

# Progressive de-risking

How we are transforming our  
Company leading to business  
sustainability

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## Forward-looking statement

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed 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 'anticipates', 'estimates', '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 achievement of results is 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 statements, whether as a result of new information, future events or otherwise.



Online Annual report  
[www.birla-sugar.com](http://www.birla-sugar.com)

# Corporate Information

## Board of Directors

**Mr. Chandra Shekhar Nopany,**  
Chairperson & Non-Executive  
Director

**Mr. Padam Kumar Khaitan**  
Independent Director

**Mr. Yashwant Kumar Daga**  
Independent Director

**Mr. Ishwari Prosad Singh Roy**  
Independent Director

**Mr. Raj Kumar Bagri**  
Independent Director

**Mrs. Shashi Sharma**  
Independent Director

**Mr. Rajan Arvind Dalal**  
Additional Non-Executive Director  
(w.e.f.14<sup>th</sup> May, 2024)

**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. Pankaj Singh,  
*Chief Operating Officer*

Mr. Sudershan Bajaj,  
*Chief Financial Officer*

Mr. S Subramanian,  
*Company Secretary*

## Auditors

B S R & Co. LLP  
Chartered Accountants  
Godrej Waterside, Unit No. 603  
6<sup>th</sup> Floor, Tower 1, Plot No 5, Block-  
DP, Sector V, Salt Lake Kolkata - 700  
091

## Advocates & Solicitors

Khaitan & Co. LLP

## Bankers

State Bank of India  
ICICI Bank Limited  
DCB Bank Limited  
HDFC Bank Limited  
The South Indian Bank Limited  
AXIS Bank Limited

## 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 Office

Birla Building  
9/1, R.N. Mukherjee Road, 5<sup>th</sup> 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

## Distilleries

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



# Progressive de-risking

At Magadh Sugar & Energy Limited, we have reached a sweet spot in our journey.

The Company is funding a capacity expansion without straining the Balance Sheet, strengthening capital efficiency.

The Company is diversifying into the business of distilleries to reduce its excessive reliance on the sugar business.

The Company is transitioning from sugar to bio fuel production, enhancing its societal and environmental impact.

This Company is broad-basing its product portfolio for stakeholder value and growth.

Corporate snapshot

# Magadh Sugar & Energy Limited.

Future-ready investments  
in sugar, ethanol and co-  
generation capacities.

Transforming from its  
core sugar business to  
an advanced biofuel  
ambition.

Addressing national  
priorities and enhancing  
stakeholder value in a  
sustainable way.



## Background

Magadh Sugar & Energy Limited is affiliated with the esteemed K.K Birla Group, a prominent player in India's private sugar sector. With a total licensed crushing capacity of 58,000 Tonnes per day, the Group operates seven efficient plants in Uttar Pradesh and Bihar, producing white crystal sugar and associated by-products



## Suppliers

The Company has established enduring partnerships with sugarcane farmers surrounding its three manufacturing facilities. As of March 31, 2024, the Company collaborated with 88,500 farmers to procure essential raw materials, amounting to ₹883.77 Crore in cane purchases, revitalizing the local economy.



## Listing

The Company's shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company's market capitalisation stood at ₹753.83 Crore as on March 31, 2024.



## Presence

The Company operates three cutting-edge sugar mills in Bihar at Narkatiaganj, Sidhwalia and Hasanpur.

Capacity	Narkatiaganj	Sidhwalia	Hasanpur
Sugar crushing (TCD)	7500	5000	6500
Distillery (KLPD)	80	75	-
Power plant (MW)	10	18	10



## Business

The Company was established on March 19, 2015 and operates three sugar mills in Bihar. These mills possess a combined licensed crushing capacity of 19,000 TCD, distillery 155 KLPD and a power co-generation facility 38 MW.



## Talent

The Company employs a skilled and seasoned workforce with extensive industry experience across various functions. As of March 31, 2024, the Company had 1,174 employees with over 63% having been with the Company since 2015.



## Credit rating

Magadh's long-term issuer rating was re-affirmed at 'IND A/ Stable' and short term 'IND A1' by India Ratings and Research (Ind-Ra) credit agency, validating its credit worthiness.



## Product portfolio

The Company produces a diverse range of products, including sugar, spirits, ethanol and other by-products of sugar manufacturing, which has enhanced its resilience and long-term viability.



## Customers

The Company fosters long-term engagements with wholesalers across five States in India. The Company's wholesale network consists of numerous brokers and sub brokers as distribution partners. All the Company's wholesalers were associated with the Company for more than five years.



## Revenue composition

Business segments	Revenue (₹ Crore)		PBIT (₹ Crore)	
	2022-23	2023-24	2022-23	2023-24
Sugar	894	946	40	89
Power	80	85	25	34
Distillery	248	296	47	73

# Our footprint



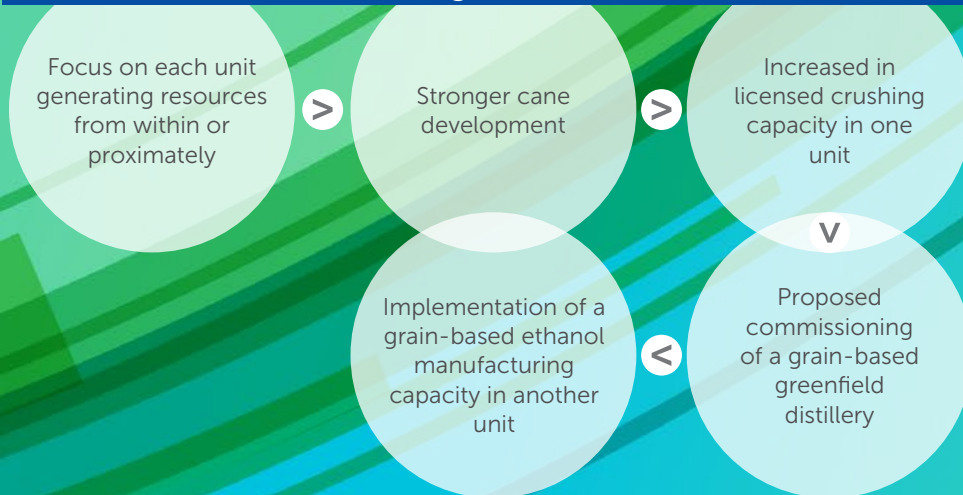


# The strategic matrix of our business

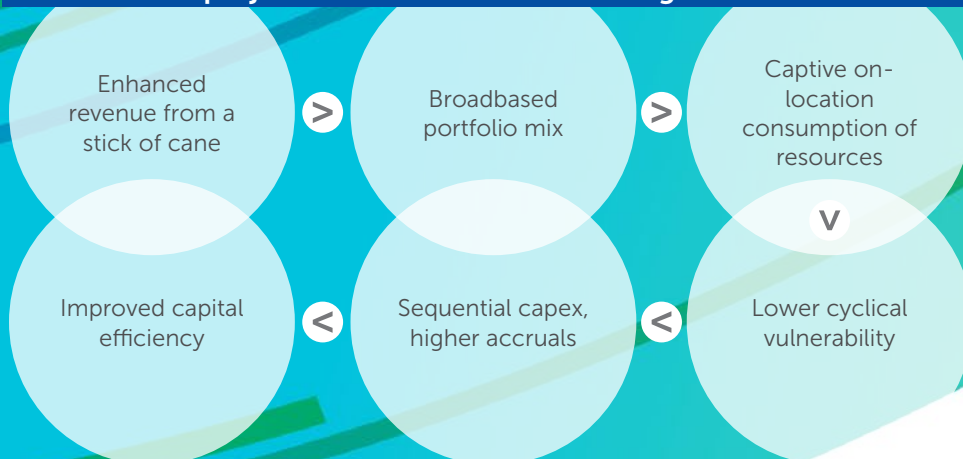
## Our competitive advantage



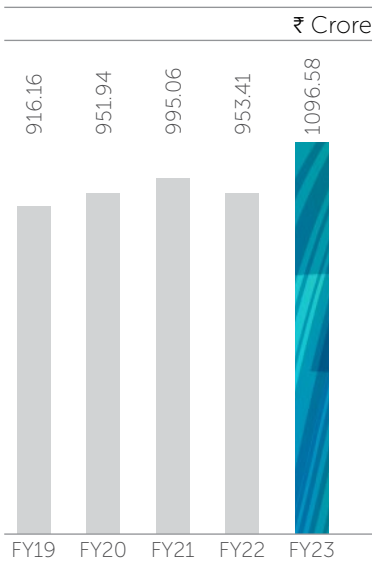
## How we are building our business from here



## The projected outcomes of our strategic direction



# How we have grown across the last few years



## Revenues

### Definition

Revenue is the income generated by a business from its main operations before the deduction of costs and expenses.

### Why is this measured?

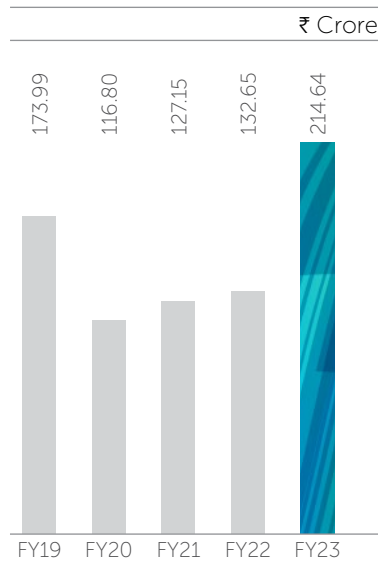
It is an index that showcases the Company's competitiveness in servicing customers with various cane-derived products - an effective indicator in comparing the Company's size with competing firms.

### What does it mean?

This indicates the capacity of the Company to carve out market presence cum share, a foundation on which to amortise fixed costs.

### Value impact

Aggregate sales increased by 15.02% to ₹1,096.58 Crore in 2023-24 due to higher sugar sales by ₹95.24 Crore compared to 2022-23.



## EBITDA

### Definition

Earnings before the deduction of interest, depreciation, extraordinary items and tax

### Why is this measured?

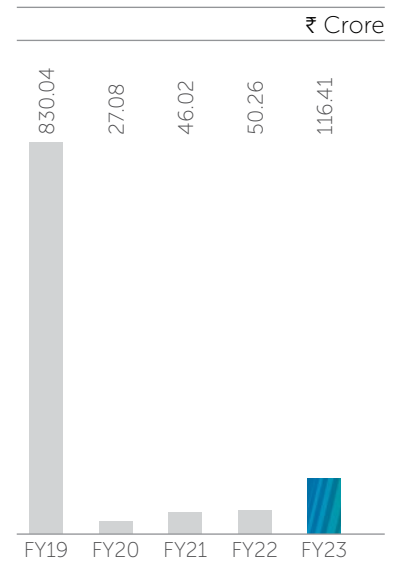
It is an index that showcases the Company's ability to generate a surplus following the expensing of operating costs.

### What does it mean?

This provides a robust platform for the Company to build on

### Value impact

The Company reported a 62% increase in its EBITDA in 2023-24.



## Net profit

### Definition

Profit earned during the year after deducting all expenses and provisions.

### Why is this measured?

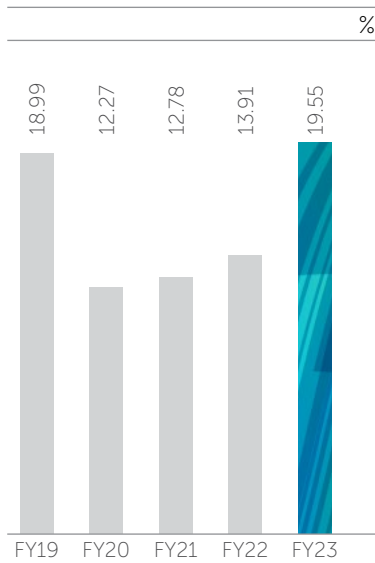
It highlights the strength of the business model in generating value for shareholders.

### What does it mean?

This ensures that adequate cash is available for reinvestment and allows the Company's growth engine to sustain momentum.

### Value impact

The Company reported a 103.13% increase in its net profit in 2023-24.



### EBITDA margin

#### Definition

EBITDA margin is a profitability ratio used to measure a company's operating and financial efficiency.

#### Why is this measured?

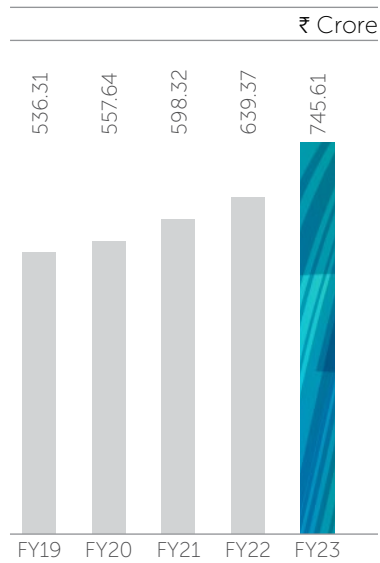
The EBITDA margin provides a perspective of how much a company earns (before deduction of interest, depreciation and taxes) on each rupee of sales.

#### What does it mean?

This demonstrates buffer in the business which, when multiplied by scale, enhances surpluses.

#### Value impact

The Company reported a 40.75% increase in EBITDA margin during 2023-24.



### Net worth

#### Definition

This is derived through the accretion of shareholder-owned funds.

#### Why is this measured?

Net worth indicates the financial soundness of the Company – the higher the better.

#### What does it mean?

This indicates the extent of shareholder funds available within the Company to grow the business.

#### Value impact

The Company's net worth strengthened attractively during the year under review.

## Chairperson's perspective



The combination of enhanced environment responsibility and business profitability represents a robust platform that should deepen our sustainability across the coming years.

### Overview

I am pleased to present my performance perspective for 2023-24 and prospects.

Your Company has been in existence for 10 years and I can state with assurance that we are at inflection point. Your Company seeks to do two things: broad base operations to emerge progressively de-risked from an excessive dependence on sugar, and scale its business. We believe that this represents a coming together of volume growth and value-addition that should translate into a sustainable increase in stakeholder value.

I must start by explaining why these two initiatives – broad basing and value-addition – are at all necessary. During the last few years following the announcement of the National Biofuel Policy, the conventional Indian sugar industry embarked on the journey of evolution towards bio-fuels. The result is that conventional sugar companies that once derived a majority of their revenues from sugar began to be perceived as bio-energy companies. This transformation has translated into enhanced stability, reducing your Company's excessive dependence on a commodity product, helping mainstream what

used to be perceived as a side stream business. The result is that future-facing sugar companies are now generating a declining proportion of revenues from sugar, reducing their dependence on fluctuating market realisations. On the other hand, these companies are generating a growing proportion of their revenues from distillery operations entailing the manufacture of ethanol. The manufacture of ethanol is generating increased realizations, assured offtake, quicker receivables and better profitability. The big picture is that companies that increased the proportion of revenues from ethanol have reduced the debt on their books and begun to post superior capital efficiency around smaller Balance Sheets.

### Mainstreaming the business model

At Magadh Sugar, we believe the time has come to deepen our exposure in non-sugar businesses that could strengthen our recall as a progressively mainstreamed player within the bio-fuel sector.

These are some of the initiatives embarked upon by your Company during the last financial year to reorient its brand and personality.

**First**, your Company announced its decision to commission a 100 KLPD grain-based distillery in Hasanpur. This decision was prompted by a number of external triggers: the proposed unit will be located in the maize bowl of Bihar, assuring farmers of abundant offtake and assured realizations. In view of this, we expect to operate the plant through the year as opposed to a molasses-based distillery that would have been operative only as long as the Company's molasses was available for captive consumption. Besides, the proximity of maize farmers will moderate logistic costs; the ability to produce ethanol through the year is

expected to enhance the proportion of revenues from this profitable product.

**Second**, your Company's 75 KLPD Sidhwalia distillery is being turned into a multi-feed facility before the start of the forthcoming sugar season. This will ensure that this distillery operates at least 330 days, strengthening revenues and profitability.

**Third**, your Company is increasing the licensed crushing capacity at its Narkatiaganj facility from 7500 TCD to 10,000 TCD. This increase will not only generate more sugar; it will also strengthen molasses output, enhancing the capacity to service a captive 80 KLPD distillery. Besides, the enhanced molasses availability from within the system will reduce your Company's dependence on inward molasses supplies from Sidhwalia at higher logistical costs. Your Company's decision to invest in an incineration boiler is expected to concurrently enhance the number of operational days of the distillery from 270 to 330, enhancing revenues and profitability.

### Derisked approach

Your Company is cognizant of the need to enhance capital expenditure without straining the Balance Sheet. Your Company will borrow ₹120 Crore of debt to finance the expansion, resulting in peak long-term debt of ₹280 Crore. On the other hand, we expect that your Company's total assets should increase from ₹670 Crore to an indicative ₹1,200 Crore by the time the project is commissioned. Besides, the capital expenditure is expected to attract government support, reducing the break-even point. In view of this, we believe that the projects will sustain the under-borrowed nature of the Balance Sheet even at peak debt levels. This represents your Company's

commitment to growth with responsibility and sustainability.

This expansion will help moderate your Company's sugar exposure from 85% of overall revenues to around 70% across the next few years, with a corresponding increase in the quantum of ethanol. The latter is expected to help the Company enhance cash flows, marked by quicker payments from oil marketing companies. In turn, this is expected to reduce the short-term loans on your Company's books and shrink the size of the Balance Sheet required to grow operations. A smaller Balance Sheet and enhanced revenue mix are expected to increase capital efficiency and stakeholder value.

### Big message

The big message for all stakeholders is that your Company is broad basing portfolio risk across more products and raw materials while enhancing scalability. We believe that the outcomes of this approach should translate into enhanced revenues, margins and cash flows on the one hand and a deeper association of the Company with bio-fuels on the other.

The combination of enhanced environment responsibility and business profitability represents a robust platform that should deepen our sustainability across the coming years.

**Chandra Shekhar Nopany**  
Chairperson

# Our integrated value creation approach

## Our strategy

Strategic areas	Talent and innovation	Customer at the core	Distributor focus	Enhancing shareholder wealth	Responsible corporate citizen	Community support
Key facilitators	Magadh employed 1,174 talents in 2023-24.	The Company enhanced its customer engagement through adequate capacity, delivering products promptly and maintaining high product quality	Magadh strengthened its network of distributors	The Company had ₹15.66 Lakh free cash in its books as on March 31, 2024	Magadh is a responsible corporate citizen.	Magadh actively participated in community development initiatives.
	The Company provided a remuneration of ₹62.71 Crore, a 1.62% increase over 2022-23.	The Company offered a diverse range of sugar products tailored to meet customer preferences.	The robust eco-system ensured a consistent stability of resources.	Receivables increased; working capital loans increased	Aggregate taxes paid in to 5 years ending 2023-24 was ₹127.28 Crore.	The Company focused on healthcare, skill development, education, infrastructure development and women's empowerment.
	63% employees had worked with the Company for five years or more in 2023-24.		Growth in volumes led to significant procurement efficiencies.	Market capitalisation was ₹753.83 Crore as on March 31, 2024		The Company invested ~₹1.31 Crore in CSR activities in 2023-24.
	The average age was 47 as on March 31, 2024. People retention was 96%		100% of cane farmers were engaged for >5 years.	The Company is likely to become debt-free, strengthening sustainability	The Company was not censured for any regulatory non-compliance in 2023-24	

## Our value-creation down the years

### Employee value

Year	2020-21	2021-22	2022-23	2023-24
Salaries and wages (₹ Crore)	47.79	48.49	61.71	62.71

The Company has progressively invested in employee remuneration, highlighting its role as a responsible employer

### People productivity

Year	2020-21	2021-22	2022-23	2023-24
Revenue per person (₹ Crore)	79	82	77	93

The Company's investment in its people (training, empowerment and career growth) resulted in enhanced output as measured in terms of revenue per person

### Customer value

Year	2020-21	2021-22	2022-23	2023-24
Revenue (₹ Crore)	951.94	995.06	953.42	1,096.58

The Company generated higher revenues, an index of the value created for customers with an increase in average items sold to each customer.

### Shareholder value

Year	2020-21	2021-22	2022-23	2023-24
Market valuation (₹ Crore)	142.54	443.96	448.96	753.83

The Company reinforced shareholder value through a combination of judicious business strategy, accrual reinvestment, value chain and cost management.

### Community

Year	2020-21	2021-22	2022-23	2023-24
CSR investment (₹ Crore)	1.26	1.42	1.51	1.31

The Company improved the livelihood of communities in the geographies of its presence through a combination of child feeding programmes and other initiatives.

# Our proactive involvement in cane development



## Overview

At Magadh Sugar, our focus lies in cultivating a strong cane pipeline by engaging consistently with farmers, implementing mechanized farming practices and providing timely knowledge to improve farm yields. The Company's ongoing efforts have contributed to increased cane coverage, yield and output.



### Challenges and how we addressed them

The Company encountered challenges stemming from excessive rainfall in its cane regions at Sidhwalia and Narkatiaganj. The CO238 cane variety was adversely impacted by red rot disease in these areas, leading to a reduction in cane supply and consequent by lower asset utilization across both units.

To mitigate these issues, the Company introduced cane varieties better suited to heavy rainfall and low-lying land, with resistance to diseases, the cane varieties being CO9301, C14201 and C15023. The Company judiciously utilized trichoderma and pesticides recommended by scientists to safeguard farms against diseases. The team advised farmers to cultivate the successful CO238 variety in elevated areas to enhance protection against such challenges.

### Our distinctive features

**Association:** The Company maintained partnerships with around 88,500 farmers across its operational regions, with a significant number having sustained ties for over a decade.

**Personnel:** By strengthening its cane team, the Company deepened its farm assessments and farmer engagement.

**Messaging:** Utilizing the SMS platform, the Company communicated timely updates to farmers, fostering a sense of community.

**Digitalisation:** Embracing digitalization, the Company streamlined farmer payments, transitioned to cloud computing and launched the Kisan net.com platform to strengthen its commitment to farmers.

**Procurement:** A majority of the Company’s cane procurement occurs at the plant gate, ensuring

freshness and reducing the cut-to-crush time.

**Proximity:** The Company’s command areas are within 30 kilometers of its factories, facilitating prompt cane procurement.

**Farmland:** Using a 6 Lakh acre farm, the Company conducts trials and cultivates new cane varieties, subsequently distributing seeds to farmers.

### Highlights, 2023-24

- The Company crushed 23.99 Lakh Tonnes of cane - 6.39 Lakh Tonnes in Sidhwalia, 9.78 Lakh Tonnes in Narkatiaganj and 5.43 Lakh Tonnes in Hasanpur.
- The Company collaborated with Indian Institute of Sugarcane Research, Lucknow, for research assistance on new cane varieties.
- Scientists made periodic visits to the Company’s command areas to offer recommendations and implement sustainable farming practices.

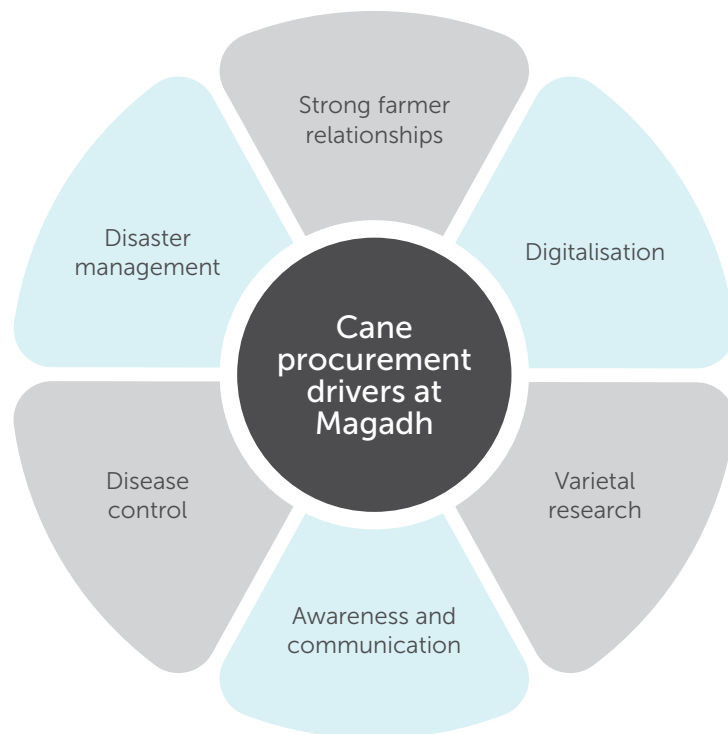
- The Company revamped its messaging system and transitioned to cloud computing

- The Company remunerated farmers within 14 days of cane procurement, incentivising further cane planting

- The Company offered farmers subsidised boring pipes, harrow, cultivators and electric motors.

### Way forward

The Company aims to increase cane planting across its command areas through proactive interventions. The Company procured quality seeds, partnered research institutions and developed a tissue culture lab to propagate new cane varieties. The Company will undertake programmes to develop new varieties through research institutes.



Business segment review

# Our sugar business



**763.48**  
₹ Crore, revenue from sugar business, 2023-24

**69.62**  
%, share of the sugar business in total revenues, 2023-24

### Highlights, 2023-24

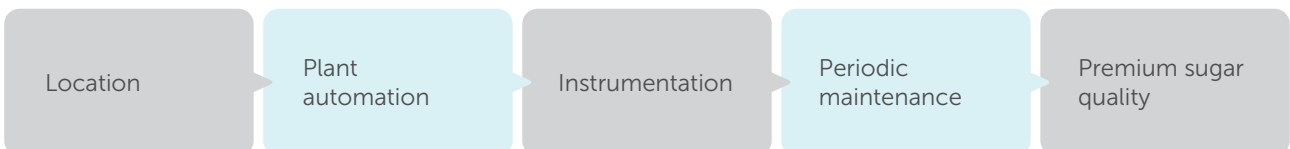
- The Company crushed 23.99 Lakh Tonnes of cane compared to 21.91 Lakh Tonnes in 2022-23.
- The EBIT margin for the sugar business stood at 11% compared to 10% in 2022-23.
- The business produced 2.51 Lakh Tonnes of sugar

- The business reported 1.83 Lakh Tonnes of inventory as on March 31, 2024.
- The Company's sugar ICUMSA ranged between 110 and 120; the sugar ICUMSA in the Sidhwalia unit was below 40, among the best in the sector.
- The Company enhanced its crushing capacity by 33% to generate a larger throughput of sugar, ethanol and co-generated power.

### Way forward

The Company intends to expand its sugar manufacturing capacity and quality in 2024-25.

### Our distinctive attributes



Business segment review

# Our distillery business



**289.13**  
₹ Crore, revenue from our ethanol business, 2023-24

**26.37**  
%, share of our ethanol business in total revenues, 2023-24

### Challenges and how we addressed them

The Company encountered challenges in ethanol offtake due to a slowdown in procurement by oil marketing companies, leading to increased inventory. To address this, the Company maintained a close communication with them to restore supplies and manage ethanol inventory levels.

### Highlights, 2023-24

- The business recorded an EBIT margin of 25%
- The business sold 4.67 Crore bulk litres of ethanol at an average ₹60.14 per litre compared to 3.99

Crore bulk litres for an average realisation of ₹60.76 per litre in 2022-23. Ethanol realisation from the C-Heavy route ethanol was ₹56.65 per litre whereas from the B-Heavy route, it was ₹60.67 per litre.

- The Company manufactured 4.99 Crore bulk litres of alcohol compared to 3.94 Crore bulk litres of alcohol in the previous year.
- The Company generated 4.03 Crore litres of ethanol through the B-Heavy and 0.95 Crore litres through the C-Heavy routes.
- The Company's distilleries were operated at more than 100% capacity utilisation

### Way forward

The Company announced plans to expand its distillery capacity in its Sidhwalia unit by adding grain-based production alongside its existing molasses-based operations. This strategic move aims to increase flexibility, particularly in scenarios of reduced cane availability. Once all captive molasses are utilized, the Company can seamlessly transition to ethanol production through the grain route. This enhanced flexibility is expected to increase distillery capacity utilization from 330 to 350 days a year, increasing revenues, margins and surplus.

### Our distinctive attributes



Business segment review

# Our power co-generation business



**31.91**  
₹ Crore, revenue from power business in 2023-24

**2.91**  
%, share of power business in total revenue in 2023-24

### Challenges and how we addressed them

Technical difficulties with the plant’s boiler tube caused a temporary disruption in steam supply. The Company’s team promptly implemented proactive measures to resolve the issue and resume operations.

### Highlights, 2023-24

- The business EBIT margin was 40% in 2023-24.

- The business produced 9.20 Crore units compared to 8.6 Crore units in 2022-23.
- The business exported 4.93 Crore units compared to 5.32 Crore units in 2022-23.
- Average realisations stood at ₹5.28 per unit compared to ₹5.33 per unit in 2022-23.

- The Company entered into a power purchase agreement with the Bihar State Electricity Grid.

### Way forward

The Company intends to enhance co-generation capacity concurrent with a capacity expansion in the sugar and distillery segments.

- The Company produced power through an environment friendly process utilizing in-house generated bagasse

### Our distinctive attributes



# How we strengthened our talent management at Magadh

## Overview

Effective talent management distinguishes companies within the sugar industry. The level of investment in experience, knowledge, exposure, delegation and empowerment directly correlates with a company's competitive edge. At Magadh, this commitment to talent investment has promoted a culture of excellence, enabling us to surpass sectorial norms by swiftly commissioning capacities, operating facilities with greater efficiency and maintaining lower costs.

## Our HR policy

At Magadh, our human resource strategy prioritizes talent acquisition, development and retention. As of the end of the review period, the average age of our employees stood at 47 years, with an average tenure exceeding 10 years, showcasing significant experience and expertise. We emphasize comprehensive employee development, prioritizing their well-being and safety.

## Talent management initiatives

At Magadh, our HR vision is rooted in our organizational values and mission. We believe that competent talent management represents the cornerstone of success in the sugar industry. Our commitment lies in investing in our employees' knowledge, exposure, delegation and empowerment, enhancing our competitive advantage.

Our vision is to excel in manufacturing sugar and allied products while upholding responsible governance practices, transparency and environmental consciousness. We aim to fulfill the aspirations of farmers, customers,

employees, shareholders and society at large. Central to our vision is providing opportunities for employees and business associates to realize their full potential through integration, expansion and continuous development.

This vision translated into our employee value proposition (EVP), which revolved around three key pillars: 'We grow with you,' 'Learn and glow,' and 'Happiness is ours.' 'We grow with you' emphasized internal talent development, with over 50% of our employees growing within the organization, supporting a culture of longevity and loyalty. Our structured performance culture ensured fair assessments and opportunities for advancement through initiatives like the Spotlight Talent Management Program.

## Outlook

The Company aims to enhance skill development, strengthen behavioral and interpersonal capabilities and provide clear growth paths for individuals and the organization.



### Employees

Year	FY22	FY 23	FY24
Employees	1167	1153	1174

### Retention rate (%)

Year	FY22	FY 23	FY24
People retention rate in %	97	97	96

### Employee cost as a percentage of total revenue

Year	FY22	FY 23	FY24
Employee cost as % of revenue	4.87	6.47	5.72

### Profile of employees as per education

Year	FY22	FY 23	FY24
Graduates	246	244	228
Masters	32	34	40
Engineers	55	57	77
MBA's	7	8	9
Chartered Accountants	4	4	4

### Average age

Year	FY22	FY 23	FY24
Average age	49	48	47

### Employees by age group

Year	FY22	FY 23	FY24
Age group 22-35	158	171	190
Age group 36-45	253	243	279
Age group 46-60	756	739	705

### Employees by tenure

Year	FY22	FY 23	FY24
More than 5 years (as % of total)	75	71	63

### Health and safety – incidents

Year	FY22	FY 23	FY24
Incidents	NIL	NIL	NIL

### Average remuneration

Year	FY22	FY 23	FY24
Average remuneration (₹)	27,221	32,391	34,052

## ESG

# At Magadh Sugar, an Environment-Social-Governance (ESG) commitment resides at the core of our culture

## Overview

A growing number of companies are recognizing environmental, financial and reputational benefits from responsible engagement. Besides complying with environment norms, these companies are helping reduce resource depletion, water scarcity, pollution and harmful impacts, coupled with process safety. The result is that ESG represents a

future-facing framework for business continuity.

## Magadh Sugar and ESG

At Magadh Sugar, a commitment to Environment-Social-Governance (ESG) is integral to our existence. We believe that it is not enough to do the right things, but to do them in the right way as well. It is no longer

important to focus on the needs of a limited number of stakeholders but to service all stakeholders. The over-riding objective of our business is to enhance stakeholder trust. This objective defines why customers select our products, why employees engage with us, why vendors sell to us, why investors provide risk capital, why bankers lend and why communities support us

## Our environmental component

- Enrich and protect biodiversity
- Moderate the Company's carbon footprint
- Leverage the 5R's (replace, re-use, renewable, recycle, reduce)
- Graduate to a superior environment rating
- Conduct audits; invest in environment compliance
- Disclose environment performance transparently

## Our social component

- Protect and ensure human rights
- Diversity and inclusion
- Focus on knowledge, experience and retention
- Investment in training
- Health, safety and well-being
- Community welfare
- Livelihood impacts

## Our governance component

- Governance structure
- Board composition
- Board freedom to express
- Ethical framework
- Transparent reporting and assurance

The combination – environment, social and governance – represents a platform leading to secure, scalable and sustainable long-term growth

## How we enhanced our environment approach

At Magadh Sugar, we believe that a low carbon approach is fundamental to businesses.

This commitment is universal, making it possible to mobilize debt quicker and at a lower cost; it enhances employee retention; it catalyses profitability.

**Strong internal controls:** There is a growing commitment to

environmental management systems, conducting environmental due diligence and building disaster planning & response systems.

The Board charts out a strategic direction and delegates day-to-day management to professionals who are guided by processes.

**Resilience towards climate**

**change:** At Magadh Sugar, there is a commitment to reduce energy

intensity, reduce greenhouse gas emissions intensity and graduate to cleaner manufacturing fuels and processes.

**Reduce our impact on environment and nature:**

The Company achieved zero waste to landfill and zero effluent discharge targets while moderating water consumption intensity across its operations.

## How we have strengthened our social framework

**Employees:** We invested in continuous cost management and sustainability across market cycles. The Company made investments in recruitment, retention and training to enhance efficiency and effectiveness.

The Company also enhanced safety (training, protocols, investments and awareness-building).

**Customers and vendors:** The Company deepened relationships with vendors and primary customers.

**Community:** The Company engaged with the community around its manufacturing locations.

### Employees

55.28

₹ Crore, remuneration to employees in 2023-24

55.63

₹ Lakh, remuneration to employees in 2022-23

### Customers

1096.58

₹ Crore, revenues from sales in 2023-24

953.42

₹ Crore, revenues from sales in 2022-23



# How we have built a credible governance platform

## Overview

At the heart of Magadh Sugar's governance commitment is a strong one-tier Board system with Board of Directors who possess a disciplined orientation.

**Ethics and integrity:** The Board is committed to the highest standards of integrity. Directors commit to abide by the 'Code of Conduct', regulations and policies.

**Responsible conduct:** The Board prioritises the development of neighbourhoods, communities and societies in which it operates.

**Accountability and transparency:** The Board provides comprehensive financial and non-financial reporting and feedback. The Company is aligned with the best disclosure practices.

**Board evaluation and compensation:** The Board has a formal mechanism to evaluate the performance of Committees and individual Directors, including the Chairman of the Board. The Board was periodically apprised of emerging sectorial risks and trends.

## The Board's role

The Board sets the direction; it reviews, assesses and approves initiatives. Besides this, it assesses issues, competing forces and business risks that define the Company's short-term performance and long-term viability. In its supervisory capacity, the Board monitors corporate performance and executive team behaviour. The holistic supervision includes strategy development, design and implementation. The Board periodically discusses the Company's ESG commitment from financial and other perspectives. The Board encourages the senior management to embark on initiatives beyond compliance in regulatory requirements and other matters.

## Board independence

The Board comprises around 71.42% Independent Directors, who bring independent judgment to the table

## Board diversity

The Company's Board diversity harnessed differences and uniqueness in knowledge, skills, regional and industry experience, cultural and geographical backgrounds, ages, ethnicity, races and genders

## Ethics and integrity

The Company formulated a 'Code of Conduct', setting out guidelines to be followed by the Board, senior management, employees and associates

## Board oversight

The various Board committees have been set up to carry out defined roles performed as articulated in their respective terms of engagement. The Board supervises committees and was responsible for their actions

## Skills and experience

The Magadh Sugar Board aggregates knowledge, perspective, professionalism, thought diversity and experience. The Board members possess a rich understanding of governance, technical, financial and non-financial issues. The Board possesses a rich experience in the sugar sector, strategy, financial, counterparty negotiation, risks, legal, environment and social issues.

Responsibility

# Our social responsibility and commitment

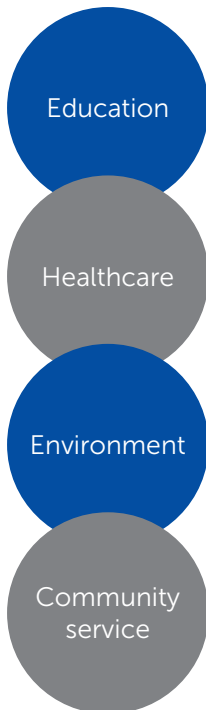
### Overview

At Magadh Sugar, corporate social responsibility encompasses responsible business practices involving all stakeholders in decision-making and operations. This entails adopting ethical, equitable, environmentally conscious, gender-sensitive and inclusive business policies.

Magadh Sugar is dedicated to support an equitable and inclusive society by facilitating sustainable transformation and social integration. The Company will collaborate with government agencies, NGOs and other organizations to advance rural education initiatives.

The Board of Magadh Sugar constituted a CSR committee (three members, and one Independent Directors). The CSR committee recommends initiatives to the Board every financial year; the Board is responsible for ensuring that funds committed by the Company for CSR activities are deployed and monitored.

### The areas of our presence



### CSR activities in 2023-24

#### Education and empowerment:

Recognizing the transformative impact of education, we developed programs to support underprivileged children. These programs included providing free books and educational materials, as well as scholarships for talented students to pursue further education.

#### Health and wellness programs:

We organized regular medical camps that offered free healthcare services, medicines and emergency medical equipment to underserved populations. These initiatives were essential in regions with inadequate medical infrastructure, significantly enhancing community well-being.

#### Environmental sustainability:

We remained committed to environmental improvement through reforestation projects, clean-up drives and investments in sustainable technologies. Our aim is to minimize our environmental footprint and promote sustainability practices within the community.

#### Volunteering and community engagement:

We encouraged employee participation through a structured volunteering program, enabling our staff to dedicate their time to various community service activities. This promoted a culture of giving back and strengthened the bond between our employees and the communities we served.

#### CSR disbursement (in ₹ Crore)

2019-20	2020-21	2021-22	2022-23	2023-24
1.17	1.26	1.42	1.51	1.31

# Directors' Report

## Dear Members,

Your Board of Directors present herewith the 10th Annual Report on the business & operations of the Company along with the Audited Financial Statements for the financial year ended 31st March, 2024.

## 1. FINANCIAL RESULTS

(₹ in lakhs)

	Year ended March 31, 2024		Year ended March 31, 2023	
Revenue from Operations (Gross)		1,09,658.03		95,341.98
Profit before Finance Costs, Tax, Depreciation and Amortization		21,463.52		13,264.53
Less: Depreciation & Amortization Expenses	2,542.54		2,519.49	
Finance Costs	3,261.74		3,035.97	
Profit/(Loss) Before Tax		15,659.24		7,709.07
Less: Provision for Tax				
Current Tax		4,263.74		1,337.85
Deferred Tax Charge		(245.46)		1,345.07
Profit/(Loss) After Tax		11,640.96		5,026.15

## 2. OPERATING PERFORMANCE

During the year under review, your Company continued with various modernization and de-bottlenecking activities. Your Company has also undertaken a capital project to increase the Sugarcane Crushing Capacity from 7500 TCD to 10000 TCD and to improve Energy Efficiency at its Narkatiaganj Unit, at an estimated cost of ₹165 Crores, to be funded with optimum mix of debt & internal accruals.

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 2023-24

The Company recorded Total Revenue of ₹1,09,815.04 lakhs (including other income aggregating to ₹157.01 lakhs) during the financial year ended 31st March, 2024. The Gross Revenue from Operations of the Company for the year 2023-24 stood at ₹1,09,658.03 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹21,463.52 lakhs representing 19.55% of the total revenue.

There is no change in the nature of business of the Company during the year under review.. 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 to which the financial statement relates and date of this report.

## 4. DIVIDEND

Your Board has recommended a dividend of ₹10/- per equity share and additionally a special one-time dividend of ₹5/- per equity share totalling to ₹15/- (150%) per equity share (face value of ₹10/- each) for the financial year ended March 31, 2024. The proposal is subject to the approval of the Members at the 10th Annual General Meeting (AGM) of your Company scheduled to be held on August 1, 2024. The dividend will entail a cash outflow of ₹2,113.74 lakhs (previous year ₹986.41 lakhs).

As permitted under the provisions of the Companies Act, 2013 ("the Act"), 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 Act.

There was no public deposit outstanding as at the beginning and end of the financial year 2023-24.

## 6. SHARE CAPITAL

During the year under review, the Authorized Share Capital of the Company stood at ₹40,10,00,000/- (Rupees Forty crore and ten lakhs) divided into 2,51,00,000 (Two crore fifty one lakhs) Equity Shares of ₹10/- (Rupees ten) each and 15,00,000 (Fifteen lakhs) Preference Shares of ₹100/- and there is no change in the authorised capital. The Issued and Subscribed Share Capital of your Company, as on 31st March, 2024, stood at ₹14,09,16,300/- divided into 1,40,91,630 Equity Shares of ₹ 10/- each.

## 7. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

The Company does not have a subsidiary, associate or joint venture as on March 31, 2024. However, the Company has in place a policy for determining material subsidiaries in line with the requirement of SEBI (LODR) 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 Company Credit Rating IND A stable 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 continues 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 are Independent Directors and one Promoter Director. Mr Chandra Shekhar Nopany is the Promoter Chairperson of the Company. The Board is duly constituted with proper balance of executive, non-executive, independent and woman directors.

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..

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

Pursuant to Section 161 and other applicable provisions of the Act, read with Articles of Association of the Company, the Board of Directors at its meeting held on May 14, 2024 appointed Mr. Rajan Arvind Dalal (DIN: 00546264) as an Additional Director, to hold office till the ensuing Annual General Meeting. The same is being placed before the Members of the Company for approval.

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

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

The Key Managerial Personnel of the Company as on 31st March, 2024 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 <https://www.birla-sugar.com/Assets/Magadh/MSEL-Famprog%2022-23.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 which is available at the website of the Company at the weblink <https://www.birla-sugar.com/Assets/Magadh/Magadh%20Sugar%20-%20Nomination%20and%20Remuneration%20Policy.pdf>

## 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 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 support local initiatives to improve infrastructure as well as support in other corporate social responsibilities. The CSR Policy as approved by the Board is available on Company's weblink <http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf> There has been no change in this policy during the year under review.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Annual Report on CSR activities (including the details of the development and implementation of the Corporate Social Responsibility Policy) as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure 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 ₹ 127.63 lakhs. As against this, the Company had spent ₹ 130.77 lakhs on CSR projects / programs during the Financial Year 2023-24.

## 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 2024, 5 (Five) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the year under review are given in the Corporate Governance Report forming a part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

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

## 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 said 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(ies) 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 <https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy.pdf>. 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, is in place 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, 2024, 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. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the weblink <http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf>

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

## 22. CORPORATE GOVERNANCE & ANNUAL RETURN

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2023-24 is attached as "Annexure B" to this Report. The declaration of the Whole-time Director confirming compliance with the 'Code of Conduct' of the Company is enclosed as "Annexure C" to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as "Annexure D" to this Report.

A copy of annual return of the Company is available on the website of the Company at the weblink: <https://www.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 July 21, 2022, had appointed M/s B S R & Co LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022), as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the Eighth AGM of the Company held on July 21, 2022 till the conclusion of the Thirteenth AGM of the Company.

There has been no qualification, reservation, adverse remark or disclaimer in the Auditor's Reports.

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.

### 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 2024-25. 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 Act 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 2023-24. The Secretarial Audit Report is annexed herewith as "Annexure F" and which is self-explanatory.

There are 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

During the year under review, the Company was not required to transfer any unclaimed/unpaid dividend and shares to IEPF.

The details of unclaimed/unpaid dividends are available on the website of the Company at [www.birla-sugar.com](http://www.birla-sugar.com)

## 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 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" 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, 2024, 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, 2024 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 Listing 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**

**Chandra Shekhar Nopany**

Chairperson

DIN: 0014587

Place: Kolkata

Dated: 14th May, 2024



## Annexure-A

# Management discussion and analysis

## GLOBAL ECONOMY

### Overview

**Global economic growth:** The IMF projects global growth to stabilize at 3.1% in 2024, similar to 2023, with expectations to slightly improve to 3.2% in 2025. This growth is lower than the historical average due to continuing restrictive monetary policies, a gradual withdrawal of fiscal support, and subdued productivity growth across nations.

**Advanced economies:** Advanced economies are facing a slowdown, with projected growth decreasing from 2.6% in 2022 to around 1.2% in 2023, and slightly recovering to 1.7% in 2024. This is primarily due to high interest rates and other tightening monetary policies aimed at controlling inflation.

**Emerging markets and developing economies:** These economies are expected to perform slightly better, with growth projected at 4% in 2023 and increasing to 4.2% in 2024. China and India are significant contributors to this growth, partially offsetting weaker performance in other regions.

**Inflation trends:** Global inflation is forecasted to decrease, expected to drop from 6.8% in 2023 to 5.8% in 2024 and further to 4.5% in 2025. The disinflation is supported by easing supply-side issues and ongoing restrictive monetary policies.

**Trade and commodity prices:** Global trade dynamics are shifting, with significant changes in trade flows due to geopolitical tensions and economic policies. For example, trade volumes are adjusting, with emerging economies driving much of the demand. Commodity prices, particularly energy, have been volatile, influencing global inflation and economic strategies.

**Equity markets and economic sentiment:** Global equity markets have shown resilience, with significant contributions from the US, India, and Brazil. Despite economic challenges, strong corporate earnings and consumer spending have supported market performance.

Regional growth (%)	2023	2022
World output	3.1	3.5
Advanced economies	1.69	2.5
Emerging and developing economies	4.1	3.8

(Source: UNCTAD, IMF)

## PERFORMANCE OF MAJOR ECONOMIES, 2023

<b>United States:</b>	Reported GDP growth of 2.5% in 2023 compared to 1.9% in 2022
<b>China:</b>	GDP growth was 5.2% in 2023 compared to 3% in 2022
<b>United Kingdom:</b>	GDP grew by 0.4% in 2023 compared to 4.3% in 2022
<b>Japan:</b>	GDP grew 1.9% in 2023 unchanged from a preliminary 1.9% in 2022
<b>Germany:</b>	GDP contracted by 0.3% in 2023 compared to 1.8% in 2022

(Source: PWC report, EY report, IMF data, OECD data, Livemint)

### Outlook

**Asia's economic growth:** Asia is expected to maintain strong growth, albeit with some moderation. The Asian Development Bank forecasts the region's growth at 4.8% for both 2023 and 2024, with developing Asia excluding China anticipated to grow at 4.6% in 2023 and 5.1% in 2024. This growth is supported by increased consumption, tourism, and investment as pandemic restrictions continue to ease.

**Global economic resilience:** The global economy has shown resilience despite high inflation and monetary tightening. However, growth is expected to slow down, with the World Bank projecting a global growth rate of 2.4% in 2024, reflecting the impacts of tight monetary policies and subdued trade and investment.

**Inflation trends:** Inflation within the G20 economies is expected to decline gradually as cost pressures ease. This aligns with a broader global trend where inflation is anticipated to fall, supported by unwinding supply-side issues and restrictive monetary policies. Specific forecasts for G20 inflation are not detailed in the sources, but the general trend points towards a moderation in inflation rates globally.

**Regional Specifics:** The East Asia and Pacific region is likely to see continued but slowing momentum, with growth expected to be robust in 2023 at 5% and slightly tapering to 4.5% in 2024. This forecast reflects a combination of enduring consumer demand and the effects of a global slowdown.

## INDIAN ECONOMY

### Overview

The Indian economy is expected to perform robustly in the fiscal year 2023-24, with the Reserve Bank of India estimating a growth rate of 7.3%, slightly above the previous year's 7.2%. This growth is supported by strong performance in sectors like manufacturing and services, despite challenges such as adverse monsoon conditions and global geopolitical tensions.

Inflation has been a significant concern, with the Consumer Price Index (CPI) averaging 5.4% over the first 11 months of FY 2023-24. Food inflation has been particularly high due to lower production and erratic weather, while core inflation has shown a decline, averaging 4.5%, thanks to the softening of global commodity prices.

The Indian rupee has shown relative stability against the US dollar throughout the year, reflecting underlying strengths in the economy despite global uncertainties. Additionally, India's foreign exchange reserves reached a historic high of US\$645.6 billion, providing a substantial buffer against external shocks.

The outlook for FY 2024-25 remains positive with projected real GDP growth at 7%, indicating sustained economic momentum. This outlook is enhanced by improvements in consumer confidence and business optimism, although the performance is not uniform across all sectors.

Overall, while there are external risks from global geopolitical tensions and economic conditions, India's internal strengths, such as high foreign exchange reserves, strong sectoral performance, and government capital expenditure, position it well for continued economic growth.

### Growth of the Indian economy

	FY 21	FY 22	FY23	FY24
Real GDP growth (%)	-6.6%	8.7	7.2	8.2

E: Estimated

### Growth of the Indian economy quarter by quarter, FY 2023-24

	Q1 FY24	Q2 FY24	Q3 FY24	Q4 FY24
Real GDP growth (%)	8.2	8.1	8.4	7.8

(Source: Budget FY24; Economy Projections, RBI projections, Deccan Herald)

**Economic sectors:** Key sectors driving growth include manufacturing, services, and infrastructure, with substantial government capital expenditure playing a crucial role in stimulating private investment. (RBI)

**Inflation and monetary policy:** Inflation has seen some fluctuation with the Consumer Price Index (CPI) rising in the latter months of 2023, primarily due to increases in food prices. However, core inflation has remained more stable, reflecting the effectiveness of monetary policy in managing price stability. (RBI)

The Indian economy has shown a robust performance in the fiscal year 2023-24, with a variety of sectors contributing to its growth, despite some challenges such as a significant monsoon shortfall.

**Economic growth:** India's real GDP growth for FY 2023-24 is estimated at 7.3%, slightly up from 7.2% in the previous year. This growth is supported by a strong performance in sectors like manufacturing, which is expected to grow by 6.5%, and mining, which is projected at an 8.1% increase. The services sector, particularly financial, real estate, and professional services, are also expected to grow robustly at 8.9% (Press Information Bureau).

**Agricultural sector:** Despite the challenges posed by the lowest monsoon rainfall in five years, wheat production is expected to reach a record 114 million tonnes due to increased cultivation area. However, rice production is anticipated to decrease significantly to 106 million metric tons, down from 132 million metric tons in the previous year, largely due to the adverse weather conditions affecting crop yields (Press Information Bureau).

**Exports and tax collections:** India's exports of goods and services are projected to reach about US\$ 900 billion, with merchandise exports expected to be between US\$ 495 billion and US\$ 500 billion, and services exports around \$400 billion. Net direct tax collections have also shown a substantial increase, up 19% to ₹14.71 lakh crore, indicating strong economic activity and effective fiscal management (Press Information Bureau).

**Banking and financial health:** The gross non-performing asset ratio for scheduled commercial banks has improved, decreasing to 3.2% as of September 2023, from 3.9% at the end of March 2023. This improvement suggests strengthening financial stability within the banking sector (Press Information Bureau).

**Sector-specific growth:** Other key sectors such as construction are expected to grow by 10.7% year-on-year, and public administration, defense, and other services by 7.7%. However, agriculture's growth is expected to be modest at 1.8%, reflecting the impact of less favorable monsoon conditions (Press Information Bureau).

Overall, while India faces challenges such as global economic headwinds and domestic climatic conditions,

its diverse and resilient economic structure allows it to maintain growth momentum across various sectors.

### Outlook

India has demonstrated remarkable resilience against global economic challenges in 2023 and is well-positioned to continue its growth trajectory into 2024. It is expected to remain the fastest-growing major economy, with various forecasts suggesting a GDP growth rate of around 6.1% to 6.6% for 2024. This growth is underpinned by strong domestic demand, moderate inflation, stable interest rates, and robust foreign exchange reserves.

The country's GDP is projected to exceed US\$4 trillion by 2024-25, supported by substantial economic diversification and effective policy measures that have helped smooth out external shocks. India's growth is also bolstered by the private sector's significant role, particularly in industries like manufacturing, which is expected to see further improvements in 2024.

Inflation is anticipated to remain within manageable levels, with the Reserve Bank of India maintaining a stable interest rate environment to support economic growth while keeping inflation in check. Retail inflation is forecasted to decline slightly to 4.8% in the financial year 2024-25. Additionally, India's foreign exchange reserves have remained robust, crossing the \$600 billion mark again in late 2023, providing a solid buffer against external vulnerabilities.

Overall, India's economic outlook for 2024 is one of cautious optimism, with growth expected to be driven by ongoing governmental capital expenditures, improving labor market conditions, and a recovery in the services sector as the effects of the COVID-19 pandemic wane. *Source: (PwC), (Economic Times), (IMF), (Business Standard), (World Bank).*

## INTERIM UNION BUDGET FY 2024-25

The Interim Union Budget for FY 2024-25 has placed a strong emphasis on capital expenditure, continuing the Indian government's focus on investments across several key sectors including infrastructure, solar energy, tourism, medical ecosystem, and technology. The budget highlights an 11.1% increase in capital expenditure, aligning with the government's vision to stimulate economic growth and enhance public services.

Key allocations include:

- The Ministry of Defence received the highest budget allocation at Rs 6,21,541 crore, which is about 13% of the total budgeted expenditure.

- Significant allocations were also made to other critical sectors such as road transport and highways (5.8%), Railways (5.4%), And consumer affairs, food and public distribution (4.5%).

These investments are part of a broader strategy to enhance India's infrastructure and service sectors, aiming to boost productivity and long-term economic growth. The government's approach reflects its commitment to sustaining high growth through strategic investments in areas that are vital for the country's development. *(Sources: India Budget)*

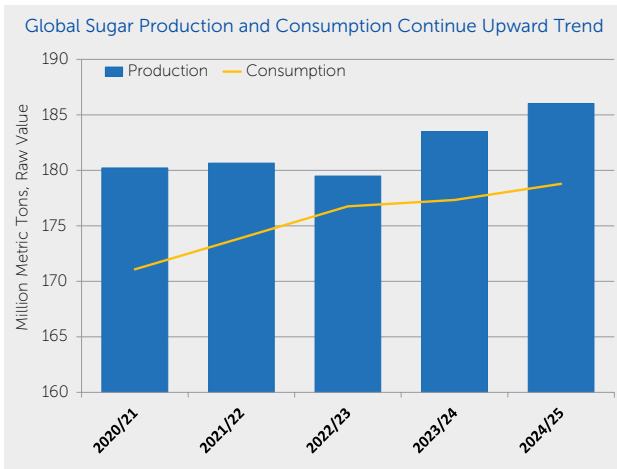
**Global production:** The 2023-24 global sugar production has been revised to 181.8 million tonnes, which is an increase from earlier estimates. This adjustment is mainly due to favourable weather conditions in Brazil's Centre-South region, which have allowed continued high levels of cane crushing. However, overall global production is down slightly due to reduced outputs in key countries like Thailand and India, attributed to El Niño-induced dry conditions. Thailand's production, in particular, is expected to be the lowest in a decade due to adverse weather conditions. *(Czapp).*

**Global consumption:** Consumption is forecasted to grow slightly, with global sugar consumption expected to be around 179 million tonnes in 2023-24. This represents a modest increase based primarily on population growth. *(Czapp).*

**Market dynamics:** The global sugar market has experienced some fluctuations. After a dip in mid-2023, international sugar prices rebounded to their highest level since September 2011 by September 2023. These price increases were driven by concerns over a tighter global supply outlook and higher international crude oil prices. Despite this, the ample sugar supplies from Brazil's 2022-23 crop helped to mitigate these increases, leading to a slight decrease in prices by October 2023 *(World Economic Forum).*

**Trade projections:** The initial projection for global sugar trade in 2023-24 stands at 60.7 million tonnes, slightly lower than the previous year. This decrease is largely due to anticipated reductions in exportable supplies from major exporters such as Brazil, India and Thailand *(Czapp).*

Overall, the global sugar sector continues to navigate through challenges such as climatic conditions and economic factors, affecting both production and prices. The sector is expected to experience continued growth in consumption, albeit at a slower rate due to economic constraints and elevated sugar prices.



## PERFORMANCE OF MAJOR SUGAR PRODUCING NATIONS

**United states:** The U.S. is expected to maintain stable sugar production at 8.4 million tons. However, imports are forecasted to decrease by 10% to 2.8 million tons, primarily due to adjustments in quota programmes and reduced imports from Mexico (*Czapp*).

**Brazil:** Brazilian sugar production is forecasted to increase significantly, rising by 3 million tons to reach 42.3 million tons. This growth is driven by favourable weather and higher sugar prices, which encourage farmers to favour sugarcane over grains. Sugar's share of the production mix is expected to increase, with ethanol making up the remainders (*USDA Foreign Agricultural Service*) (*Ragus*).

**China:** Sugar production in China is expected to rise by 1 million tons to reach 10.6 million tons. This increase is supported by favourable weather conditions, enhancing sugarcane yields. Sugar consumption is anticipated to remain steady, while imports will likely rise to balance the domestic supply and demand (*Ragus*).

**Thailand:** Thailand's sugar production is expected to decrease significantly by 1.7 Million tonnes to 9.4 Million tonnes due to drought conditions affecting the sugarcane growth stages. Despite this decrease, sugar consumption is expected to increase due to economic recovery and rising tourism, boosting domestic demand (*Czapp*).

**European union:** Sugar production in the EU is projected to rise by 3% in the 2023-24 season, driven by robust crops in the Eastern regions, which compensate for a decline in other areas such as France. The EU is expected to decrease its imports by 500,000 tons to 2.5 million tons (*USDA Foreign Agricultural Service*) (*USDA Foreign Agricultural Service*).

### Indian sugar sector review

The Indian sugar industry is currently navigating through

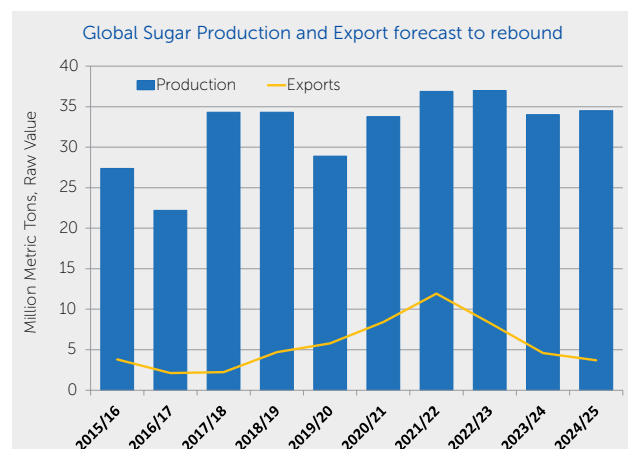
significant challenges and strategic shifts, particularly in the realms of production and policy:

**Sugar production estimates:** The Indian Sugar Mills Association (ISMA) forecasts that sugar production for the 2023-24 season will likely exceed earlier projections, reaching about 32 million tonnes. This adjustment is mainly due to better-than-expected cane yields in key producing states like Maharashtra and Karnataka (*ISMA India*) (*Sugar Online*).

**Export restrictions and ethanol production:** The government has extended export restrictions on sugar to ensure domestic supply ahead of national elections. There is no current consideration for allowing sugar exports despite industry pressures. This is aligned with efforts to meet internal demand and stabilize market prices (*The New Indian Express*). Furthermore, the government has shifted its focus toward enhancing ethanol production from sugarcane, aiming to achieve a 15% ethanol blend in gasoline by the end of 2023-24. Sugar mills are now allowed to convert an additional 800,000 tonnes of sugar for ethanol production. (*IndianSugar*) (*India Today*).

**Impact on farmers and the industry:** The restriction on using sugarcane juice for ethanol production and the limitations on sugar exports have put financial pressures on sugar mills, affecting their ability to make timely payments to farmers. However, the government is allowing the use of B-heavy molasses for ethanol, which could help in managing excess stock and supporting mill operations (*The New Indian Express*) (*India Today*).

These policies and production adjustments are critical as they influence the overall economic dynamics within the rural sectors where sugarcane is a major agricultural commodity. The government's strategy seems focused on balancing farmer welfare, industry sustainability, and consumer prices amidst global and climatic challenges affecting production.



**Sugar Balance Sheet 2023-24***(in Million Tonnes)*

Opening stock	5.2
Estimated production during sugar season FY 2023-24	31.5
Sugar availability	36.7
Estimated domestic consumption	29.0
Targeted exports during sugar season FY 2023-24	0.2
Closing stock	7.5

*Source: Industry (Sugar year 2024-October 2023-September 2024)***Sugar opening stock, production, consumption and closing stock in India over the years***(in Million Tonnes)*

Year	Opening balance	Production	Consumption	Closing balance
2013-14	9.3	24.4	24.2	6.7
2014-15	6.7	28.3	24.8	9.1
2015-16	9.1	25.3	24.8	7.8
2016-17	7.8	20.3	24.6	4.0
2017-18	4.0	32.4	25.0	10.1
2018-19	10.1	32.8	25.5	13.6
2019-20	13.6	27.5	25.0	10.3
2020-21	10.3	31.2	26.1	8.4
2021-22	8.4	36.0	27.4	5.8
2022-23	5.8	33.1	27.5	5.2
2023-24	5.2	31.5	29.0	7.5

*(Source: Financial express, Mordor Intelligence, Outlook India, Economic Times)***Major sugar-producing states and their performance, FY 2023-24**

Sl. No.	State	No. of Working Factories		Actual Sugar Production (after Diversion into ethanol)	
		2023-24	2022-23	2023-24	2022-23
1	Uttar Pradesh	75	97	97	89
2	Maharashtra	67	11	107	104
3	Karnataka	4	4	50	55
4	Others*	64	75	48	51
Total		<b>210</b>	<b>187</b>	<b>302</b>	<b>301</b>

*Source: ISMA*

**Uttar Pradesh:** In the 2023-24 sugar season, Uttar Pradesh saw 121 operational units crushing 920.38 lakh metric tonnes of sugarcane to produce 97.10 lakh metric tonnes of sugar, marking an increase from the previous season. In comparison, during the 2022-23 sugar season, the state had 118 mills processing 921.88 lakh metric tonnes of sugarcane, yielding 88.50 lakh metric tonnes of sugar. Uttar Pradesh witnessed a rise in the sugar recovery rate, climbing from 9.60% in 2022-23 to 10.55% in 2023-24.

**Maharashtra:** During the 2023-24 sugar season, Maharashtra's 207 sugar mills processed 1046.83 lakh

metric tonnes of sugarcane, resulting in the production of 107.30 lakh metric tonnes of sugar, with a recovery rate of 10.25 percent as compared to the previous season, wherein 211 sugar factories crushed 1050.50 lakh metric tonnes of sugarcane, yielding 105.05 lakh metric tonnes of sugar, with a recovery rate of 10 percent in the 2022-23 sugar season.

**Karnataka:** Karnataka being the third-largest sugar producer, operated 76 factories, crushing 492.31 lakh metric tonnes of cane and yielding 48 lakh metric tonnes of sugar, with a recovery rate of 9.75 percent in 2023-24

sugar season. In contrast, during the corresponding period last year, 74 factories in Karnataka processed 554.46 lakh metric tonnes of cane, resulting in the production of 56 lakh metric tonnes of sugar, with a recovery rate of 10.10 percent.

**Bihar:** During the 2023-24 sugar season, Bihar experienced growth in its sugar production compared to the previous season. Nine operational units crushed 67.72 lakh metric tonnes of sugarcane, resulting in the production of 6.04 lakh metric tonnes of sugar. In contrast, in the 2022-23 sugar season, Bihar's nine mills processed 66.29 lakh metric tonnes of sugarcane, yielding 6.27 lakh metric tonnes of sugar. In Bihar, there was slight degrowth in the sugar recovery rate. It declined from 9.46% in the 2022-23 season to 8.91% in the 2023-24 season. (Source: National Federation of Cooperative Sugar Factories Ltd)

### Sugar exports (in Million Tonnes)

Year	Export
2012-13	0.4
2013-14	2.1
2014-15	1.1
2015-16	1.7
2016-17	-
2017-18	0.5
2018-19	3.8
2019-20	5.9
2020-21	7.1
2021-22	10.0
2022-23	6.1
2023-24	0.2

### FAIR AND REMUNERATIVE PRICES

Sugar mills disbursed Rs 78,000 crore to sugarcane farmers during the first six months (October-March) of the current marketing season (2023-24). The sugar marketing season spans from October to September.

As of March 31 of the 2023-24 season, mills have settled 87 per cent of the total cane payment amounting to Rs 90,000 crore. During this season, mills have collectively produced over 300 lakh tonnes of sugar.

The total cane payment of Rs 90,000 crore for the October-March period of the 2023-24 season, mills have already cleared Rs 78,000 crore. Payments to farmers are based on the Fair and Remunerative Price (FRP) of Rs 315 per quintal set by the Centre for the 2023-24 marketing season, considering the recovery rate.

The sugar mills have settled 99.7% per cent of the total Rs 1.15 lakh crore cane dues from the 2022-23 season.

Outstanding cane dues from seasons prior to 2022-23 have nearly been resolved, except for those entangled in legal proceedings.

The fair and remunerative price has been decided on the basis of recommendations of the Commission for Agricultural Costs and Prices (CACP) and after discussions with State governments and other stakeholders. (Source: *economictimes.com*)

### INDIAN ETHANOL SECTOR OVERVIEW

The capacity of India's grain-based distilleries experienced a significant surge, increasing from 206 crore litres in 2013 to 433 crore litres. This expansion has contributed to the national ethanol production capacity reaching 1244 crore litres in 2023.

The government granted permission to sugar mills to utilize both cane juice and B-heavy molasses for ethanol production but limited sugar diversion to 17 lakh tonnes for the ongoing 2023-24 supply year. However, achieving the government's targets of 20% ethanol-blended petrol by 2024-25 and 30% by 2029-30 may face challenges due to restrictions in ethanol manufacturing from sugarcane juice in 2023-24.

In the 2023-24 ethanol supply year, domestic ethanol production is anticipated to decrease by 20%, leading to a moderation in the ethanol blending rate to less than 10% compared to 12% in the previous year. Nevertheless, ethanol supply from existing offers received by oil marketing companies from B-heavy molasses, C-heavy molasses and grains is expected to continue.

Oil marketing companies allocated 425.6 million litres of ethanol to be produced from sugarcane juice and 1.15 billion litres of B-heavy molasses for the first two quarters of the 2023-24 ethanol supply year. This allocation represents a significant decline from their tenders issued in October 2023, where they sought to procure around 8.25 billion litres of ethanol for the 2023-24 ethanol supply year, receiving offers for approximately 5.6 billion litres. Sugarcane-based ethanol constituted 2.7 billion litres of the offers, while grain-based ethanol comprised around 2.9 billion litres.

According to government data, the country's distilleries supplied 5.02 billion litres of ethanol to oil marketing companies in 2022-23, with sugarcane-based ethanol accounting for approximately 1.42 billion litres. Out of the total ethanol used for blending in gasoline in India, approximately 61% is sourced from B-heavy molasses, 20% from sugar syrup, 11% from surplus rice, 6% from

damaged food grains and maize and 2% from C-heavy molasses. (Sources: *Business Standard, PIB, argus media.com*)

## CO-GENERATION

Sugarcane serves as a significant agricultural biomass energy source, yielding two types of biomass: sugarcane trash and bagasse. Bagasse, a residue from sugarcane processing, with 45-50% moisture content, serves as a significant biomass energy source. Sugar factories, processing 100 tonnes of sugarcane, typically generate around 30 tonnes of wet bagasse, which is commonly used as fuel. Combusting bagasse produces heat and electricity, powering entire sugar factory operations. This process is carbon-neutral, as CO<sub>2</sub> emitted is offset by sugarcane absorption. A study funded by the Ministry of New and Renewable Energy (MNRE) has found that India has the potential to generate 28 GW of power from biomass sources, the country's [] sugar mills have the potential to generate an additional [] GW of power through the use of cogeneration using bagasse, a byproduct of sugar production. (Source: *mnre.gov.in*)

## GOVERNMENT POLICIES

**Sugar Development Fund:** The Indian government's Sugar Development Fund (SDF) employs a loan mechanism to boost sugar cane production, offering financial aid to sugar mills for renovation and modernization, cane varietal development and initiatives for bagasse-based cogeneration, among other programs. Currently, Sugar Development Fund loans are available at a rate 200 basis points lower than the standard bank rate. In the Indian Fiscal Year (IFY) 2023-2024, approximately US\$ 9.5 million (₹779 million) was allocated to the sugar industry under various schemes for financial assistance, including renovations of mill distilleries for ethanol production. The budgetary allocation to sugar mills for ethanol production increased by 54 percent in FY 2023-2024 compared to FY 2022-2023.

**Sugar subsidy scheme:** The Indian government revised the sugar subsidy scheme for the distribution of sugar through the Antyodaya Anna Yojana program, which supports the most impoverished food plans, setting the price at Rs18.50/kg (US\$ 0.24/kg) and providing 1.0 kg of sugar per family per month. Moreover, states and union territories were authorized to add additional expenses related to shipping and handling fees directly to the beneficiary, which are incurred directly to the retail issue price of Rs 13.50/kg (US\$ 0.16/kg).

**National Biofuel Policy:** Under the 2018 National Biofuel

Policy, the Indian government established targets for the national average ethanol blend rates in automotive fuel, aiming for 10 percent by 2022 and 20 percent by 2025. The program's aim is to enhance ethanol production from sugarcane, broken grains and other feedstocks. To achieve these goals, the government is incentivizing sugar mills and distilleries to divert surplus sugar derivatives to ethanol production through the ethanol blending program. India successfully met its target, achieving a national blending average of 10.1 percent in June 2022, with further initiatives underway to achieve 20 percent ethanol blending. The Ministry of Petroleum and Natural Gas has raised procurement prices for ethanol derived from sugarcane derivatives under the EPB program for the ethanol supply year (ESY) 2022-23 (December-November). (Source: *USDA*)

## DEMAND DRIVERS IN THE SECTOR

**Population growth and market expansion:** India's recent surpassing of China as the world's most populous nation, with an estimated 1.44 billion people as of June 2024, represents a significant milestone that indicates a potential market expansion and growth opportunities for various industries.

**Governmental emphasis on ethanol production:** The Indian government has been focusing on ethanol production as part of its biofuel policy, which could reshape the agricultural and energy sectors. This emphasis involves diverting surplus sugar to ethanol production, aligning with sustainable energy goals.

**Climatic advantages for sugar cultivation:** Climatic conditions in South India provide an advantageous environment for sugar cultivation, with moderate temperatures that avoid extreme heat in summer and frost in winter. This could lead to increased sugar production to meet rising demands.

**Rising tea production and correlated sugar demand:** The increase in tea production, which saw a rise of 12.06% in October 2023 compared to the previous year, also suggests a correlating increase in sugar demand since tea and sugar consumption are closely linked.

**Preference for value-added products & FMCG market potential:** There's also a rising consumer preference for value-added products, which is boosting the packaged products market across different sectors. Additionally, India's relatively low per capita beverage consumption indicates significant growth potential for the Fast-Moving Consumer Goods (FMCG) sector.

**Sweets and chocolate consumption driving sugar demand:** Moreover, the growing consumption of sweets and chocolates is directly impacting the demand for sugar, further supporting the growth of the sugar industry.

**Pharmaceutical sector growth trajectory:** The pharmaceutical sector in India is also showing a promising trajectory, with expectations to reach a market size of US\$65 billion by 2024 and potentially doubling by 2030. This growth is supported by India having the second-largest global workforce in the biotech and pharmaceutical sectors. (Source: FortuneIndia)

## SWOT ANALYSIS

### Strengths

- India is not only the largest consumer of sugar but also the largest producer. The sugar industry plays a critical role in the economy, supporting about 50 million sugarcane farmers and providing direct employment to half a million workers. This robust domestic market and the resulting brand equity offer a solid foundation for the industry (Mordor Intel) (EMBA Pro).
- The industry benefits significantly from government support, recognizing its impact on the rural economy and providing various incentives and subsidies (Mordor Intel).

### Weaknesses:

- A major issue within the industry is the prevalence of outdated machinery and technology in several mills, which hampers efficiency and productivity (EMBA Pro).
- Financial instability is another significant challenge, with many sugar mills experiencing liquidity constraints and difficulties in modernizing their operations (EMBA Pro).
- The cost of cane in India is higher than the global average, which affects competitiveness on the international stage (Mordor Intel).

### Opportunities

- The Indian government's policy mandating ethanol blending presents a new revenue stream for sugar mills, allowing them to convert excess sugar into ethanol (Mordor Intel).
- Advances in agricultural technologies and practices offer the potential to improve sugarcane yields and processing efficiency, which can enhance productivity and reduce costs (Mordor Intel).
- There is an increasing demand for organic sugar, both domestically and internationally, which can be leveraged to access premium markets (Mordor Intel).

### Threats

- The sugar industry is highly susceptible to climatic variations, particularly the monsoon seasons, which can significantly impact sugarcane production (EMBA Pro).
- Climate change poses a long-term risk, potentially altering rainfall patterns and increasing the frequency of extreme weather events, thereby affecting crop yields (EMBA Pro).
- Infrastructure constraints can lead to inefficiencies in the supply chain, affecting everything from cane transportation to sugar distribution (EMBA Pro).

## FINANCIAL OVERVIEW

### Analysis of the Profit and Loss Statement

**Revenues:** Revenues from operations increased from ₹95,341.98 lakhs in FY 2022-23 to ₹109,658.03 lakhs in FY 2023-24.

**Expenses:** Total expenses increased by 7.22% from ₹87,813.27 lakhs in FY 2022-23 to ₹94,155.80 lakhs. Raw material costs, accounting for a 82% share of the Company's revenues in FY 2023-24. Employees expenses, accounting for a 5.72% share of the Company's revenues from operations in 2023-24 from 6.47% share in FY 2022-23.

### Analysis of the Balance Sheet

**Sources of funds:** The capital employed by the Company were ₹1,43,109 lakhs as on March 31, 2024 as against ₹1,27,281 lakhs as on March 31, 2023. Return on capital employed, a measurement of returns derived from every rupee invested in the business, was 13% in FY 2023-24.

The net worth of the Company was ₹74,560.76 lakhs as on March 31, 2024 as against ₹63,936.66 lakhs as on March 31, 2023. The Company's equity share capital, comprising 1,40,91,630 equity shares of ₹10 each, remained unchanged during the year under review.

Long-term debt of the Company was ₹12,298.66 lakhs as on March 31, 2024. The debt-equity ratio of the Company stood at 0.85 in FY 2023-24 compared to 0.91 in FY 2022-23.

Finance costs of the Company increased by 7.44% from ₹3,035.97 lakhs in FY 2022-23 to ₹3,261.74 lakhs in FY 2023-24. The Company's debt service coverage ratio stood at a comfortable 1.76x at the close of FY 2023-24 as against 1.53x at the close of FY 2022-23.

**Applications of funds:** Fixed assets (gross) of the Company



was ₹79,161.27 lakhs as on March 31, 2024 as against ₹78,967.41 lakhs as on March 31, 2023. Depreciation on tangible assets was ₹2542.54 lakhs in FY 2023-24 as against ₹2,519.49 lakhs in FY 2022-23 during the year under review.

**Working capital management:** Current assets of the Company were ₹80,029.67 lakhs as on March 31, 2024 as against ₹61,472.97 lakhs as on March 31, 2023. The Current ratio of the Company stood at 1.08 respectively at the close of FY 2023-24 compared to 1.04 at the close of FY 2022-23.

Inventories, including raw materials, work-in-progress and finished goods, among others, was ₹74,970.74 lakhs as on March 31, 2024 as against ₹56,501 lakhs as on March 31, 2023. The inventory: turnover ratio was 1.16 times as against 1.42 times in FY 2022-23. Trade receivables were ₹3,514.83 lakhs as on March 31, 2024 as against ₹3,452.70 lakhs as on March 31, 2023. All receivables were secured and considered good.

**Margins:** The EBIDTA margin of the Company is 19.55% in 2023- 24 while the net profit margin of the Company is 10.62%.

## KEY RATIOS

Particulars	FY 2023-24	FY 2022-23
Total debt-equity ratio	0.85	0.91
Return on capital employed (%)	13.00	8.00
Earnings per share (₹)	82.61	35.67
Trade receivable turnover ratio	31.45	22.88
Inventory turnover ratio	1.16	1.42
Interest coverage ratio	5.80	4.36
Current ratio (x)	1.08	1.04
Debt service coverage ratio	1.76	1.53
Net profit margin (%)	10.62	5.26

*The variance and reasons for the same have been reported in the financial statements and form part of this management and discussion analysis*

## RISK MANAGEMENT

**Geographical risk:** The operational efficiency of the company could be adversely affected by the distance between the mills and cane fields.

**Mitigation:** The company's mills are strategically located within a 30 kilometer radius of major cane-growing regions and are interconnected by road for convenient accessibility.

**Procurement risk:** The procurement of sugarcane may present challenges for the company.

**Mitigation:** The company has established enduring partnerships with 88,500 cane farmers and has implemented several initiatives aimed at enhancing their well-being and productivity.

**Quality risk:** The company is susceptible to the risk of encountering sugar cane of inferior quality.

**Mitigation:** The company spearheaded the cultivation of early-maturing cane varieties and addressed the risk by providing subsidized insecticides and enhancing farmer education on modern farming techniques.

**Financial risk:** The Company may face risks related to increasing debt.

**Mitigation:** The company has consistently met its debt obligations on time, thereby enhancing its financial stability.

**Human capital risk:** The company's failure to attract and retain talent could affect its prospects.

**Mitigation:** The Company's well-defined human resource policy aids in both attracting and retaining talent.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

**Key features of our internal control system include:**

- **Regular Monitoring and Updates:** Our internal audit framework undergoes continuous evaluation to adapt to new challenges and opportunities. This dynamic approach ensures that our controls stay relevant and robust against evolving risks.
- **Audit Committee Oversight:** The Audit Committee plays a critical role in overseeing the effectiveness of internal controls. It regularly reviews internal audit reports and works closely with management to implement necessary improvements. The committee also ensures that corrective actions are taken promptly to address any identified issues.
- **Collaboration with Auditors:** We maintain open and transparent communication with both our statutory and internal auditors. This collaboration helps in enhancing the effectiveness of our internal controls and audit processes.

- Risk Management Integration: Our internal controls are integrated with our risk management framework, which allows for a proactive approach to risk identification, assessment, and response.
- Training and Development: We invest in continuous training and development of our internal audit team to keep them updated on the latest audit techniques and compliance requirements. This investment in our people supports the overall effectiveness of our internal controls.

By adhering to these principles, we ensure that our internal control systems are not only adequate but also aligned with best practices and industry standards, thereby supporting our business objectives and enhancing shareholder value.

## HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Recognizing the crucial role of its employees in its success, the Company is committed to providing them with the essential skills to adapt to technological advancements. Over the past year, it conducted a range of training

programs encompassing technical, behavioral, business, leadership, customer service, safety and ethical skills. As of March 31, 2024, the Company's had a workforce of 1174.

## CORPORATE SOCIAL RESPONSIBILITY

At every stage, we exhibit our commitment to environmental and social responsibility. Our goal is to positively impact the communities in which we operate – including our workforce, the public and the environment. We regularly organize medical camps, providing free medicines and emergency medical equipment to those in need. Additionally, we are contributing to the future of our nation by offering education to underprivileged children -responsibility to the environment, we actively engage in efforts for its improvement.

## CAUTIONARY STATEMENT

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations.

## 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. As on March 31, 2024, 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 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 specialization 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 Listing Regulations. It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.
- v. As per the disclosure received by the Company from the Directors none of them are Director on the Board of more than 7 listed entities as well as the Wholetime Director has no other directorship in compliance with Regulation 17A of Listing Regulations, and none of Directors are member in more than ten committees, nor as Chairperson of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of Listing Regulations as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/Ministry of Corporate Affairs(MCA) or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time. The Company has obtained a certificate from a company secretary in practice confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is attached as **"Annexure E"** to the Board's Report.

- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.
- ix. Mr. Chandra Shekhar Nopany (DIN: 00014587), Director is retiring by rotation at the forthcoming AGM scheduled to be held on August 1, 2024 and is eligible and has offered himself for re-appointment.

The Board of Directors at its meeting held on May 14, 2024 appointed Mr. Rajan Arvind Dalal (DIN: 00546264) as an Additional Director, to hold office till the ensuing Annual General Meeting. The same is being placed before the Members of the Company for approval. The brief resume and other requisite details of the Director proposed to be re-appointed is given in the notice of ensuing AGM.

- x. The IDs met on 23rd March, 2024 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:

<b>Business</b>	Understanding of Sugar business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
<b>Strategy and Planning</b>	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.
<b>Governance</b>	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 Kumar 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 Listing Regulations, 2015, the Company is required to conduct Familiarisation Programme for 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 web link- <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") finalises 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 2023-24. The Independent Directors at 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 senior management personnel. 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 5 (Five) Board Meetings were held on 9th May, 2023, 4th August, 2023, 9th November, 2023, 18th January, 2024 and 13th February, 2024 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 2023-24		Whether attended last AGM held on Thursday, 27th July 2023	No. of Directorships in other Indian Public Limited Companies (As on 31st March 2024)*	No. of Committee positions held in other Indian Public Companies (As on 31st March 2024)**		Number of Equity shares held (As on 31st March, 2024)
		Held	Attended			Chairman	Member	
Mr. Chandra Shekhar Nopany (DIN – 00014587)	P/C/ NED	5	5	Yes	8	1	-	37,724
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	NEID	5	5	Yes	-	-	-	-
Mr Padam Kumar Khaitan (DIN – 0019700)	NEID	5	5	Yes	6	1	2	-
Mr Yashwant Kumar Daga (DIN – 0040632)	NEID	5	5	Yes	5	1	9	-

Name of Director	Category of Director	No. of Board Meetings held and attended during FY 2023-24		Whether attended last AGM held on Thursday, 27th July 2023	No. of Directorships in other Indian Public Limited Companies (As on 31st March 2024)*	No. of Committee positions held in other Indian Public Companies (As on 31st March 2024)**		Number of Equity shares held (As on 31st March, 2024)
		Held	Attended			Chairman	Member	
Mrs Shashi Sharma (DIN – 02904948)	NEID	5	5	Yes	-	-	-	-
Mr Raj Kumar Bagri (DIN-00231766)	NEID	5	5	Yes	2	2	1	-
Mr Chandra Mohan (DIN – 07760264)	WTD	5	5	Yes	-	-	-	-

**P** – Promoter; **C** – 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 2024 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 Co-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	Independent Non-Executive Director
	• Cheviot Co. Limited	Independent Non-Executive Director
	• Ramkrishna Forgings Limited	Independent Non-Executive Director
Mr Yashwant Kumar Daga	• Mint Investments Limited	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 Kumar Bagri and Mr Chandra Mohan do not hold positions in the Board of in any other listed entity as on March 31, 2024.

#### Committees of the Board

With a view to have a more focused attention on business and for better governance and accountability, the Board has constituted the following mandatory committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee,

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 by the Board of Directors, initially at its meeting held on March 14, 2017 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.

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

#### ii. Terms of Reference

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

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

The Company's system of internal controls covering

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

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

4 (Four) meetings of the Audit Committee were held during the year 2023-24 on 8th May, 2023, 4th August, 2023, 8th November, 2023 and 13th February, 2024 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 Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013.

##### (i) Terms of Reference:

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

##### (ii) Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2024 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 9th May, 2023, 4th August, 2023, 9th November, 2023 and 12th February, 2024 respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Raj Kumar Bagri	Chairperson	Independent Director	4
Mr Yashwant Kumar Daga	Member	Independent Director	4
Mr Padam Kumar Khaitan	Member	Independent Director	4

The Board of Directors have authorised the Secretary to approve transfers/ transmissions of shares in physical

form up to 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, 2024, 1 (one) complaint was received and duly resolved. There were no complaints were pending as on 31st March, 2024.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of the Listing 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 three times on 9th May, 2023, 31st July, 2023 and 2nd November, 2023 respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Yashwant Kumar Daga	Chairperson	Independent Director	3
Mr Padam Kumar Khaitan	Member	Independent Director	3
Mr Ishwari Prosad Singh Roy	Member	Independent Director	3
Mr Raj Kumar Bagri	Member	Independent Director	3

**iv. Remuneration Policy:**

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the

Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is available on the Company website at web link <http://www.birla-sugar.com/Assets/Magadh/Magadh%20Sugar%20-%20Nomination%20and%20Remuneration%20Policy.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 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.

**Remuneration of Directors**

Detail of remuneration paid to the Directors for the financial year 2023-24:

a. **Wholetime Director** (₹ in lakhs)

Name	Salary	Perquisites	Retirement Benefits	Total
Mr. Chandra Mohan	123.82	-	14.28	138.10

\* 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 Annual General Meeting held on July 27, 2023, had approved payment of commission to non-executive directors with effect from the financial year 2022-23 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 ₹7.50 lakhs to be paid to each Non-Executive Director. Accordingly, the Company paid ₹7.50 lakhs to each Non-Executive Director as Commission for the financial year 2022-23 during the year under review.

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

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2023-24 (₹)
1	Mr Chandra Shekhar Nopany	2,80,000	7,50,000
2	Mrs Shashi Sharma	3,00,000	7,50,000
3	Mr Yashwant Kumar Daga	4,40,000	7,50,000
4	Mr Padam Kumar Khaitan	4,00,000	7,50,000
5	Mr Ishwari Prosad Singh Roy	3,60,000	7,50,000
6	Mr Raj Kumar Bagri	4,20,000	7,50,000

*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>

### Composition and Meetings:

During the period under review the Committee met three times on 9th May, 2023, 4th August, 2023 and 13th February, 2024 respectively.

Attendance of the members at the meetings was as follows:

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

## 7. Risk Management Committee

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

The Risk Management Committee was constituted on 24th May, 2017 in line with the provisions of Listing Regulations. The Committee comprises of Mrs Shashi Sharma, Independent Director, Mr Chandra Mohan, Wholetime Director, Mr Chand Bihari Patodia, Group President and Mr 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, and 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 12th March, 2024. 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, and 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.

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 once on 30th September, 2023.

The attendance of each member of the Committee is given below:

Name of the Member	Status	Category	No of meetings attended
Mr Chandra Shekhar Nopany	Chairperson	Non-Executive Director	1
Mr Yashwant Kumar Daga	Member	Non-Executive Director	1
Mr Ishwari Prosad Singh Roy	Member	Independent Director	1

## 9. Subsidiary Companies

The Company does not have any, associate or joint venture. However, the Board of Directors has formulated a Policy for determining as envisaged in Listing 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 endeavor 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 cannot 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. During the financial year 2023-24, no complaint has been received by Internal Complaints Committee.

## 13. General Body Meetings

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

Financial Year	Date	Time	Location
2022-23	27-07-2023	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means
2021-22	21-07-2022	11.00 A.M.	("OAVM" and deemed venue: Registered Office of the Company
2020-21	24-08-2021	11.00 A.M.	P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

The last Annual General Meeting was held on 27th July, 2023, which was chaired by Mr Chandra Shekhar Nopany.

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

### 13.02 Postal Ballot

During the year under review, the Company did not seek Shareholders' approval through postal ballot

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 Listing Regulations. 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 approval 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](http://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](mailto: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 10th Annual General Meeting

Day & Date	August 1, 2024
Time	11.00 A.M.
Venue	10th 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 (2023-24)	14th May, 2024
First Quarter Results	On or before 14th August, 2024
Second Quarter Results	On or before 14th November, 2024
Third Quarter Results	On or before 14th February, 2025
Audited Annual Results (2024-25)	On or before 30th May, 2025

### 15.04 Book Closure & Record Date

The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 26, 2024 to Thursday, August 1, 2024 (both days inclusive) for the purpose of Annual General Meeting. The Record Date for ascertaining the entitlement of Dividend is 25th July 2024.

### 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)
<b>BSE Ltd. (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540650	INE347W01011
<b>National Stock Exchange of India Ltd. (NSE)</b> Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	MAGADSUGAR	

The Company has paid annual listing fees for the Financial Year 2024-25 to the above Stock Exchanges.

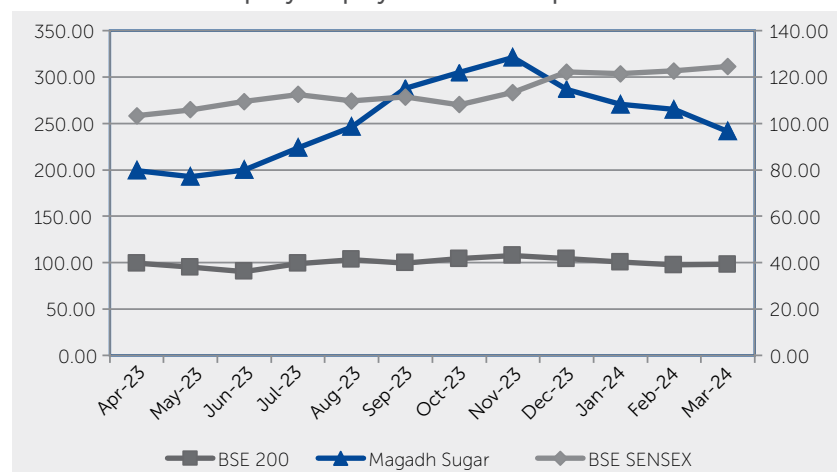
### 15.07 Market Price data

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, 2023	394.00	323.10	395.00	323.00
May, 2023	409.40	348.00	408.95	360.00
June, 2023	440.00	356.00	439.90	352.65
July, 2023	493.40	404.00	492.80	404.00
August, 2023	545.40	456.10	545.90	455.10
September, 2023	742.00	522.35	742.80	523.00
October, 2023	777.00	627.00	778.00	623.60
November, 2023	856.20	709.45	865.65	708.70
December, 2023	817.90	617.30	810.00	622.00
January, 2024	717.00	601.15	707.00	594.00
February, 2024	695.00	603.90	701.60	602.35
March, 2024	650.20	515.05	654.60	522.00

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



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

### 15.11 Distribution of Shareholding

#### a. Equity Share Capital History

The Paid up Capital of the Company consists of 1,40,91,630 Equity shares of ₹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, 2024 was as follows:

No of Equity Shares	No. of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	10693	93.56	636220	4.51
501 to 1000	356	3.11	261600	1.86
1001 to 2000	172	1.50	242737	1.72
2001 to 3000	70	0.61	172220	1.22
3001 to 4000	21	0.18	72635	0.52
4001 to 5000	23	0.20	106572	0.76
5001 to 10000	35	0.31	242789	1.72
10001 and above	59	0.52	12356857	87.69
<b>Total</b>	<b>11429</b>	<b>100.00</b>	<b>14091630</b>	<b>100.00</b>

#### c. Detail of Shareholding pattern of the Company as on 31st March, 2024 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
Bodies Corporate	10,89,272	7.73
Individuals/HUF/Trust	42,46,613	30.14
Stock Exchange Clearing Members/Market Maker	813	0.01
NRIs / OCBs / FIIs / Foreign Nationals	99,670	0.71
Unclaimed Shares	55,510	0.39
<b>Total</b>	<b>1,40,91,630</b>	<b>100.00</b>



### 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. and The National Stock Exchange of India Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 1,40,25,638 Equity Shares viz. 99.53% 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:

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

#### Distillery:

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

#### Co-generation Power Plants:

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

### 15.16 Address for Correspondence:

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

The details of the Credit Rating assigned to the Company as on 31st March 2024 is as under:

Particulars	Amount ₹ in Crore	Agency	Assigned Rating
Short Term Loans	20.00	India Ratings and Research	IND A1
Term Loan	264.16		IND A STABLE
Fund-based limit	525.00		IND A STABLE/IND A1
Non-fund based limit	2.00		IND A1

### 15.17 Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund

Pursuant to Section 124 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended, the dividend, which remains unpaid or unclaimed for a period of seven years from the date of transfer to the unpaid dividend account of the Company, is required to be transferred to IEPF. Further, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more are required to be transferred by the Company to the demat account of IEPF Authority.

Dates of declaration of dividends since 2016-17 and the corresponding dates when unclaimed dividends are due to be transferred to the Central Government are given in the table below:

Dividend Year	Amount lying in Unpaid Dividend Account as on March 31, 2024 (in ₹)	Due date for transfer to Investor Education and Protection Fund ("IEPF")
2016-2017	2,15,100.00	07.09.2024
2017-2018	1,15,689.00	01.11.2025
2018-2019	2,20,446.00	10.10.2026
2019-2020	5,41,781.00	28.10.2027
2020-2021	5,26,052.00	30.09.2028
2021-2022	8,03,867.00	27.08.2029
2022-2023	8,09,799.00	02.09.2030

#### 15.19 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, 2023	226	55510
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2023-24	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2023-24	-	-
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2024	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 Listing Regulations, inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2024, 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 <https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-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://birlasugar.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 Wholtime 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 Wholtime Director which is duly supported by the legal compliance report of the internal auditors, heads of each Unit 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 Listing Regulations, 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 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 ₹1,500 (Rupees One Thousand and Five Hundred), the 'payable at- par' warrants or cheques shall be sent by speed post.

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

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

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

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

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

## 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, 2024 is provided in the Annual Report. In addition to the Secretarial Audit Report, Regulation 24A of the Listing Regulations 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 by the M/s Vinod Kothari & Company, Practising Company Secretary and their report was submitted to Stock Exchange in stipulated time.

within stipulated time and shall also be uploaded on company's website at [www.birla-sugar.com](http://www.birla-sugar.com)

### 25. Disclosures

- 25.01** 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. 41 of the Accounts in the Annual Report.
- 25.02** 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.
- 25.03** 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.
- 25.04** The Company has in place the Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
- 25.05** The Company has complied with all the applicable mandatory requirements.
- 25.06** 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.
- 25.07** Total fees for all services paid by the listed entity, to the statutory auditor and entities in the network firm/network entity of which the statutory auditor is a part was ₹37.90 lakhs.
- 25.08** During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of Listing Regulations, 2015, as amended from time to time.
- 25.09** No complaint was filed with the Company under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and

Redressal) Act, 2013 during the Financial Year ended March 31, 2024. Further, no complaint was pending with the Company as at the beginning and end of the Financial Year 2023-24 under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

- 25.10** All the recommendations/ suggestions made by the Committees of Board of Directors which is mandatorily required during the financial year 2023-24 were accepted by the Board of Directors

## 26. Discretionary Requirements

- a. Chairperson's Office:** Chairperson's Office is maintained by the Company and expenses towards performance of the Chairperson's duties are borne by the Company / reimbursed to him.
- b. Shareholder rights:** The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website. The Annual Report of the Company for the financial year 2023-24 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.

The Company communicates with shareholders through e-mail, telephone etc.

- c. Audit Opinion:** It is always the Company's endeavour to present unmodified audit opinion on the financial statements. There is no audit modified audit opinion on the Company's financial statements for the year ended on 31st March, 2024.
- 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 Listing Regulations are available at:

- a. Code For Fair Disclosure Of Unpublished Price Sensitive Information :**  
<https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf>
- b. Code of Conduct :**  
<https://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 :**  
<https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>
- e. Policy on Determination of Materiality :**  
<https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-on-Determination-of-Materiality.pdf>
- f. Policy on preservation of documents including archival :**  
<https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-on-preservation-of-documents-including-archival.pdf>
- g. Policy on Related Party Transaction/s :**  
<https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy.pdf>
- h. Whistle Blower Policy :**  
<https://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf>
- i. Familiarisation Programme :**  
<https://www.birla-sugar.com/Assets/Magadh/MSEL-Famprog%2022-23.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 2023-24.

**Chandra Mohan**  
Wholetime Director  
DIN - 07760264

Date : May 14, 2024

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## Annexure D

# Independent Auditors' Certificate on compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 April 2023 and addendum to the engagement letter dated 10 April 2023
2. We have examined the compliance of conditions of Corporate Governance by **Magadh Sugar & Energy Limited** ("the Company"), for the year ended 31 March 2024, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

### Management's Responsibility

3. The compliance of conditions of Corporate Governance as stipulated under the listing regulations is the responsibility of the Company's Management including the preparation and maintenance of all the relevant records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the Listing Regulations.

### Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the

Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2024.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. 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

8. In our opinion and to the best of our information and according to the explanations given to us, we certify

that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

9. 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.

### Restriction on use

10. The certificate is addressed and provided to the Members of the Company solely for the purpose of enabling the Company to comply with the requirement of the Listing Regulations and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**For B S R & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-1 00022

**Seema Mohnot**

Partner

Place: Kolkata

Date: 14 May 2024

Membership No:060715

UDIN: 24060715BKFMHT1188

## Annexure E

# Certificate of Non-Disqualification of Directors

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

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

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2024 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:

Sl. 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.

Place: Kolkata  
Date : 14.05.2024

Name : CS Atul Kumar Labh  
Membership No. : FCS 4848  
CP No. : 3238  
PRCN : 1038/2020  
UIN : S1999WB026800  
UDIN : F004848F000363965



## Annexure F

# Form No. MR-3

## Secretarial Audit Report

FOR THE YEAR ENDED MARCH 31, 2024

[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  
U.P – 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, 2024 ["Period under Review"] in terms of Audit Engagement Letter dated 4th August, 2023. 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 (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 Audit Period, the Company has complied with the provisions of the Act, rules, 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. There were no changes in the composition of the Board of Directors during the Period under Review.

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. except the following:

**1. Recommendation and payment of final dividend:**

During the period under review, the Company recommended a final dividend of Rs 7.00 per equity share on 1,40,91,630 Equity shares of ₹ 10 each, declared by the shareholders in the Annual General Meeting dated 27th July, 2023.

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

Place: Kolkata  
Date: 14th May 2024

Pammy Jaiswal  
Partner  
Membership No.: A48046  
CP No.: 18059  
UDIN: A048046F000363944  
Peer Review Certificate No.: 4123/2023

## Annexure I

# Annexure to Secretarial Audit Report (Un-qualified)

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

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit. The list of documents for the purpose, as seen by us, is listed in Annexure II;
2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;
3. Our Audit examination is restricted only upto legal compliances of the applicable laws to be done by the Company, we have not checked the practical aspects relating to the same.

4. Wherever our Audit has required our examination of books and records maintained by the Company, we have 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.

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## Annexure II

### List of Documents

1. Minutes shared through electronic mode, of the following:
  - a. Board Meeting;
  - b. Audit Committee;
  - c. Nomination and Remuneration Committee;
  - d. Stakeholders Relationship Committee;
  - e. Corporate Social Responsibility Committee;
  - f. Risk Management Committee meeting;
2. Annual Report 2022-23;
3. Notice and Agenda for Board and Committee Meetings on sample basis;
4. Disclosures under Act, 2013 on sample basis and those under Listing Regulations;
5. Forms and Returns files with the ROC;
6. Policies framed under Act, 2013 and Listing Regulations;
7. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws;
8. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015
9. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011.

## Annexure G

# Conservation of Energy

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, 2024.

### A. Conservation of Energy :

#### a) The steps taken or impact on conservation of energy:

The Company has taken various steps towards conservation of energy detailed as under:

- i. Variable Frequency Drive (VFDs) is being installed at Lime Station and various other places in all the Units for reduction of electrical energy consumption.
- ii. LED lights are being installed on a continuous basis in place of SVL/MBL/CFL at all business location.
- iii. Installation of planetary gears at Juice sulphitor and other location in replacement of inefficient worm wheel type gears. is also being done on regular basis in all the Units for saving of electrical energy.
- iv. Replacement of Old Main Switches by MCCB to avoid break down and Energy losses.
- v. Installation of Inverter Air Conditioner instead of old Conventional Air Conditioners.
- vi. Installation of Power Capacitor in different location to improve Power factor which help to save energy.
- vii. Bus Bar is used in place of long length cable for branch supply, its help to save energy.
- viii. The change in manufacturing process to produce Syrup- (for production of Ethanol in distillery units of the Company) led to significant reduction in process steam and power consumption and thereby conservation of energy at Narkatiaganj and Sidhwalia Unit.
- ix. Acquiring energy efficient inverter based welding machines in place of old conventional transformer type machine.
- x. Existing tubular Juice heater used as a Condensate juice heater, this reduce steam consumption resulting Energy conservation.

#### b) the steps taken by the company for utilizing alternate sources of energy:

Proposed to install Solar Street lights in place of conventional electrical lighting in Factory, Residential Area, Farm Area and Out Centers.

The Company generates green power by using bagasse as raw material instead of using fossil fuels which is harmful for the environment. The renewable

power produced is used for captive consumption and is also sold to the Grid.

#### c) the capital investment on energy conservation equipment's: Nil

### B. Technology Absorption:

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

- a) Mobile App developed for educating and disseminating important information to farmers.
- b) 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.
- c) Soil testing laboratory including analysis of micronutrients and providing soil health card to growers for correct nutrient recommendation as per requirement of the soil.
- d) in order to maintain disease free planting material of sugarcane, Hot water treatment units are installed for cane seed treatment to eradicate disease pathogens i.e. fungal, mycoplasma, bacterial and viral contaminants which cause major diseases, affect cane yield and recovery as well. Hot water process improves the cane seed quality and yield of sugarcane. Vacuum Seed set Treatment devices also arranged and installed for same purpose.
- e) To improve the natural fertility of soil, good quality of bio-compost in powder/ granular form and a mixture of seaweed extract, Humic acid, Fulvic acid and amino acids are also being applied to enrich and conditioning of soil.

#### 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 ₹463.45 lakhs during financial year 2023-24.

#### d) 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

# Particulars of Employees

## 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 2023-24 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2023-24:

Name	Designation	Remuneration for the year ended 31.03.2024 ₹ in lakhs	% age increase in remuneration in the FY 2023-24 as compared to Previous year 2022-23	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr Chandra Shekhar Nopany	Chairperson	10.30	296.15	3.84
Mr Raj Kumar Bagri	Independent Director	11.70	165.91	4.37
Mr Yashwant Kumar Daga	Independent Director	11.90	213.16	4.44
Mr Ishwari Prosad Singh Roy	Independent Director	11.10	208.33	4.14
Mr Padam Kumar Khaitan	Independent Director	11.50	173.81	4.29
Mrs Shashi Sharma	Independent Director	10.50	250.00	3.92
Mr Chandra Mohan	Wholetime Director	138.67	9.86	51.74
Mr Subramanian Sathyamurthy	Company Secretary	32.59	1.46	Not Applicable
Mr Sudershan Bajaj	Chief Financial Officer	30.43	2.77	Not Applicable

Note – The increase in Directors Remuneration is on account of Commission paid to Directors

- ii. The percentage increase in the median remuneration of employees in the financial year 2023-24 : 18.74%
- iii. The number of permanent employees on the rolls of the Company : 1174
- 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 2023-24 is 3.34%. 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 2023-24

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	65	41	18-05-2007	1,43,13,805.00	The Oudh Sugar Mills Ltd	Nil
2	Shri Chand Bihari Patodia	Group President	Intermediate	75	56	01-04-2017	1,30,63,680.00	The Oudh Sugar Mills Ltd	Nil
3	Shri Pankaj Singh	Chief Operating Officer	BE (NIT Sichar) ANSI, PGDBA	57	35	01-08-2023	80,32,000.00	DCM Shriram Ltd	Nil
4	Shri Brij Mohan Agarwal	Vice President Sales	B. Com, MBA (Finance)	54	33	01-04-2017	63,96,401.00	The Oudh Sugar Mills Ltd	Nil
5	Shri Ravindra Kumar Tiwari	Executive President - Hasanpur	B.Sc Ag & Ah	55	30	08-05-2021	61,95,263.00	Bajaj Hindustan Ltd.	Nil
6	Shri Maimak Ranjan Chaki	Vice President, HR	MBA	51	22	04-07-2022	58,63,281.00	Skipper Limited	Nil
7	Shri Shashi Kedla	Executive President - Sidhwalia	MBA	44	23	01-08-2001	45,11,340.00	The Oudh Sugar Mills Limited	Nil
8	Shri Vijay Veer Singh	Executive Vice President	M. Sc (Ag)	51	25	27-09-2022	39,24,791.00	The Oudh Sugar Mills Limited	Nil
9	Shri Om Prakash Singh	Executive Vice President (Technical)	Diploma in Mechanical Engineering	58	37	01-05-2013	34,57,689.00	Lakshmi Sugar Mills Co. Ltd.	Nil
10	Shri Subramanian Sathyamurthy	Company Secretary	B.Com (Hons), FCS	58	37	01-04-2017	32,59,059.00	Upper Ganges Sugar & Industries Ltd	Nil

- No Employee is a relative of any Director or Key Managerial Personnel of the Company.
- None of the above employees himself/herself or alongwith his/her spouse and dependent children holds 2% or more equity shares of the Company
- All appointments are on contractual basis.

For and on behalf of the Board

Place: Kolkata

Date : 14th May, 2024

**Chandra Shekhar Nopany**  
Chairperson

DIN - 00014587

## Annexure I

# Annual Report on CSR

## Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2023-24

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 web link to the CSR policy and project or programs.

The Company's CSR policy focuses on practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with an intent to make a positive difference to society and to conduct the business in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.

2. Composition of the CSR Committee.

Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number meetings of CSR Committee attended during the year
1.	Mr Chandra Shekhar Nopany	Chairperson	3	3
3.	Mr Padam Kumar Khaitan	Independent Director	3	3
3.	Mr Chandra Mohan	Whole-time Director	3	3

3. Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The CSR policy is available on the website of the Company viz. <https://www.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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in ₹)	Amount required to be set-off for the financial year, if any (in ₹)
---------	----------------	--	---

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Not applicable for the financial year under review

6. Average net profit of the Company as per section 135(5): ₹6381.43 lakhs

7. a. Two percent of average net profit of the company as per section 135(5) ₹127.63 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) : ₹127.63 lakhs

8. (a) CSR amount spent or unspent for the financial year : NIL

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent (in ₹)	
	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)
1,30,77,268.80	Not applicable	Not applicable

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	(9)	(10)
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 ₹)	Amount spent in the current financial year (in ₹)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹)	Mode of Implementation – Director (Yes/ No)
			State	State	District		(in ₹)	(in ₹)	(in ₹)	
Not Applicable										

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

1	2	3	4	5		6	7	8	
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 allotted for the project (in ₹)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency	
			Yes/ No	State	District	(in ₹)	(Yes/ No)	Name	CSR registration number
1	Health Camp	(i) Eradicating hunger, malnutrition, promoting preventive 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	3,59,010.00	Yes	N/A	N/A
2	Hand Pumps for Drinking Water	(i) Eradicating hunger, malnutrition, promoting preventive 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	3,42,615.00	Yes	N/A	N/A



1 Sl No	2 Name of the Project	3 Item from the list of activities in schedule VII to the Act	4 Local area (Yes/ No)	5 Location of the Project		6 Amount allotted for the project (in ₹)	7 Mode of implementation – Direct (Yes/ No)	8 Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
3	Tree Plantations for environmental sustainability	(iv)ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Yes	Bihar	West Champaran	2,40,117.00	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	2,04,634.00	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 Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	1,34,770.00	Yes	N/A	N/A
6	Training/awareness programme for the cane farmers how to increase yield etc which will improve their economic condition.	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	West Champaran	7,33,380.00	Yes	N/A	N/A
7	Contribution to Manav Vikas Vidyalyaya 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.	Yes	West Bengal	Kolkata	55,00,000.00	No	Manav Vikas Vidyalyaya Trust	CSR00046016

1	2	3	4	5		6	7	8	
				State	District			Name	Mode of implementation – through implementing agency
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	State	District	Amount allotted for the project (in ₹)	Mode of implementation – Direct (Yes/ No)	Name	Mode of implementation – through implementing agency
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	Gopalganj	6,49,493.22	Yes	N/A	N/A
9	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	Gopalganj	4,29,521.79	Yes	N/A	N/A
10	Water Cooler	(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	Gopalganj	4,41,560.00	Yes	N/A	N/A
11	Seminar/ Workshop/ Awareness Meeting of 500 Farmers(10 Nos)	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	Gopalganj	6,07,055.40	Yes	N/A	N/A
12	Training and Sport Material Distribution	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Yes	Bihar	Gopalganj	1,50,200.00	Yes	N/A	N/A

1	2	3	4	5		6	7	8	
				State	District			Name	Mode of implementation – through implementing agency
Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	State	District	Amount allotted for the project (in ₹)	Mode of implementation – Direct (Yes/ No)	Name	Mode of implementation – through implementing agency
13	Construction of Pond for Rain Water Harvesting	(iv)ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar	Gopalganj	4,61,483,43	Yes	N/A	N/A
14	Furniture's 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	Gopalganj	5,76,072.48	Yes	N/A	N/A
15	Installation of Solar Street Light at Local Market(10 Nos)	iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar	Gopalganj	6,18,584.60	Yes	N/A	N/A
16	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	Samastipur	3,35,235.00	Yes	N/A	N/A

1	2	3	4	5		6	7	8	
				State	District			Name	CSR registration number
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 allotted for the project (in ₹)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency		
17	Health Camp	(i) Eradicating hunger, 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	7,11,073.91	Yes	N/A	N/A	N/A
18	Furniture in school	(ii) Eradicating hunger, 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	2,11,460.00	Yes	N/A	N/A	N/A
19	Cleaning & Maintenance of Pond	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar Samastipur	1,70,000.00	Yes	N/A	N/A	N/A
20	Animal Protection (Fodder in cow Shelter)	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar Samastipur	1,51,000.00	Yes	N/A	N/A	N/A
21	Training and Sport Material Distribution	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Yes	Bihar Samastipur	50,000.00	Yes	N/A	N/A	N/A

(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 130.77 Lakhs

(g) Excess amount for set off, if any : NIL

Sl. No.	Particulars	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	127.63 lakhs
(ii)	Total amount spent for the Financial Year	130.77 lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	3.14 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)]	3.14 lakhs

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	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 ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
Not applicable							

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

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 ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	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 financial statements of Magadh Sugar & Energy Limited (the "Company") which comprise the balance sheet as at 31 March 2024, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material 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 ("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 31 March 2024, and its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards

on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs 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 opinion on the financial statements.

### Key Audit Matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Cost of sugar inventory

See Note 8 to financial statements

The key audit matter	How the matter was addressed in our audit
<p>The cost of sugar inventory is computed separately for each sugar mill of the Company. Further, since sugar industry is seasonal in nature, significant judgement is involved in determination of cost of inventories.</p> <p>We have identified determining cost of inventories of sugar as a key audit matter because of:</p> <ul style="list-style-type: none"> <li>significant judgment involved in determination of cost of conversion. It is affected by variability in seasonal factors including number of sugarcane crushing days, recovery of sugar from cane, syrup produced and allocation of cost to by-products based on net realisable value ('NRV');</li> <li>the voluminous data involved;</li> <li>the relative amount (₹ 62,839.23 lakhs) of the sugar inventory is significant to financial statements as a whole (39.00% of total assets); and</li> <li>Impact of notifications/orders from regulators on the cost of sugar inventory.</li> </ul>	<p>In view of the significance of the matter, we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> <li>Evaluated the accounting policy of sugar inventory in terms of relevant accounting standard;</li> <li>Tested the design, implementation and operating effectiveness of the Company's key controls over computation of cost of sugar inventory for each sugar mill;</li> <li>Tested the cost sheet data of each sugar mill. We assessed the adequacy of the method used, relevance and reliability of data and the formula applied for determining the cost of sugar inventory. This included the basis of allocation of cost to by-products based on NRV.</li> <li>In addition, we assessed the impact of notifications/orders of the regulators on cost of sugar inventory. For cost of conversion, we assessed the impact of variability in seasonal factors including number of sugarcane crushing days and recovery of sugar from cane.</li> </ul>

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's and Board of Directors' Responsibilities for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows 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. 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 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern

and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is 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 the Management and Board of Directors.

- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central

Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

- 2 A. 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 except for the matter stated in the paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - c. The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e. On the basis of the written representations received from the directors on various dates taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of Section 164(2) of the Act.
  - f. the modification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph 2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.
  - g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



B. 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, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its financial statements - Refer Note 38(a) to the financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- d.
  - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 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 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.
  - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 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 directly or indirectly, lend or invest

in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- (iii) Based on the 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 (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final 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.

As stated in Note 18(a) to the financial statements, the Board of Directors of the Company has proposed final 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.

- f. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility except that the audit trail feature was not enabled at the database level for the accounting software to log any direct data changes. For accounting software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

With respect to cane purchase software the audit trail feature is enabled however in absence of relevant evidence we are unable to comment whether the audit trail

feature has operated through-out the year for all relevant transactions recorded in the software or whether there are any instances of the audit software being tampered with.

Further, with respect to payroll software the audit trail feature, the feature of recording audit trail facility is enabled at the application level. However, in the absence of relevant evidence we are unable to comment whether the audit trail feature has operated through-out the year for all relevant transactions recorded in the software or whether there are any instances of the audit software being tampered with for the application level. The audit trail feature was not enabled at the database level to log direct data changes.

- C. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration

paid/payable by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid/payable to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Seema Mohnot**

*Partner*

Place: Kolkata

Date:14 May 2024

Membership No.: 060715

ICAI UDIN:24060715BKFMHR9564

## Annexure A

### to the Independent Auditor's Report on the Financial Statements of Magadh Sugar & Energy Limited for the year ended 31 March 2024

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified in a phased manner over a period of 3 years. In accordance with this programme, certain property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No 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 immovable properties where the Company is the lessee and the leases agreements are duly executed in favour of the lessee) disclosed in the financial statements are held in the name of the Company, except for the following which are not held in the name of the Company:

Description of property	Gross carrying value (₹ in lakhs)	Held in the 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 the Company. Also indicate if in dispute
Freehold Land	7.83	New Swadeshi Sugar Mills (the Erstwhile Company)	No	Since 1 April 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or 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, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts/sales has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of

the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly

returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return/statement subsequently rectified
31 March 2024	HDFC,	Inventories	74,970.74	76,776.91	(1,806.17)	Not applicable, refer to Note 19 (iii) of the financial statements
31 December 2023	ICICI, SBI,	Inventories	34,560.48	30,177.98	4,382.50	
30 September 2023	DCB, South Indian Bank	Inventories	14,995.07	13,174.16	1,820.91	
30 June 2023		Inventories	36,650.13	36,640.36	9.77	

(iii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnership or any other parties. The Company has granted loans to other parties, in respect of which the requisite information is as below. The Company has not granted any loans, secured or unsecured, companies, firms or limited liability partnership during the year.

(a) Based on the audit procedures carried on by us and as per the information and explanations given to us the Company has provided loans to any other parties as below:

Particulars	Amount in ₹ lakhs
Aggregate amount during the year	101.08
Others	
Balance outstanding as at balance sheet date	24.55
Others	

(b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the terms and conditions of the grant of loans during the year are, prima facie, not prejudicial to the interest of the Company.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.

(e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to same parties.

(f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

(iv) According to the information and explanations

given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.
- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. Also, as explained to us, the Company

did not have any dues on account of Employees State Insurance and Duty of Customs.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, in our opinion amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Service Tax, Provident Fund, Income-Tax, Cess or other statutory dues have generally been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, statutory dues relating to Goods and Service Tax, Provident Fund, Income-Tax, Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid* (₹ in lakhs)	Net amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Bihar VAT Act, 2005	Differential VAT on Deatured Spirit. VAT on exempted sales	64.34	8.11	56.23	2010-2011 & 2011-2012	Appellate Tribunal, Patna
Bihar Molasses (Control) Act, 1947	Administration Charges on Molasses	155.05	38.76	116.29	1995-1996 to 1999-2000	Supreme Court of India
The Bihar Electricity Duty Act, 1948	Demand for Electricity Duty on Sale of Electricity	162.99	-	162.99	2009-2010 to 2012-2013	High Court, Patna / Certificate Officer, Samastipur

Name of the statute	Nature of the dues	Amount (₹ in lakhs)	Amount paid* (₹ in lakhs)	Net amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT credit on certain input / capital items / input services	575.94	29.45	549.49	2004-2005 to 2007-2008, October 2014 to December 2016	Customs Exice and Service Tax Appellate Tribunal (CESTAT) / Commissioner (Appeal)
Bihar Sugarcane (Supply & Regulation) Act, 1981	Interest on Cane Cess	3.37	-	3.37	1984-1985 to 1986-1987, 1991-1992, 1994-1995 to 1998-1999, 2003-2004 and 2004-2005	Certificate Officer, Samastipur

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2024. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2023. Accordingly, clause 3(ix)(f) is not applicable
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule

13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi) (c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as per the provisions of

the Core Investment Companies (Reserve Bank) Directions, 2016) does not have more than one CIC.

- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation 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 the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.:101248W/W-100022

**Seema Mohnot**

*Partner*

Place: Kolkata

Membership No.: 060715

Date: 14 May 2024

ICAI UDIN: 24060715BKFMHR9564

## **Annexure A**

### **to the Independent Auditor's Report on the financial statements of Magadh Sugar & Energy Limited for the year ended 31 March 2024**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act**

**(Referred to in paragraph 2(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)**

#### **Opinion**

We have audited the internal financial controls with reference to financial statements of Magadh Sugar & Energy Limited ("the Company") as of 31 March 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal financial controls 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 (the "Guidance Note").

#### **Management's and Board of Directors' Responsibilities for Internal Financial Controls**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted

our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

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

#### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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 controls 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.

**For B S R & Co. LLP**

*Chartered Accountants*

Firm's Registration No.: 101248W/W-100022

**Seema Mohnot**

*Partner*

Place: Kolkata

Membership No.: 060715

Date: 14 May 2024

ICAI UDIN: 24060715BKFMHR9564

# Balance Sheet

as at 31 March 2024

(₹ in Lakhs)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
<b>ASSETS</b>			
<b>1 Non-Current Assets</b>			
(a) Property, Plant and Equipment	4	79,161.27	78,967.41
(b) Capital Work-in-Progress	5	455.72	239.41
(c) Intangible Assets	6	8.88	14.13
(d) Financial Assets			
ii) Investments	7	0.66	0.66
iii) Other Financial Assets	14	69.88	69.13
(e) Other Non-current Assets	16	1,381.23	113.98
<b>Total Non-current Assets</b>		<b>81,077.64</b>	<b>79,404.72</b>
<b>2 Current Assets</b>			
(a) Inventories	8	74,970.74	56,501.59
(b) Biological assets other than bearer plants	9	117.35	110.98
(c) Financial Assets			
(i) Trade Receivables	10	3,514.83	3,452.70
(ii) Cash and Cash Equivalents	11	15.66	13.02
(iii) Bank Balances other than (ii) above	12	91.37	29.06
(iv) Loans	13	24.55	23.29
(v) Other Financial Assets	14	414.85	410.11
(d) Current Tax Assets (net)	15	90.22	157.53
(e) Other Current Assets	16	790.10	774.69
<b>Total Current Assets</b>		<b>80,029.67</b>	<b>61,472.97</b>
<b>TOTAL ASSETS</b>		<b>1,61,107.31</b>	<b>1,40,877.69</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	17	1,409.16	1,409.16
(b) Other Equity	18	73,151.60	62,527.50
<b>Total Equity</b>		<b>74,560.76</b>	<b>63,936.66</b>
<b>LIABILITIES</b>			
<b>1. Non-Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	19	7,236.16	12,240.75
(ii) Lease Liabilities	20	12.33	24.36
(b) Provisions	24	244.34	289.01
(c) Deferred Tax Liabilities (Net)	25	4,877.24	5,132.94
<b>Total Non Current Liabilities</b>		<b>12,370.07</b>	<b>17,687.06</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
i) Borrowings	19	56,443.75	45,985.17
ii) Lease Liabilities	20	15.00	15.00
(iii) Trade Payables			
a) total outstanding dues of micro enterprises and small enterprises	21	93.44	54.87
b) total outstanding dues of creditors other than micro enterprises and small enterprises	21	15,076.94	10,572.71
(iv) Others financial liabilities	22	919.68	1,290.05
(b) Other current liabilities	23	490.09	592.89
(c) Provisions	24	429.95	406.67
(d) Current Tax Liabilities (Net)	26	707.63	336.61
<b>Total Current Liabilities</b>		<b>74,176.48</b>	<b>59,253.97</b>
<b>Total Liabilities</b>		<b>86,546.55</b>	<b>76,941.03</b>
<b>Total Equity and Liabilities</b>		<b>1,61,107.31</b>	<b>1,40,877.69</b>
Summary of material accounting policies	3		

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

As per our report of even date attached.

For B S R &amp; Co. LLP

*Chartered Accountants*

ICAI Firm's Registration No.: 101248W/W-100022

**Seema Mohnot**
*(Partner)*

Membership No.: 060715

Place: Kolkata

Date: 14 May 2024

For and on behalf of the Board of Directors

**Chandra Mohan**
*Whole-time Director*

DIN: 07760264

**Subramanian Sathyamurthy**
*Company Secretary*

FCS - 4974

**Chandra Shekhar Nopany**
*Chairman*

DIN: 00014587

**Sudershan Bajaj**
*Chief Financial Officer*

## Statement of Profit and Loss for the year ended 31 March 2024

(₹ in Lakhs)

Particulars	Note	Year Ended March 31, 2024	Year Ended March 31, 2023
I. Revenue from Operations	27	1,09,658.03	95,341.98
II. Other Income	28	157.01	180.36
III. Total Income (I + II)		<b>1,09,815.04</b>	<b>95,522.34</b>
IV. Expenses			
Cost of Raw Materials Consumed	29	90,526.13	73,262.37
Changes in inventories of Finished Goods and Work-in-progress	30	(20,324.69)	(6,452.03)
Employee benefits expense	31	6,271.30	6,170.95
Finance costs	32	3,261.74	3,035.97
Depreciation and amortization expense	33	2,542.54	2,519.49
Other expenses	34	11,878.78	9,276.52
Total Expenses		<b>94,155.80</b>	<b>87,813.27</b>
V. Profit before tax (III + IV)		<b>15,659.24</b>	<b>7,709.07</b>
VI. Tax expense	35		
Current tax		4,263.74	1,337.85
Deferred tax		(245.46)	1,345.07
Total tax expenses		<b>4,018.28</b>	<b>2,682.92</b>
VII. Profit for the year (V - VI)		<b>11,640.96</b>	<b>5,026.15</b>
VIII. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Remeasurement loss of defined benefit plans		(40.69)	(7.21)
(b) Income taxes relating to items that will not be reclassified to profit or loss		10.24	1.81
Other comprehensive income for the year, net of income tax		<b>(30.45)</b>	<b>(5.40)</b>
IX. Total comprehensive income for the year (VII + VIII)		<b>11,610.51</b>	<b>5,020.75</b>
X. Earnings per equity share	36		
[Nominal value per equity share ₹ 10 (₹ 10)]			
(a) Basic (₹)		82.61	35.67
(b) Diluted (₹)		82.61	35.67
Summary of material accounting policies	3		

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

As per our report of even date attached.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm's Registration No.: 101248W/W-100022

**Seema Mohnot**

*(Partner)*

Membership No.: 060715

Place: Kolkata

Date: 14 May 2024

**For and on behalf of the Board of Directors**

**Chandra Mohan**

*Whole-time Director*

DIN: 07760264

**Subramanian Sathyamurthy**

*Company Secretary*

FCS - 4974

**Chandra Shekhar Nopany**

*Chairman*

DIN: 00014587

**Sudershan Bajaj**

*Chief Financial Officer*

## Statement of Changes in Equity for the year ended 31 March 2024

### A. Equity Share Capital

Particulars	Notes	As at 31 March 2024		As at 31 March 2023	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	17	1,40,91,630	1,409.16	1,40,91,630	1,409.16
Changes in Equity Share Capital during the year		-	-	-	-
<b>Balance at the end of the year</b>	17	<b>1,40,91,630</b>	<b>1,409.16</b>	<b>1,40,91,630</b>	<b>1,409.16</b>

### B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
Balance at 1 April 2023	36,897.75	747.39	24,882.36	62,527.50
Total comprehensive income for the year				
- Profit for the year	-	-	11,640.96	11,640.96
- Other Comprehensive income for the year	-	-	(30.45)	(30.45)
Total comprehensive income	-	-	<b>11,610.51</b>	<b>11,610.51</b>
Final Dividend paid on equity shares [Note 18]	-	-	(986.41)	(986.41)
<b>Balance at 31 March 2024</b>	<b>36,897.75</b>	<b>747.39</b>	<b>35,506.46</b>	<b>73,151.60</b>
Balance at 1 April 2022	36,897.75	747.39	20,777.57	58,422.71
Total comprehensive income for the year				
- Profit for the year	-	-	5,026.15	5,026.15
- Other Comprehensive income for the year	-	-	(5.40)	(5.40)
Total comprehensive income	-	-	<b>5,020.75</b>	<b>5,020.75</b>
Final Dividend paid on equity shares [Note 18]	-	-	(915.96)	(915.96)
<b>Balance at 31 March 2023</b>	<b>36,897.75</b>	<b>747.39</b>	<b>24,882.36</b>	<b>62,527.50</b>

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

##### (a) Capital Reserve

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

##### (b) Capital Redemption Reserve

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

##### (c) Retained Earnings

Retained earnings comprise of accumulated profit of the Company after dividends or other distributions, if any, paid to shareholders. Retained earnings includes remeasurement gains / (losses) on defined benefit plans net of taxes.

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

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 101248W/W-100022

Seema Mohnot

(Partner)

Membership No.: 060715

Place: Kolkata

Date: 14 May 2024

For and on behalf of the Board of Directors

Chandra Mohan

Whole-time Director

DIN: 07760264

Subramanian Sathyamurthy

Company Secretary

FCS - 4974

Chandra Shekhar Nopany

Chairman

DIN: 00014587

Sudershan Bajaj

Chief Financial Officer

## Cash Flow Statement for the year ended 31 March 2024

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2024
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Profit before tax	15,659.24	7,709.07
<b>Adjustments for:</b>		
Depreciation and amortisation expense	2,542.54	2,519.49
Depreciation in relation to farm assets	13.82	9.24
Finance Costs	3,261.74	3,035.97
Loss allowance on trade receivables	2.99	5.68
Bad debts, irrecoverable claims and advances written off (net)	1.38	7.69
Loss on sale / discard of Property, Plant and Equipment (net)	38.58	16.71
Interest income	(36.28)	(53.13)
Gain on termination of lease	-	(15.86)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(43.17)	(54.73)
	<b>21,440.84</b>	<b>13,180.13</b>
<b>Working capital adjustments:</b>		
(Increase) in Inventories	(18,469.15)	(9,371.67)
(Increase) in Biological assets other than bearer plants	(6.37)	(4.99)
(Increase) / Decrease in Trade Receivables and Loans	(63.39)	1,427.59
(Increase) in Other Financial Assets	(3.95)	(12.98)
(Increase) / Decrease in Other Assets	(38.13)	323.72
Increase in Trade Payables	4,585.97	6,738.13
(Decrease) / Increase in Other Financial Liabilities	(348.28)	563.41
(Decrease) in Provisions	(62.08)	(57.71)
(Decrease) / Increase in Other Liabilities	(102.80)	88.32
Cash generated from Operations	6,932.66	12,873.95
Income tax paid (net of refund received)	(3,825.41)	(1,395.05)
<b>Net Cash generated from Operating Activities</b>	<b>3,107.25</b>	<b>11,478.90</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Proceeds from sale of Property, Plant and Equipment	4.86	3.77
Proceeds from sale of Intangible Assets	1.71	-
Capital subsidy received	477.92	37.68
Acquisition of Property, Plant and Equipment	(4,763.96)	(2,179.04)
Acquisition of Intangible Assets	-	(3.84)
Interest received	36.28	53.13
(Bank deposits made) / Proceeds on maturity of Bank deposits (net)	(56.04)	2.00
<b>Net Cash used in Investing Activities</b>	<b>(4,299.23)</b>	<b>(2,086.30)</b>

## Cash Flow Statement for the year ended 31 March 2024 (contd.)

(₹ in Lakhs)

Particulars	Year ended 31 March 2024	Year ended 31 March 2024
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Repayment of Non-current Borrowings	(6,562.50)	(4,668.75)
Proceeds from Non-current Borrowings	-	5,000.00
Repayment of Inter-corporate deposits	(1,700.00)	(5,000.00)
Proceeds from / (Repayments of) Cash Credit including WCDL (net)	13,655.95	(717.97)
Repayment of Lease liabilities	(12.03)	(11.06)
Interest on lease liabilities paid	(2.97)	(3.94)
Other Interest paid	(3,197.42)	(3,084.67)
Final dividend paid on Equity Shares	(986.41)	(915.96)
<b>Net Cash generated from / (used in) Financing Activities</b>	<b>1,194.62</b>	<b>(9,402.35)</b>
<b>Net Changes in Cash &amp; Cash Equivalents (A + B + C)</b>	<b>2.64</b>	<b>(9.75)</b>
<b>Cash &amp; Cash Equivalents at the beginning of the year</b>	<b>13.02</b>	<b>22.77</b>
<b>Cash &amp; Cash Equivalents at the end of the year [Note 11]</b>	<b>15.66</b>	<b>13.02</b>

### 1. Change in Liability arising from financing activities

(₹ in Lakhs)

Particulars	As on 1 April 2023	Change in Current portion of Non-current borrowings	Cash Flow	Fair Value / Non-Cash Change	As on 31 March 2024
Non-current Borrowings [Note 19]	12,240.75	1,497.37	(6,562.50)	60.54	7,236.16
Current Borrowings [Note 19]	45,985.17	(1,497.37)	11,955.95	-	56,443.75

(₹ in Lakhs)

Particulars	As on 1 April 2022	Change in Current portion of Non-current borrowings	Cash Flow	Fair Value / Non-Cash Change	As on 31 March 2023
Non-current Borrowings [Note 19]	13,781.75	(1,891.12)	331.25	18.87	12,240.75
Current Borrowings [Note 19]	49,812.02	1,891.12	(5,717.97)	-	45,985.17

Refer Note 20 for movement in lease liabilities.

### 2. The Cash Flows Statement has been prepared under the "Indirect Method" as set out in Ind-AS 7 "Statement of Cash Flows".

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

As per our report of even date attached.

**For B S R & Co. LLP**
*Chartered Accountants*

ICAI Firm's Registration No.: 101248W/W-100022

**For and on behalf of the Board of Directors**
**Seema Mohnot**
*(Partner)*

Membership No.: 060715

**Chandra Mohan**
*Whole-time Director*

DIN: 07760264

**Chandra Shekhar Nopany**
*Chairman*

DIN: 00014587

Place: Kolkata

Date: 14 May 2024

**Subramanian Sathyamurthy**
*Company Secretary*

FCS - 4974

**Sudershan Bajaj**
*Chief Financial Officer*

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

## 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.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 14 May 2024.

## 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.

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)

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 3.3, 3.4, 4 and 6 - Useful life and residual value of property, plant and equipment and intangible assets;

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

- Note 3.7 and 24 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 3.8, 3.9 and 38 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 3.6 and 43 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

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 3.5 and 8 - Valuation of Inventories;

### 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 other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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 material accounting policies

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

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

#### Assets

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

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



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

- (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.*

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 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 (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

### *Classification and subsequent measurement*

#### *(i) Financial assets*

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

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

The classification depends on the Company's business model for managing the financial assets and contractual terms of the cashflows.

#### *(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.

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

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 Assets contractual cash flows on specified dates represent SPPI on the principal amount outstanding.

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).

### (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.

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

(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.

### *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.

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

### *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.

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

#### *Recognition and measurement*

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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

Freehold land is carried at historical cost less any 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.

#### *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 evaluation done by the management's expert and are in line with the useful life specified in Part C of Schedule II to the Companies Act, 2013, except for certain factory building, non-factory buildings and plant and equipment where prescribed rates per Companies Act 2023 are 30 years, 60 years and 15-40 years respectively, 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:

<b>Class of assets</b>	<b>Management estimate of useful life (in years)</b>
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

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

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

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.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment. [Note 4]

### *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.

### **3.4 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.

### *Transition to Ind AS*

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets. [Note 6]

### **3.5 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 and Finished goods are valued at lower of cost and net realisable 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. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods.

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

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

an increase in net realisable value because of changed economic circumstances, the amount so written-down is adjusted in terms of policy as stated above.

### 3.6 Impairment

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

At each reporting date, the Company assesses 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 on an individual case to case basis on the basis of its historical credit loss experience.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### 3.7 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.

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

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.

### **3.8 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.

### **3.9 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.

### **3.10 Revenue from contract with customer**

#### *Sale of goods (excluding power)*

Revenue from sale of product is recognised at the point in time when control of the goods is transferred to the customer.

At contract inception, the Company assesses the goods 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 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 i.e. the Company's performance obligations are satisfied on delivery of goods to the customer. The timing of the transfer of control varies depending on individual terms of the sales agreements.



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

Revenue is measured at transaction price, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

### *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 at the point in time 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 control 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.

### **3.11 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.

### **3.12 Recognition of Dividend Income, Interest income or expense, Insurance claim**

#### *Dividend income*

Dividend income is recognised in profit or loss on the date on which the Company's right to receive payment is established.

#### *Interest income*

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

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

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

Interest is recognised on time proportion basis.

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

#### *Insurance claims*

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

### **3.13 Expenses**

All expenses are accounted for on accrual basis.

### **3.14 Government grants**

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

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

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

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

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 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.

### 3.16 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 40 for segment information presented.

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

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

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

### 3.17 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.

### 3.18 Cash and cash equivalents

Cash and cash equivalents include cash in hand and at bank, short-term deposits with an original maturity of three months or less and highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 3.19 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.

### 3.20 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.

### 3.21 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.

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

### 4. Property, Plant and Equipment

Particulars	(₹ in Lakhs)									
	Freehold Land [Note 39]	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right of use - assets [Note 20]	Total	
<b>Reconciliation of carrying amount</b>										
<b>Gross carrying amount</b>										
<b>Balance at 1 April 2023</b>	<b>37,233.20</b>	<b>8,744.52</b>	<b>45,494.77</b>	<b>243.86</b>	<b>186.77</b>	<b>349.91</b>	<b>78.65</b>	<b>50.42</b>	<b>92,382.10</b>	
Additions during the year	1,483.97	323.37	1,258.14	16.58	26.00	142.88	17.10	-	3,268.04	
Disposal / deduction during the year	-	-	(543.24) *	(48.33)	(3.04)	(0.74)	(1.79)	-	(597.14)	
<b>Balance at 31 March 2024</b>	<b>38,717.17</b>	<b>9,067.89</b>	<b>46,209.67</b>	<b>212.11</b>	<b>209.73</b>	<b>492.05</b>	<b>93.96</b>	<b>50.42</b>	<b>95,053.00</b>	
Balance at 1 April 2022	37,270.88	8,073.73	45,388.75	256.38	163.11	317.29	80.36	124.05	91,674.55	
Additions during the year	-	671.52	140.27	36.20	34.17	46.92	11.60	50.42	991.10	
Disposal / deduction during the year	(37.68) *	(0.73)	(34.25)	(48.72)	(10.51)	(14.30)	(13.31)	(124.05)	(283.55)	
<b>Balance at 31 March 2023</b>	<b>37,233.20</b>	<b>8,744.52</b>	<b>45,494.77</b>	<b>243.86</b>	<b>186.77</b>	<b>349.91</b>	<b>78.65</b>	<b>50.42</b>	<b>92,382.10</b>	
<b>Accumulated depreciation</b>										
<b>Balance at 1 April 2023</b>	-	<b>1,441.06</b>	<b>11,502.88</b>	<b>164.13</b>	<b>67.93</b>	<b>188.05</b>	<b>38.04</b>	<b>12.60</b>	<b>13,414.69</b>	
Depreciation for the year (a)	-	349.52	2,096.56	28.69	19.52	32.22	13.08	12.68	2,552.27	
Disposal / deduction during the year	-	-	(24.65)	(45.74)	(2.67)	(0.70)	(1.47)	-	(75.23)	
<b>Balance at 31 March 2024</b>	-	<b>1,790.58</b>	<b>13,574.79</b>	<b>147.08</b>	<b>84.78</b>	<b>219.57</b>	<b>49.65</b>	<b>25.28</b>	<b>15,891.73</b>	
Balance at 1 April 2022	-	1,124.69	9,413.67	184.28	57.94	171.48	39.15	24.81	11,016.02	
Depreciation for the year (a)	-	316.47	2,114.39	26.03	18.79	25.28	11.26	12.60	2,524.82	
Disposal / deduction during the year	-	(0.10)	(25.18)	(46.18)	(8.80)	(8.71)	(12.37)	(24.81)	(126.15)	
<b>Balance at 31 March 2023</b>	-	<b>1,441.06</b>	<b>11,502.88</b>	<b>164.13</b>	<b>67.93</b>	<b>188.05</b>	<b>38.04</b>	<b>12.60</b>	<b>13,414.69</b>	
<b>Carrying amount (net)</b>										
<b>At 31 March 2024 (b)</b>	<b>38,717.17</b>	<b>7,277.31</b>	<b>32,634.88</b>	<b>65.03</b>	<b>124.95</b>	<b>272.48</b>	<b>44.31</b>	<b>25.14</b>	<b>79,161.27</b>	
<b>At 31 March 2023 (b)</b>	<b>37,233.20</b>	<b>7,303.46</b>	<b>33,991.89</b>	<b>79.73</b>	<b>118.84</b>	<b>161.86</b>	<b>40.61</b>	<b>37.82</b>	<b>78,967.41</b>	

\* Includes Subsidy received from State Government of Bihar [Note 42].

(a) Includes ₹ 13.82 lakhs (31 March 2023 ₹ 9.24 lakhs) in relation to farm assets.

(b) Property, Plant and Equipment other than related to farm assets of ₹ 20,615.85 lakhs (31 March 2023: ₹ 20,572.99 lakhs) and Right of use - assets given as security for borrowings [Note 19].

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

### 5. Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Reconciliation of carrying amount</b>		
Balance at the beginning of the year	239.41	88.28
Add: Additions during the year	1,305.82	890.85
Less: Transfer to Property, Plant and Equipment	1,089.51	739.72
<b>Balance at the end of the year</b>	<b>455.72</b>	<b>239.41</b>

#### Capital Work-in-Progress aging 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	
<b>As on 31 March 2024</b>					
Projects in progress	455.72	-	-	-	455.72
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>455.72</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>455.72</b>
<b>As on 31 March 2023</b>					
Projects in progress	239.41	-	-	-	239.41
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>239.41</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>239.41</b>

### 6. Intangible Assets

(₹ in Lakhs)

Computer Software	As at	As at
	31 March 2024	31 March 2023
<b>Reconciliation of carrying amount</b>		
<b>Gross carrying amount</b>		
Balance at the beginning of the year	65.10	57.81
Additions during the year	-	7.29
Disposal / discard during the year	1.75	-
<b>Balance at the end of the year</b>	<b>63.35</b>	<b>65.10</b>
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	50.97	47.06
Amortisation for the year	4.09	3.91
Disposal / discard during the year	0.59	-
<b>Balance at the end of the year</b>	<b>54.47</b>	<b>50.97</b>
<b>Carrying amount (net)</b>	<b>8.88</b>	<b>14.13</b>

## 7. Investments

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current Investments:</b>		
<b>Investment in Government securities carried at amortised cost - unquoted (fully paid) *</b>		
11% Bihar State Development Loan, 2001	0.53	0.53
7 Years National Savings Certificates	0.05	0.05
6 Years National Savings Certificates	0.08	0.08
	<b>0.66</b>	<b>0.66</b>
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	0.66	0.66
Aggregate amount of impairment in value of investments	-	-

\* Deposited / pledged with various Government authorities.

## 8. Inventories

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<i>(Value at lower of cost and net realisable value)</i>		
Raw materials *	2,351.80	4,500.29
Work-in-progress	563.56	388.05
Finished goods *	65,568.08	43,778.02
Stores, chemicals and spare parts *	2,015.34	1,722.39
Bio-compost	99.92	112.41
<i>(Valued at estimated net realisable value)</i>		
By-Products	4,368.11	5,997.66
Scrap	3.93	2.77
	<b>74,970.74</b>	<b>56,501.59</b>
<b>* includes stock in transit:</b>		
Raw materials	5.10	5.58
Finished goods	16.96	-
Stores, chemicals and spare parts	38.00	6.06

a) Inventories are hypothecated against borrowings [Note 19].

## 9. Biological assets other than bearer plants

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Reconciliation of carrying amount</b>		
Balance at the beginning of the year	110.98	105.99
Expenditure incurred during the year	119.90	126.00
Change in fair value less cost to sale	34.59	37.82
New Crop Plantations	122.03	104.91
Decrease due to harvested sugarcane transferred to inventory	(270.15)	(263.74)
[including captive consumption of ₹ 169.52 lakhs (31 March 2023: ₹ 123.58 lakhs)]		
<b>Balance at the end of the year</b>	<b>117.35</b>	<b>110.98</b>

### A. Measurement of fair values

The fair value of the sugarcane and other agriculture products at harvest is determined by the quantities harvested, it is valued at the rate fixed by the Bihar Government (Level 1). 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.

## 10. Trade Receivables

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
<b>Current</b>		
Trade Receivables considered good - Unsecured	3,514.83	3,452.70
Trade Receivables which have significant increase in credit risk	5.68	90.82
	3,520.51	3,543.52
Less: Loss allowance		
Trade Receivables which have significant increase in credit risk	5.68	90.82
	<b>3,514.83</b>	<b>3,452.70</b>

(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 43(C).

(c) Trade Receivables are hypothecated against borrowings [Note 19].

## (d) Trade Receivables aging 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 31 March 2024							
Unbilled dues	-	-	-	-	-	-	-
Not due	1,673.49	-	1,673.49	-	-	-	1,673.49
Outstanding for following periods from due dates of payment							
- Less than 6 months	1,763.48	31.10	1,794.58	-	-	-	1,794.58
- 6 months - 1 year	46.75	-	46.75	-	-	-	46.75
- 1 - 2 years	0.01	-	0.01	-	-	-	0.01
- 2 - 3 years	-	-	-	-	-	-	-
- More than 3 years	-	-	-	-	5.68	5.68	5.68
	<b>1,810.24</b>	<b>31.10</b>	<b>1,841.34</b>	-	<b>5.68</b>	<b>5.68</b>	<b>1,847.02</b>
	<b>3,483.73</b>	<b>31.10</b>	<b>3,514.83</b>	-	<b>5.68</b>	<b>5.68</b>	<b>3,520.51</b>

(₹ 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 31 March 2023							
Unbilled dues	243.85	-	243.85	-	-	-	243.85
Not due	2,366.80	-	2,366.80	-	7.78	7.78	2,374.58
Outstanding for following periods from due dates of payment							
- Less than 6 months	676.50	-	676.50	-	30.23	30.23	706.73
- 6 months - 1 year	66.94	-	66.94	-	-	-	66.94
- 1 - 2 years	0.84	-	0.84	-	26.95	26.95	27.79
- 2 - 3 years	-	-	-	-	32.81	32.81	32.81
- More than 3 years	-	-	-	-	90.82	90.82	90.82
	<b>744.28</b>	-	<b>744.28</b>	-	<b>180.81</b>	<b>180.81</b>	<b>925.09</b>
	<b>3,354.93</b>	-	<b>3,354.93</b>	-	<b>188.59</b>	<b>188.59</b>	<b>3,543.52</b>

## 11. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Balances with banks		
- Current accounts	2.69	2.94
Cheques on hand	1.47	-
Cash on hand	11.50	10.08
	<b>15.66</b>	<b>13.02</b>



**12. Bank balances other than cash and cash equivalents**

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Bank deposits due to mature after three months of original maturity but within twelve month of reporting date *	56.04	-
Earmarked balances with banks		
- Unpaid dividend accounts	32.33	24.51
- Unpaid fractional share pay-out account	0.84	0.85
- Current accounts	2.04	3.58
In Post office Saving bank account *	0.12	0.12
	<b>91.37</b>	<b>29.06</b>

\* Pledged / lodged with various Government Authorities.

**13. Loans**

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
<i>(Considered good - Unsecured)</i>		
Loans to employees	24.55	23.29
	<b>24.55</b>	<b>23.29</b>

**14. Other Financial Assets**

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at	As at	As at	As at
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
<i>(Considered good - Unsecured, unless stated otherwise)</i>				
Security and other deposits	69.87	69.12	7.32	6.14
Renewable Energy Certificates Entitlement	-	-	9.92	40.50
Interest accrued on Investments	0.01	0.01	-	-
Claims and Subsidies / Refunds receivable	-	-	396.92	362.36
Other receivables	-	-	0.69	1.11
	<b>69.88</b>	<b>69.13</b>	<b>414.85</b>	<b>410.11</b>

**15. Current Tax Assets (net)**

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Advance tax and tax deducted / collected at sources	90.22	1,304.51
Less: Provision for taxation	-	1,146.98
	<b>90.22</b>	<b>157.53</b>

**16. Other Assets**

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<i>(Considered good - Unsecured, unless stated otherwise)</i>				
Capital Advances	1,248.90	-	-	-
Advances other than Capital Advances				
Advances to suppliers				
- Considered good - Unsecured	-	-	638.41	656.30
- Considered doubtful - Unsecured	-	-	6.13	3.14
	-	-	644.54	659.44
Less: Loss allowance	-	-	6.13	3.14
	-	-	638.41	656.30
Other advances				
- Deposits against demand under appeal and / or under dispute	102.09	101.16	-	-
- Balance with Excise and other Government Authorities	-	-	137.14	104.58
	102.09	101.16	137.14	104.58
Prepaid Expenses	30.24	12.82	14.55	13.81
	<b>1,381.23</b>	<b>113.98</b>	<b>790.10</b>	<b>774.69</b>

**17. Share Capital**

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Authorised:</b>		
2,51,00,000 (31 March 2023: 2,51,00,000) equity shares of ₹ 10 each	2,510.00	2,510.00
15,00,000 (31 March 2023: 15,00,000) preference shares of ₹ 100 each	1,500.00	1,500.00
	<b>4,010.00</b>	<b>4,010.00</b>
<b>Issued, subscribed and fully paid-up:</b>		
1,40,91,630 (31 March 2023: 1,40,91,630) equity shares of ₹ 10 each	1,409.16	1,409.16
	<b>1,409.16</b>	<b>1,409.16</b>

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

Particulars	As at 31 March 2024		As at 31 March 2023	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Equity shares</b>				
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:

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
<b>Equity shares of ₹ 10 each fully paid up held by</b>				
SIL Investments Limited	16,86,658	11.97%	16,86,658	11.97%
Avadh Sugar & Energy Limited	14,86,154	10.55%	14,86,154	10.55%
New India Retailing & Investment Limited	10,56,490	7.50%	10,56,490	7.50%
Navjeevan Medical Institute	7,83,157	5.56%	7,83,157	5.56%
Yashovardhan Investment & Trading Company Limited	7,17,710	5.09%	7,17,710	5.09%
Hargaon Investment & Trading Company Limited	7,17,358	5.09%	7,17,358	5.09%
Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	7,10,140	5.04%	7,10,140	5.04%

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

	Year ended 31 March 2023	Year ended 31 March 2022	Year ended 31 March 2021	Year ended 31 March 2020	Year ended 31 March 2019
Equity shares of ₹ 10 each fully paid-up issued as Bonus share	-	-	-	40,26,180	-

## (e) Details of shares held by promoters:

Sr. No.	Promoter Name	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
<b>As on 31 March 2024</b>						
<b>Equity shares of ₹ 10 each fully paid up held by</b>						
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]	7,10,140	-	7,10,140	5.04%	-
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%	-

## (e) Details of shares held by promoters:

Sr. No.	Promoter Name	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
10	OSM Investment & Trading Company Limited	2,56,093	-	2,56,093	1.82%	-
11	Mrs. Nandini Nopany	1,84,164	-	1,84,164	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	37,724	-	37,724	0.26%	-
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	0.10%	-
22	Mr. Arihant Vikram Nopany	5,451	-	5,451	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	Deepshikha Trading Company Private Limited	68	-	68	0.00%	-
		85,98,482	-	85,98,482	61.02%	-
<b>As on 31 March 2023</b>						
<b>Equity shares of ₹ 10 each fully paid up held by</b>						
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]	7,10,140	-	7,10,140	5.04%	-
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%	-

## (e) Details of shares held by promoters:

Sr. No.	Promoter Name	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
11	Mrs. Nandini Nopany	1,84,164	-	1,84,164	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	37,724	-	37,724	0.26%	-
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	0.10%	-
22	Mr. Arihant Vikram Nopany	5,451	-	5,451	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	Deepshikha Trading Company Private Limited	68	-	68	0.00%	-
		<b>85,98,482</b>	<b>-</b>	<b>85,98,482</b>	<b>61.02%</b>	<b>-</b>

## 18. Other Equity

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Capital Reserve</b>		
Balance at the beginning and at the end of the year	36,897.75	36,897.75
<b>Capital Redemption Reserve</b>		
Balance at the beginning and at the end of the year	747.39	747.39
<b>Retained Earnings</b>		
Balance at the beginning of the year	24,882.36	20,777.57
Profit for the year	11,640.96	5,026.15
Remeasurement loss of defined benefit plans (net of tax)	(30.45)	(5.40)
Final dividend paid on equity shares	(986.41)	(915.96)
Balance at the end of the year	35,506.46	24,882.36
	<b>73,151.60</b>	<b>62,527.50</b>

**(a) Dividend on equity shares**

The following dividend was declared and paid by the Company during the year:

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
₹ 7.00 per equity share (31 March 2023: ₹ 6.50 per equity share) as final dividend	986.41	915.96

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

Particulars	As at 31 March 2024	As at 31 March 2023
Proposed dividend for the year ended 31 March 2024 ₹ 15.00 per equity share* (31 March 2023: ₹ 7.00 per equity share)	2,113.74	986.41

\* includes a special one-time dividend of ₹ 5.00 per equity share.

**19. Borrowings**

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
<b>Non-current Borrowings</b>		
<b>Term Loans (secured)</b>		
From banks -		
Rupee term loans	5,996.51	7,801.50
Under financial assistance scheme (SOFT 2019 Central)	-	2,197.37
Under financial assistance scheme (SEFASM 2018 Central)	6,302.15	8,801.75
	12,298.66	18,800.62
Less: Current portion of Non-current borrowings disclosed in Current Borrowings stated below	5,062.50	6,559.87
	<b>7,236.16</b>	<b>12,240.75</b>
<b>Current Borrowings</b>		
<b>Secured</b>		
Current portion of Non-current borrowings	5,062.50	6,559.87
From banks (repayable on demand)		
Cash credit including working capital demand loan	47,381.25	34,725.30
<b>Unsecured</b>		
Short term loan from a bank	4,000.00	3,000.00
Inter-corporate deposits	-	1,700.00
	<b>56,443.75</b>	<b>45,985.17</b>

The Company's exposure to interest and liquidity risk is disclosed in Note 43(C).

**Nature of Securities and Terms of repayment****(i) Terms and repayment schedule**

	Interest rate / Interest rate range	Maturity	Carrying amount (₹ in lakhs)	
			As at 31 March 2024	As at 31 March 2023
Secured rupee term loan	9.25% to 9.70% p.a.	June 2025	1,647.71	2,843.45
Secured rupee term loan	9.25% to 9.35% p.a.	September 2027	4,348.80	4,958.05
Secured term loan under financial assistance scheme (SOFT 2019 Central)	Fully repaid	March 2024	-	2,197.37
Secured rupee term loan under financial assistance scheme (SEFASM 2018 Central)	9.60% to 10.25% p.a.	September 2026	6,302.15	8,801.75
Secured cash credit including working capital demand loan	7.00% to 9.30% p.a.	On demand	47,381.25	34,725.30
Unsecured short term loan	7.60% to 8.05% p.a.	On demand	4,000.00	3,000.00
Unsecured Inter-corporate deposits	Fully repaid	On demand	-	1,700.00
			<b>63,679.91</b>	<b>58,225.92</b>

**(ii) Nature of security**

- (a) Term loan / Rupee term loans of ₹ **12,298.66 lakhs** (31 March 2023: ₹ 18,800.62 lakhs) are secured by first mortgage / charge created on entire property, plant and equipment of the Company, both present and future, ranking pari-passu with ICICI Bank.
- (b) Term loan of ₹ **6,302.15 lakhs** (31 March 2023: ₹ 8,801.75 lakhs) under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity (SEFASM 2018 - Central) is entitled for 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.
- (c) Cash credit borrowing including Working capital demand loan (WC DL) of ₹ **44,881.25 lakhs** (31 March 2023: ₹ 34,725.30 lakhs) from banks are secured by hypothecation of all current assets of the Company ranking pari-passu amongst the various lenders and also by 3<sup>rd</sup> charge on all the property, plant and equipment of the Company, both present and future.
- (d) Cash credit borrowing including WC DL of ₹ **2,500.00 lakhs** (31 March 2023: Nil) from RBL Bank is secured by subservient charge by way of hypothecation of all current assets and movable property, plant and equipment of the Company, both present and future.

- (iii) The Company is filing monthly stock statement to Banks (SBI, ICICI Bank, DCB, HDFC Bank, South Indian Bank, Yes Bank, Axis Bank and RBL 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)
31 March 2024	74,970.74	76,776.91	(1,806.17)
31 December 2023	34,560.48	30,177.98	4,382.50
30 September 2023	14,995.07	13,174.16	1,820.91
30 June 2023	36,650.13	36,640.36	9.77
31 March 2023	56,501.59	55,731.81	769.78
31 December 2022	24,136.41	21,381.61	2,754.80
30 September 2022	10,455.03	8,897.70	1,557.33
30 June 2022	27,399.75	24,252.12	3,147.63

The amount as per books of account represents total value of inventories of finished goods / semi finished goods, store, chemicals and spare parts, by products etc., whereas, as per terms and conditions (including valuation methodology) of the loan agreements, certain inventory values do not part of stock statement submitted with banks.

## 20. 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) (non-cash investing activity) 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. **8.50% p.a.** Movement of the carrying amount of lease liabilities during the year are as under:

(₹ in Lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
Balance at the beginning of the year	39.36	115.10
Additions during the year	-	50.42
Derecognition on termination of lease	-	(115.10)
Finance cost accrued during	2.97	3.94
Payment of lease liabilities (including finance cost)	(15.00)	(15.00)
Balance at the end of the year	<b>27.33</b>	<b>39.36</b>
Non-current	12.33	24.36
Current	15.00	15.00
	<b>27.33</b>	<b>39.36</b>

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

(₹ in Lakhs)		
Particulars	As at 31 March 2024	As at 31 March 2023
Less than one year	15.00	15.00
One to two years	15.00	15.00
Two to five years	-	15.00
<b>Total</b>	<b>30.00</b>	<b>45.00</b>

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

(₹ in Lakhs)		
Particulars	Year ended 31 March 2024	Year ended 31 March 2023
<b>Income:</b>		
Gain on termination of lease [Note 28]	-	15.86
<b>Expenses:</b>		
Interest on lease liabilities [Note 32]	2.97	3.94
Depreciation on right-of-use assets [Note 4]	12.68	12.60
Expenses relating to short-term and low-value leases [Note 34] *	18.75	19.89
<b>Total</b>	<b>34.40</b>	<b>36.43</b>

\* excluding ₹ 9.25 lakhs (31 March 2023: ₹ 9.72 lakhs) incurred in relation to farm assets.

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.



**21. Trade Payables**

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Total outstanding dues of micro enterprises and small enterprises *	93.44	54.87
Total outstanding dues of creditors other than micro enterprises and small enterprises	15,076.94	10,572.71
	<b>15,170.38</b>	<b>10,627.58</b>

\* Not overdue in terms of section 15 of MSMED Act 2006.

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 43(C).

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

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
(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	-	-
Interest due on above	-	-
Total	-	-
(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.	197.10	59.79
(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.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(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.	-	-

(b) Trade payables aging schedule:

(₹ in Lakhs)

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payment / date of transaction				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As on 31 March 2024</b>							
(i) MSME	-	93.44	-	-	-	-	93.44
(ii) Others	25.61	7,717.20	6,059.19	1,148.26	-	6.42	14,956.68
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	120.26	120.26
	<b>25.61</b>	<b>7,810.64</b>	<b>6,059.19</b>	<b>1,148.26</b>	<b>-</b>	<b>126.68</b>	<b>15,170.38</b>

## (b) Trade payables aging schedule (contd.):

(₹ in Lakhs)

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payment / date of transaction				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
<b>As on 31 March 2023</b>							
(i) MSME	-	54.87	-	-	-	-	54.87
(ii) Others	22.05	4,821.46	5,549.74	24.55	25.50	9.15	10,452.45
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	120.26	120.26
	<b>22.05</b>	<b>4,876.33</b>	<b>5,549.74</b>	<b>24.55</b>	<b>25.50</b>	<b>129.41</b>	<b>10,627.58</b>

**22. Other Financial Liabilities**

(₹ in Lakhs)

Particulars	Current	
	As at 31 March 2024	As at 31 March 2023
Trade and other deposits	71.00	22.00
Interest accrued but not due	150.52	149.71
Payable to employees	648.09	1,049.25
Liability for capital goods	10.12	40.83
Unclaimed dividend *	32.33	24.51
Unclaimed Fractional Share Pay-out *	0.84	0.85
Other payables	6.78	2.90
	<b>919.68</b>	<b>1,290.05</b>

\* 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 43(C).

**23. Other Current Liabilities**

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Advance against Sale of Goods / Property, plant and equipment	162.36	209.02
Statutory dues	327.73	383.87
	<b>490.09</b>	<b>592.89</b>

## 24. Provisions

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
<b>Provision for employee benefits</b>				
Net defined benefit liability - Gratuity	244.34	289.01	101.35	107.34
Provision for compensated absences	-	-	239.19	209.92
	<b>244.34</b>	<b>289.01</b>	<b>340.54</b>	<b>317.26</b>
<b>Other Provisions</b>				
For litigation, claims and contingencies *	-	-	89.41	89.41
	-	-	<b>89.41</b>	<b>89.41</b>
	<b>244.34</b>	<b>289.01</b>	<b>429.95</b>	<b>406.67</b>

### Defined benefits - Gratuity Plan

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

### Net defined benefit liabilities

(₹ in Lakhs)

Particulars	As at	As at
	31 March 2024	31 March 2023
Present value of defined benefit obligations	1,678.60	1,601.60
Fair value of plan assets	1,332.91	1,205.25
<b>Net defined benefit liabilities</b>	<b>345.69</b>	<b>396.35</b>

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

The Company expects to contribute ₹ 101.35 lakhs to Gratuity Fund in the next year.

### Inherent risk

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

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

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

(₹ in Lakhs)

	As at	As at
	31 March 2024	31 March 2023
<b>(i) Reconciliation of present value of defined benefit obligations</b>		
(a) Balance at the beginning of the year	1,601.60	1,546.98
(b) Service cost	106.82	101.54
(c) Interest cost	117.87	105.35
(d) Benefits paid	(185.31)	(161.25)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	13.66	(43.30)
- due to experience changes	23.96	52.28
<b>(f) Balance at the end of the year</b>	<b>1,678.60</b>	<b>1,601.60</b>

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

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
<b>(ii) Reconciliation of fair value of plan assets</b>		
(a) Balance at the beginning of the year	1,205.25	1,071.60
(b) Actual return on plan assets	85.64	74.74
(c) Contributions by the employer	227.33	220.16
(d) Benefits paid	(185.31)	(161.25)
<b>(e) Balance at the end of the year</b>	<b>1,332.91</b>	<b>1,205.25</b>
<b>(iii) Actuarial gain / (loss) on plan assets</b>		
(a) Expected Interest Income	88.71	72.97
(b) Actual return on plan assets	85.64	74.74
<b>(c) Actuarial gain / (loss) on plan assets</b>	<b>(3.07)</b>	<b>1.77</b>
<b>(iv) Expense recognised in Employee benefits expenses</b>		
(a) Service cost	106.82	101.54
(b) Interest cost	117.87	105.35
(c) Interest income	(88.71)	(72.97)
<b>(d) Amount charged to Employee benefits expenses</b>	<b>135.98</b>	<b>133.92</b>
<b>(v) Remeasurement recognised in Other Comprehensive Income</b>		
(a) Actuarial loss on defined benefit obligations	(37.62)	(8.98)
(b) Actuarial loss on plan assets	(3.07)	1.77
<b>(c) Amount recognised in Other Comprehensive Income</b>	<b>(40.69)</b>	<b>(7.21)</b>
<b>(vi) Plan assets</b>		
Plan assets comprise of the following:		
(a) Investments with LIC	1.00	1.00
<b>(vii) Actuarial assumptions</b>		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.19%	7.36%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates		
	Less than 40 Years - 4.2%	
	40 Years and above - 1.8%	
(d) Weighted average duration of defined benefit obligation	6 Years	6 Years
Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).		
<b>(viii) Method of determining defined benefit obligation</b>	<b>Project Unit Credit (PUC)</b>	

**(ix) 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)

	As at 31 March 2024		As at 31 March 2023	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	41.58	(39.52)	39.26	(37.35)
(b) Future salary growth (1% movement)	(76.65)	83.39	(73.52)	79.48
(c) Withdrawal assumption (4% movement)	(27.29)	33.12	(26.54)	33.59

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.

**(x) Maturity profile of defined benefit obligations (valued on undiscounted basis)**

(₹ in Lakhs)

Particulars	As at 31 March 2024	As at 31 March 2023
Within the next 12 months (next annual reporting period)	101.35	107.34
Between 1 and 2 years	431.96	362.53
Between 2 and 3 years	178.56	233.87
Between 3 and 4 years	152.28	160.81
Between 4 and 5 years	169.96	138.92
Between 5 and 6 years	176.68	152.92
Beyond 6 years	1,339.69	1,294.71
	<b>2,550.48</b>	<b>2,451.10</b>

**25. Deferred Tax Liabilities (net)**

(₹ in Lakhs)

Particulars	As at 31 March 2022	Recognised in profit or loss	Recognised in OCI	As at 31 March 2023	Recognised in profit or loss	Recognised in OCI	As at 31 March 2024
<b>Deferred tax liabilities</b>							
PPE including intangible assets	5,238.76	444.13	-	5,682.89	58.58	-	5,741.47
	<b>5,238.76</b>	<b>444.13</b>	-	<b>5,682.89</b>	<b>58.58</b>	-	<b>5,741.47</b>
<b>Deferred tax assets</b>							
MAT credit entitlement	1,152.66	(1,152.66)	-	-	-	-	-
Provisions - employee benefits	165.79	(14.29)	1.81	153.31	(15.50)	10.24	148.05
Provisions - others	25.38	(1.73)	-	23.65	(20.68)	-	2.97
Deduction allowed on payment / other basis	105.25	267.74	-	372.99	340.22	-	713.21
	<b>1,449.08</b>	<b>(900.94)</b>	<b>1.81</b>	<b>549.95</b>	<b>304.04</b>	<b>10.24</b>	<b>864.23</b>
<b>Net deferred tax liabilities / (assets)</b>	<b>3,789.68</b>	<b>1,345.07</b>	<b>(1.81)</b>	<b>5,132.94</b>	<b>(245.46)</b>	<b>(10.24)</b>	<b>4,877.24</b>

The Company has made an assessment of the impact of the provisions under Section 115 BAA of the Income-tax Act, 1961 and has consequently decided to shift to the new tax regime from beginning of the current year.

**26. Current Tax Liabilities (net)**

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
Provision for taxation	4,262.70	1,337.93
Less: Advance tax and tax deducted / collected at sources	3,555.07	1,001.32
	<b>707.63</b>	<b>336.61</b>

The Company has made an assessment of the impact of the provisions under Section 115 BAA of the Income-tax Act, 1961 and has consequently decided to shift to the new tax regime from beginning of the current year.

**27. Revenue from Operations**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Sale of Goods</b>		
Finished goods	1,05,260.81	91,063.33
Power	3,191.14	2,838.50
By products	445.40	640.68
Others (including Bio-compost)	544.77	466.25
	<b>1,09,442.12</b>	<b>95,008.76</b>
<b>Other operating revenue</b>		
Renewable Energy Certificates (REC)	-	30.49
Goods and Service Tax Reimbursement [Note 42]	110.63	-
Scrap Sales	105.28	302.73
	215.91	333.22
<b>Total revenue from operations</b>	<b>1,09,658.03</b>	<b>95,341.98</b>

**Disaggregated revenue information**

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

(₹ in Lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
<b>Year ended 31 March 2024</b>				
<b>Revenue based on the type of goods sold to customers:</b>				
Type of Goods:				
<i>Finished goods</i>				
- Sugar	76,347.63	-	-	76,347.63
- Spirits	-	28,913.18	-	28,913.18
	<b>76,347.63</b>	<b>28,913.18</b>	<b>-</b>	<b>1,05,260.81</b>
<i>Power</i>	-	-	3,191.14	3,191.14
<i>By products</i>				
- Bagasse	373.76	-	-	373.76
- Press-mud	71.64	-	-	71.64
	<b>445.40</b>	<b>-</b>	<b>-</b>	<b>445.40</b>
<i>Others (including Bio-compost)</i>	51.35	493.42	-	544.77
	<b>76,844.38</b>	<b>29,406.60</b>	<b>3,191.14</b>	<b>1,09,442.12</b>

(₹ in Lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
<b>Revenue based on the type of customers:</b>				
- Government concerns (including PSUs)	-	28,913.18	3,191.14	32,104.32
- Others	76,844.38	493.42	-	77,337.80
	<b>76,844.38</b>	<b>29,406.60</b>	<b>3,191.14</b>	<b>1,09,442.12</b>
<b>Year ended 31 March 2023</b>				
<b>Revenue based on the type of goods sold to customers:</b>				
Type of Goods:				
<i>Finished goods</i>				
- Sugar	66,823.16	-	-	66,823.16
- Spirits	-	24,240.17	-	24,240.17
	<b>66,823.16</b>	<b>24,240.17</b>	<b>-</b>	<b>91,063.33</b>
<i>Power</i>	-	-	2,838.50	2,838.50
<i>By products</i>				
- Bagasse	579.08	-	-	579.08
- Press-mud	61.60	-	-	61.60
	640.68	-	-	640.68
<i>Others (including Bio-compost)</i>	52.86	413.39	-	466.25
	<b>67,516.70</b>	<b>24,653.56</b>	<b>2,838.50</b>	<b>95,008.76</b>
<b>Revenue based on the type of customers:</b>				
- Government concerns (including PSUs)	-	24,238.55	2,838.50	27,077.05
- Export (including through third parties)	14,409.10	-	-	14,409.10
- Others	53,107.60	415.01	-	53,522.61
	<b>67,516.70</b>	<b>24,653.56</b>	<b>2,838.50</b>	<b>95,008.76</b>

The reconciliation of the revenue from contracts with customers and other operating revenue with amount disclosed in the segment information (Note 40):

(₹ in Lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
<b>Year ended 31 March 2024</b>				
<b>Sale of Goods</b>				
- External customers	76,844.38	29,406.60	3,191.14	1,09,442.12
- Inter-segment	17,640.99	62.82	5,353.08	23,056.89
<b>Other Operating Revenue</b>	102.30	113.61	-	215.91
	94,587.67	29,583.03	8,544.22	1,32,714.92
Less: Inter-segment elimination	17,640.99	62.82	5,353.08	23,056.89
Less: Other Operating Revenue	102.30	113.61	-	215.91
	<b>76,844.38</b>	<b>29,406.60</b>	<b>3,191.14</b>	<b>1,09,442.12</b>
<b>Year ended 31 March 2023</b>				
<b>Sale of Goods</b>				
- External customers	67,516.70	24,653.56	2,838.50	95,008.76
- Inter-segment	21,732.18	53.73	5,140.65	26,926.56
<b>Other Operating Revenue</b>	196.04	137.18	-	333.22
	89,444.92	24,844.47	7,979.15	1,22,268.54
Less: Inter-segment elimination	21,732.18	53.73	5,140.65	26,926.56
Less: Other Operating Revenue	196.04	137.18	-	333.22
	<b>67,516.70</b>	<b>24,653.56</b>	<b>2,838.50</b>	<b>95,008.76</b>

- 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 10] and advance from customers [Note 23].
- c) The amount of ₹ **202.54 lakhs** included in contract liabilities [Note 23] at 31 March 2023 has been recognised as revenue during the year ended 31 March 2024 (31 March 2023: ₹ 170.11 lakhs).
- d) The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.



**28. Other Income**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest Income on assets measured at amortised cost:		
- Loans and deposits	36.28	53.13
Insurance and other claims	22.70	-
Gain on termination of lease	-	15.86
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	43.17	54.73
Change in fair value of biological assets other than bearer plants [Note 9]	34.59	37.82
Miscellaneous income	20.27	18.82
	<b>157.01</b>	<b>180.36</b>

**29. Cost of Raw Materials Consumed**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Inventory of materials at the beginning of the year	4,500.29	1,437.69
Add: Purchases and procurement expenses	88,377.64	76,324.97
	92,877.93	77,762.66
Less: Inventory of materials at the end of the year	2,351.80	4,500.29
	<b>90,526.13</b>	<b>73,262.37</b>

**30. Changes in inventories of Finished Goods and Work-in-progress**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>Inventories at the end of the year</b>		
Finished goods	65,568.08	43,778.02
By Products	4,368.11	5,997.66
Work-in-progress	563.56	388.05
Bio-compost	99.92	112.41
Scrap	3.93	2.77
	<b>70,603.60</b>	<b>50,278.91</b>
<b>Inventories at the beginning of the year</b>		
Finished goods	43,778.02	38,547.91
By Products	5,997.66	4,984.97
Work-in-progress	388.05	154.47
Bio-compost	112.41	99.15
Scrap	2.77	40.38
	<b>50,278.91</b>	<b>43,826.88</b>
	<b>(20,324.69)</b>	<b>(6,452.03)</b>

### 31. Employee benefits expense

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Salaries and wages	5,527.94	5,563.12
Contribution to provident and other funds	426.31	349.78
Expenses related to post-employment defined benefit plans * [Note 24]	135.81	133.79
Staff welfare expenses	181.24	124.26
	<b>6,271.30</b>	<b>6,170.95</b>

\* excluding provision towards liability of ₹ 0.17 lakhs (31 March 2023: ₹ 0.13 lakhs as reversal of excess liability) in relation to biological assets other than bearer plants.

**Note:** Arrears of ₹ 424.66 lakhs upto 31 March 2022 payable towards revision of wages of workmen in sugar and distillery industries covered under wage board by the Government of Bihar included in year ended 31 March 2023 above.

### Defined contribution plans

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Contribution to Provident / Pension Funds	419.61	343.62
Contribution to Superannuation Fund	6.70	6.16
	<b>426.31</b>	<b>349.78</b>

### 32. Finance costs

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Interest expense on financial liabilities measured at amortised cost *	3,201.87	3,028.44
Interest on lease liabilities [Note 20]	2.97	3.94
Interest on income tax	56.90	3.59
	<b>3,261.74</b>	<b>3,035.97</b>

\* Net of Government grants [Note 42].

### 33. Depreciation and amortization expense

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Depreciation of property, plant and equipment * [Note 4]	2,538.45	2,515.58
Amortisation of intangible assets [Note 6]	4.09	3.91
	<b>2,542.54</b>	<b>2,519.49</b>

\* excluding ₹ 13.82 lakhs (31 March 2023: ₹ 9.24 lakhs) in relation to farm assets.

### 34. Other expenses

(₹ in Lakhs)

	Year ended 31 March 2024		Year ended 31 March 2023	
Consumption of stores and spares		1,612.64		1,507.83
Packing materials		1,376.89		854.15
Power and fuel		1,015.36		847.60
Repairs to:				
- Buildings		316.95		261.38
- Machinery		3,296.89		2,580.28
- Others		53.69		48.11
Rent [Note 20]		18.75		19.89
Rates and taxes		63.11		55.40
Insurance		169.93		206.34
Payment to auditors [refer Note (a) below]		37.90		32.07
Payment to cost auditors		1.25		1.25
Commission on sales		300.47		226.40
Freight and forwarding charges		2,012.34		1,314.77
Charity and donations		76.28		47.07
Loss allowance on advances		2.99		5.68
Bad debts, irrecoverable claims and advances written off	86.52		19.79	
Less: Adjusted against provisions	85.14	1.38	12.10	7.69
Loss on sale / discard of Property, Plant and Equipment (net)		38.58		16.71
Corporate Social Responsibility expenses [refer Note (b) below]		130.77		150.50
Director's commission		90.00		-
Director's sitting fees		22.00		21.60
Miscellaneous expenses		1,240.61		1,071.80
		<b>11,878.78</b>		<b>9,276.52</b>

#### (a) Payment to auditors

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
<b>As Auditors</b>		
- Statutory audit	18.50	18.50
- Tax audit	4.50	-
- Limited review of quarterly results	10.50	10.50
<b>In other capacity</b>		
- For certificates and other services	2.90	1.50
<b>Reimbursement of expenses</b>	1.50	1.57
	<b>37.90</b>	<b>32.07</b>

**(b) Corporate Social Responsibility (CSR) expenses**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
(i) Gross amount required to be spent by the Company during the year	127.63	148.10
(ii) Amount approved by the Board to be spent during the year	130.00	150.00
(iii) Amount spent during the year on:		
(A) Construction / acquisition of any asset		
- In Cash	-	-
- Yet to be paid in cash	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
(B) On purpose other than (A) above		
- In Cash	130.77	150.50
- Yet to be paid in cash	-	-
<b>Total</b>	<b>130.77</b>	<b>150.50</b>
(iv) Surplus at the end of the year (not recognised as asset)	3.14	2.40
(v) Total of previous years surplus	13.92	11.52
(vi) Reason for shortfall, if any	Not Applicable	Not Applicable
(vii) 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.	41.91	59.01
(B) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	68.40	59.16
(C) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	16.41	27.00
(D) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	4.05	4.70
(E) Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art, setting up public libraries, promotion and development of traditional art and handicrafts.	-	0.63
	<b>130.77</b>	<b>150.50</b>
(viii) 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	-	-

**35. Tax expense**

(₹ in Lakhs)

	Year ended 31 March 2024		Year ended 31 March 2023	
<b>Current tax</b>				
Provision of tax for the current year	4,262.70		1,337.93	
Adjustments for tax related to earlier years	1.04	4,263.74	(0.08)	1,337.85
<b>Deferred tax</b>				
Attributable to origination and reversal of temporary differences		(245.46)		1,345.07
		<b>4,018.28</b>		<b>2,682.92</b>

**Reconciliation of effective tax**

	Year ended 31 March 2024		Year ended 31 March 2023	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
<b>Profit before tax</b>		15,659.24		7,709.07
Tax using the Company's domestic tax rate	25.168%	3,941.12	34.944%	2,693.86
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"		-		3.41
- Others (including permanent differences)		77.16		-14.35
		<b>4,018.28</b>		<b>2,682.92</b>

**36. Earnings per equity share (EPS)****Basic and Diluted earnings per share**

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic and diluted earnings per share calculation are as follows:

	Year ended 31 March 2024	Year ended 31 March 2023
(i) Profit attributable to equity shareholders (₹ in lakhs)	11,640.96	5,026.15
(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) <b>Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]</b>		
Basic and Diluted (₹)	82.61	35.67

There is no dilutive potential equity share.

**37. Capital and Other Commitments**

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹ **8,514.19 lakhs** (31 March 2023: ₹ 155.92 lakhs) including ₹ **8,312.07 lakhs** (31 March 2023: ₹ 12.64 lakhs) related to Property, Plant and Equipment.

**38. Contingent Liabilities (to the extent not provided for)**
**(a) Claims against the Company not acknowledged as debt**

(₹ in Lakhs)

	As at 31 March 2024	As at 31 March 2023
(i) Excise duty and service tax	592.75	4,488.18
(ii) Sales and entry tax	92.46	99.34
(iii) Goods and service tax	108.16	-
(iv) Duty under state acts	321.41	321.41
(v) Others	177.34	140.30
<b>Total *</b>	<b>1,292.12</b>	<b>5,049.23</b>

**\* Notes:**

- (1) Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.
- (2) The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.

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

- 39.** Title deeds of freehold land of ₹ **7.83 lakhs** (31 March 2023: ₹ 71.21 lakhs) including land related to farm assets of ₹ **0.91 lakhs** (31 March 2023: ₹ 64.28 lakhs), which is not part-of security offered to lenders, are not in the name of 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
<b>As on 31 March 2024:</b>						
PPE	Freehold Land	7.83	New Swadeshi Sugar Mills (The erstwhile company)	No	1 April 2015	Mutation in the name of the Company is pending.
<b>As on 31 March 2023:</b>						
PPE	Freehold Land	71.21	New Swadeshi Sugar Mills (The erstwhile company)	No	1 April 2015	Mutation in the name of the 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.

## 40. 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.

(₹ in Lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
<b>Year ended 31 March 2024</b>				
<b>Revenue:</b>				
Segment revenue	94,587.67	29,583.04	8,544.21	1,32,714.92
Less: Inter-segment revenue	17,640.99	62.82	5,353.08	23,056.89
<b>Total revenue from operations</b>	<b>76,946.68</b>	<b>29,520.22</b>	<b>3,191.13</b>	<b>1,09,658.03</b>
<b>Segment profit before income tax</b>	8,899.51	7,318.44	3,395.72	19,613.67
Finance costs				3,261.74
Unallocable expenses (net of unallocable income)				692.69
<b>Profit before tax</b>				<b>15,659.24</b>
<b>As at 31 March 2024</b>				
<b>Segment assets</b>	1,18,373.13	34,948.53	7,251.92	1,60,573.58
Unallocated assets				533.73
<b>Total assets</b>				<b>1,61,107.31</b>
<b>Segment liabilities</b>	16,202.96	761.03	114.99	17,078.98
Unallocated liabilities				69,467.57
<b>Total liabilities</b>				<b>86,546.55</b>

(₹ in Lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
<b>Year ended 31 March 2024</b>				
<b>Other segment information</b>				
Capital expenditure				
- Property, Plant and Equipment	1,450.38	1,748.61	285.36	3,484.35
- Intangible assets	-	-	-	-
Depreciation	1,463.41	814.83	260.21	2,538.45
Amortisation	4.09	-	-	4.09

(₹ in Lakhs)

	Sugar	Distillery	Co-generation	Total
<b>Year ended 31 March 2023</b>				
<b>Revenue:</b>				
Segment revenue	89,444.92	24,844.47	7,979.15	1,22,268.54
Less: Inter-segment revenue	21,732.18	53.73	5,140.65	26,926.56
<b>Total revenue from operations</b>	<b>67,712.74</b>	<b>24,790.74</b>	<b>2,838.50</b>	<b>95,341.98</b>
<b>Segment profit before income tax</b>	<b>3,989.22</b>	<b>4,750.21</b>	<b>2,537.13</b>	<b>11,276.56</b>
Finance costs				3,035.97
Unallocable expenses (net of unallocable income)				531.52
<b>Profit before tax</b>				<b>7,709.07</b>
<b>As at 31 March 2023</b>				
<b>Segment assets</b>	<b>98,137.40</b>	<b>35,053.53</b>	<b>7,179.09</b>	<b>1,40,370.02</b>
Unallocated assets				507.67
<b>Total assets</b>				<b>1,40,877.69</b>
<b>Segment liabilities</b>	<b>12,399.22</b>	<b>568.57</b>	<b>68.96</b>	<b>13,036.75</b>
Unallocated liabilities				63,904.28
<b>Total liabilities</b>				<b>76,941.03</b>
<b>Year ended 31 March 2023</b>				
<b>Other segment information</b>				
Capital expenditure				
- Property, Plant and Equipment	543.20	589.05	9.98	1,142.23
- Intangible assets	7.29	-	-	7.29
Depreciation	1,450.32	809.40	255.86	2,515.58
Amortisation	3.91	-	-	3.91



### 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 31 March 2024			Year ended 31 March 2023		
	Reportable segments		Total	Reportable segments		Total
	Indian	Overseas*		Indian	Overseas*	
<b>Revenue:</b>						
Sales (including other operating revenue) to external customers	1,09,658.03	-	1,09,658.03	80,932.88	14,409.10	95,341.98
<b>Segment assets</b>	1,60,573.58	-	1,60,573.58	1,40,370.02	-	1,40,370.02
<b>Segment liabilities</b>	17,078.98	-	17,078.98	13,036.75	-	13,036.75

The Company has common property, plant and equipment for producing goods for Indian and Overseas markets. Hence, no separate figures for property, plant and equipment / additions to property, plant and equipment / depreciation and amortisation on property, plant and equipment have been furnished.

\* including export through third parties.

### D. Major customer

One (31 March 2023: Two) customers contributed **15.47%** (31 March 2023: 27.30%) of the total revenue of the Company.

## 41. Related Party Disclosures

In accordance with the requirements of Indian Accounting Standard (Ind-AS) 24 "Related Party Disclosures", names of the related parties, related party relationships, transactions and outstanding balances, where control exist and with whom transactions have been taken 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. Sudarshan Bajaj	- Chief Financial Officer
	Mr. Subramanian Sathyamurthy	- Company Secretary
Relatives of key management personnel	Mrs. Nandini Nopany	- Mother of Mr. Chandra Shekhar Nopany

**B. The following transactions were carried out with related parties in the ordinary course of business**
**a. Dividend / Director's sitting fees / commission**

(₹ in Lakhs)

Particulars	Year ended 31 March	Dividend on Equity Shares	Director's sitting fees	Director's commission	Amount owed to related parties
<b>Key management personnel</b>					
Mr. Chandra Shekhar Nopany	2024	2.64	2.80	15.00	6.75
	2023	4.32	2.60	-	-
Mr. Padam Kumar Khaitan	2024	-	4.00	15.00	6.75
	2023	-	4.20	-	-
Mr. Yashwant Kumar Daga	2024	-	4.40	15.00	6.75
	2023	-	3.80	-	-
Mr. Ishwari Prosad Singh Roy	2024	-	3.60	15.00	6.75
	2023	-	3.60	-	-
Mr. Raj Kumar Bagri	2024	-	4.20	15.00	6.75
	2023	-	4.40	-	-
Ms. Shashi Sharma	2024	-	3.00	15.00	6.75
	2023	-	3.00	-	-
<b>Relatives of key management personnel</b>					
Mrs. Nandini Nopany	2024	12.89	-	-	-
	2023	18.40	-	-	-

**b. Remuneration to key managerial personnel**
**(i) Short term employee benefits**

(₹ in Lakhs)

Particulars	Year ended 31 March	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. Chandra Mohan *	2024	138.67	-	7.24
	2023	126.22	-	3.24
Mr. Sudarshan Bajaj	2024	30.43	-	-
	2023	29.61	-	-
Mr. Subramanian Sathyamurthy	2024	32.59	-	-
	2023	32.12	-	-

\* excluding ₹ 17.47 lakhs (31 March 2023: ₹ 15.17 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

**(ii) Post employment benefits**

Short term employee benefits as disclosed in point (i) above 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 31 March 2024 or year ended 31 March 2023.

**D. Terms and conditions of transactions with related parties**

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) The amounts outstanding are unsecured and will be settled in cash and cash equivalent. Neither guarantees have been given nor received.
- (iii) For the year ended 31 March 2024, 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.

## 42. Government Grants

The Company is eligible to receive various government grants by way of goods and service tax reimbursement, reimbursement of stamp duty / registration fees, capital subsidy on property, plant and equipment 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	As at March 31, 2024	As at March 31, 2023
<b>Revenue related Government Grants:</b>				
(i)	Interest Subvention / grant on term loans [Note (a) below]	Deducted from "Finance costs" in Note 32	297.42	349.04
(ii)	Goods and Service Tax Reimbursement [Note (b) below]	Disclosed in "Revenue from Operations" in Note 27	110.63	-
<b>Capital Subsidy:</b>				
(iii)	Reimbursement of Stamp duty / Registration fees [Note (b) below]	Deducted from "Freehold Land" in Note 4	-	37.68
(iv)	Capital Subsidy on Property, plant and equipment [Note (b) below]	Deducted from "Plant and Equipment" in Note 4	477.92	-

- (a) 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.
- (b) The State Government of Bihar under Industrial Investment Promotion Policy, 2014 and 2016 had announced various subsidies / incentives on industrial capital investment in Bihar. During the year, the Company has received ₹ 110.63 lakhs and ₹ 477.92 lakhs as Goods and Service Tax Reimbursement and Capital Subsidy on Property, plant and equipment respectively. The Company had also received ₹ 37.68 lakhs as reimbursement of stamp duty / registration fees on purchase of freehold land during the last year.

## 43. Financial instruments - fair values and risk management

### A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities:

(₹ in Lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2024</b>					
<b>Financial assets not measured at fair value</b>					
Investment in Government Securities	-	-	0.66	0.66	0.66
Trade receivables	-	-	3,514.83	3,514.83	3,514.83
Cash and cash equivalents	-	-	15.66	15.66	15.66
Other bank balances	-	-	91.37	91.37	91.37
Loans	-	-	24.55	24.55	24.55
Other financial assets	-	-	484.73	484.73	484.73
	-	-	<b>4,131.80</b>	<b>4,131.80</b>	<b>4,131.80</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings *	-	-	63,679.91	63,679.91	63,679.91
Trade payables	-	-	15,170.38	15,170.38	15,170.38
Other financial liabilities	-	-	919.68	919.68	919.68
	-	-	<b>79,769.97</b>	<b>79,769.97</b>	<b>79,769.97</b>

(₹ in Lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
<b>As at 31 March 2023</b>					
<b>Financial assets not measured at fair value</b>					
Investment in Government Securities	-	-	0.66	0.66	0.66
Trade receivables	-	-	3,452.70	3,452.70	3,452.70
Cash and cash equivalents	-	-	13.02	13.02	13.02
Other bank balances	-	-	29.06	29.06	29.06
Loans	-	-	23.29	23.29	23.29
Other financial assets	-	-	479.24	479.24	479.24
	-	-	<b>3,997.97</b>	<b>3,997.97</b>	<b>3,997.97</b>
<b>Financial liabilities not measured at fair value</b>					
Borrowings *	-	-	58,225.92	58,225.92	58,225.92
Trade payables	-	-	10,627.58	10,627.58	10,627.58
Other financial liabilities	-	-	1,290.05	1,290.05	1,290.05
	-	-	<b>70,143.55</b>	<b>70,143.55</b>	<b>70,143.55</b>

\* measured at level 2.

The management assessed that fair values of trade receivables, cash and cash equivalent, other bank balances, trade payables, investment in Government securities, loans and other financial assets and liabilities approximate their carrying amounts.

#### 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.

##### Valuation technique level 2 - Borrowings

Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate. The own non-performance risk was assessed to be insignificant.

#### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk
- (ii) Liquidity risk
- (iii) Market risk

##### Risk management framework

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include trade receivables, cash and cash equivalents, other bank balances, investments, loans and other financial assets that derive directly from its operations.

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's Risk Management Committee monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Company's primary risk management focus is to minimise potential adverse effects of market risk on its financial performance. The Company's risk management assessment and policies and processes are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

The sources of risks which the Company is exposed to and their management is given below:

Risk	Exposure Arising from	Measurement	Management
<b>Credit risk</b>	Trade receivables	Case to case basis	Credit limit and credit worthiness monitoring, credit based approval process
<b>Liquidity risk</b>	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
<b>Market risk</b>			
Interest rate risk	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Fund management
Regulatory risk	Commercial traction	Impact of policies	Monitoring of Policies and assessing impact
Commodity price risk	Commercial traction	Cash flow forecasting 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, Loans, Claims and Subsidies / Refunds and Other 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, loans, claims and subsidies / refunds and other receivables and by type of counterparty and loss allowances are as follows.

(₹ in Lakhs)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Amount	Loss allowance	Net Amount	Amount	Loss allowance	Net Amount
<b>Trade Receivables</b>						
Government concerns (including government undertakings)	3,481.74	-	3,481.74	3,410.18	-	3,410.18
Others	38.77	5.68	33.09	133.34	90.82	42.52
	<b>3,520.51</b>	<b>5.68</b>	<b>3,514.83</b>	<b>3,543.52</b>	<b>90.82</b>	<b>3,452.70</b>
<b>Loans</b>						
Government concerns (including government undertakings)	-	-	-	-	-	-
Others	24.55	-	24.55	23.29	-	23.29
	<b>24.55</b>	<b>-</b>	<b>24.55</b>	<b>23.29</b>	<b>-</b>	<b>23.29</b>
<b>Claims and Subsidies / Refunds and Other Receivables</b>						
Government concerns (including government undertakings)	390.10	-	390.10	356.50	-	356.50
Others	7.51	-	7.51	6.97	-	6.97
	<b>397.61</b>	<b>-</b>	<b>397.61</b>	<b>363.47</b>	<b>-</b>	<b>363.47</b>

Trade receivables are primarily unsecured and are derived from revenue earned from customers. Credit risk is managed through credit approvals, establishing credit limits and by continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. As per simplified approach, the Company makes provision of expected credit loss on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provisions at each reporting date whenever is for longer period and involves higher risk. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain.

**Movement of loss allowance in respect of trade receivables, loans, claims and subsidies / refunds and other receivables:**

(₹ in Lakhs)

	Year ended 31 March 2024	Year ended 31 March 2023
Balance at the beginning of the year	90.82	85.14
Net remeasurement of loss allowance [Note 34]	(85.14)	5.68
<b>Balance at the end of the year</b>	<b>5.68</b>	<b>90.82</b>

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

**(ii) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes

and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

As disclosed in Note 19, the Company has secured bank loans that contains covenant. Any future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. The covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

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 years	1 to 2 years	2 to 5 years	More than 5 years
<b>As at 31 March 2024</b>						
Secured term loan from banks and others*	12,298.66	14,056.69	6,052.96	4,691.27	3,312.46	-
Cash credit including WCDL	47,381.25	47,381.25	47,381.25	-	-	-
Unsecured short term loan from a bank	4,000.00	3,000.00	3,000.00	-	-	-
Inter-corporate deposits	-	-	-	-	-	-
Lease Liabilities*	27.33	30.00	15.00	15.00	-	-
Trade payables	15,170.38	15,170.38	15,170.38	-	-	-
Other financial liabilities	919.68	919.68	919.68	-	-	-
	<b>79,797.30</b>	<b>80,558.00</b>	<b>72,539.27</b>	<b>4,706.27</b>	<b>3,312.46</b>	<b>-</b>
<b>As at 31 March 2023</b>						
Secured term loan from banks and others*	18,800.62	22,053.33	8,066.92	6,000.56	7,985.85	-
Cash credit including WCDL	34,725.30	34,725.30	34,725.30	-	-	-
Unsecured short term loan from a bank	3,000.00	3,000.00	3,000.00	-	-	-
Inter-corporate deposits	1,700.00	1,700.00	1,700.00	-	-	-
Lease Liabilities*	39.36	45.00	15.00	15.00	15.00	-
Trade payables	10,627.58	10,627.58	10,627.58	-	-	-
Other financial liabilities	1,290.05	1,290.05	1,290.05	-	-	-
	<b>70,182.91</b>	<b>73,441.26</b>	<b>59,424.85</b>	<b>6,015.56</b>	<b>8,000.85</b>	<b>-</b>

\* including estimated interest.

### (iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

### Foreign currency risks

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

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:

Particulars	(₹ in Lakhs)	
	As at 31 March 2024	As at 31 March 2023
<b>Fixed rate instruments</b>		
Financial assets	-	-
Financial liabilities	-	1,700.00
<b>Variable rate instruments</b>		
Financial liabilities	63,707.24	56,565.28

### 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:

Particulars	Profit or loss before tax		Equity, net of tax	
	Increase	Decrease	Increase	Decrease
<b>31 March 2024</b>				
Variable rate instruments	(318.54)	318.54	(207.23)	207.23
<b>31 March 2023</b>				
Variable rate instruments	(282.83)	282.83	(184.00)	184.00

### 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.



#### 44. 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:

- to maximise shareholders value and provide benefits to other stakeholders, and
- 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 45.

#### 45. Ratio Analysis and its elements

(₹ in Lakhs)

Ratio	Numerator	Denominator	As at 31 March 2024	As at 31 March 2023	Change (%)
Current Ratio	Current Assets	Current Liabilities	1.08	1.04	4.00%
Debt-Equity Ratio	Total Debts (Borrowings)	Shareholder's Equity	0.85	0.91	(6.22%)
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	1.76	1.53	14.48%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.17	0.08	106.98%
				[Explained in Note (a) below]	
Inventory Turnover Ratio	Cost of goods sold = Cost of raw material consumed + change in inventories of finished goods and work-in-progress	Average Inventories of finished goods and work-in-progress	1.16	1.42	(18.20%)
Trade Receivable Turnover Ratio	Total Sales	Average Trade Receivable	31.45	22.88	37.44%
				[Explained in Note (b) below]	
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payable	6.85	10.48	(34.60%)
				[Explained in Note (c) below]	
Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	18.72	42.95	(56.43%)
				[Explained in Note (d) below]	
Net Profit Ratio	Net Profits after taxes	Net Sales = Total Sales - Sales Return	0.11	0.05	101.51%
				[Explained in Note (e) below]	
Return on Capital Employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.13	0.08	56.62%
				[Explained in Note (f) below]	

**Notes:**

- (a) Change in Return on Equity Ratio is 106.98% as compared to the preceding year due to increase in net profit.
- (b) Change in Trade Receivable Turnover Ratio is 37.44% as compared to the preceding year due to decrease in average trade receivables.
- (c) Change in Trade Payable Turnover Ratio is 34.60% as compared to the preceding year due to increase in average trade payables.
- (d) Change in Net Capital Turnover Ratio is 56.43% as compared to the preceding year due to increase in working capital.
- (e) Change in Net Profit Ratio is 101.51% as compared to the preceding year due to increase in net profit.
- (f) Change in Return on Capital Employed is 56.62% as compared to the preceding year due to increase in profit before interest and taxes (PBIT).

46. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall 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 to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall 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.

**47. Recent accounting pronouncement**

There are no standards that are notified and yet to be effective as on the date.

As per our report of even date attached.

**For B S R & Co. LLP**

*Chartered Accountants*

ICAI Firm's Registration No.: 101248W/W-100022

**Seema Mohnot**

*(Partner)*

Membership No.: 060715

Place: Kolkata

Date: 14 May 2024

**For and on behalf of the Board of Directors****Chandra Mohan**

*Whole-time Director*

DIN: 07760264

**Subramanian Sathyamurthy**

*Company Secretary*

FCS - 4974

**Chandra Shekhar Nopany**

*Chairman*

DIN: 00014587

**Sudershan Bajaj**

*Chief Financial Officer*





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