,321.99	34.944%	1,478.52
Tax effect of:				
- Reversal / Impact of deferred tax liabilities (net) due to re-measurement of deferred tax assets / liabilities as per Ind-AS 12 "Income Taxes"		(292.31)		(18.50)
- Amount related to earlier years		0.08		-
- Others (including permanent differences)		13.43		62.98
		2,043.19		1,523.00

38. 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, 2022	31st March, 2021
(i) Profit attributable to Equity Shareholders (₹ in lakhs)	4,601.71	2,708.12
(ii) Weighted average number of Equity Shares for the year 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 (₹)	32.66	19.22

There is no dilutive potential Equity Share.

39. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹ **662.18 lakhs** (31st March, 2021: ₹ 6,353.80 lakhs).

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

40. Contingent Liabilities

(to the extent not provided for)

(a) Claims against the Company not acknowledged as debt

(₹ in lakhs)

Particulars	As at 31st March, 2022	As at 31st March, 2021
(i) Excise Duty and Service Tax	4,488.18	4,523.34
(ii) Sales and Entry Tax	99.34	115.98
(iii) Duty under State Acts	321.41	321.41
(iv) Others	118.80	44.03
Total *	5,027.73	5,004.76

* Notes:

- 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.
 - 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.
- (b) The land ceiling matter under Bihar Land Reforms (Fixation of Ceiling, Area and Acquisition of Surplus Land) Act, 1961 for acquisition of agriculture land by the Government is pending before the appropriate adjudicating authorities.

41. Operating Segments

A. Basis for segmentation

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

The Company has three reportable segments as described below, which are the Company's strategic business:

Reportable segments	Operations
Sugar	Manufacture and Sale of Sugar, Molasses and Bagasse
Distillery	Manufacture and Sale of Denatured Spirits (including Ethanol) and Bio-compost
Co-generation	Generation and Transmission of Power

B. Information about reportable segments

Information related to each reportable segment is set-out below. The Company's WTD reviews the results of each segment on a quarterly basis. The Company's WTD uses Earning Before Interest and Tax (EBITA) to assess the performance of the operating segments. Segment is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within same industries. Inter-segment pricing is determined on an arm's length basis.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

41. Operating Segments (Contd.)

B. Information about reportable segments (Contd.)

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31st March, 2022				
Revenue:				
Segment Revenue	94,442.58	13,588.36	5,917.38	1,13,948.32
Less: Inter-segment revenue	10,986.57	39.13	3,416.79	14,442.49
Total Revenue from Operations	83,456.01	13,549.23	2,500.59	99,505.83
Segment Profit before Income Tax	3,988.15	4,796.90	2,239.11	11,024.16
Finance Costs				3,977.97
Unallocable Expenses (net of unallocable income)				401.29
Profit before Tax				6,644.90
As at 31st March, 2022				
Segment Assets	93,059.51	33,273.86	7,984.86	1,34,318.23
Unallocated Assets				473.85
Total Assets				1,34,792.08
Segment Liabilities	5,225.13	1,648.27	7.31	6,880.71
Unallocated Liabilities				68,079.50
Total Liabilities				74,960.21
Year ended 31st March, 2022				
Other segment information				
Capital Expenditure				
– Property, Plant and Equipment	650.42	11,715.52	-	12,365.94
Depreciation	1,437.06	394.32	255.85	2,087.23
Amortisation	4.78	-	-	4.78
Year ended 31st March, 2021				
Revenue:				
Segment Revenue	88,239.41	9,867.47	6,188.44	1,04,295.32
Less: Inter-segment revenue	5,615.33	50.98	3,434.53	9,100.84
Total Revenue from Operations	82,624.08	9,816.49	2,753.91	95,194.48
Segment Profit before Income Tax	3,055.14	4,782.16	2,592.39	10,429.69
Finance Costs				5,530.65
Unallocable Expenses (net of unallocable income)				667.92
Profit before Tax				4,231.12
As at 31st March, 2021				
Segment Assets	1,17,162.70	17,485.08	7,361.45	1,42,009.23
Unallocated Assets				964.94
Total Assets				1,42,974.17
Segment Liabilities	20,160.17	441.08	9.24	20,610.49
Unallocated Liabilities				66,599.93
Total Liabilities				87,210.42
Year ended 31st March, 2021				
Other Segment Information				
Capital Expenditure				
– Property, Plant and Equipment	3,061.16	1,746.87	7.19	4,815.22
– Intangible Assets	5.92	-	-	5.92
Depreciation	1,375.43	281.82	255.65	1,912.90
Amortisation	5.61	-	-	5.61

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

41. Operating Segments (Contd.)

C. Geographical Information

The Company primarily operates in India only and the analysis of geographical segments demarcated into its Indian and Overseas Operations are as under:

(₹ in lakhs)

Particulars	Year ended 31st March, 2022			Year ended 31st March, 2021		
	Reportable segments		Total	Reportable segments		Total
	Indian	Overseas*		Indian	Overseas*	
Revenue:						
Sales (including other operating revenue) to external customers	82,493.05	17,012.78	99,505.83	85,277.60	9,916.88	95,194.48
Segment Assets	1,34,162.48	155.75	1,34,318.23	1,41,856.23	153.00	1,42,009.23
Segment Liabilities	6,880.71	-	6,880.71	20,435.84	174.65	20,610.49

* including export through third parties.

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.

D. Major customer

One customer contributed 13.68% of the total revenue of the Company for the year ended 31st March, 2022 and no single customer contributed 10% or more in the year ended 31st March, 2021.

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 taken place 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	-	Chairman / 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
	Ms. Shashi Sharma	-	Independent / Non-Executive Director
	Mr. Chandra Mohan	-	Whole-Time Director
	Mr. Sudershan Bajaj	-	Chief Financial Officer w.e.f. 3rd August, 2021
	Mr. Sunil Choraria	-	Chief Financial Officer upto 3rd August, 2021
	Mr. Subramanian Sathyamurthy	-	Company Secretary
	Relatives of Key Management Personnel	Mrs. Nandini Nopany	-

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

42. Related Party Disclosures (Contd.)

B. The following transactions were carried out with related parties in the ordinary course of business

a. Dividend paid / 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	2022	1.73	3.20	5.00	4.50
	2021	1.73	3.40	5.00	4.62
Mr. Padam Kumar Khaitan	2022	-	3.80	5.00	4.50
	2021	-	4.80	5.00	4.62
Mr. Yashwant Kumar Daga	2022	-	5.20	5.00	4.50
	2021	-	5.00	5.00	4.62
Mr. Ishwari Prosad Singh Roy	2022	-	4.60	5.00	4.50
	2021	-	4.00	5.00	4.63
Mr. Raj Kumar Bagri	2022	-	4.80	5.00	4.50
	2021	-	5.00	5.00	4.63
Ms. Shashi Sharma	2022	-	3.40	5.00	4.50
	2021	-	3.80	5.00	4.63
Relatives of Key Management Personnel					
Mrs. Nandini Nopany	2022	7.36	-	-	-
	2021	7.36	-	-	-

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 *	2022	115.47	-	4.15
	2021	105.72	-	0.34
Mr. Sudershan Bajaj	2022	18.56	-	-
	2021	-	-	-
Mr. Sunil Choraria	2022	8.73	-	-
	2021	27.02	-	1.26
Mr. Subramanian Sathyamurthy	2022	29.18	-	-
	2021	28.32	-	1.37

* excluding ₹ 7.96 lakhs (31st March, 2021: ₹ 7.30 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

(ii) Post Employment Benefits

The remuneration to the Key Managerial Personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

C. Details of Loans, Investments and Guarantee covered under Section 186(4) of the Companies Act, 2013

The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2022 or year ended 31st March, 2021.

D. Terms and conditions of transactions with related parties

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- The amounts outstanding are unsecured and will be settled in cash and cash equivalent. Neither guarantees have been given nor received.
- For the year ended 31st March, 2022, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

43. Government Grants

The Company is eligible to receive various government grants by way of export subsidy, reimbursement of carrying cost towards maintenance of Buffer Stock, incentive on higher recovery 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, 2022	Year ended 31st March, 2021
Revenue related Government Grants:				
(i)	Export Subsidy [Note (a) below]	Shown as "Subsidy towards Export Quota" in Note 29	569.96	1,977.28
(ii)	Reimbursement of Carrying Cost towards maintenance of Buffer Stock	Shown as "Buffer Stock Subsidy towards Insurance & Storage Charges" in Note 29	-	56.41
		Deducted from "Finance Costs" in Note 34	-	416.60
(iii)	Incentive on Higher Recovery [Note (b) below]	Shown as "Production Incentive" in Note 29	172.00	336.00
(v)	Interest Subvention / grant on term loans [Note (c) below]	Deducted from "Finance Costs" in Note 34	130.57	117.75

- (a) The Central Government, pursuant to notification dated 29th December, 2020 issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for a lump sum financial assistance of ₹ 6,000 / ₹ 4,000 per MT for expenses on export of sugar limited to Maximum Admissible Export Quantity (MAEQ) of sugar mills for the sugar season 2020-21. Such financial assistance is subject to fulfilment of certain eligibility conditions as specified in the said notification. The Company has fulfilled the conditions as stipulated in the said scheme and accordingly, the subsidy of ₹ **569.96 lakhs** has been received during the year and disclosed as "Subsidy towards Export Quota (net)" under the head Other Operating Revenue.
- (b) 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 is entitled for Production Incentive of ₹ **172.00 lakhs** for the sugar season 2021-22 during the current year.
- (c) The Company has obtained certain Term Loans from banks under financial assistance schemes (SEFASM 2018 - Central). 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. 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, 2022					
Financial assets not measured at Fair Value					
Investment in Government Securities	-	-	0.66	0.66	0.66
Trade Receivables	-	-	4,879.28	4,879.28	4,879.28
Cash and Cash Equivalents	-	-	22.77	22.77	22.77
Other Bank Balances	-	-	21.04	21.04	21.04
Loans	-	-	29.98	29.98	29.98
Other Financial Assets	-	-	192.86	192.86	192.86
	-	-	5,146.59	5,146.59	5,146.59
Financial liabilities not measured at Fair Value					
Borrowing	-	-	63,593.77	63,593.77	63,743.27
Lease Liabilities	-	-	115.10	115.10	115.10
Trade Payables	-	-	3,943.70	3,943.70	3,943.70
Other Financial Liabilities	-	-	1,921.94	1,921.94	1,921.94
	-	-	69,574.51	69,574.51	69,724.01

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

44. Financial Instruments - Fair Values and Risk Management (Contd.)

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities: (Contd.)

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31st March, 2021					
Financial Assets not measured at Fair Value					
Investment in Government Securities	-	-	0.68	0.68	0.68
Trade Receivables	-	-	1,478.57	1,478.57	1,478.57
Cash and Cash Equivalents	-	-	42.26	42.26	42.26
Other Bank Balances	-	-	17.18	17.18	17.18
Loans	-	-	34.45	34.45	34.45
Other Financial Assets	-	-	109.03	109.03	109.03
	-	-	1,682.17	1,682.17	1,682.17
Financial Liabilities not measured at Fair Value					
Borrowing	-	-	63,107.29	63,107.29	63,149.97
Lease Liabilities	-	-	118.38	118.38	118.38
Trade Payables	-	-	16,521.37	16,521.37	16,521.37
Other Financial Liabilities	-	-	1,043.29	1,043.29	1,043.29
	-	-	80,790.33	80,790.33	80,833.01

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.

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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

44. Financial Instruments - Fair Values and Risk Management (Contd.)

C. Financial Risk Management (Contd.)

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 Sensitivity analysis	Business diversification Inventory management

(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.

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, 2022	As at 31st March, 2021
Government concerns (including government undertakings)	4,663.14	1,218.70
Others	216.14	259.87
	4,879.28	1,478.57

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 is disclosed in Note 11.

The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

44. Financial Instruments - Fair Values and Risk Management (Contd.)

C. Financial Risk Management (Contd.)

(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.

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, 2022						
Secured Term Loan from banks and others*	18,450.50	21,944.33	6,158.28	6,943.10	8,842.95	-
Cash Credit including WCDL	35,443.27	35,443.27	35,443.27	-	-	-
Unsecured Short Term Loan from a bank	3,000.00	3,000.00	3,000.00	-	-	-
Inter-corporate Deposits	6,700.00	6,700.00	6,700.00	-	-	-
Lease Liabilities*	115.10	218.25	15.00	15.00	48.00	140.25
Trade Payables	3,943.70	3,943.70	3,943.70	-	-	-
Other Financial Liabilities	1,921.94	1,921.94	1,899.94	-	-	22.00
	69,574.51	73,171.49	57,160.19	6,958.10	8,890.95	162.25

(₹ 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, 2021						
Secured Term Loan from banks and others*	12,157.32	14,357.69	4,753.31	4,071.27	5,533.11	-
Cash Credit including WCDL	30,949.97	30,949.97	30,949.97	-	-	-
Secured Short Term Loan from a bank*	8,500.00	9,061.12	9,061.12	-	-	-
Unsecured Short Term Loan from a bank	2,000.00	2,000.00	2,000.00	-	-	-
Inter-corporate Deposits	9,500.00	9,500.00	9,500.00	-	-	-
Trade Payables	16,521.37	16,521.37	16,521.37	-	-	-
Lease Liabilities*	118.38	233.25	15.00	15.00	46.50	156.75
Other Financial Liabilities	1,043.29	1,043.29	1,021.29	-	-	22.00
	80,790.33	83,666.69	73,822.06	4,086.27	5,579.61	178.75

* 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.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

44. Financial Instruments - Fair Values and Risk Management (Contd.)

C. Financial Risk Management (Contd.)

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.

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, 2022	As at 31st March, 2021
Fixed rate instruments		
Financial Assets	2.00	2.00
Financial Liabilities	6,700.00	9,500.00
Variable rate instruments		
Financial Liabilities	57,008.87	53,725.67

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 before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2022				
Variable rate instruments	(285.04)	285.04	(185.44)	185.44
31st March, 2021				
Variable rate instruments	(268.63)	268.63	(174.76)	174.76

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, 2022 (Contd.)

45. Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Company's objective when managing capital are to:

- (a) to maximise shareholders value and provide benefits to other stakeholders, and
- (b) maintain an optimal capital structure to reduce the cost of capital.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

For the purpose of the Company's capital management, capital includes issued equity share capital and other equity reserves attributable to the equity holders.

The Company monitors capital using debt-equity ratio, which is disclosed in Note 46.

46. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31st March, 2022	As at 31st March, 2021	Change (%)
Current Ratio	Current Assets	Current Liabilities	0.94	0.95	(1.05%)
Debt-Equity Ratio	Total Debts	Shareholder's Equity	1.06	1.13	(6.19%)
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses / (income) + Interest	Debt service = Interest & Lease Payments + Principal Repayments	1.46	1.25	17.32%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.08	0.05	60.00%
				[Explained in Note (a) below]	
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	1.38	1.02	23.93%
Trade Receivable Turnover Ratio	Total Sales	Average Trade Receivable	30.95	62.91	(50.80%)
				[Explained in Note (b) below]	
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payable	5.40	2.52	114.29%
				[Explained in Note (c) below]	
Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	(29.16)	(22.54)	29.37%
				[Explained in Note (d) below]	
Net Profit Ratio	Net Profits after taxes	Net Sales = Total Sales - Sales Return	0.05	0.03	66.67%
				[Explained in Note (e) below]	
Return on Capital Employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.08	0.08	0.00%

Notes:

- (a) Change in Return on Equity Ratio is 60.00% as compared to the preceding year due to higher earnings from operations.
- (b) Change in Inventory Turnover Ratio is 35.29% as compared to the preceding year due to decrease in average inventories.
- (c) Change in Trade Receivable Turnover Ratio is 50.80% as compared to the preceding year due to increase in trade receivable towards sale of ethanol to oil companies under credit period.
- (d) Change in Trade Payable Turnover Ratio is 114.29% as compared to the preceding year due to higher cash generation resulting in early payments of trade payable.
- (e) Change in Net Capital Turnover Ratio is 29.37% as compared to the preceding year due to higher revenue.
- (f) Change in Net Profit Ratio is 66.67% as compared to the preceding year due to higher earnings from operations.

Notes to Financial Statements for the year ended 31st March, 2022 (Contd.)

- 47.** No funds have been advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 48.** Previous year's figures have been regrouped / reclassified wherever necessary to conform to current year's classification / disclosure.

As per our report of even date attached

For **Singhi & Co.**
Chartered Accountants
ICAI Firm's Registration No.: 302049E

Aditya Singhi
Partner
Membership No.: 305161
Place: Kolkata
Date: 11th May, 2022

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

Sudershan Bajaj
Chief Financial Officer



CIN L15122UP2015PLC069632

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

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

Phone (05862) 256220 Fax (05862) 256225

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of **MAGADH SUGAR & ENERGY LIMITED** will be held on Thursday, July 21, 2022 at 11.00 a.m., through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2022 and the Reports of the Directors and Auditors thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year ended 31st March, 2022.
3. To appoint a Director in place of Mr. Chandra Shekhar Nopany (DIN 00014587), who retires by rotation and, being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration and in this regard, to consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), and pursuant to the recommendation of the Audit Committee, M/s. BSR & Co., LLP, Chartered Accountants (Registration No.:101248W/W-100022), be and is hereby appointed as Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of this Annual General Meeting till the conclusion of the thirteenth Annual General Meeting of the Company, at such remuneration as may be mutually agreed between the Board of Directors and the Statutory Auditors of the Company."

SPECIAL BUSINESS

5. To consider and if thought fit, to pass 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., for conducting the audit of the cost records of the Company for the year ending 31st March, 2023, as approved by the Board of Directors on the recommendation of the Audit Committee, be and is hereby approved and ratified"

By Order of the Board of Directors

S Subramanian

Company Secretary

FCS – 4974

Place: Kolkata

Dated: 11th May, 2022

NOTES:

1. In view of the massive outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has, vide its circular dated May 05, 2022, read together with circulars dated April 8, 2020, April 13, 2020, May 5, 2020 and January 13, 2021 (collectively referred to as "MCA Circulars"), permitted convening the Annual General Meeting ("AGM" / "Meeting") through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), without physical presence of the members at a common venue. In accordance with the MCA Circulars, provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the AGM of the Company is being held through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
2. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ('Act') setting out material facts concerning the business under Item Nos. 4 and 5 set out above is annexed hereto
3. The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM are also annexed to this Notice.

NOTICE

4. In terms of the MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/ 79 dated May 12, 2020, the requirement of sending Proxy Forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of the SEBI Listing Regulations, has been dispensed with. Therefore, the facility to appoint Proxy by the members will not be available and consequently, the Proxy Form and Attendance Slip are not annexed to this notice convening the 8th 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 Friday, July 15, 2022 to Thursday, July 21, 2022 (both days inclusive) for the purpose of the AGM and payment of dividend. The Company has fixed Tuesday, July 14, 2022 as the 'Record Date' for determining entitlements of members to final dividend for the financial year ended 31st March 2022, if approved at the AGM. If the dividend on equity shares, as recommended by the Board of Directors, is approved at the AGM, such dividend will be paid, subject to deduction of tax at source, as applicable:
 - a) To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Thursday, July 14, 2022.
 - 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 Thursday, July 14, 2022.
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 ("RTA"), Link Intime India Private Limited for assistance in this regard.
8. Members who have not yet registered their email addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with RTA in case the shares are held by them in physical form.
9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to RTA in case the shares are held by them in physical form.
10. As per the provisions of Section 72 of the Act, the facility for making nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to RTA in case the shares are held in physical form.
11. In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
12. Members seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company on or before July 14, 2022 through email on *avadhsugar@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 2021-22 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 2021-22 will also be available on the Company's website *www.birla-sugar.com* and the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at *www.bseindia.com* and *www.nseindia.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. 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 *avadhsugar@birlasugar.org* by July 14, 2022. 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 *avadhsugar@birlasugar.org*. The aforesaid declarations and documents need to be submitted by the shareholders by July 14, 2022.

16. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, shall be available for electronic inspection by the members during the AGM. All documents referred to in the Notice shall also be available for electronic inspection. Members seeking to inspect such documents can send an email to avadhsugar@birlasugar.org.
17. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
18. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
19. SEBI vide circular dated 3rd November 2021 has mandated the listed companies to have PAN, KYC, bank details and Nomination of all shareholders holding shares in physical form. Folios wherein any one of the cited details / documents are not available with us, on or after 1st April 2023, shall be frozen as per the aforesaid SEBI circular.

The investor service requests forms for updation of PAN, KYC, Bank details and Nomination viz., Forms ISR-1, ISR-2, ISR-3, SH-13, SH-14 and the said SEBI circular are available on our website www.birla-sugar.com. In view of the above, we urge the shareholders to submit the Investor Service Request form along with the supporting documents at the earliest.

In respect of shareholders who hold shares in the dematerialized form and wish to update their PAN, KYC, Bank Details and Nomination are requested to contact their respective Depository Participants.

20. **Instructions for e-voting and joining the AGM are as follows:**

A. VOTING THROUGH ELECTRONIC MEANS

- i. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
- ii. **The remote e-voting period begins on Sunday, July 17, 2022 at 9:00 A.M. and ends on Wednesday, July 20, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, July 14, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being July 14, 2022.**
- iii. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/ participate in the AGM through VC / OAVM but shall not be entitled to cast their vote again.
- iv. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if he / she is already registered with NSDL for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

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

- v. The details of the process and manner for remote e-Voting are explained herein below: Step 1: Access to NSDL e-Voting system

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




Details on Step 1 are mentioned below:

- A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

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

NOTICE

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	1. NSDL IDeAS Facility If you are already registered for the NSDL IDeAS facility:
	1. Please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsd.com/ either on a personal computer or mobile phone.
	2. Once the homepage of e-Services is launched, click on the "Beneficial Owner" icon under "Login", available under the "IDeAS" section.
	3. A new screen will open. You will have to enter your user ID and password. After successful authentication, you will be able to see e-voting services.
	4. Click on "Access to e-voting" under e-voting services and you will be able to see the e-voting page.
	5. Click on options available against company name or e-voting service provider – NSDL and you will be re-directed to the NSDL e-voting website for casting your vote during the remote e-voting period or voting during the meeting.
	2. If the user is not registered for IDeAS e-Services,
	1. The option to register is available at https://eservices.nsd.com/ .
	2. Select "Register Online for IDeAS" or click on https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp
	3. Upon successful registration, please follow steps given in points 1 - 5 above.
3. E-voting website of NSDL	
1. Visit the e-voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsd.com/ either on a personal computer or mobile phone.	
2. Once the homepage of e-voting system is launched, click on the "Login" icon, available under the "Shareholder / Member" section.	
3. A new screen will open. You will have to enter your User ID (i.e. your 16-digit demat account number held with NSDL), Password / OTP and a verification code as shown on the screen.	
4. After successful authentication, you will be redirected to the NSDL Depository site wherein you can see the e-voting page. Click on options available against company name or e-voting service provider – NSDL and you will be redirected to the e-voting website of NSDL for casting your vote during the remote e-voting period or voting during the meeting.	
	4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. <small>NSDL Mobile App is available on</small>   
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi.
	2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote.
	3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration
	4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	1. You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility.
	2. Once logged in, you will be able to see e-Voting option. Once you click on the e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature.
	3. Click on the options available against company name or e-Voting service provider i.e. NSDL and you will be redirected to e-voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsd.com/> either on a Personal Computer or on a mobile.

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

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

6. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
 - (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.
7. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
 - a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - 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 etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
8. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
9. Now, you will have to click on "Login" button.
10. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 are mentioned below:

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

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

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.

NOTICE

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nSDL.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nSDL.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Senior Manager at evoting@nsdl.co.in

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

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

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

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/ Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at avadhsugar@birlasugar.org latest by 5:00 p.m. (IST) on Thursday, 14th day of July, 2022.
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 avadhsugar@birlasugar.org latest by 5:00 p.m. (IST) on Thursday, 14th day of July, 2022. 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 Ms. Pallavi Mhatre, Senior Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

11. Declaration of voting results

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

Place: Kolkata

Dated: 11th May, 2022

By Order of the Board of Directors

S Subramanian

Company Secretary

FCS – 4974

EXPLANATORY STATEMENT SETTING OUT MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**Item No. 4**

M/s. Singhi & Co., Chartered Accountants (Registration No. 302049E) were appointed as the Statutory Auditors of the Company by the Members at the 3rd Annual General Meeting ('AGM') held on 1st August, 2017 to hold office from the conclusion of the 3rd AGM till the conclusion of the 8th AGM of the Company to be held in the calendar year 2022. Accordingly, the present term of Singhi & Co., gets completed on conclusion of the ensuing AGM.

The Board of Directors of the Company, on the recommendation of the Audit Committee, recommended for the approval of the Shareholders, the appointment of Messrs. BSR & Co. LLP, Chartered Accountants ("BSR"), as the Auditors of the Company for a period of five years from the conclusion of this AGM till the conclusion of the 13th AGM.

The Audit Committee having considered various parameters like capability to serve a large organisation with multiple manufacturing locations as that of the Company; audit experience; the audit team; market standing of the firm; clientele served; technical knowledge etc. have recommended the appointment of SRB to the Board of Directors of the Company, which the Board has accepted and approved, subject to the approval of the Shareholders at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

M/s. B S R & Co. ('the Firm'), was established on 27th March, 1990 as a partnership firm having firm registration no. as 101248W. It was converted into Limited Liability Partnership i.e. B S R & Co. LLP on 14th October 2013 thereby having a new firm registration no. 101248W/W-100022. BSR is a member entity of B S R & Associates, a network registered with the Institute of Chartered Accountants of India ('ICAI'), and has a pan-India presence with over 159 Partners and Directors in Audit and over 3,900 professionals experienced in Ind AS, Indian GAAP (erstwhile), IFRS and US GAAP. BSR audits various private entities and companies listed on stock exchanges in India across industrial, consumer, financial, technology and infrastructure sectors.

The Audit Committee having considered various parameters like capability to serve a large organisation with multiple manufacturing locations as that of the Company; audit experience; the audit team; market standing of the firm; clientele served; technical knowledge etc. have recommended the appointment of BSR to the Board of Directors of the Company, which the Board has accepted and approved, subject to the approval of the Members at a remuneration as may be mutually agreed between the Board of Directors and Statutory Auditors.

None of the Directors, Key Managerial Personnel and their relatives thereof are, in any way, concerned or interested in the said resolution.

The Board accordingly recommends the Ordinary Resolution set out at item no. 4 of this Notice for your approval.

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., Kolkata, as Cost Auditors for conducting the audit of the cost records of Sugar, Industrial Alcohol and Power units of the Company for the financial year 2022-23. at a remuneration of Rs.1,25,000/- (apart from reimbursement of out of pocket expenses and applicable taxes).

The Company has received a Certificate regarding his eligibility for appointment as Cost Auditors. A copy of the certificate would be available for inspection through electronic mode during the AGM, for which purpose Members are required to send an e-mail to the Company at magdhsugar@birlasugar.org

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.

NOTICE

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

The Board recommends the resolution at item no.5 of the notice for approval by the shareholders.

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

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

Name	Mr Chandra Shekhar Nopany	
Date of birth	19.09.1965	
Brief profile covering experience	Mr. Chandra Shekhar Nopany is a Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. 1989. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is the past President of Indian Chambers of Commerce and the present member of the Executive Committee of FICCI.	
Date of appointment	29.07.2016	
Terms and Conditions of Re-appointment	Mr Chandra Shekhar Nopany shall be liable to retire by rotation and he shall be entitled to receive sitting fee for attending the meetings of the Board of Directors and Committees thereof and the payment by way of commission within the limits approved by the members.	
Relationship with other Directors / Key Managerial Personnel	NIL	
Remuneration last drawn (FY 2021-22)	₹ 8.20 lakhs (for remuneration details, please refer the Corporate Governance Report)	
Shareholding	37,724 Equity Shares	
No of meetings of the Board attended during the financial year (2021-22)	6	
	Name of Company(ies)	Committee Memberships, if any with position
Other Directorships and Committee memberships	Avadh Sugar & Energy Limited	-
	SIL Investments Limited	● Stakeholders' Relationship Committee, Chairman
	Yashovardhan Investment & Trading Company Limited	-
	Ronson Traders Limited	-
	New India Retailing & Investment Limited	-
	Sutlej Textiles and Industries Limited	-
	Chambal Fertilisers and Chemicals Limited	● Nomination and Remuneration Committee, Member
		● Corporate Social Responsibility Committee, Member
	Morton Foods Limited	-
Listed companies from which the Director has resigned in the past three years.	Ganges Securities Limited	