MAGADH
SUGAR & ENERGY LTD

MSEL/SE/2017-18/18

17th August, 2017

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

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

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

SYMBOL – MAGADSUGAR **STOCK CODE – 540650** **Scrip Code - 23935**

Dear Sir,

Re : Annual Report & Accounts for the year ended March 31, 2017

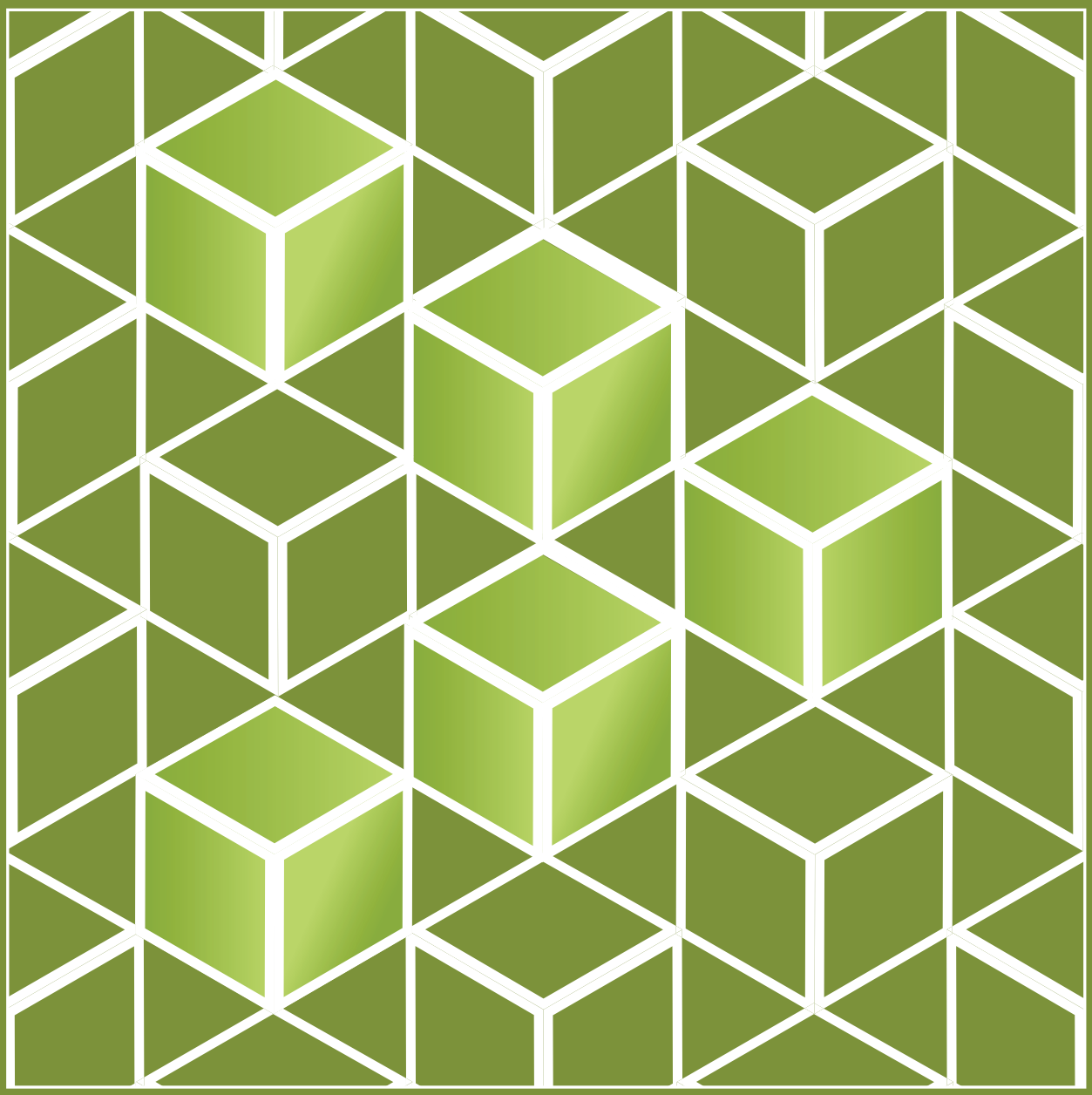
In terms of Regulation 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we send herewith a copy of the Annual Report of the Company for the financial year 2016-17, duly approved and adopted by the Members of the Company at the 3rd Annual General Meeting held on 1st August, 2017.

Please acknowledge receipt.

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

S Subramanian
Company Secretary
FCS - 4974

Encl – as above



Progress through

prudence.

MAGADH SUGAR & ENERGY LIMITED
ANNUAL REPORT 2016-17

FORWARD LOOKING STATEMENT

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

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Corporate Information

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

COMMITTEES OF DIRECTORS
Audit Committee
Mr. Raj Kumar Bagri – Chairman
Mr. Yashwant Kumar Daga
Mr. Ishwari Prosad Singh Roy
Mrs. Shashi Sharma

Stakeholders' Relationship Committee
Mr. Raj Kumar Bagri – Chairman
Mr. Yashwant Kumar Daga
Mr. Padam Kumar Khaitan

Nomination and Remuneration Committee
Mr. Yashwant Kumar Daga - Chairman
Mr. Padam Kumar Khaitan
Mr. Ishwari Prosad Singh Roy
Mr. Raj Kumar Bagri

Risk Management Committee
Mrs. Shashi Sharma – Chairperson
Mr. Chandra Mohan
Mr. Chand Bihari Patodia
Mr. Sunil Choraria

Corporate Social Responsibility Committee
Mr. Chandra Shekhar Nopany – Chairman
Mr. Padam Kumar Khaitan
Mr. Chandra Mohan

Finance & Corporate Affairs Committee
Mr. Chandra Shekhar Nopany – Chairman
Mr. Yashwant Kumar Daga
Mr. Ishwari Prosad Singh Roy
Mr. Chandra Mohan

EXECUTIVES
Mr. Balwant Singh Garewal – Executive President, Sidhwalia
Mr. Mehtab Singh – Executive President, Hasanpur
Mr. Sunil Choraria, Chief Financial Officer
Mr. S Subramanian, Company Secretary

AUDITORS
S.R. Batliboi & Co. LLP
Chartered Accountants
22, Camac Street, 3rd Floor, Block - C,
Kolkata - 700 016

ADVOCATES & SOLICITORS
Khaitan & Co. LLP

BANKERS
State Bank of India
ICICI Bank Ltd
IDBI Bank Ltd.
Punjab National Bank

REGISTRAR AND SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
(Unit : Magadh Sugar & Energy Limited)
59C, Chowringhee Road,
Kolkata - 700 020
Tel. No.:(033)2289 0540, Fax No:(033)-2289 0539
E-mail : kolkata@linkintime.co.in

REGISTERED OFFICE
P. O. Hargaon District – Sitapur, (U. P.)
Pin Code – 261 121
Tel. No. : (05862) 256220, Fax No. : (05862) 256225
E-mail : birlasugar@birla-sugar.com
Website : www.birla-sugar.com
CIN – U15122UP20152PLC069632

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

CO-GENERATION POWER PLANT
1. Narkatiaganj, Dist. West Champaran, Bihar
2. Sidhwalia, Dist. Gopalganj, Bihar
3. Hasanpur, Dist West Champaran, Bihar

Chairman's Insight

Dear Shareholders,

Our country is witnessing rapid transformation across all major sectors of the economy. At the same time, the rate of GDP growth is one of the highest in the world. Moreover, India has become the sixth largest manufacturing country in the world, rising from its previous ninth position.The government's focus on wide-ranging reforms is driving the economy forward, despite a largely volatile global economic scenario.

Among the major reforms that were implemented during FY 2016-17, GST deserves mention in this context. It was a radical step to bring the entire country within the ambit of a uniform indirect tax structure. The rapid rollout of GST will strengthen the economy considerably, going forward.

The performance of the agricultural sector and agro-based industries play a major role in a developing economy like India. The Government of India announced Budgetary support in 2017 to enhance the income of farmers significantly in the next five years and to accelerate rural development. These measures will also benefit the sugar industry, which is witnessing a gradual recovery. However, it is worthwhile to mention in this context that from a long-term perspective India's sugar industry remains highly cyclical and dependent on domestic and international supply-demand fluctuations.

Operating in such a scenario, we are striving to strengthen our operational efficiencies, augment sugar revenues, increase the proportion of value-added products and create a shared sense of purpose with all our stakeholders.

INDUSTRY SCENARIO

Despite persistent challenges, India's sugar industry contributes significantly to the country's socio-economic well being. The industry caters to the growing domestic demand for sugar and generates surplus energy to help meet the country's growing energy needs.

Sugar production in India saw a sharp fall in 2016-17 leading to a firming up of sugar prices. The performance of states in India's sugar landscape was distinctly diverse. Maharashtra and Karnataka continue to face issues because of drought. The states have not recovered yet, despite a decent monsoon in 2016. Maharashtra, Karnataka, Andhra Pradesh and Telangana also suffered a significant low cane production. On the other hand, Uttar Pradesh had a substantial increase in sugar production.

During 2016-17, sugarcane production in Bihar faced some headwinds in the form of erratic rainfall and cyclone, resulting in an overall lower production. Recently, the Bihar cane industry has set an ambitious target of increasing the sugar cane production in the state to 315 lakh metric tonne (MT) over the next five cropping seasons (2017-22). The area under sugar cane cultivation was 2.49 lakh hectare in 2011-12, which increased to 2.64 lakh hectare in 2016-17 by 'sustained motivational campaigns'. The State Government aims to

further increase the cane cultivation area to 3.50 lakh hectare by 2022. The overall increase in cane cultivation will lead to proportionate increase in overall production.

BUSINESS PERFORMANCE

During the year, we streamlined our operations to augment strengths of our businesses location-wise. We completed the restructuring of Oudh Sugar and Upper Ganges; and the rationale behind this decision was to enhance efficiencies and commercial synergies among multiple businesses. Post the restructuring, sugar business undertakings of The Oudh Sugar Mills Ltd and Upper Ganges Sugar & Industries Ltd categorised geographically in the state of Bihar stand transferred and vested in Magadh Sugar & Energy Limited.

Moreover, the restructuring will enable us to focus on each business segment, individually. This will lead to concentrated efforts towards food processing and tea garden business. We are confident this move will let us address the dynamics of each business with confidence,while improving our shareholder's value.

I am especially pleased that our proactive approach towards cane development augmented our performance. Our process innovations and experiments with new varieties of sugarcane enabled us to reinforce our market prominence. We performed efficiently, crushing cane at record levels and maintaining optimum recovery at the same time. Our co-generation and ethanol production also maintained satisfactory levels.

The welfare of the farming community remains one of our top priorities. We prioritize the needs of farmers and ensure that arrears outstanding to them are cleared on time. We also help them with our insights for better farming practices.

WAY FORWARD

We are striving towards sustainable growth and our key priorities for the future comprise the following:

I am especially pleased that our proactive approach towards cane development augmented our performance. Our process innovations and experiments with new varieties of sugarcane enabled us to reinforce our market prominence.

- Focus on reducing high-cost debt and strengthening our debt equity ratio;
- Leverage synergies of our newly restructured business model;
- Enhance efficiencies of our machinery;
- Grow the portfolio of value-added products;
- Achieve better working capital management and rationalisation of cost structure;
- Align our corporate objectives with the aspirations of our stakeholder fraternity

We are consistently investing in enhancing the capabilities of our people through need-based training and coaching. At the same time, we continue to build better relations with our farmers, whose support remains the key foundation for our future growth.

On behalf of the Board and the entire leadership team, I thank all our stakeholders, business partners as well as customers for their continued guidance and support.

Thank you

Chandra Shekhar Nopany
Chairperson

Directors' Report

Dear Members,

Your Directors present herewith the 3rd Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2017.

2. SCHEME OF ARRANGEMENT

The Composite Scheme of Arrangement between Upper Ganges Sugar & Industries Ltd, The Oudh Sugar Mills Ltd, Palash Securities Ltd, Allahabad Canning Ltd, Ganges Securities Ltd, Cinnatolliah Tea Ltd, Vaishali Sugar & Energy Ltd, Magadh Sugar & Energy Ltd and Avadh Sugar & Energy Ltd and their respective shareholders and creditors has received requisite approvals of regulatory authorities including Hon'ble High Court, SEBI, CCI and finally by National Company Law Tribunal, Allahabad Bench on March 2, 2017. The Scheme envisaged Birla Group of Sugar Companies to re-arrange its business activities, to achieve the Business alignment as per market dynamics and variant capital needs of each business as well as to house geographically in separate entities its sugar, investments, tea and food processing businesses. Pursuant to the said Scheme the sugar business operations in the State of Bihar becomes part of the Company viz; New Swadeshi Sugar Mills Narkatiaganj, Bharat Sugar Mills, Sidhwalia and Hasanpur Sugar Mills.

3. FINANCIAL RESULTS

(₹ in lacs)

		Year ended 31st March, 2017	Year ended 31st March, 2016
Revenue from Operations (Gross)		71,939.86	
Profit before Finance Costs, Tax, Depreciation and Amortization		16,056.85	(1.10)
Less:			
Depreciation & Amortization Expenses	1969.59		
Finance Costs	3878.50	5848.09	
Profit/(Loss) Before Tax		10208.76	(1.10)
Less:			
Provision for Tax	1880.00		
- Deferred Tax Charge/(Credit)	2457.15	4337.15	
Profit/(Loss) After Tax		5871.61	(1.10)
Less: Balance as per last financial year	(1.58)		(0.48)
Less : Impact of Scheme related to earlier period	(3281.07)	(3282.65)	
Balance carried to Balance Sheet		2588.96	

4. OPERATING PERFORMANCE

In facade of dynamic market conditions wherein the long awaited resurgence in the sugar industry had begun during first half though quite subdued in comparison to other half which witnessed upward trend in sugar pricing, your Company has delivered top line growth and performed ahead of underlying Sugar Season 2016-17, prima-facie due to supply of good quality of sugarcane culminating into higher recoveries and expedited sales. A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as **"Annexure A"**.

5. FINANCIAL PERFORMANCE 2016-17

The Company recorded Total Revenue of ₹ 68,306.41 lacs (including other income aggregating to ₹ 148.88 lacs) during the financial year ended 31st March, 2017. The Revenue from Operations (Gross) of the Company for the year 2016-17 stood at ₹ 71,939.86 lacs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹ 16,056.85 lacs representing 23.50 % of the total revenue.

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

There were no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year i.e. 31st March 2017 and date of this report.

6. DIVIDEND

Your Company had adopted a dividend policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. Consistent with this policy, your Board has recommended Cumulative dividend on 12 % Non-convertible Cumulative Redeemable Preference Shares for the financial year 2014-15 to 2016-17 aggregating to ₹ 347 lakhs and dividend of ₹ 2/- on Equity Shares 20%) for the financial year 2016-17 to the Members of your Company. The proposal is subject to the approval of the Members at the 3rd Annual General Meeting (AGM) of your Company scheduled to be held on August 1, 2017. The dividend together with the dividend distribution tax will entail a cash outflow of ₹ 658 lakhs (previous year ₹ Nil).

7. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public and as such there are no outstanding fixed deposits in terms of Companies (Acceptance of Deposit Rules) 2014.

8. SHARE CAPITAL

In accordance with the Composite Scheme of Arrangement, on merger of residual Upper Ganges Sugar & Industries Ltd and residual The Oudh Sugar Mills Ltd, the Authorized Share Capital of the Company which at the time of incorporation was ₹ 5,00,000/- (Rupees Five lacs) divided into 50,000 (fifty thousand) Equity Shares of ₹ 10/- each, has become ₹ 30,10,00,000/-(Rupees Thirty crore and ten lacs) divided into 1,51,00,000 (One Crore Fiftyone Lac) Equity Shares of ₹ 10/- (Rupees ten) each and 15,00,000 (Fifteen Lac) Preference Shares of ₹ 100/- each.

9. SUBSIDIARY COMPANIES

The Company does not have any subsidiary. However, the Company has formulated a policy for determining material subsidiaries in line with the requirement of SEBI (LODR) Regulations, 2015. 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

10. HUMAN RESOURCES

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

11. DIRECTORS

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

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

Pursuant to the applicable provisions of the Companies Act, 2013 the Board of Directors of the Company at its meeting held on 14th March, 2017 appointed Mr. Yashwant Kumar Daga, Mr Padam Kumar Khaitan, Mr Ishwari Prosad Singh Roy, Mrs Shashi Sharma and Mr Raj Kumar Bagri as Additional Directors and accordingly they would hold the office upto the date of the ensuing Annual General Meeting. The Company has received notices in writing under Section 160 of the Companies Act, 2013 from members proposing the candidature of Mr. Yashwant Kumar Daga, Mr Padam Kumar Khaitan, Mr Ishwari Prosad Singh Roy, Mrs Shashi Sharma and Mr Raj Kumar Bagri respectively. The Board of Directors at its meeting held on 14th March, 2017, designated Mr. Yashwant Kumar Daga, Mr Padam Kumar Khaitan, Mr Ishwari Prosad Singh Roy, Mrs Shashi Sharma and Mr Raj Kumar Bagri as independent directors. The Board of Directors recommended to the shareholders for their appointment for a period of five consecutive years with effect from the date of the ensuing Annual General Meeting.

Other information on the Directors including required particulars of Directors retiring by rotation is provided Annexure to the Notice.

12. KEY MANAGERIAL PERSONNEL

The Board of Directors of the Company at its meeting held on March 30, 2017 had appointed following persons as Key Managerial Personnel of the Company viz:

a. Mr. Chandra Mohan, Whole time Director

b. Mr. Sunil Choraria, 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 Wholetime Director is made part of Corporate Governance Report which forms part of this report. The Code is available on the Company's website at the weblink http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Code-of-Conduct.pdf. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

13. FAMILIARISATION PROGRAMME

Periodic presentations are made at the Board Meetings, on business, performance updates & business strategy of the Company.

14. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as **"Annexure I"**.

15. REMUNERATION POLICY

The Board has framed a policy for selection and appointment of Directors, Senior Management and their remuneration. The Remuneration Policy as adopted by the Board of Directors is attached as **Annexure "E"** to this Report. The Committee has also framed criteria for performance evaluation of every Director and accordingly has carried out the performance evaluation.

16. CORPORATE SOCIAL RESPONSIBILITY POLICY

The Company continues to spend to support local initiatives to improve infrastructure as well as support in other corporate social responsibilities. The disclosure requirement with respect to CSR spends are not applicable to the Company in view of inadequate profits/losses during the three immediately preceding financial years. The CSR Policy as approved by the Board is available on Company's website at the weblink http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf.

17. 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. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013. During the financial year ended 31st March 2017, 7 (seven) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the F.Y. 2016-17 have been furnished in the Corporate Governance Report forming a part of this Annual Report.

18. AUDIT COMMITTEE

The Audit Committee was constituted on March 14, 2017 and the Committee now comprises of Mr. Raj Kumar Bagri, Mr Yashwant Kumar Daga, Mr. Ishwari Prosad Singh Roy and Mrs Shashi Sharma. The Company Secretary acts as the Secretary to the Committee and the Chief Financial Officer is a permanent invitee to the meetings. During the year there were no instances where Board has not accepted the recommendation of Audit Committee.

The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

19. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee was constituted on March 14, 2017 and now comprises of Mr. Raj Kumar Bagri, Mr Yashwant Kumar Daga and Mr Padam Kumar Khaitan. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

20. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee was constituted on March 14, 2017 and now comprises of Mr. Yashwant Kumar Daga, Mr Padam Kumar Khaitan, Mr Ishwari Prosad Singh Roy and Mr Raj Kumar Bagri. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

21. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted on March 14, 2017 and the Committee now comprises of Mr Chandra Shekhar Nopany, Mr. Padam Kumar Khaitan and Mr Chandra Mohan. The Company Secretary acts as the Secretary to the Committee. The details of the terms of reference, number and dates of meetings held, attendance of the Directors and remuneration paid to them are separately provided in the Corporate Governance Report.

22. INTERNAL COMPLAINTS COMMITTEE

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

23. LOANS, GUARANTEE AND INVESTMENTS

It is the Company's policy not to give any loans, directly or indirectly, to any person (other than to employees under contractual obligations) or to other body corporate or person. In compliance with section 186 of the Companies Act, 2013, loans to employees bear applicable interest rates. During the year under review, the Company has not made any investment in securities of other body corporate. The details of Investments, Loans and Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes 15 to the Financial Statements.

24. RELATED PARTY CONTRACTS / ARRANGEMENTS

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large. Accordingly, no transaction are being reported in Form AOC-2 in terms of Section 134 of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014. However, the Directors draw attention of the members to Note 32 to the financial statement which sets out related party disclosures

The Company has developed a Related Party Transactions Policy for purpose of identification and monitoring of such transactions and accordingly any or all Related Party Transactions are placed before the Audit Committee as also the Board for approval including providing prior omnibus approval by the Audit Committee for the transactions which are of a foreseen and repetitive nature.

25. RISK MANAGEMENT

In line with the new regulatory requirements, the Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. A Risk Management Committee, though not mandatory, has been constituted comprising of Mr. Chandra Mohan Whole time Director, Mr. Chand Bihari Patodia, Group President, Mrs. Shashi Sharma Independent Director and Sunil Choraria, Chief Financial Officer 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.

26. 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, 2017, 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.

27. 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 or ethics 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.

28. CORPORATE GOVERNANCE

Pursuant to Regulation 34 of the SEBI (LODR) Regulations 2015 the Management Discussion & Analysis Report, the Report on Corporate Governance and Declaration of Whole time Director on Code of Conduct form integral part of this Report and are annexed to this Report as **"Annexure B"** respectively.

29. 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.

30. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

STATUTORY AUDITORS

Messrs S R Batliboi & Co LLP, Chartered Accountants, hold office as Auditors of the Company till the conclusion of ensuing Annual General Meeting.

The Board, on the recommendation of the Audit Committee, proposed that Messrs Singhi & Co., Chartered Accountants, (Firm registration number 302049E), be appointed as the Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the ensuing 3rd Annual General Meeting of the Company till the conclusion of the 8th Annual General Meeting, subject to the approval of the shareholders of the Compamy.

The remarks/observations made by the Statutory Auditors in their report are self explanatory and does not require any further clarifications/ explanation.

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 Auditors to audit the cost accounts of the Company for the financial year 2017-18. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, has carried out Messrs Vinod Kothari & Co., Practising Company Secretaries the Secretarial Audit of the Company for the financial year 2016-17. The Secretarial Audit Report

is annexed herewith as **"Annexure F"** and which is self explanatory.

31. INVESTOR EDUCATION AND PROTECTION FUND

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

32. 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."**

33. PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is attached as a separate **"Annexure H"** and forms an integral part of this Report.

34. 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, 2017, 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 2.1 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, 2017 and of the 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.

35. CEO/CFO CERTIFICATION

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

36. 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 Directors also recognise the valuable contribution made by the employees at all levels towards Company's progress.

For and on behalf of the Board

Kolkata
Dated 24th May, 2017

Chandra Shekhar Nopany
Chairperson

Annexure A

Management Discussion and Analysis

CAUTIONARY STATEMENT

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

GLOBAL ECONOMY

Stagnant global trade, subdued investment, and heightened policy uncertainty marked FY-2016 for the world economy. However, it gained momentum in the fourth quarter and recorded a growth of 3.1 per cent. Low productivity growth and high income inequality were some of the persistent structural problems face by advanced economies. The emerging markets and developing economies were especially affected due to the slowdown with financial market disruptions and weakening potential growth.

Growth slowed down in 2016 in the United States to 1.6 per cent in lieu of weak exports and investment. Similarly, China recorded a decelerated growth of 6.7 per cent in 2016. Growth was mainly concentrated on services, while industrial production had stabilised at moderate levels. Consumption growth had been strong, whereas investment growth had continued to moderate from the post-crisis peak.

Emerging and Developing economies (EMDEs) grew by 3.4 per cent in 2016. Output expanded in commodity exporters by 0.3% due to some improvement in Brazil and Russia. A modest increase in commodity prices were offset by further weakness in other exporters. Domestic demand compensated for weak global trade and the year had generally benign financing conditions which changed slightly toward the end of the year. This was due to an appreciation of the U.S. dollar and a rise in global bond yields.

GLOBAL GROWTH

(%)

Particulars	Projections			
	2015	2016	2017	2018
World Output	3.40	3.10	3.5	3.60
Advanced Economies	2.10	1.70	2.00	2.00
United States	2.60	1.60	2.30	2.50
Euro Area	2.00	1.70	1.70	1.60
Japan	1.20	1.00	1.20	0.60
United Kingdom	2.20	1.80	2.00	1.50
Canada	0.90	1.40	1.90	2.00
Other Advanced Economies	2.00	2.20	2.30	2.40
Emerging and Developing Economies	4.20	4.10	4.50	4.80
China	6.90	6.70	6.60	6.20

(Source: World Economic Outlook April'17)

INDIAN ECONOMY

The Indian economy recorded a GDP of 7.1% in 2016-17 despite modest global economic growth. Despite global uncertainties, India was a preferred destination for foreign direct investment. FY2016-17 witnessed reduced inflation and interest rates, fiscal stability and a decent monsoon. The Government of India rolled out several bold reforms to enable the country reach its true potential resulting in a balanced inflation and an improvement in both its current and fiscal deficits.

One of the biggest reforms was the announcement of demonetisation of high denomination currency notes by the Government in Nov'16. This move was directed primarily to curb corruption, stop circulation of counterfeit notes, terrorist activities and accumulation of black money. As a result, there was greater digitisation and formalisation of the economy. The process also led to the increase in the cash flow of financial savings into the banking system.

The announcement of the GST bill also had a positive impact on the economy. This bill is expected to be implemented by July'17. GST will lead the Indian economy towards growth, greater competitiveness, indirect tax simplification and transparency. It is expected to contribute significantly to the GDP. However, the actual impact of the bill can only be analysed after its official roll out.

Other Government initiatives such as Digital India, Skill India and Make in India is expected to lead India to a higher GDP growth, greater digitisation and strengthen its manufacturing sector.

GLOBAL SUGAR INDUSTRY

Overview

Brazil is the largest producer and exporter of sugar in the world. Currently more than 130 countries produce sugarcane or sugar beet, and ten countries produce sugar from both cane and beet crops. On an average, sugarcane accounts for 80% of global sugar production. Sugar crops offers production alternatives to food, such as livestock feed, fibre and energy, particularly sugar-based ethanol and co-generation of electricity (cane bagasse). Sugarcane is generally regarded as one of the most significant and efficient sources of biomass for bio-fuel production. A wide range of environmental and social issues are connected with sugar production and processing. Sugar crop farmers, processors, plus energy and food companies are seeking ways to address concerns related to sugar production, bio-fuels and sustainability.

Production and Consumption

Developing countries account for 67 % of global sugar consumption, and are expected to be the primary sources of future demand growth, particularly in Asia. World production was expected to be approximately 171 million tonnes whereas global consumption was expected to be around 174 million tonnes as per the United States Department of Agriculture (USDA). The global sugar deficit was forecasted at 2.6 million tonnes for 2016-17 as compared to 6.7 million tonnes in 2015-16. The cyclical nature of the industry and the large swings in production and prices continue to be the main challenges for the industry.

World Sugar Production, Consumption, Trade and Stock

(Unit: Lakh Tonnes)

Particulars	2013-14	2014-15	2015-16*	2016-17*
World production	1,757.03	1,743.08	1,734.05	1,709.41
Human consumption	1,687.34	1,706.00	1,734.13	1,735.73
Total import	504.81	515.5	528.67	559.04
Ending stock	455.15	422.81	405.29	307.95

Source: United States Department of Agriculture.
*Estimated

Following is the snapshot of the leading economies of the sugar industry

Economies	Production	Consumption	Exports and Imports
Brazil	Forecast of a rise in production to 37.8 million tonnes in FY-16-17. Dependant on factors like favourable weather and greater focus on sugar production.	Consumption is expected to witness a dip owing to lower consumer purchasing.	Increase in exports to 27.1 million tonnes and greater demand from India and Indonesia
India	Production is forecasted to reduce to 20.3 million tons owing to an unsatisfactory yield	Consumption is expected to rise to 24 million tons.	Imports are on the rise due to low production whereas exports were down.
Thailand	Severe drought led to a reduced production to 9.3 million tons and thus resulted in lower yield	Increase in consumption due to growing household and industrial needs	Slight increase in exports to meet external demand
European Union	Increase in production to 16.2 million tonnes due to higher area of production.	Consumption remained stable at 18.8 million.	No change in exports at 1.5 million tonnes due to ceiling in sugar exports by WTO. Decrease in imports.

(Source: World economic outlook 2017)

Annexure A

INDIAN SUGAR INDUSTRY

Overview

India is the second largest sugar producing geography and its domestic sugar market is one of largest in terms of volume. Not only does it serve the domestic market; but it also supports more than 50 million farmers and their families. It commercially utilises rural resources to meet the large domestic demand for sugar and generates surplus energy to meet the increasing energy needs of India.

Production and consumption

Maharashtra and Karnataka continue to face issues because of last few years' drought. The states have not recovered yet despite a decent monsoon in 2016. As a result, not many farmers chose to sow the sugarcane crop. Productivity of sugar depends heavily on the level of moisture in the soil. Maharashtra, Karnataka, Andhra Pradesh and Telangana all suffered a significant low cane production. On the other hand, Uttar Pradesh has had a substantial sugar recovery. The area under high yielding and high sugar recovery variety CO0238 is significantly more than last year.

Sugar Production SS 2016-17

S.No	States	Actual production till March'17	2015-16
1	Uttar Pradesh	79.26	68.40
2	Maharashtra	42.14	84.11
3	Karnataka	20.33	40.70
4	Tamil Nadu	8.88	13.90
5	Gujarat	8.83	11.64
6	Andhra Pradesh & Telangana	5.01	8.29
7	Bihar	5.26	5.03
8	Others*	19.16	19.24
	All India	188.9	251.30

(Source: 2015-16 figures taken from ISMA report April, 2017. Source for Actual production till March, 2017 needs to be confirmed)

Exports and Imports

The opening balance of sugar is considered to be 7.75 million tonnes with an estimated sugar production of 20.3 million tonnes in the current season. Consumption of sugar is estimated at 24.0 million tonnes and the closing balance in the current season would be 4.0-4.2 million tonnes. This balance will be enough to meet the domestic requirement till almost end of November 2017 and the Government should not require to import any further sugar. The Government of India has finally allowed duty free raw sugar import under the open general licence with a limited quantity of 0.5 million tonne.

(Source: ISMA estimates dated 7th March'17)

Trade flow of India

Trade figure shows, that India has been exporting more sugar than that of its import since 2010-11.

Trade flow for India during 2010-11 to 2016-17

(Unit: Lakh Tonnes)

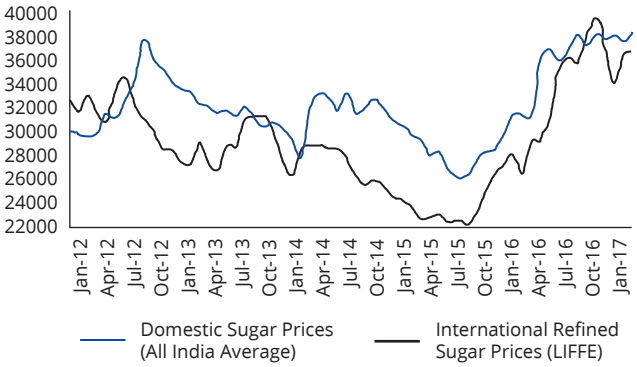
Year	Export	Import
2010-11	17.11	11.98
2011-12	27.38	0.99
2012-13	27.91	11.21
2013-14	24.60	8.81
2014-15	19.54	15.38
2015-16	38.26	19.4
2016-17 (April-January)	21.73	18.99

(Source: Department of commerce)

Pricing

Comparison of Domestic and International Sugar Prices

Comparison Between Domestic sugar Prices & International Sugar Prices (In Rs./Ton)



The international prices of sugar have been lower than the domestic price from November, 2016 onwards.

- Domestic sugar prices surged in the recent months in view of expectation of global sugar deficit forecast for this year.

- Green Pool predicted a global sugar supply deficit of 8.51 MT in 2015-16 (October-September) and a deficit of 6.5 MT in 2016-17 (October-September) following a drop-in sugarcane crop in India and Thailand due to the adverse El Nino effect

  (source: Commodity profile of Sugar, March, 2017)

State advised Cane price

(Unit: Lakh Tonnes)

State	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
All India (FRP)	1,450	1,700	2,100	2,200	2,300	2,300
UP	2,400	2,800	2,800	2,800	2,800	3,050
Maharashtra	1,800-2,050	2,100-2,500	NA	NA	-	2,375
Punjab	2,200	2,400	2,800	2,850	2,800-2,950	2,900
Haryana	2,210	2,710	2,950	3,050	3,000-3,100	-
Gujarat	NA*	2,500	NA*	NA*	-	-
Andhra Pradesh	2,000	2,500	2,600	NA*	2,360-2,400	-
Karnataka	2,000	2,400	2,500	2,500	2,300-2,625	2,300-3,050
Tamil Nadu	2,100	2,350	2,650	2,650	2,850	2,850

(Source: Agriwatch: NA-Not Available)

ANALYSIS OF INDIAN SUGAR INDUSTRY

Strengths

- The Indian sugar industry is the second largest producer of sugar in the world after Brazil. This sector has made the country self-reliant as a fast-moving consumer product.

- The Indian sugar industry also supports downstream industries by providing key raw materials like molasses and bagasse.

- This sector has been the fulcrum of socio-economic development of the rural India especially in parts of Uttar Pradesh, Maharashtra and Karnataka.

Challenges

- Government regulations towards pricing have resulted in mills incurring enormous losses.

- Maximum sugar factories are reliant on outdated technology which hampers efficiency and increases losses.

Opportunities

- By-products of downstream industries can be judiciously monetised for distilleries and power.

- Huge potential to increase the productivity of cane and sugar recovery rate.

- Advanced technology available to enhance by-product utilisation.

Threats

- Sugar sector is vulnerable to political changes and policies.

- Lack of ground water availability for irrigation purposes.

- Deterioration of quality of soil due to overuse of fertilisers and pesticides to increase yield.

- Unhealthy competition between market players.

Government policies

As per the existing scheme, states purchase sugar to be supplied through the public distribution system (PDS). These are also known as ration shops. Sugar is bought by states at wholesale rates and sold at a subsidised rate of ₹13.50 per kg. The centre gives subsidy of ₹18.50 per kg to states. The subsidised PDS sugar is given to 40 crore beneficiaries of BPL (below poverty line) families. About 2.7 million tonnes of sugar per annum are required for PDS sale. The Centre will not provide ₹18.50 per kg subsidy on sugar to states for selling it via ration shops from FY-2017-18 and has allocated only ₹200 crore in the Budget for clearing past claims. The sugar subsidy is discontinued in view of all states rolling out the Food Law, under which there is no distinction of categories of beneficiaries as BPL.(source: Times of India business report Feb'17)

Outlook

From a long-term perspective, prices and profitability of Indian sugar companies will remain highly cyclical and dependent on domestic and international supply-demand fluctuations. Profitability would depend on the trends in crude oil prices(which determine the diversion of cane crop to ethanol) and agro-climatic conditions in major sugar-producing countries. Pricing in the international market will be one of the key determinant of future profitability. Factors such as Government's steps in removal of mandatory crushing by sugar mills for the entire cane offered by farmers and a rational linkage between cane and sugar prices will have a critical bearing on the long-term feasibility of sugar operations. Key players with high operational efficiencies and strong capital structure will be best placed to overcome challenges of the sugar industry.

(Source: ICRA Report)

Annexure A

Ethanol

Ethanol is produced in India from sugarcane molasses and partly from grains. Ethanol exports recorded at 466 million litres in January'17 as compared to 322 million litres of last year. The United States was the largest supplier of ethanol to Brazil, Canada, UAE and India. In total the US exported 4.0 billion litres of ethanol and imported 842 million litres.

(Source :International Sugar Organisation)

Beginning in January 2003, the Government of India mandated the use of five-percent ethanol blend in gasoline through its ambitious Ethanol Blending Programme (EBP). Ethanol and alcohol production in India depends largely on availability of sugar molasses (a by-product of sugar production). Since sugarcane production in India is cyclical, ethanol production also varies accordingly and therefore does not assure optimum supply levels needed to meet the demand at any given time. At times, lower availability of sugar molasses and resultant higher molasses prices affect the cost of production of ethanol, thereby disrupting supply of ethanol for the blending program at pre-negotiated fixed ethanol prices. However, recently announced price fixing scheme for fuel ethanol procurement for Oil Marketing Companies (OMCs)at ₹39/BLand with sugarcane cycle expected to enter its sixth year of surplus production, the EBP is likely to accelerate but with slower pace.

India's ethanol production reached 844 million litres in FY-2016-17. Assuming normal external conditions in FY-2016, India was expected to import more than 440 million litres of ethanol. Import volumes were expected to rise further to 600 million litres during the out-year to augment local supplies.

Molasses

Analyst F.O. Licht forecasted the global molasses production to rise by 1.5 million tonnes totalling to 60.0 million tonnes in 2016-17. A further increase in the output in FY 2017-18 is also expected. A surge in the EU output post abolishment of production quotas and a rebound of cane crops in Asia and Central America are believed to be the main drivers. Better pricing and favourable weather are expected to lift the output of molasses to 65 million tonnes. (Source: ISO Report)

In India, prices of by-products such as bagasse and molasses remain remunerative, owing to a consistent demand of consumption of power, paper and alcohol. Also, integrated distilleries and power generation continues to yield healthy returns given the supporting regulatory framework and healthy off-take and pricing for alcohol and power. (Source: ICRA Report)

Cogeneration

Cogeneration or combined heat and power (CHP) is the use of a power station to generate electricity and useful heat at the same time. Cogeneration is a more thermodynamically efficient use of fuel. In the sugar industry, cogeneration is practised by using bagasse as fuel. The sugar industry produces sugar as well as electricity and steam for their own consumption. This electricity can also be sold as a surplus to the grid of distribution licensees.

The use of cogeneration is essentially a non-conventional source of power whose potential is underutilised in India. About 7000 MW additional power could be generated through bagasse based cogeneration in the country's 550 Sugar mills, if these sugar mills were to adopt technically and economically optimal levels of cogeneration for extracting power from the bagasse produced by them.

Magadh Sugar & Energy Ltd.

Born out of Oudh Sugar Mills Ltd. and Upper Ganges Sugar & Industries Ltd.; Magadh Sugar & Energy Ltd. was incorporated on 19th March 2015 with the objective to streamline the business undertakings of the two companies geographically. Both companies belong to the K.K. Birla Group of Companies which began its operations in 1932. The Company is committed towards its stakeholders-farmers, employees and the community around its mills. It also educates farmers to adopt high-yielding practices in their fields. The Company strives to augment revenues from sugar, increase the proportion

of value-added products and create a shared sense of purpose even as it consolidates its sugar business.

Composite Scheme of Arrangement

Avadh Sugar & Energy Ltd. (herein after called 'Avadh Sugar) - Public limited company. - Manufacture & sale of sugar, ethyl alcohol, including ethanol, co-generation of power and by-products.	Magadh Sugar & Energy Ltd. (herein after called 'Magadh Sugar') - Public limited company. - Manufacture & sale of sugar, ethyl alcohol, including ethanol, co-generation of power and by-products.
Palash Securities Ltd. - Public limited company. - Business of Food Processing and Investments in listed and unlisted securities.	Ganges Securities Ltd. - Public limited company. - Business of manufacture and sale of Tea and Investments in listed and unlisted securities.

Rationale for Composite Scheme of Arrangement

1. Establish independent companies for Bihar Sugar Undertakings of Oudh Sugar and Upper Ganges, UP Sugar Undertakings of Oudh Sugar and Upper Ganges, Investments of Oudh Sugar and Upper Ganges, Food processing Undertaking of Oudh Sugar and Tea Undertaking of Upper Ganges.

2. The dynamics of the sugar industry in Bihar and UP are vastly different, therefore the consolidation of the Sugar business of Oudh Sugar and Upper Ganges in Bihar and UP in separate legal entities is intended to achieve better efficiencies and commercial synergies.

3. The Food Processing business and Tea business has good growth potential. With a view to explore the potential of these businesses to the fullest, provide focused leadership and management attention and explore the possibility of monetisation of these businesses, it is intended to house the Food Processing business and Tea business in separate legal entities.

4. Proposed business re-alignment will create enhanced value for all stakeholders of the two companies as it would facilitate focused strategy, direction and business planning to optimise operational, managerial, financial, technical and marketing capabilities of each business. It will help in optimisation of the resources and reduction of operational costs.

Magadh Sugar consists of three highly efficient sugar mills, three co-generation power plants and one distillery under its umbrella. Key products include manufacture and sale of sugar, ethyl alcohol including ethanol, co-generation of power and by-products.

Sugar Mills	Co-Generation Power Plants	Distilleries
New Swadeshi Sugar Mills, Narkatiaganj, Dist. West Champaran (Bihar) with crushing capacity of approx. 7,500 tonnes of sugarcane per day.	New Swadeshi Sugar Mills, Co-generation Power Plant, Narkatiaganj, Dist. West Chamapran (Bihar) with a capacity 10 MW Power.	New Swadeshi Distillery, Narkatiaganj, Dist. West Champaran (Bihar) with a capacity of producing 60 KLPD of Industrial Alcohol/Ethanol.
Bharat Sugar Mills, Sidhwalia, Dist. Gopalganj (Bihar) with crushing capacity of approx. 5,000 tonnes of sugarcane per day.	Sidhwalia Co-generation Power Plant, Sidhwalia, Dist. Gopalganj (Bihar) with a capacity 18 MW Power.	
Hasanpur Sugar Mills, Hasanpur, Dist. Samastipur (Bihar) with crushing capacity of approx. 5,000 tonnes of sugarcane per day.	Hasanpur Sugar Mills, Hasanpur, Dist. Samastipur (Bihar) with a capacity 10 MW Power.	

Annexure A

Operational highlights

Sugar Production

	Sugar Season 2016-17			Sugar Season 2015-16		
Sugar Season 2016-17	New Swadeshi Sugar, Narkatiaganj	Bharat Sugar, Sidhwalia, Gopalganj	Hasanpur Sugar mills, Hasanpur,	New Swadeshi Sugar, Narkatiaganj	Bharat Sugar, Sidhwalia, Gopalganj	Hasanpur Sugar mills, Hasanpur,
Sugarcane crushed (lac quintals)	88.06	47.69	29.00	75.84	45.84	31.13
Recovery %	9.70	9.18	9.94	10.00	9.37	10.18
Sugarcane produced (lac quintals)	8.58	4.37	2.88	7.58	4.30	3.19
Crushing days	124	96	88	107	91	95

Alcohol Production (including Ethanol)

Particulars	Financial year 2016-17	Financial year 2015-16
	Narkatiaganj	Narkatiaganj
Alcohol produced (lac litres)	140.92	121.52
Recovery (%) (litres per quintal)	19.47	20.78
No. of distillery operational days	261	237

Co-generation Power plants

Particulars	Financial year 2016-17			Financial year 2015-16		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Power generated	228.06	412.96	188.17	196.60	528.46	200.64
Power sold to grid (units in lac)	116.55	304.98	81.97	100.81	407.04	91.34
No. of days worked	124	121	103	107	162	111

Financial Highlights

(₹ in lacs)

Particulars	Year ended 31st March 2017
Revenue from Operations (Gross)	71939.86
Other income	148.88
Profit before Finance cost, Depreciation & Tax	16056.85
Finance Cost	3878.50
Depreciation	1969.59
Tax expenses – Deferred Tax (Credit)	4337.15
Net Profit/Loss	5871.61

Risk Management

The Company has a sound Risk Management policy encompassing all internal and external risks and threats. The risk committee comprises of members of the Board of Directors. An enterprise-wide risk programme includes risk identification, management and mitigation of all possible risks inherent in the nature of business of the Company. Following are the possible risks and their mitigation:

Climatic changes affecting production

Monsoon and fog are both vital elements for the production of cane and sucrose respectively. However, insufficient or untimely rains or unsatisfactory winter can all hamper the quality and quantity of the crop.

In the past few years, the Company has been working alongside a large number of farmers in all its manufacturing facilities. (need input from company for mitigation steps)

Fluctuations in Pricing(need input from company for mitigation steps)

Government's capping on sugar prices(need input from company for mitigation steps)

Human Resources management and Industrial relations

The Company aspires to act as a catalyst for transforming its human capital necessary for a sustained business outperformance. The human resource makes the heart and soul of the organisation. The Company is committed to encourage and inspire its employees to realise their maximum potential thereby adding value to the organisation.

Regular training and development sessions are conducted to upgrade its employees' and keep them abreast of latest industry trends. Health and safety are paramount for the Company's employees. All manufacturing facilities are closely monitored in terms of safety of operations of machinery. We are proud of our talent pool. We encourage healthy conversations for employees with their supervisors and leaders to maintain transparency. The Company believes in offering equal opportunity toeveryone in the organisation. The Company does not distinguish between people on basis of caste, creed, gender and physical abilities.

The current strength of management staff in 2016-17 is 100 and non-management staff is 1206.

Internal control and compliance

The Company has a sound internal ERP system to track financial transactions and enables operational efficiency. It also assists departments to comply with statutory rules and regulations and enables. The Company also uses a strong accounting and internal reporting system with SAP package. Regular internal audit is conducted by a renowned firm of Chartered Accountants. Such audits continuously monitor the authenticity of the financial statements and the compliance with statutory norms and standards. The audit findings and remedial measures are shared with the Audit Committee. After reviewing the findings, the Audit Committee, confirms about the internal control system's efficiency and effective performance.

Corporate social responsibility

The Company lives up to its promise of the welfare of its workforce and the people settled around its mills. It truly believes in giving back to the environment and society. The Company's CSR activities include medical support, education, cultural and religious support and guidance to employees and local people.

1. Free books provided to poor children.
2. Free supply of medicines and other emergency equipment to the needy and underprivileged.
3. Regular health check-up camps organised at each plant.
4. Inter level college run by the Company.
5. Cultural programmes are conducted at each plant during festivals.

The Company is conscious about the environment and has planted saplings in and around factories to encourage greenery.

Annexure B

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY

Magadh Sugar & Energy Limited (MSEL), a part of K K Birla Group of Sugar Industries, firmly believes that Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objective of the organization most effectively and efficiently. Corporate Governance in fact denotes acceptance by the management of the inalienable rights of the shareholders as true owners of the organization and of their own role as trustees on behalf of the shareholders.

By harnessing ethical values with business acumen the executive functions of MSEL is structured to institutionalize policies and practices that enhance the efficacy of the Board, Key Managerial Personnel and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. MSEL has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are 'team work' and 'adherence' to professionalism.

MSEL is also in compliance with the mandatory requirements of the guidelines on Corporate Governance stipulated under SEBI (LODR) Regulations, 2015

2. BOARD OF DIRECTORS

i) The Company has in all 7 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 7 directors, 5 (71.43%) are Independent Directors. The composition of the Board is in conformity with SEBI (LODR) Regulations, 2015. The Board is headed by the Non-Executive Chairperson Mr. Chandra Shekhar Nopany.

ii) The Independent Directors take part in the proceedings of the Board and Committee meetings which enables qualitative decision-making. 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, its directors, management, subsidiaries or associates.

iii) As per the disclosure received by the Company from the Directors, none of them is member in more than ten committees, nor as Chairman of more than five committees across all companies in which they are Directors, in compliance with SEBI (LODR) Regulations, 2015. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time.

iv) The Independent Directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Sec 149(7) of the Companies Act, 2013. Independent Directors do not serve in more than 7 listed companies.

v) No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013.

Board meetings

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

During the period under review seven Board Meetings were held on 12th May, 2016, 29th July, 2016, 28th October, 2016, 7th February, 2017, 9th March, 2017, 14th March, 2017 and 30th March, 2017 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee

membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per clause 26(2) of SEBI (LODR), Regulations, 2015 held by them during the year 2016-17 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Bodies Corporate	No. of Chairmanship/ Membership of Board Committees in other Companies		No. of Equity Shares held
					Chairman	Member	
Mr. Chandra Shekhar Nopany (DIN – 00014587)	C/NED	4	No	9	2	-	30840*
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	I/NED	-	Yes	1	-	-	NIL
Mr Padam Kumar Khaitan (DIN – 00019700)	I/NED	-	No	8	2	1	NIL
Mr Yashwant Daga (DIN – 00040632)	I/NED	-	No	6	-	8	NIL
Mrs Shashi Sharma (DIN – 029049480)	I/NED	-	Yes	-	-	-	NIL
Mr Raj Kumar Bagri (DIN- 00231766)	I/NED	1	No	1	-	-	NIL
Mr Chandra Mohan (DIN – 07760264)	WTD	1	No	-	-	-	NIL
Mr Santosh Kumar Poddar # (DIN – 00055786)	NED	5	Yes	9	-	-	NIL
Mr Kailash Chand Gupta ## (DIN – 00047493)	NED	6	Yes	5	-	-	NIL
Mr Sathyamurthy Subramanian ## (DIN – 06826788)	NED	6	Yes	6	-	-	NIL

C – Chairperson; I - Independent NED - Non-executive Director WTD – Whole-time Director

resigned w.e.f. 14.03.2017

resigned w.e.f. 30.03.2017

* includes 3894 equity shares held jointly with Mrs. Shalini Nopany

Note: The number of directorships held by the Directors does not include Private Limited Companies, Foreign Companies and Companies incorporated under Sec 8 of the Companies Act, 2013.

Not less than two thirds of the total number of Directors (excluding Independent Directors) shall be liable to retire by rotation. One third of the number of directors liable to retire by rotation will retire by rotation every year. As per the provisions of Sec 149 of the Companies Act, 2013, the independent Directors are not liable to retire by rotation. Accordingly, Mr. Chandra Shekhar Nopany is liable to retire by rotation and is eligible for re-appointment. Brief particulars of Mr. Chandra Shekhar Nopany forms part of the Notice.

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, Risk Management Committee and non mandatory committees viz. Finance & Corporate Affairs Committee. The terms of reference of these Committees are determined by the Board and their

Annexure B

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 of the Company was constituted on 14th March, 2017 in line with the provisions of SEBI (LODR) Regulations, 2015 read with Section 177 of the Companies Act, 2013. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal controls established in the Company, appointing, retaining and reviewing the performance of independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

ii) Terms of Reference

The terms of reference of the Audit Committee shall include the following:

1. 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;

2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;

3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;

4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

   a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013

   b. Changes, if any, in accounting policies and practices and reasons for the same

   c. Major accounting entries involving estimates based on the exercise of judgment by management

   d. Significant adjustments made in the financial statements arising out of audit findings

   e. Compliance with listing and other legal requirements relating to financial statements

   f. Disclosure/approval of any related party transactions

   g. Qualifications/observation/matter of emphasis in the draft audit report

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;

8. Approval or any subsequent modification of transactions of the company with related parties;

9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the company, wherever it is necessary;

11. Evaluation of internal financial controls and risk management systems;

12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;

13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;

16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;

17. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors;

18. To look into the functioning of the Whistle Blower mechanism;

19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

20. To grant omnibus approval for related party transactions which are in the ordinary course of business and on an arms length pricing basis and to review and approve such transactions subject to the approval of the Board.

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

iii) Composition and Meetings

The Audit Committee comprises of four Independent Non-Executive Directors viz. Mr Ishwari Prosad Singh Roy, Mr Yashwant Kumar Daga, Mrs Shashi Sharma and Mr Raj Kumar Bagri. Mr Raj Kumar Bagri is the Chairman of the Audit Committee.

Mr. S Subramanian, Company Secretary, acts as the Secretary of the Committee and the Chief Financial Officer is a permanent invitee to the meetings. The meetings are aloso attended to by the representatives of Statutory Auditors and the outside Internal Auditors to answer and clarify the queries raised at the Meetings. During the period there were no meetings.

4. STAKEHOLDERS' RELATIONSHIP COMMITTEE

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

Terms of Reference:

The Stakeholders Relationship Committee oversees the redressal of complaints of investors such as transfer, 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

Annexure B

detail of investors' grievances pending as on the end of each quarter among others. It also approves allotment of shares and matters incidental thereto including listing thereof.

i) Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2017 is as follows:

a) Mr Raj Kumar Bagri - Chairman

b) Mr Yashwant Kumar Daga

c) Mr Padam Kumar Khaitan

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 SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

i) Objectives:

- The Company has constituted the Remuneration Committee to review and determine the Company's policy on managerial remuneration and to recommend to the Board the specific remuneration of the Executive Director and executives just below the rank of the Executive Director, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry practice and standards.

- To formulate the criteria for determining qualifications, positive attributes and independence of a director

- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies, in the like industry.

- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.

- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

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 Independent Directors 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 and removal.

iii) Composition and Meetings:

The Committee, comprises of the following Directors:

a) Mr Yashwant Kumar Daga - Chairman

b) Mr Padam Kumar Khaitan

c) Mr Ishwari Prosad Singh Roy

d) Mr Raj Kumar Bagri

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 attached as **"Annexure E"** to the Directors' Report.

v) **Remuneration of Directors**
Details of remuneration paid to the Directors for the financial year 2016-17:

a) Whole time Director – ₹ 52.17 lakhs

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 Non-Executive Directors may be paid remuneration by way of commission besides sitting fees, if approved by the Board, on the net profit of the Company at the rate not exceeding 1% of the net profit of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013.

6. 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 SEBI (LODR) Regulations, 2015. The Committee comprises of Mrs Shashi Sharma, Independent Director, Mr Chandra Mohan, Wholetime Director, Mr. Chand Bihari Patodia, Group President and Mr. Sunil Choraria, Chief Financial Officer. Mrs Shashi Sharma is the Chairperson of the Committee.

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

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

Within its overall scope as aforesaid, the Committee reviews risks trends, exposure, potential impact analysis and mitigation plan.

7. SUBSIDIARY COMPANIES

The Company does not have any subsidiary. However, the Board of Directors have formulated a Policy for determining material subsidiaries in its meeting held on 30th March, 2017 and such Policy has been disclosed on the company website at http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf.

8. RELATED PARTY TRANSACTIONS

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arms 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. Suitable disclosure as required by the Accounting Standards (AS18) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which has been uploaded on the Company's website and such Policy has been disclosed on the company website at http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy.pdf.

Annexure B

9. 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 will be meted out to any person for a genuinely raised concern.

10. GENERAL BODY MEETINGS

The last two Annual General Meetings of the Company were held as under:

Financial Year	Date	Time	Location
2015-16	12.09.2016	11.00 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2014-15	11.09.2015	11.00 a.m.	

The last Annual General Meeting was held on 12th September, 2016, which was chaired by Mr Santosh Kumar Poddar.

The following Special Resolutions were passed at the Extra-Ordinary General Meeting held on 14th March, 2017.

1. Appointment of Mr Chandra Mohan as the Wholetime Director of the Company.
2. Approval under Section 180(1)(c) of the Companies Act, 2013.
3. Approval under Section 180(1)(a) of the Companies Act, 2013.
4. Approval under Section 181 of the Companies Act, 2013
5. Approval under Section 188 of the Companies Act, 2013.
6. Approval under Section 186 of the Companies Act 2013.

11. DISCLOSURES

i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 32 of the Accounts in the Annual Report.

ii) No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.

iii) The company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

iv) The Company has complied with all the applicable mandatory requirements.

v) In the preparation of the financial statements, the Company has followed the Accounting Standards notified pursuant to Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provision of the Companies Act, 1956 read with General Circular 8/2014 dated April 04, 2014, issued by the Ministry of Corporate Affairs. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

12. MEANS OF COMMUNICATION

i) The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within two months from the close of the financial year as per the requirements of the Listing Agreement with the Stock Exchanges. The aforesaid financial results shall be sent to BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchange Ltd (CSE) where the Company's securities are proposed to be listed, immediately after these are approved by the Board and shall also be published in 'Business Standard', in English in Lucknow and 'Business Standard' or 'Aaj', in Hindi in Lucknow edition.

ii) The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website www.birla-sugar.com and can be downloaded.

ii) The Company also displays official press releases as and when released on the above website.

iii) Email id earmarked for redressing Investor queries is magadhinvestors@birla-sugar.com.

viii) No presentation was made to any Institutional Investor or to any Analysts during the period under review.

13. GENERAL SHAREHOLDERS' INFORMATION

i) 3rd Annual General Meeting

Day : Tuesday

Date : 1st day of August, 2017

Time : 10.30 a.m.

Venue : Registered Office of the Company at - P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

ii) Tentative Financial Calendar for the year 2016-17

Approval of Audited Annual Results (2016-17)	24th May, 2017
First Quarter Results	On or before 14th August, 2017
Second Quarter Results	On or before 14th November, 2017
Third Quarter Results	On or before 14th January, 2018
Audited Annual Results (2017-18)	On or before 30th May, 2018

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from 22nd July, 2017 (Saturday), to 1st August, 2017 (Tuesday) (both days inclusive).

iv) Dividend Payment Date

Within 30 days of declaration of dividend

v) Listing on Stock Exchanges and Stock Codes

The Company has made application for listing with the following stock exchanges:

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

vi) Market Price data

The shares of the Company are in the process of listing, hence no market data is available.

viii) 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, shares for 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
59C, Chowringhee Road, 3rd Floor
Kolkata - 700 020
Tel: 91 033 2289 0540 / Fax : 91 033 2289 0539
E-mail: kolkata@linkintime.co.in

ix) Share Transfer System

The Board of Directors have authorised the Secretary to approve transfer/transmission of upto 1,000 shares. After the requests for transfer/transmission of above 1000 shares in physical form shall be approved by the

Annexure B

Stakeholders' Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders.

x) Distribution of Shareholding

a) The Distribution of Shareholding as on 31st March, 2017 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholder	No. of shares held	% of total shares
1 -5000	9444	98.97	1744459	17.33
5001 - 10000	36	0.38	251358	2.50
10001 – 20000	26	0.27	371940	3.70
20001 – 30000	10	0.10	243883	2.42
30001 – 40000	5	0.05	190698	1.89
40001 – 50000	2	0.02	92274	0.92
50001 – 100000	4	0.04	265721	2.64
100001 & above	15	0.16	6905117	68.60
Total	**9542**	**100.00**	**10065450**	**100.00**

b) Detail of Shareholding pattern of the Company as on 31st March, 2017 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	6134636	60.95
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	323823	3.22
Bodies Corporate	581418	5.78
Indian Public	2902090	28.82
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	123483	1.23
Total	**10065450**	**100.00**

xi) Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd., The National Stock Exchange of India Ltd. and The Calcutta Stock Exchange Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 88,73,221 Equity Shares viz. 88.16% of the Equity Share Capital of the Company have already been dematerialized.

xii) Outstanding GDRs /ADRs/Warrants or Convertible Instrument

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

xiii) Location of Plants:

Sugar Mills

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

b. Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428

c. Hasanpur, Dist. Samastipur, Bihar, Pin – 848 205

Distilleries:

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

Co-generation Power Plants:

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

b. Sidhwalia, Dist. Gopalganj, Bihar, Pin – 841 428

c. Hasanpur, Dist. Samastipur, Bihar, Pin – 848 205

Address for Correspondence:

The Company Secretary, Magadh Sugar & Energy Limited 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	**Link Intime India Pvt. Ltd. Unit : Magadh Sugar & Energy Limited** 59C, Chowringhee Road 3rd Floor Kolkata - 700 020 India Tel : 91-033-2289 0540 Fax : 91-033-2289 0539 e-mail: kolkata@linkintime.co.in

xiv) Transfer of unpaid/unclaimed dividend amounts to Investor Education and Protection Fund

The Company is not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and

Protection Fund Authority(Accounting, Audit, Transfer and Refund) Rules, 2016.

14. CEO AND CFO CERTIFICATION

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of SEBI (LODR) Regulations, 2015 inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2017, 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.

15. INFORMATION ABOUT DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT

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

16. 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 promoters, employees and directors including the Non-Executive Chairperson and Wholetime Director.. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at http://www.birla-Sugar.com/Assets/Magadh/Magadh-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 Directors and the designated employees 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 employees have confirmed compliance with the Code.

17. CODE OF CONDUCT

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

18. LEGAL COMPLIANCES

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Company Secretary which is duly supported by the legal compliance report of the internal auditors and heads of different units. The Board also reviews periodically the steps taken by the Company to rectify instances of non compliances, if there be any.

19. COMPLIANCES WITH CORPORATE GOVERNANCE NORMS:

The Company has voluntarily complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Regulation 27 of SEBI (LODR) Regulations, 2015.

20. SHAREHOLDERS' RIGHTS:

The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the press releases/intimation to stock exchanges by the Company. The Company therefore has not been sending the half yearly financial results to the shareholders.

21. DISSEMINATION OF WEBSITE

The Company is in the process of listing its Equity Shares on the Stock Exchange and is maintaining a website www.magadhsugar.com containing basic information about the Company.

Annexure C

Declaration 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, Whole-time 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 2016-17.

Kolkata
Dated May 24, 2017

Chandra Mohan
Whole-time Director

Annexure D

Certificate Regarding Compliance of Conditions of Corporate Governance for the financial year ended on 31st March, 2017

To the Members of
Magadh Sugar & Energy Limited (CIN U15122UP2015PLC069632)

I have reviewed the compliance of conditions of Corporate Governance by Magadh Sugar & Energy Limited having CIN U15122UP2015PLC069632 (hereinafter referred to as 'the Company'), for the year ended on 31st March, 2017, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Listing Regulations').

In my opinion and to the best of my information and according to the examinations of the relevant records and the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance during the year ended on 31st March 2017, voluntarily and to the extent that was practicable and as submitted for the purpose of listing since the Company was not listed during the year ended on 31st March 2017.

The Company is in the process of listing of it's equity shares at stock exchanges pursuant to the Composite Scheme of Arrangement sanctioned by the Hon'ble National Company Law Tribunal, Allahabad Bench vide Order dated 2nd March, 2017 in Company Petition No.33 of 2016 read with Company Application No.17 of 2016.

The voluntary compliance of conditions of Corporate Governance as mentioned hereinabove, is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the voluntary compliance of the conditions of Corporate Governance to the extent practicable. It is neither an audit nor an expression of opinion on the financial statements of the Company.

I further state that such voluntary compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Deepak Kumar Khaitan
F.C.S. No.: 5615
C.P. No.: 5207
ICSI Unique Code No.:I2003WB347200

Place: Kolkata
Date :24.05.2017

Annexure E

Nomination and Remuneration Policy

INTRODUCTION:

In pursuance of the Company's policy to consider human resources as its invaluable assets, to pay equitable remuneration to all Directors, Key Managerial Personnel (KMP) and Senior Management Personnel of the Company, to harmonize the aspirations of human resources consistent with the goals of the Company and in terms of the provisions of the Companies Act, 2013 and the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Personnel has been formulated and approved by the Board of Directors.

OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- To lay down criteria, terms and conditions with regard to identifying persons who are qualified to become Directors (Executive and Non-Executive) and persons who may be appointed in Key Managerial positions and Senior Management and to determine their remuneration.
- To formulate the criteria for determining qualifications, positive attributes and independence of a director
- To determine remuneration based on the Company's size, financial position, trends and practices on remuneration prevailing in peer companies, in the like industry.
- To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management Personnel.
- To provide them reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
- To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.

CONSTITUTION OF THE NOMINATION AND REMUNERATION COMMITTEE:

The Board of Directors at its meeting held on 14th March, 2017, in order to align with the requirements of Companies Act, 2013, had constituted the Nomination and Remuneration Committee comprising of non - executive directors and independent directors.

DEFINITIONS

"**Board**" means Board of Directors of the Company.

"**Directors**" means Directors of the Company.

"**Committee**" means Nomination and Remuneration Committee of the Company as constituted by the Board.

"**Company**" means Magadh Sugar & Energy Limited.

"**Independent Director**" means a director referred to in Section 149 (6) of the Companies Act, 2013.

"**Key Managerial Personnel (KMP) means**" -

a) Executive Chairman and / or Managing Director;

b) Whole-time Director;

c) Chief Financial Officer;

d) Company Secretary;

e) Such other officer as may be prescribed under the applicable statutory provisions / regulations.

"Senior Management Personnel" means personnel of the Company occupying the position of Executive President of any Unit and/or personnel of the company who are members of its core management and which include members of management one level below the executive directors. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

Annexure E

APPLICABILITY

The Policy is applicable to

a. Directors (Executive and Non-Executive including Independent)

b. Key Managerial Personnel

c. Senior Management Personnel

GENERAL

This Policy is divided in three parts: Part – A covers the matters to be dealt with and recommended by the Committee to the Board, Part – B covers the appointment and nomination and Part – C covers remuneration and perquisites etc.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall:

1. Evaluate the current composition and organization of the Board and its committees in light of requirements established by any Regulatory Body or any other applicable statute, rule or regulation which the Committee deems relevant and to make recommendations to the Board with respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company;

2. Review the composition and size of the Board in order to ensure that the Board is comprised of members reflecting the proper expertise, skills, attributes and personal and professional backgrounds for service as a Director of the Company, as determined by the Committee;

3. Review and recommend to the Board an appropriate course of action upon the resignation of current Board members, or any planned expansion of the Board, and review the qualifications, experience and fitness for service on the Board of any potential new members of the Board;

4. Ensure that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;

5. Ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

6. Ensure that remuneration to Directors, Key Managerial Personnel (KMPs) and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals;

7. Formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel (KMPs) and other employees of the Company;

8. Formulate the criteria for evaluation of Independent Directors and the Board;

9. Formulate, administer and supervise the Company's Stock Option schemes, if any, in accordance with relevant laws;

10. Identify the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal;

11. Deal with such matters as may be referred to by the Board of Directors from time to time;

PART – B

POLICY FOR APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

Guiding principles

The guiding principle is that the while determining qualification, positive attributes and other criteria's, the remuneration and the other terms of employment shall be competitive in order to ensure that the Company can attract and retain competent Executives.

- When determining the remuneration policy and arrangements for Executive Directors/ KMP's and Senior Management personnel, the Remuneration Committee considers pay and employment conditions with peers / elsewhere in the competitive market to ensure that pay structures are appropriately aligned and that levels of remuneration remain appropriate in this context.

- The Committee while designing the remuneration package considers the level and composition of remuneration to be reasonable and sufficient to attract, retain and motivate the person to ensure the quality required to run the company successfully.

- The Committee while considering a remuneration package must ensure a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals.

- The Committee considers that a successful remuneration policy must ensure that a significant part of the remuneration package is linked to the achievement of corporate performance targets and a strong alignment of interest with stakeholders.

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.

2. The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's operations.

3. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievementspossessed by a person is sufficient / satisfactory for the concerned position.

4. The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

- **TERM / TENURE:**

1. **Managing Director/Whole-time Director:**
   The Company shall appoint or re-appoint any person as its Executive Chairman/Chairperson, Managing Director or Executive Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. **Independent Director:**
   An Independent Director shall hold office for a term as per the applicable laws prevailing from time to time. In accordance with the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

   No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

Annexure E

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company.

- **EVALUATION:**
  The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular interval.

  The Committee may also consider the report of evaluation carried out only by Independent Directors while reviewing the performance of non-independent directors and the board as whole.

- **REMOVAL:**
  Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

- **RETIREMENT:**
  The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

PART – C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIMEDIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

- **GENERAL:**
  1. The remuneration / compensation / commission etc. to the Managing/Whole-time Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.

  2. The remuneration and commission to be paid to the Managing Director/Whole-time Director shall be in accordance with the percentage / slabs / conditions laid down in the Articles of Association of the Company and as per the provisions of the Companies Act, 2013, and the rules made thereunder.

  3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Whole-time Director, wherever required.

  4. Where any insurance is taken by the Company on behalf of its Managing/Whole-time Director, Chief Executive Officer, Chief Financial Officer, the Company Secretary and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

  5. Remuneration packages will be designed to attract high-calibre executives in a competitive global market and remunerate executives fairly and responsibly. The remuneration shall be competitive and based on the individual responsibilities and performance.

  6. Remuneration is designed to motivate delivery of company's key business strategies, create a strong performance-orientated environment and reward achievement of meaningful targets over the short- and long-term.

  7. The Executives may be entitled to customary non-monetary benefits such as company cars and company health care, telephone etc. In

addition thereto in individual cases company housing and other benefits may also be offered.

Remuneration to Whole-time / Executive / Managing Director, Key Managerial Personnel and Senior Management Personnel:

1. FIXED PAY:

The Managing/Whole-time Director / Key Managerial Personnel and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. MINIMUM REMUNERATION:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managing/Whole-time Director in accordance with the applicable provisions of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. PROVISIONS FOR EXCESS REMUNERATION:

If any Managing/Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government.

REMUNERATION TO NON- EXECUTIVE / INDEPENDENT DIRECTOR:

1. **Remuneration / Commission:**
   The remuneration / commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. **Sitting Fees:**
   The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereofin terms of applicable provisions of the Companies Act, 2013.

3. **Commission:**
   Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

Interpretation

In any circumstance where the terms of this policy differs from any existing or newly enacted law, rule, regulation or standard governing the Company, the law, rule, regulation or standard will take precedence over these policies and procedures until such time this policy is changed / amended to conform to the law, rule, regulation and standard.

Disclosure

Information on the total remuneration of members of the Company's Board of Directors, Executive Board of Management and senior management may be disclosed in the Company's annual financial statements. This includes any deferred payments and extraordinary contracts during the preceding financial year.

Dissemination

The Company's Nomination and Remuneration Policy shall be published on its website.

Annexure F

Secretarial Audit Report

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2017

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

To,
The Members,
Magadh Sugar & Energy Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by the Company. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company as per in Annexure- A1 (hereinafter referred to as "Books and Papers") and the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the period covered by our audit, that is to say, from April 01, 2016 to March 31, 2017 (hereinafter referred to as "Audit Period"), complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the Books and Papers maintained by the Company for the Audit Period according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder including any re-enactment thereof;
2. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment, Foreign Direct Investment and External Commercial Borrowings;
3. The Depositories Act, 1996 and the Regulations and Bye-Laws framed thereunder;
4. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder.

   In addition of above, the Company has followed the following Acts/Rules/Regulations applicable to a listed company as a good corporate governance practice even though the Company is an unlisted company and is in the process of listing its equity shares with BSE, NSE and CSE.

   i. SEBI (Substantial Acquisitions of Shares and Takeover) Regulations, 2011 ("SAST Regulations");
   ii. SEBI (Prohibition of Insider Trading) Regulations, 2015 ("the PIT Regulations, 2015");
   iii. SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   iv. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
   v. SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 ("the LODR Regulations, 2015");
   vi. SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009;
   vii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   viii. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

ix. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

x. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.

5. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:

a. Bihar Sugarcane (Regulation of Supply and Purchase) Rules, 1954;

b. Suger Cess Act, 1982;

c. Food Safety and Standards Act, 2006;

d. Sugar Development Funds Act, 1955;

e. Legal Metrology Act, 2009 and rules and regulations thereunder.

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

During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.

Management Responsibility:

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;

2. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion;

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company;

4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulation and happening of events etc;

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

Adequate notice is given to all directors to schedule the Board Meetings, 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 and recorded as part of the minutes.

We further report that based on the information provided by the Company during the conduct of the audit and also on the review of quarterly compliance reports by Company Secretary taken on record by the Board

Annexure F

of Directors of the Company, in our opinion, adequate systems and processes and control mechanisms exist in the Company to monitor and ensure compliance with applicable other general laws.

We further report that during the Audit Period, the Company has not incurred any specific event that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., except as follows:

6. **Composite Scheme of Arrangement**

The Hon'ble National Company Law Tribunal, Allahabad Bench vide its Order dated 2nd March 2017 (certified copy received on 9th March, 2017) sanctioned the Composite Scheme of Arrangement entered into between Upper Ganges Sugar & Industries Limited, The Oudh Sugar Mills Limited, Palash Securities Limited, Allahabad Canning Limited, Ganges Securities Limited, Cinnatoliah Tea Limited, Vaishali Sugar & Energy Limited, Magadh Sugar & Energy Limited and Avadh Sugar & Energy Limited and their shareholders and creditors and declared that the same shall be binding on the equity shareholders, secured creditors, unsecured creditors, and all concerned of the above named petitioner companies and also on the said petitioner companies with effect from the Appointed date i.e. 1st day of April, 2015.

For **Vinod Kothari & Company**
Practicing Company Secretaries

Arun Kumar Maitra
Partner
Membership No: A3010
CP No.: 14490

Place: Kolkata
Date: 22.05.2017

ANNEXURE I

LIST OF DOCUMENTS

1. Corporate Matters

1.1 Minutes books of the following meetings were provided:

1.1.1 Board Meeting;

1.1.2 General Meeting;

1.2 Annual Report for the Financial year 2015-2016;

1.3 Memorandum and Articles of Association;

1.4 Disclosures under the Act;

1.5 Policies framed under the Act ;

1.6 Register maintained under the Act;

1.7 Forms and returns filed with the ROC;

Annexure G

Information under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2017

I. CONSERVATION OF ENERGY :

i The Company continues to take following initiatives to conserve Energy during the year 2016-17:

a) Various machineries and equipments installed during earlier years besides increasing generation of steam tend to reduce consumption of steam and fuel.

b) Auto control combustion system fitted with all the boilers reduce the consumption of bagasse.

c) VFDs are being installed at several working stations like Cane carrier, rake carrier etc. that will result in power saving.

d) The modified system of heating sugarcane juices and bleeding of vapors for pan boiling is working satisfactorily in the form of considerably reducing consumption of steam and fuel.

ii. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

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

iii. Impact of measures of I and II above for the reduction of energy consumption and consequent impact on the cost of production of goods.

None significant.

II. RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION:

The Company continues to carry out Research & Development in the following specific areas:

(1) Control of Insect, Pest and Disease-

a) Through Moist, Hot Treatment- In order to maintain the genetic purity of varieties of Sugarcane, treatment is given to cane seed with moist hot air treatment. It improves the quality and yield of sugarcane. This process shall continue for the future also.

b) Chemical Control:- In order to control the Insect, Pest and Borer, insecticide and pesticide is being applied on the crop just before indent of Pest and Borer for its control.

c) Biological Control of Borer:- Parasites (Tricogranna Cards) have been applied in the crop to protect from Insects, Pests, and Borers.

Annexure G

(2) Ratoon Management :- To increase the yield of the Ratoon, farmers are being educated on constant basis to burn the trash in the field, stubbing the plant and giving the proper dose of fertilizers and irrigation. Farmers are educated also to fill the gaps by new and improved plants.

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

The Company has not imported any new technology.

The Company had incurred an expenditure on research and cane development amounting to ₹ 327.79 lacs

III. FOREIGN EXCHANGE EARNINGS AND OUTGO :

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

Annexure H

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.

Sl.	Requirements of Rule 5(1)	Details
(i)	The ratio of remuneration of each Director to the median remuneration of the employees of the Company for the financial year	None of the Directors except the Whole-time Director gets any remuneration from the Company except sitting fees.
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Company Secretary	Refer Note*
(iii)	Percentage increase in the median remuneration of employees in the financial year	Refer Note*
(iv)	Number of permanent employees on the rolls of company;	1306 employees as on 31.3.2017.
(v)	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	Refer Note*
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company	Remuneration paid during the financial year 2016-17 were within the parameters of the Remuneration Policy adopted by the Company.

Note: *Employees on the rolls of erstwhile The Oudh Sugar Mills Limited Narkatiaganj unit and the employees on the rolls of Upper Ganges Sugar & Industries Limited Sidhwalia and Hasanpur units were transferred, pursuant to the Composite Scheme of Arrangement on filing of the Scheme with ROC on 23rd March, 2017 and hence not comparable

Annexure H

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

Top 10 employees in terms of remuneration drawn during the year

Name the Employee	Designation of the Employee	Qualification	Age	Experience (Years)	Date of Commenecement of Employment	Remuneration Received	Last employment	Equity Shares held
Chandra Mohan	Wholetime Director	Diploma in Mech Engg	57	33	18-05-2017	46,06,000	Bajaj Sugar	
Mehtab Singh	Executive President, Hasanpur	Msc. Ag., MA Indl. Psychlogy	51	26	24.07.2014	31,52,484	Triveni Sugar	
Chandra Pal Singh		Diploma in Mech Engg & BOE	55	30	29-12-2006	23,54,000	Kanoria Sugar & Chemical (Captanganj, UP)	
Dr. R.N.Tripathi,	Senior Executive Vice President, Sidhwalia	M.SC. (Agriculture) PH.D	53	28	20-01-2016	23,16,402	Bajaj Hindustan Ltd.	NIL
Ashok Kumar	Senior Executive Vice President, Production	ANSI Sugar Tech	48	27	20.01.2015	19,41,970	Sriram Sugar, Nepal	
Om Prakash Singh,	Executive Vice President, Technical	Diploma in Mechanical Engineering	53	31	01-05-2013	15,18,003	Lakshmi Sugar Mills Co. Ltd.	NIL
Yogesh Kumar Rathi		B.Sc. ANSI (Sugar Tech)	46	23	03-08-2015	13,94,000	Haidargardh (Balrampur Unit)	
Manoj Prasad	V.P.Finance	B.Com, ICWA	47	22	28.05.2008	12,88,277		
S.P.Rai	EVP Cane	Matric	55	29	03.05.1988	12,05,224		
Abhishek Agarwal		B.Sc. (Die Tech)	49	30	13-05-2016	11,04,000	Kesar Enterprise (Bareli UP)	

Annexure I

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

I. REGISTRATION AND OTHER DETAILS

CIN	U15122UP2015PLC069632
Registration Date	19-03-2015
Name of the Company	MAGADH SUGAR & ENERGY LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	P O Hargaon Dist Sitapur Uttar Pradesh 261 121 Tel No : 05862 256220
Whether listed company Yes / No	No
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private Limited C-13 Pannalal Silk Compound L.B.S Marg, Bhandup (West), Mumbai-400 078 Tel : 91 022 2596 3838 Fax : 91 022 2594 6969 e-mail : mumbai@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Sugar	1072	87.34 %

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

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

IV. SHAREHOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
Promoter and Promoter Group									
Indian									
Individuals/Hindu Undivided Family	-	70	70	0.14	673085	-	673085	6.69	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	49930	49930	99.86	4385556	1075995	5461551	54.26	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1)	**-**	**50000**	**50000**	**100.00**	**5058641**	**1075995**	**6134636**	**60.95**	**-**
Foreign									
Individuals (Non-Resident Individuals/Foreign Individuals)	-	-	-	-	-	-	-	-	-
Bodies Corporate	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2)	**-**	-	-	-	-	-	-	-	-
Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**-**	**50000**	**50000**	**100.00**	**5058641**	**1075995**	**6134636**	**60.95**	
Public shareholding									
Institutions									
Mutual Funds/UTI	-	-	-	-	-	662	662	0.00	-
Financial Institutions/Banks	-	-	-	-	13578	251	13829	0.14	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	-	-	-	-	309332	-	309332	3.07	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**-**	-	-	-	**322910**	**913**	**323823**	**3.22**	**-**
Non-institutions									
Bodies Corporate	-	-	-	-	563232	18186	581418	5.78	-
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To >₹ 1 Lakh.	-	-	-	-	1623126	75894	1699020	16.88	-
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess Of ₹ 1 Lakh	-	-	-	-	481430	21027	502457	4.99	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Clearing Member	-	-	-	-	67815	-	67815	0.67	-
Market Maker	-	-	-	-	4951	-	4951	0.05	-
Directors/Relatives	-	-	-	-	-	-	-	-	-
Foreign Company	-	-	-	-	-	-	-	-	-
Foreign National	-	-	-	-	422	212	634	0.00	-
HUF	-	-	-	-	141215	-	141215	1.40	-
Non Resident Indians (Non Repat)l	-	-	-	-	18148	-	18148	0.18	-

Annexure I

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	% change during the year
Non Resident Indians (Repat)	-	-	-	-	31933	2	31935	0.32	-
Office Bearers	-	-	-	-	-	-	-	-	-
Trust	-	-	-	-	559398		559398	5.56	-
Sub-Total (B)(2)	**-**	**-**	**-**	**-**	**3491670**	**115321**	**3606991**	**35.84**	**-**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**-**	**-**	**-**	**-**	**3814580**	**116234**	**3930814**	**39.05**	**-**
TOTAL (A)+(B)	**-**	**50000**	**50000**	**100.00**	**8873221**	**119229**	**10065450**	**100.00**	**-**
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**-**	**50000**	**50000**	**100.00**	**8873221**	**119229**	**10065450**	**100.00**	**-**

Note: Shares allotted pursuant to Composite Scheme of Arrangement

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encumbered to total shares	
Nandini Nopany	-	-	-	631646	6.28	-	-
Chandra Shekhar Nopany	-	-	-	30840	0.31	-	-
Urvi Nopany	-	-	-	10599	0.11	-	-
SIL Investments Limited	-	-	-	1204756	11.97	-	-
Avadh Sugar & Energy Limited	-	-	-	1061539	10.55	-	-
New India Retailing And Investment Ltd	-	-	-	754636	7.50	-	-
Yashovardhan Investment &Trading Co. Ltd.	-	-	-	512650	5.09	-	-
Hargaon Investment & Tradind Co. Ltd.	-	-	-	512399	5.09	-	-
RTM Investment And Trading Co. Ltd.	-	-	-	321185	3.19	-	-
SCM Investment & Trading Co. Ltd.	-	-	-	272544	2.71	-	-
Champaran Marketing Co. Ltd.	-	-	-	203133	2.02	-	-
OSM Investment & Trading Co. Ltd.	-	-	-	182924	1.82	-	-
Nilgiri Plantations Limited	-	-	-	107470	1.07	-	-
Sidh Enterprises Ltd.	-	-	-	81392	0.81	-	-
Narkatiaganj Farms Limited	-	-	-	67293	0.67	-	-
Ronson Traders Limited	-	-	-	65033	0.65	-	-
Rajpur Farms Limited	-	-	-	52003	0.52	-	-
Shree Vihar Properties Ltd	-	-	-	24559	0.24	-	-
La Monde Trading & Investments Private Ltd	-	-	-	19610	0.19	-	-
Palash Securities Limited	-	-	-	14456	0.14	-	-
Uttam Commercial Ltd.	-	-	-	1735	0.02	-	-
Sonali Commercial Ltd.	-	-	-	1285	0.01	-	-
Pavapuri Trading And Investment Company Ltd.	-	-	-	900	0.01	-	-
Deepshikha Trading Co. Private Limited	-	-	-	49	0.00	-	-
	-	-	-	6134636	60.95	-	-

Note: Shares allotted pursuant to Composite Scheme of Arrangement

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

	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year	50000	100.00	50000	100.00
Changes during the year	(50000)	100.00	6134636	60.95
At the end of the year			6134636	60.95

Note: Shares allotted pursuant to Composite Scheme of Arrangement

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

Sl No	Name	Shareholding		Date	Increase/ Decrease in shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
		No of Shares at the beginning (01-04-2016)/ end (31-03-2017) of the year	% of total shares of the Company				No of Shares	% of total shares of the Company
1	NAVJEEWAN MEDICAL INSTITUTE			30-03-2017		Allotment pursuant to Composite Scheme of Arrangement	559398	5.56
2	LIFE INSURANCE CORPORATION OF INDIA						309332	3.07
3	RENU						195080	1.94
4	EARTHSTONE HOLDING (TWO) LIMITED						110243	1.10
5	SHOBHANA BHARTIA						46137	0.46
6	JYOTSNA PODDAR						46137	0.46
7	VISHANJI SHAMJI DEDHIA						39717	0.39
8	B.LAVANYA						38939	0.39
9	SURESH BHATIA						38939	0.39
10	SHRI PARASRAM HOLDINGS PVT. LTD.						28262	0.28

(v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mrs. Chandra Shekhar Nopany, Chairperson	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year				
Changes during the year			30840	0.31
At the end of the year			30840*	0.31

Annexure I

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mr. Chandra Mohan, Wholetime Director	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year				
Changes during the year				
At the end of the year	NIL	NIL	NIL	NIL

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mr. Sunil Choraria, Chief Financial Officer	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year				
Changes during the year				
At the end of the year	NIL	NIL	NIL	NIL

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
Mr. S Subramanian, Company Secretary	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
At the beginning of the year				
Changes during the year				
At the end of the year	NIL	NIL	NIL	NIL

* includes 3894 equity shares held jointly with Mrs. Shalini Nopany

Note: Mr. Padam Kumar Khaitan, Mr. Yashwant Kumar Daga, Mr. Ishwari Prosad Singh Roy, Mr Raj Kumar Bagri and Mrs. Shashi Sharma held no shares in the Company during the year.

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Working Capital-Secured	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year				
Addition	19,149.57	950.00	25,233.62	45,333.19
Reduction				
Net Change	**19,149.57**	**950.00**	**25,233.62**	**45,333.19**
Indebtedness at the end of the financial year				
i) Principal Amount	18,810.28	950.00	25,233.62	44,993.90
ii) Interest due but not paid				
iii) Interest accrued but not due	339.29			339.29
Total (i+ii+iii)	**19,149.57**	**950.00**	**25,233.62**	**45,333.19**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl No.	Particulars of Remuneration	Mr Chandra Mohan, Wholetime Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	46,06,000	46,06,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	4,03,838	4,03,838
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- As % of profit	-	-
	- As others specify	-	-
5	Others please specify	-	-
	Total (A)	50,09,838	50,09,838

* Represents the amount paid / accrued during the year.

B. Remuneration to other Directors:

1. Independent Directors

Sl No.	Particulars of Remuneration	Name of Director					Total Amount
		Mr Ishwari Prosad Singh Roy	Mr Padam Kumar Khaitan	Mr Yashwant Kumar Daga	Mrs Shashi Sharma	Mr Raj Kumar Bagri	
	Fee for attending Board/ Committee Meetings	-	-	-	-	-	-
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
	Total B (1)	-	-	-	-	-	-

2. Other Non-Executive Directors

Sl No.	Particulars of Remuneration	Mr Chandra Shekhar Nopany	Total Amount
	Fee for attending Board/Committee Meetings	-	-
	Commission	-	-
	Others, please specify	-	-
	Total B (2)	-	-
	Total (B) = (B)(1)+(B)(2)	-	-

Annexure I

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

Sl No.	Particulars of Remuneration	Mr Sunil Choraria, Chief Financial Officer	Mr. S Subramanian, Company Secretary	Total Amount
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- As others specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	-	-	-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority[RD / NCLT/ COURT]	Appeal made, if any(give Details)
A. COMPANY					
Penalty					
Punishment			None		
Compounding					
B. DIRECTORS					
Penalty					
Punishment			None		
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment			None		
Compounding					

Independent Auditor's Report

To the Members of
Magadh Sugar & Energy Limited

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Magadh Sugar & Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at March 31, 2017, of its profit, and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Independent Auditor's Report

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

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

(c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

(d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016;

(e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

(g) 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:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 8 and 34 to the financial statements;

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

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in Note 36 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place of Signature: Kolkata
Date: May 24, 2017

Annexure 1 to the Independent Auditors' Report (referred to in our report of even date to the members of Magadh Sugar & Energy Limited as at and for the year ended 31st March, 2017)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets were physically verified by the management during the year in accordance with a planned programme of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to information and explanations given by the management, the title deeds of immovable properties included in Property, Plant & Equipment which are transferred to Company pursuant to Scheme of arrangement (Refer Note 2 (ii) to the Financial Statements) are not held in the name of the Company. As explained to us, steps are being taken to complete the name transfer formalities.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 related to manufacture of its products and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, done a detailed examination of the same.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

Annexure 1 to the Independent Auditors' Report (referred to in our report of even date to the members of Magadh Sugar & Energy Limited as at and for the year ended 31st March, 2017)

(c) According to the records of the Company, the dues outstanding in respect of sales tax, income tax, custom duty, wealth tax, service tax, excise duty, value added tax & cess on account of any dispute, are as follows :-

Name of Statue	Nature of dues	Mount in ₹ Lacs	Period to which amount relates	Forum where dispute is pending
Bihar VAT Act, 2005	Differential VAT on Denatured Sprit. VAT on exempted Sales.	92.00	1985-86 to 1995-96, 2008-09 to 2011-12	High Court, Patna / Appellate Tribunal, Patna / Joint Commissioner Appeals.
Central Sales Tax	Demand for sales tax due to non-submission of Declaration Forms	3.36	2003-04	Appellate Tribunal, Patna
Bihar Molasses (Control) Act, 1947	Administration Charges on Molasses	116.29	2010-11	Supreme Court of India
The Bihar Electricity Duty Act, 1948	Demand for Electricity Duty on Sale of Electricity	162.99	2009-10 to 2012-13	High Court Patna / Certificate officer, Samastipur
Central Excise Act, 1944	Disallowance of CENVAT credit on certain input / capital items / input services.	3,804.66	1986-87, 2004-05 to 2007-08, April 2008 - January 2016	CESTAT / Commissioner (Appeal) / High Court, Patna
Bihar Sugarcane (Supply & Regulation) Act, 1981	Interest on Cane cess	3.37	1984-85 to 1986-87, 1991-92, 1994-95 to 1998-99, 2003-04 & 2004-05.	Certificate Officer, Samastipur

(viii) In our opinion and according to information and explanations given by the management, the Company has not defaulted in repayment of dues to bank or government. The Company did not have any outstanding dues in respect of financial institutions or debenture holders during the year.

(ix) In our opinion and according to the information and explanations given by the management, term loans were applied for the purpose for which the loans were obtained. The Company has not raised any money by way of initial public offer / further public offer / debt instruments during the year.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place of Signature: Kolkata
Date: May 24, 2017

Annexure 2 to the Independent Auditor's Report of Even Date on the Financial Statements of Magadh Sugar & Energy Limted

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

We have audited the internal financial controls over financial reporting of Magadh Sugar & Energy Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

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

AUDITOR'S RESPONSIBILITY

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

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

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

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

OPINION

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**
Chartered Accountants
ICAI Firm Registration Number: 301003E/E300005

per **Kamal Agarwal**
Partner
Membership Number: 58652

Place of Signature: Kolkata
Date: May 24, 2017

Balance Sheet

as at 31st March 2017

₹ in lakhs

	Notes	As at 31st March 2017	As at 31st March 2016
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,156.55	5.00
Reserves and Surplus	4	39,496.60	(1.58)
		41,653.15	**3.42**
Non-current Liabilities			
Long-term borrowings	5	13,363.98	-
Deferred tax liabilities (net)	6	2,457.15	-
Other long-term liabilities	7	347.79	-
Long-term provisions	8	380.48	-
		16,549.40	**-**
Current Liabilities			
Short-term borrowings	9	26,183.62	-
Trade payables			
- Total outstanding dues of micro and small enterprises	10	45.34	-
- Total outstanding dues of creditors other than micro and small enterprises	10	10,434.61	0.29
Other current liabilities	10	13,723.87	-
Short-term provisions	8	2,217.28	-
		52,604.72	**0.29**
Total		**1,10,807.27**	**3.71**
ASSETS			
Non-current Assets			
Fixed assets			
Property, plant and equipment	11	64,546.09	-
Intangible assets	12	20.18	-
Capital work-in-progress	13	114.97	-
Non-current investments	14	0.67	-
Loans and advances	15	16.97	-
Other non-current assets	17.2	50.97	-
		64,749.85	**-**
Current Assets			
Inventories	16	42,735.23	-
Trade receivables	17.1	1,158.21	-
Cash and bank balances	18	145.30	3.71
Loans and advances	15	1,424.13	-
Other current assets	17.2	594.55	-
		46,057.42	**3.71**
Total		**1,10,807.27**	**3.71**
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No. : 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

For and on behalf of the Board of Directors

Chandra Mohan
Whole-time Director

Chandra Shekhar Nopany
Chairman

Sathyamurthy Subramanian
Company Secretary

Sunil Choraria
Chief Financial Officer

Place : Kolkata
Date : 24th May 2017

Statement of Profit and Loss

for the year ended 31st March 2017

₹ in lakhs

	Notes	Year ended 31st March 2017	Year ended 31st March 2016
INCOME			
Revenue from Operations (Gross)	19	71,939.86	-
Less : Excise duty		1,765.12	-
Cess		2,017.21	-
Revenue from Operations (net)		**68,157.53**	**-**
Other Income	20	148.88	-
Total Revenue (I)		**68,306.41**	**-**
EXPENSES			
Cost of Raw Materials consumed	21	48,470.13	-
Decrease / (Increase) in inventories of Finished Goods and Goods under Process	22	(4,940.14)	-
Employee benefits expenses	23	4,082.61	-
Other expenses	24	4,636.96	1.10
Total (II)		**52,249.56**	**1.10**
Profit / (Loss) before finance costs, tax, depreciation and amortization (EBITDA) [(I) - (II)]		**16,056.85**	**(1.10)**
Depreciation and amortization expenses	25	1,969.59	-
Finance Costs	26	3,878.50	-
Profit / (Loss) before tax		**10,208.76**	**(1.10)**
Current tax		1,880.00	-
Deferred tax charge		2,457.15	-
Total tax expenses		**4,337.15**	**-**
Profit / (Loss) after tax for the year		**5,871.61**	**(1.10)**
Earnings per equity share [Nominal value of share ₹ 10 (₹ 10)]			
Basic & Diluted (₹)	28	56.68	(2.20)
Summary of significant accounting policies	2.1		

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

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No. : 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

For and on behalf of the Board of Directors

Chandra Mohan
Whole-time Director

Chandra Shekhar Nopany
Chairman

Sathyamurthy Subramanian
Company Secretary

Sunil Choraria
Chief Financial Officer

Place : Kolkata
Date : 24th May 2017

Cash Flow Statement

for the year ended 31st March 2017

₹ in lakhs

	Year Ended 31st March 2017	Year Ended 31st March 2016
(A) CASH FLOW FROM OPERATING ACTIVITIES :		
Profit / (Loss) before tax	10,208.76	(1.10)
Adjustment to reconcile profit / (loss) before tax to net cash flows		
Depreciation and Amortization expenses	1,969.59	-
Finance Costs	3,878.50	-
Loss on fixed assets sold / discarded (net)	142.69	-
Bad debts, irrecoverable claims and advances written off	2.13	-
Provision for bad and doubtful debts / advances	13.67	-
Unspent Liabilities, Provisions no longer required and Unclaimed Balances written back	(58.37)	-
Interest Income	(35.00)	-
Operating Profit / (Loss) before Working Capital Changes :	**16,121.97**	**(1.10)**
Decrease in Trade Payables	(2,806.21)	(0.19)
Increase in Long Term Provisions	144.92	-
Increase in Short Term Provisions	27.00	-
Decrease in Other Current Liabilities	(1,482.83)	-
Increase in Trade Receivables	(121.46)	-
Decrease in Non-current Loans & Advances	2.46	-
Increase in Current Loans & Advances	(500.93)	-
Decrease in Other Current Assets	2,480.62	-
Increase in Inventories	(4,960.92)	-
CASH GENERATED FROM / (USED IN) OPERATIONS:	**8,904.62**	**(1.29)**
Direct Taxes (Paid)	(0.15)	-
Net Cash from / (used in) Operating Activities before impact of the Scheme relating to earlier period	**8,904.47**	**(1.29)**
Impact of the Scheme relating to earlier period [Note 2(ii)(f)]	**(2,664.91)**	**-**
NET CASH FROM / (USED IN) OPERATING ACTIVITIES	**6,239.56**	**(1.29)**
(B) CASH FLOW FROM INVESTING ACTIVITIES :		
Proceeds from sale of Property, Plant and Equipment	134.96	-
Purchase of Fixed Assets, including CWIP and Capital Advances	(1,516.81)	-
Loan Given (net)	(3.39)	-
Interest Received	33.04	-
Net Cash used in Investing Activities before impact of the Scheme relating to earlier period	**(1,352.20)**	**-**
Impact of the Scheme relating to earlier period [Note 2(ii)(f)]	**(815.67)**	**-**
NET CASH USED IN INVESTING ACTIVITIES	**(2,167.87)**	**-**

₹ in lakhs

	Year Ended 31st March 2017	Year Ended 31st March 2016
(C) CASH FLOW FROM FINANCING ACTIVITIES :		
Repayment of Long Term Borrowings	(4,794.93)	-
Proceeds from Short Term Borrowings (net)	1,155.80	-
Interest Paid	(3,876.74)	-
Other Borrowing Cost	(23.81)	-
Net Cash used in Financing Activities before impact of the Scheme relating to earlier period	**(7,539.68)**	**-**
Impact of the Scheme relating to earlier period [Note 2(ii)(f)]	**3,323.42**	**-**
NET CASH USED IN FINANCING ACTIVITIES	**(4,216.26)**	**-**
NET CHANGES IN CASH & CASH EQUIVALENTS (A+B+C)	**(144.57)**	**(1.29)**
Cash & Cash Equivalents at the beginning of the year	**3.71**	**5.00**
Cash & Cash Equivalents transferred pursuant to the Scheme [Note 2(ii)(b)]	**286.16**	**-**
Cash & Cash Equivalents at the end of the year *	**145.30**	**3.71**

* represents Cash and Bank Balances as indicated in Note 18.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm Registration No. : 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

For and on behalf of the Board of Directors

Chandra Mohan
Whole-time Director

Chandra Shekhar Nopany
Chairman

Sathyamurthy Subramanian
Company Secretary

Sunil Choraria
Chief Financial Officer

Place : Kolkata
Date : 24th May 2017

Notes to Financial Statements

as at and for the year ended 31st March 2017

1. CORPORATE INFORMATION

Magadh Sugar & Energy Limited (the Company) was incorporated on 19th March 2015 as a subsidiary of Upper Ganges Sugar & Industries Limited (UGSIL). Consequent to a Composite Scheme of Arrangement approved by the National Company Law Tribunal (NCLT) on 2nd March 2017 and filing of NCLT order with the Registrar of Companies, Kanpur on 23rd March 2017, the business undertakings located at Sidhwalia, District Gopalganj and at Hasanpur, District Samastipur (hereinafter referred to as "UGSIL Sugar business undertakings") in the State of Bihar of UGSIL have been demerged to the Company from appointed date i.e. 1st April 2015. Also, the business undertaking located at Narkatiaganj District West Champaran (hereinafter referred to as "OSML Sugar business undertaking") in the State of Bihar of The Oudh Sugar Mills Limited (OSML) is first transferred to Vaishali Sugar & Energy Limited (VSEL) via slump sale and is subsequently merged with the Company from the appointed date i.e. 1st April 2015.

The Company is primarily engaged in manufacture and sale of Sugar and its By-products (Molasses and Bagasse), Spirits including Ethanol and Power.

2. BASIS OF PREPARATION

(i) The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared the financial statements to comply in all material respects with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention except for impact of the Scheme of arrangement taken at fair value as detailed in Note 2(ii) as below.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year except for the change in accounting policies explained below.

In accordance with the scheme of arrangement, the assets and liabilities of OSML Sugar business undertaking has been acquired and accounted for at fair value, as determined by independent valuers appointed by the management. The assets and liabilities of UGSIL Sugar business undertakings are considered at book value in these financial statements as further disclosed in Note 2 (ii) below.

(ii) Scheme of Arrangement

a) The Amalgamating Company VSEL and Demerged Company UGSIL is primarily engaged in manufacture and sale of Sugar and its By-products (Molasses and Bagasse), Spirits including Ethanol and Power.

The Amalgamation of VSEL into the Company has been accounted for under the purchase method as prescribed by Accounting Standard (AS-14) Accounting for Amalgamations issued by the Institute of Chartered Accountants of India.

As per the Composite Scheme of Arrangement ("the Scheme"), appointed date as approved by the National Company Law Tribunal is 1st April 2015 and effective date is 23rd March 2017 being the date on which the Certified copy of the order sanctioning the said scheme is filed with the Registrar of Companies, Kanpur in accordance with the Companies Act, 1956 and applicable provisions of Companies Act, 2013.

b) The details of assets and liabilities as on 1st April 2015 transferred from VSEL (OSML) and UGSIL are as under:

₹ in lakhs

	Merger of OSML business undertaking i.e. VSEL	Demerger of UGSIL business undertaking	Total
ASSETS			
Non-current Assets			
Fixed Assets			
Property, Plant and Equipment	48,458.27	17,754.83	66,213.10
Intangible Assets	20.86	23.93	44.79
Capital Work-in-progress	53.99	5.35	59.34
Non-current Investments	0.53	0.12	0.65
Deferred tax asset / (liability)	(807.44)	1,667.84	860.40
Loans and advances	0.87	4.48	5.35
Other non-current assets	-	44.01	44.01
	47,727.08	**19,500.56**	**67,227.64**
Current Assets			
Inventories	20,365.94	17,290.61	37,656.55
Trade Receivables	134.66	596.47	731.13
Cash and bank balances	201.30	84.86	286.16
Loans and advances	608.59	554.39	1,162.98
Other current assets	1,581.53	1,460.67	3,042.20
	22,892.02	**19,987.00**	**42,879.02**
Total Assets	**70,619.10**	**39,487.56**	**110,106.66**
LIABILITIES			
Statutory Reserves			
- Molasses Storage and Maintenance Reserve	-	9.89	9.89
Non-current Liabilities			
Long-term borrowings	3,130.32	10,228.32	13,358.64
Other long-term liabilities	100.10	626.06	726.16
Long-term provisions	101.34	197.26	298.60
	3,331.76	**11,051.64**	**14,383.40**
Current Liabilities			
Short-term borrowings	11,964.60	13,781.46	25,746.06
Trade payables	9,343.81	12,727.98	22,071.79
Other current liabilities	5,277.87	3,320.77	8,598.64
Short-term provisions	130.23	117.35	247.58
	26,716.51	**29,947.56**	**56,664.07**
Total Liabilities	**30,048.27**	**41,009.09**	**71,057.36**

c) 50,000 equity shares of ₹ 10 each of the Company held by UGSIL stand cancelled and has been consequently credited to Capital Reserve.

d) The Company has issued the following shares to the shareholders of VSEL and UGSIL:

i) 10,61,539 equity shares of ₹ 10 each to the shareholders of VSEL (i.e. OSML) aggregating ₹ 106.16 lakhs, in the ratio of 276 equity shares of face value of ₹ 10 each of the Company for every 13 equity shares of face value of ₹10 each held in VSEL, and,

ii) 90,03,911 equity shares of ₹ 10 each to the shareholders of UGSIL aggregating ₹ 900.39 lakhs, in the ratio of 88 equity shares of face value of ₹ 10 each of the Company for every 113 equity shares of face value of ₹10 each held in UGSIL, and,

iii) 11,50,000 fully paid up 12% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 100

Notes to Financial Statements

as at and for the year ended 31st March 2017

each to the shareholders of UGSIL aggregating ₹ 1,150 lakhs in lieu of each original shares earlier issued by UGSIL.

e) The difference between the Net fair / book value of assets and liabilities of the sugar business undertakings and shares issued to the shareholders of VSEL and UGSIL has been credited to Capital Reserve.

f) Since the Scheme received all the requisite approvals in the current year, operations of the UGSIL Sugar business undertakings and OSML Sugar business undertaking from 1st April 2015 to 31st March 2016 as detailed below, have been adjusted in the Surplus / (Deficit) of the Statement of Profit and Loss under the head Reserves and Surplus.

₹ in lakhs

	1st April 2015 to 31st March 2016
INCOME	
Revenue from Operations (Gross)	51,703.06
Less : Excise duty	1,348.41
Less : Cess	587.37
Revenue from Operations (net)	49,767.28
Other Income	140.59
Total Revenue (I)	**49,907.87**
EXPENSES	
Cost of Raw Materials consumed	39,092.76
Decrease in inventories of Finished Goods and Goods under Process	684.92
Employee benefits expenses	3,163.76
Other expenses	3,722.87
Total (II)	**46,664.31**
Profit before finance costs, tax, depreciation and amortization (EBITDA) [(I) - (II)]	**3,243.56**
Depreciation and amortization expenses	1,790.51
Finance Costs	3,873.72
Profit / (Loss) before tax	**(2,420.67)**
Deferred tax asset reversed*	860.40
Profit (Loss) after tax for the period	**(3,281.07)**

* Represents net Deferred tax asset transferred to the Company pursuant to the Scheme as mentioned above in Note 2(ii)(b) and the same has been reversed as per the Company's Accounting Policies [Note 2.1(n)].

Further, net cash flows for the period 1st April 2015 to 31st March 2016 pertaining to the transferor companies on account of operating, investment and financing activities aggregating to ₹ (2,664.91) lakhs, ₹ (815.67) lakhs and ₹ 3,323.42 lakhs respectively have been included in the current year's statement of cash flows under the respective heads.

2.1 Summary of Significant Accounting Policies

a) Change in Accounting Policy

i) Classification of items of stores and spares

As per requirement of AS 10 (Revised), items of spare parts, which meet the definition of Property, Plant and Equipment (PPE) i.e. if the Company intends to use them for more than a period of 12 months, are capitalised and depreciated over lower of its useful life or the remaining useful life of the principal asset. Earlier such items were considered as inventory and charged to consumption on issuance.

The above change has no material impact on the financial statements for the current year.

Notes to Financial Statements

as at and for the year ended 31st March 2017

ii) **Accounting for Proposed Dividend**

As per the requirements of AS 4 (Revised), proposed final dividend including Dividend Distribution Tax are recognised as a liability in the period in which they are approved by Shareholders unlike earlier requirement of recognising a liability in the period to which it relates.

Had the Company continued with earlier practice, surplus in the statement of profit and loss would have been lower by ₹ 660.03 lakhs with a corresponding increase in current provision (Note 38).

b) Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period and the results from operations during the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses determined, if any. The cost comprises the purchase price inclusive of duties, taxes, incidental expenses, erection / commissioning expenses and borrowing costs if capitalisation criteria are met and directly attributable cost of bringing the assets to its working condition for the intended use. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of Property, plant and equipment are required to be replaced at intervals, the company recognizes such parts as individual assets with specific useful lives and depreciates them accordingly.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing assets beyond its previously assessed standard of performance. All other expenses on an existing Property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of property, plant and equipment are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

Items of spares & stores that meet the definition of property, plant and equipment are capitalised at cost and depreciated over the useful life.

d) Depreciation on Property, plant and equipments

The classification of plant and equipment into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.

Depreciation on Property, plant and equipment is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The Company has used the following rates to provide depreciation on its Property, plant and equipment.

Class of Assets	Useful Lives estimated by the management (Years)
Factory Buildings	5 to 30
Non-factory Buildings	5 to 60
Plant and Equipments	5 to 40
Computer and Data Processing Equipments	3 to 6
Furniture and Fixtures	10
Vehicles	8 to 10
Office Equipments	5

Notes to Financial Statements

as at and for the year ended 31st March 2017

Depreciation on Property, plant and equipment added / disposed off during the year is provided on pro-rata basis with reference to the date of addition / disposal.

The management has estimated, supported by independent assessment by professionals, the useful lives of certain plant and equipment as 5 to 40 years. These lives are different than those indicated in schedule II.

Leasehold properties are depreciated over the primary period of lease or their respective useful lives, whichever is shorter.

e) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets being specified software are amortised on a straight line basis over a period of 5 years.

f) Leases

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased assets are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on straight line basis over the lease term.

Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to expenses account.

g) Borrowing Costs

Borrowing cost includes interest and amortisation of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h) Impairment of Property, plant and equipment

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

i) Government Grants and Subsidies

Grants and subsidies from the government are recognized when there is reasonable certainty that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset,

its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

j) Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

k) 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.

Goods under process, Finished goods and Standing crop are valued at lower of cost and net realizable value. Goods under process and Finished goods include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis.

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

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

l) Revenue Recognition

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

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, which usually coincides with delivery of the goods. The Company collects Sales Tax(s) and Value Added Taxes (VAT) on behalf of the government and, therefore, these not being economic benefits flowing to the Company, they are excluded from revenue. Excise duty and Cess deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the period.

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head “other income” in the statement of profit and loss.

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

Insurance and other claims, Interest on doubtful loans and advances to cane growers and Compensation receivable in respect of land surrendered to / acquired by the Government due to uncertainty in realisation, are accounted for on acceptance basis.

m) Retirement and other Employee Benefits

Retirement benefits in the form of Provident and Pension Funds are defined contribution schemes and are charged to the statement of profit and loss of the period when the contributions to the respective funds are due.

Notes to Financial Statements

as at and for the year ended 31st March 2017

The Company has no obligation other than contributions to the respective funds. The Company recognises contribution payable to the provident fund scheme as an expenditure, when an employee renders the selected service.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method done at the end of each financial year.

Short term compensated absences are provided for based on estimates.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the end of each financial year. The company does not have an unconditional right to defer its settlement for the period beyond 12 months and accordingly entire leave liability is shown as current liability.

Actuarial gains / losses are immediately taken to the statement of profit and loss and are not deferred.

n) Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to tax authorities in accordance with Income Tax Act, 1961 enacted in India. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

The deferred tax for timing differences between the book and tax profit for the period is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the reporting date. Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized. If the company has carry forward unabsorbed depreciation and tax losses, deferred tax asset is recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient taxable income will be available in future against which such deferred tax asset can be realized.

The carrying amount of deferred tax assets is reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient taxable income will be available in future.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. In the period in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in the guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each reporting date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing

evidence that the Company will pay normal Income Tax during the specified period.

o) Segment Reporting

Identification of segments

The Company has identified that its operating segments are the primary segments. The Company's operating businesses are organized and managed separately according to the nature of products, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which the customers of the Company are located.

Inter Segment Transfers

The Company accounts for inter segment transfers at mutually agreed transfer prices.

Allocation of common costs

Common allocable costs are allocated to each segment on case to case basis applying the ratio, appropriate to each relevant case. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated".

Unallocated items

Unallocated items include general corporate income and expense items which are not allocated to any business segment.

Segment accounting policies

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

p) Earnings Per Share

Basic Earning 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 earning per share, net profit or loss for the period attributable to equity share holders and the weighted average number of shares outstanding during the period are adjusted for the effect of all dilutive potential equity shares.

q) Cash and Cash Equivalents

Cash and cash equivalents in the cash flow statement comprise of cash at bank and on hand and short-term deposits with an original maturity of three months or less.

r) Excise Duty

Excise duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of inventory of finished goods and by-products as on the reporting date.

s) Provisions

A provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on the best estimate required to settle the obligation, at the reporting date. These are reviewed at each reporting date and adjusted to reflect the current management estimates.

t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Notes to Financial Statements

as at and for the year ended 31st March 2017

3. SHARE CAPITAL

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Authorised:		
1,51,00,000 (50,000) Equity Shares of ₹ 10/- each *	1,510.00	5.00
15,00,000 (Nil) Preference Shares of ₹ 100/- each	1,500.00	-
Total	**3,010.00**	**5.00**
Issued, subscribed and fully paid-up:		
1,00,65,450 (50,000) Equity Shares of ₹ 10/- each	1,006.55	5.00
11,50,000 (Nil) Preference Shares of ₹ 100/- each	1,150.00	-
Total	**2,156.55**	**5.00**

* includes ₹ 10.00 lakhs pertaining to VSEL transferred by virtue of the Scheme [Note 2(ii)].

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

Equity shares

	As at 31st March 2017		As at 31st March 2016	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Equity shares of ₹ 10/- each				
Outstanding at the beginning of the year	50,000	5.00	50,000	5.00
Shares cancelled pursuant to the Scheme [Note 2(ii)(c)]	(50,000)	(5.00)	-	-
Issued pursuant to the Scheme during the year [Note 2(ii)(d)]	1,00,65,450	1,006.55	-	-
Outstanding at the end of the year	**1,00,65,450**	**1,006.55**	**50,000**	**5.00**

Preference shares

	As at 31st March 2017		As at 31st March 2016	
	No. of shares	₹ in lakhs	No. of shares	₹ in lakhs
Preference shares of ₹ 100/- each				
Outstanding at the beginning of the year	-	-	-	-
Issued pursuant to the Scheme during the year [Note 2(ii)(d)]	11,50,000	1,150.00	-	-
Outstanding at the end of the year	11,50,000	1,150.00	-	-

(b) Terms / rights attached to Equity Shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution to equity shareholders will be in proportion to the amount paid on the shares held by them.

(c) Terms of redemption of Preference Shares of ₹ 100 each

The Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) carry dividend @12% per annum.

NCCRPS shall be redeemable at par on 24th September, 2019 being 5 years from the date of the original allotment i.e. 25th September, 2014 with a right vested to the Board of Directors to redeem it earlier.

The Dividend is payable annually, subject to the availability of the profit. However, the unpaid cumulative dividend, if any, is payable along with the redemption of NCCRPS.

Notes to Financial Statements

as at and for the year ended 31st March 2017

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

Name of the shareholder	As at 31st March 2017		As at 31st March 2016	
	No. of shares	% holding in the class	No. of shares	% holding in the class
Equity shares of ₹ 10/- each fully paid				
Upper Ganges Sugar & Industries Limited	-	-	50,000	100.00%
SIL Investments Limited	12,04,756	11.97%	-	-
Avadh Sugar & Energy Limited	10,61,539	10.55%	-	-
New India Retailing & Investment Limited	7,54,636	7.50%	-	-
Mrs. Nandini Nopany	6,31,646	6.28%	-	-
Navjeevan Medical Institute	5,59,398	5.56%	-	-
Yashovardhan Investment & Trading Company Limited	5,12,650	5.09%	-	-
Hargaon Investment & Trading Company Limited	5,12,399	5.09%	-	-
NCCRPS of ₹ 100/- each fully paid				
Yashovardhan Investment & Trading Company Limited	4,88,750	42.50%	-	-
Shital Commercial Ltd.	1,95,500	17.00%	-	-
Hargaon Investment & Trading Company Limited	1,66,750	14.50%	-	-
Uttam Commercial Limited	97,750	8.50%	-	-
SIL Investments Limited	74,750	6.50%	-	-
Deepshikha Trading Company Private Limited	63,250	5.50%	-	-
GMB Investment Private Limited	63,250	5.50%	-	-

As per records of the Company, including its register of Share holders / members, the above share holdings represents legal ownership of shares.

(e) Shares held by Holding Company

Out of equity issued by the Company, the shares held by its Holding Company are as below:

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Upper Ganges Sugar & Industries Limited, the Holding Company		
Nil (50,000) equity shares of ₹ 10/- each	-*	5.00

* Note 2 (ii) (c)

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

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Equity shares allotted as fully paid-up pursuant to the Scheme [Note 2(ii)(d)]	1,006.55	-
Preference shares allotted as fully paid-up pursuant to the Scheme [Note 2(ii)(d)]	1,150.00	-

Notes to Financial Statements

as at and for the year ended 31st March 2017

4. RESERVES AND SURPLUS

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Capital Reserve		
Balance as per last financial statements	-	-
Add : Arisen pursuant to the Scheme [Note 2 (ii)(c) & (e)]	36,897.75	-
	36,897.75	**-**
Capital Redemption Reserve		
Transfer from Surplus / (Deficit) in the Statement of Profit or Loss	1,150.00	-
	1,150.00	**-**
Molasses Storage and Maintenance Reserve		
Balance as per last financial statements	-	-
Add : Transfer pursuant to the Scheme [Note 2 (ii)(b)]	9.89	-
	9.89	**-**
Surplus / (Deficit) in the Statement of Profit and Loss		
Balance as per last financial statements	(1.58)	(0.48)
Add : Profit / (Loss) for the year	5,871.61	(1.10)
Less : Loss for the period 2015-16 pursuant to the Scheme [Note 2(ii)(f)]	(3,281.07)	-
Less : Transfer towards redemption of Preference Shares	(1,150.00)	-
Net Surplus / (Deficit) in the Statement of Profit and Loss	**1,438.96**	**(1.58)**
Total Reserves and Surplus	**39,496.60**	**(1.58)**

5. LONG-TERM BORROWINGS

₹ in lakhs

	Non-current portion		Current portion	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Term Loans (secured):				
From Banks -				
Under Project Finance / Corporate Loan Scheme	2,680.00	-	1,200.00	-
Other Term Loan	321.25	-	129.40	-
Under Financial Assistance Scheme (SEFASU 2014)	1,556.33	-	1,381.34	-
Under Financial Assistance Scheme (SOFT 2015 Central)	3,922.20	-	435.80	-
Under Financial Assistance Scheme (SOFT 2015 Bihar)	3,533.40	-	1,177.80	-
From Sugar Development Fund	1,350.80	-	1,121.96	-
	13,363.98	**-**	**5,446.30**	**-**
Less : Amount disclosed under the head "Other current liabilities" (Note 10)	-	-	5,446.30	-
Net Amount	**13,363.98**	**-**	**-**	**-**

(a) Term Loans from Banks under project finance / corporate loan scheme, carry interest in the range of 11.75% to 12.10% p.a. and are secured by first mortgage / charge on all the immovable and movable assets (save and except book debts), present and future, of the Company's Sugar Units at Sidhwalia and Hasanpur, ranking pari-passu amongst the various lenders, subject to prior charges created on movables for working capital borrowings from the Company's bankers, and are also secured by first mortgage / charge on all the immovable and movable assets (save and except book debts), present and future, of the Sugar & Distillery Units at Seohara (including Co-

generation plant), which is now part of Avadh Sugar and Energy Limited, pursuant to the Scheme [Note 2 (ii)].

The above loans are repayable as under. ₹ in lakhs

	As at 31st March 2017	Repayment Schedule
Disbursed To		
i. Sidhwalia Sugar Unit	2,600.00	20 Quarterly instalments ending on June 2020.
ii. Hasanpur Sugar and Co-Generation Unit	1,280.00	19 Quarterly instalments ending on September 2019.
	3,880.00	

(b) Other Term Loan from a bank carry interest of 14.99% p.a. and are repayable in 32 quarterly installments by 30th June 2020. The loan is secured by first mortgage / charge on all the immovable and movable assets (save and except book debts), present and future, of the Company's Sugar unit at Narkatiaganj, ranking pari-passu amongst the various lenders, subject to prior charges created on movables for working capital borrowings from the Company's bankers. The above term loan is further secured by third charge on current assets of the Company's Sugar unit at Narkatiaganj.

In addition, the said loan is also secured by pledge of 64,79,294 equity shares of erstwhile OSML, held by the promoter group companies, ranking pari-passu amongst the various lenders. In lieu of the aforesaid shares, 14,39,844 and 24,99,157 equity shares of Avadh Sugar & Energy Limited and Palash Securities Limited respectively have been issued to the promotor group companies, pursuant to the Scheme [Note (2(ii)].

(c) Term Loans from Banks under Scheme for Extending Financial Assistance to Sugar Undertaking (SEFASU 2014) carry interest in the range of 12% to 12.30 % p.a. and are repayable in monthly / quarterly instalments by June 2019. The Company is entitled to Interest subvention from Government of India upto 12% as per the terms of Scheme and the same will be directly reimbursed to Banks by Department of Food & Public Distribution and hence, no liability towards the said interest has been provided in these accounts. The above loans are secured by the first pari-passu charge on all the fixed assets, both present and future of the Company's Sugar units at Narkatiaganj, Sidhwalia and Hasanpur ranking pari-passu amongst the various lenders. The term loan from Punjab National Bank is further secured by 3rd pari-passu charge on all current assets of the sugar units at Sidhwalia and Hasanpur.

The above SEFASU loan is also secured by the first pari-passu charge on all the fixed assets, both present and future of the Sugar units at Seohara, Hargaon (including Co-generation Plant), Rosa and Hata (including Co-generation Plant) and the term loan from Punjab National Bank is further secured by 3rd pari-passu charge on all the Current assets of the Sugar unit at Seohara, which are now part of Avadh Sugar & Energy Limited, pursuant to the Scheme [Note 2 (ii)].

(d) Term loans from Banks under Financial Assistance Scheme of the Government of India (SOFT Loan 2015), carry interest rate in the range of 10.55% to 11.60% p.a. and are repayable by 20 equal quarterly instalments by 30th June 2022. The Company has availed interest subvention from the Government of India upto 10% for first year i.e. upto 23rd September 2016 as per terms of the Scheme. The above loans are secured by the first pari-passu charge on all the fixed assets, both present and future, of all sugar units of the Company at Sidhwalia, Hasanpur and Narkatiaganj ranking pari-passu amongst the various lenders.

The above SOFT loan 2015 (GOI) is also secured by first pari-passu charge on all the fixed assets, both present and future, of the Sugar units at Seohara, Rosa, Hargaon (including Co-generation Plant) and Hata (including Co-generation Plant), which are now part of Avadh Sugar and Energy Limited, pursuant to the Scheme [Note 2 (ii)].

Notes to Financial Statements

as at and for the year ended 31st March 2017

(e) Term loans from Banks under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015), carry interest rate in the range of 12.95% to 13% p.a. and repayable in 20 equal quarterly instalments by 31st March 2021. The Company is entitled to interest subvention from the Government of Bihar upto 12% for first year and 10% there after as per terms of the Scheme and the same will be reimbursed directly to banks by the Government of Bihar and hence, no liability towards interest under subvention has been provided in these accounts. The above loans are secured by the first pari-passu charge on all the fixed assets, both present and future, of all sugar units of the Company at Narkatiaganj, Sidhwalia and Hasanpur ranking pari-passu amongst the various lenders.

The above SOFT loan 2015 (Bihar) are also secured by first pari-passu charge on all the fixed assets, both present and future, of the Sugar units at Seohara, Rosa, Hargaon (including Co-generation Plant) and Hata (including Co-generation Plant), which are now part of Avadh Sugar and Energy Limited, pursuant to the Scheme [Note 2(ii)].

(f) Term loans from the Sugar Development Fund, carry interest @ 4% p.a. and are secured by a second charge on all the immovable and movable assets (save and except book debts), present and future of the Company's Sugar units at Narkatiaganj and Sidhwalia (including Co-generation Plant).

The SDF loans are repayable as under. ₹ in lakhs

	As at 31st March 2017	Repayment Schedule
Disbursed To		
i. Sidhwalia Sugar unit	2,026.19	5 yearly instalments ending on September 2019.
ii. Sidhwalia Co-generation unit	201.37	10 half yearly instalments ending on February 2018.
iii. Narkatiaganj Sugar unit	245.20	5 yearly instalments ending on March 2018.
	2,472.76	

6. DEFERRED TAX LIABILITIES (NET)

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Deferred tax liability		
Fixed assets: Impact of difference between tax depreciation and depreciation / amortization charged	5,557.80	-
	5,557.80	**-**
Deferred Tax Asset		
Carry forward of Unabsorbed Depreciation and Capital Loss	2,360.18	-
Expenditure allowable against taxable income in future years	740.47	-
	3,100.65	-
Net Deferred Tax Liabilities	**2,457.15**	**-**

7. OTHER LONG-TERM LIABILITIES

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Interest accrued but not due on borrowings	339.29	-
Trade and other deposits	8.50	-
	347.79	**-**

Notes to Financial Statements

as at and for the year ended 31st March 2017

8. PROVISIONS

₹ in lakhs

	Long-term		Short-term	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
Provision for employee benefits				
Gratuity (Note 29)	380.48	-	170.91	-
Leave	-	-	77.11	-
	380.48	**-**	**248.02**	**-**
Other provisions				
For income tax (net)	-	-	1,879.85	-
For litigation, claims and contingencies	-	-	89.41	-
	-	**-**	**1,969.26**	**-**
	380.48	**-**	**2,217.28**	**-**

Provision for litigation, claims and contingencies

The Company has estimated the provision for pending litigation, claims and demands based on the assessment of probability for these demands crystallising against the Company in due course. The table below gives information about movement in litigation, claims and contingencies provisions.

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
At the beginning of the year	-	-
Add : Transfer pursuant to the Scheme [Note 2 (ii)]	89.41	-
	89.41	**-**

9. SHORT-TERM BORROWINGS

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Cash credit including Working Capital Demand Loan from Banks (secured)	25,233.62	-
Inter-Corporate Deposits		
From related parties (Note 32e)	500.00	-
From others	450.00	-
	26,183.62	**-**

(a) Cash Credit from Banks, other than from DCB Bank Ltd. is secured by hypothecation of the entire current assets of the Company ranking pari-passu amongst the various lenders and also by a charge on the immovable assets as follows :

i. Sugar Mill at Hasanpur - Second Charge;

ii. Sugar Mill at Sidhwalia and Narkatiaganj - Third Charge.

In addition, Cash credit from Banks other than from DCB Bank Ltd. is also secured by pledge of 64,79,294 equity shares of erstwhile OSML held by the promoter group companies ranking pari-passu amongst the various lenders. In lieu of the aforesaid shares, 14,39,844 and 24,99,157 equity shares of Avadh Sugar & Energy Limited and Palash Securities Limited respectively have been issued to the promoter group companies pursuant to the Scheme [Note (2(ii)].

(b) Cash credit of ₹ 4,500.00 lakhs from DCB Bank Ltd. (Commodity Finance) are secured by pledge of the stock of sugar pertaining to Sugar units at Sidhwalia.

(c) Cash Credit borrowings including Working Capital Demand Loan (WCDL) carry interest ranging between 9.15% to 12.65% p.a. Cash Credit borrowings are repayable on demand. However, Working Capital Demand Loan are repayable within a period range from one month to six months.

Notes to Financial Statements

as at and for the year ended 31st March 2017

10. OTHER CURRENT LIABILITIES

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Trade payables		
- Total outstanding dues of micro and small enterprises (Note 37)	45.34	-
- Total outstanding dues of creditors other than micro and small enterprises	10,434.61	0.29
	10,479.95	**0.29**
Other liabilities		
Current maturities of long-term borrowings (note 5)	5,446.30	-
Payable towards purchase of capital goods	176.17	-
Payable to employees	899.99	-
Advance against Sale of Goods / Property, plant and equipment	247.93	-
Interest accrued but not due on borrowings, deposits etc.	507.43	-
Others -		-
Statutory dues	230.75	-
Excise duty on closing stock	2,352.36	-
Crop Loan from a Bank pending disbursement to cane growers	3,799.00	-
Miscellaneous	63.94	-
	13,723.87	**-**
	24,203.82	**0.29**

11. PROPERTY, PLANT AND EQUIPMENT

₹ in lakhs

	Freehold Land (b)	Buildings	Plant and equipments	Computer and Data Processing equipment	Furniture and fixtures	Vehicles	Office equipments	Total
Cost								
At 1st April 2015	-	-	-	-	-	-	-	-
At 31st March 2016	-	-	-	-	-	-	-	-
Transfer pursuant to the scheme[Note 2 (ii) (b)]	36,427.20	3,978.31	36,879.13	112.19	75.10	201.10	16.30	77,689.33
Additions during 2015-16	-	25.21	552.54	6.55	6.57	0.63	4.27	595.77
Disposals / Deductions during 2015-16	-	-	843.83 (a)	4.95	5.08	1.28	1.09	856.23
Additions during the year	-	199.25	2,025.15	117.27	8.17	25.61	12.69	2,388.14
Disposals during the year	-	0.83	453.80	5.23	0.27	11.47	0.07	471.67
At 31st March 2017	**36,427.20**	**4,201.94**	**38,159.19**	**225.83**	**84.49**	**214.59**	**32.10**	**79,345.34**
Depreciation								
At 1st April 2015	-	-	-	-	-	-	-	-
At 31st March 2016	-	-	-	-	-	-	-	-
Transfer pursuant to the Scheme [Note 2 (ii) (b)]	-	351.92	10,979.34	64.77	32.43	42.19	5.58	11,476.23
Charge for 2015-16	-	166.30	1,553.24 (a)	16.65	7.08	24.18	3.80	1,771.25
Disposals for 2015-16	-	-	191.76	4.71	4.80	1.10	1.05	203.42
Charge for the year	-	147.51	1,654.00	113.47	6.60	23.61	4.02	1,949.21
Disposals for the year	-	-	181.75	4.88	0.23	7.09	0.07	194.02
At 31st March 2017	**-**	**665.73**	**13,813.07**	**185.30**	**41.08**	**81.79**	**12.28**	**14,799.25**
Net block								
At 31st March 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
At 31st March 2017	**36,427.20**	**3,536.21**	**24,346.12**	**40.53**	**43.41**	**132.80**	**19.82**	**64,546.09**

(a) Includes ₹ 585.34 lakhs, which has been decapitalised on account of Capital Subsidy received during the period from 1st April 2015 to 31st March 2016 and depreciation of ₹ 174.40 lakhs thereon provided in earlier years has been reversed during the period.

(b) Title deeds are in the name of erstwhile OSML and UGSIL, which are yet to be transferred in the Company's name.

Notes to Financial Statements

as at and for the year ended 31st March 2017

12. INTANGIBLE ASSETS

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Computer Software		
Gross block		
Transfer pursuant to the Scheme [Note 2 (ii) (b)]	72.74	-
Additions during the year	15.03	-
Closing balance	**87.77**	**-**
Amortisation		
Transfer pursuant to the Scheme [Note 2 (ii) (b)]	27.95	-
Charge for the period 2015-16	19.26	-
Charge for the year	20.38	-
Closing balance	**67.59**	**-**
Net block	**20.18**	**-**

13. CAPITAL WORK-IN-PROGRESS

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Balance brought forward from the previous year	-	-
Add : Transfer pursuant to the Scheme [Note 2 (ii) (b)]	59.34	-
Add : Additions during 2015-16	1,125.97	-
Add : Additions during the year	1,274.77	-
	2,460.08	**-**
Less : Transfer to Property, Plant and Equipment during 2015-16	430.24	-
Less : Transfer to Property, Plant and Equipment during the year	1,914.87	-
Balance carried to Balance Sheet	**114.97**	**-**

14. NON-CURRENT INVESTMENTS

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Trade		
(valued at cost unless stated otherwise)		
Unquoted (fully paid)		
In Government Securities		
6 Years National Saving Certificates	0.07 *	-
7 Years National Defence Certificates	0.07 *	-
11% Bihar State Development Loan, 2001	0.53	-
	0.67	**-**

* Deposited / pledged with various Government authorities.

Notes to Financial Statements

as at and for the year ended 31st March 2017

15 LOANS AND ADVANCES

₹ in lakhs

	Non-current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good except stated otherwise)				
Capital Advances	**10.34**	**-**	**-**	**-**
Sundry Deposits	**2.71**	**-**	**6.43**	**-**
Advances recoverable in cash or in kind or for value to be received or pending adjustments				
Considered good	-	-	470.97 *	-
Considered doubtful	-	-	71.61	-
	-	**-**	**542.58**	**-**
Less : Provision for doubtful advances	-	-	71.61	-
	-	**-**	**470.97**	**-**
Other loans and advances				
Considered good				
Loan to employees	-	-	24.16	-
Deposits against demand under appeal and / or under dispute	-	-	90.82	-
Claims / Refunds Receivable	-	-	505.45	-
Prepaid expenses	3.92	-	19.23	-
Balances with Excise and Government Authorities	-	-	307.07	-
	3.92	**-**	**946.73**	**-**
	16.97	**-**	**1,424.13**	**-**

* Includes ₹ 9.86 lakhs to related parties [Note 32(f)].

16 INVENTORIES

₹ in lakhs

	Notes	As at 31st March 2017	As at 31st March 2016
Valued at lower of cost and net realisable value			
Raw materials	21	931.60	-
Goods under process	22	340.04	-
Finished goods	22	38,304.23	-
Stores, chemicals and spare parts etc.		1,086.57	-
Bio-compost	22	59.87	-
Agriculture Products - Standing Crop	22	54.78	-
Valued at estimated realisable value			
By-Products	22	1,918.50	-
Scrap	22	39.64	-
		42,735.23	**-**
The above includes stock in transit:			
Stores, chemicals and spare parts etc.		20.98	-

Notes to Financial Statements

as at and for the year ended 31st March 2017

17 TRADE RECEIVABLES AND OTHER ASSETS

17.1 Trade receivables

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	7.20	-
Considered doubtful	2.95	-
	10.15	**-**
Less : Provision for doubtful trade receivables	2.95	-
	7.20	**-**
Other receivables		
Unsecured, considered good	1,151.01	-
	1,151.01	**-**
	1,158.21	**-**

17.2 Other assets

₹ in lakhs

	Non-current		Current	
	As at 31st March 2017	As at 31st March 2016	As at 31st March 2017	As at 31st March 2016
(Unsecured, considered good unless stated otherwise)				
Interest accrued on loans, advances, deposits, investments etc.	-	-	4.70	-
Claims and refunds receivable towards subsidy & incentives	-	-	187.99	-
Renewable energy certificate entitlement	-	-	381.04	-
Unamortized ancillary cost of arranging the borrowings	50.97	-	20.82	-
	50.97	**-**	**594.55**	**-**

18 CASH AND BANK BALANCES

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Cash and cash equivalent		
Balance with banks		
On current accounts	62.34	3.68
Cheque on hand	54.36	-
Cash on hand	28.47	0.03
	145.17	**3.71**
Other bank balances		
In Post office savings bank account *	0.13	-
	0.13	**-**
	145.30	**3.71**

* Earmarked accounts.

Notes to Financial Statements

as at and for the year ended 31st March 2017

19 REVENUE FROM OPERATIONS

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Revenue from operations		
Sale of products		
Finished goods	67,674.13	-
Power	2,563.53	-
By products	1,048.63	-
Others	381.64	-
	71,667.93	**-**
Other operating revenue		
Proceeds from Agriculture Products	76.26	-
Renewable Energy Certificates credit	174.31	-
Scrap sales	21.36	-
Revenue from operations (gross)	**71,939.86**	**-**
Less: Excise duty	1,765.12	-
Cess	2,017.21	-
Revenue from operations (net)	**68,157.53**	**-**

Detail of products sold

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Finished goods		
Sugar	62,353.45	-
Spirit	5,320.68	-
	67,674.13	**-**
By products		
Molasses	864.15	-
Bagasse	184.48	-
	1,048.63	**-**

20 OTHER INCOME

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Interest income on loans, deposits, advances etc.	35.00	-
Insurance and other claims	17.42	-
Rent and hire charges	9.30	-
Unspent liabilities, provision no longer required and unclaimed balances written back	58.37	-
Miscellaneous Receipts	28.79	-
	148.88	**-**

Notes to Financial Statements

as at and for the year ended 31st March 2017

21 COST OF RAW MATERIALS CONSUMED

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Inventory at the beginning of the year (including transferred pursuant to the Scheme) [Note 2(ii)(b)]	926.14	-
Add : Purchases and procurement expenses	48,475.59	-
	49,401.73	**-**
Less : Inventory at the end of the year	931.60	-
	48,470.13	**-**

Details of raw materials consumed

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Sugarcane	47,523.46	-
Molasses - consumed in Distillery units	2,372.69	-
Bagasse - consumed in Co-generation units	2,937.76	-
Press-mud	39.29	-
Seed, manure and fodder	30.67	-
	52,903.87	**-**
Less : Inter-unit transfer of own produced materials	4,433.74	-
	48,470.13	**-**

Details of raw material inventory

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Molasses - at Distillery units	905.60	-
Press-mud	26.00	-
	931.60	**-**

Details of Inter-unit transfer of own products

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Sugarcane	96.35	-
Molasses	1,528.50	-
Bagasse	2,802.19	-
Press-mud	6.70	-
	4,433.74	**-**

Notes to Financial Statements

as at and for the year ended 31st March 2017

22 DECREASE / (INCREASE) IN INVENTORIES

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Inventories at the end of the year		
Finished goods	38,304.23	-
By products	1,918.50	-
Goods under process	340.04	-
Bio-compost including Wormi-compost	59.87	-
Agriculture products - Standing crop	54.78	-
Scrap	39.64	-
	40,717.06	**-**
Inventories at the beginning of the year (including transferred pursuant to the Scheme) [Note 2(ii)(b)]		
Finished goods	33,431.02	-
By products	1,880.11	-
Goods under process	342.61	-
Bio-compost including Wormi-compost	78.72	-
Agriculture products - Standing crop	91.33	-
Scrap	22.35	-
	35,846.14	**-**
	(4,870.92)	**-**
Increase / (Decrease) of excise duty on inventories	(69.22)	-
	(4,940.14)	**-**

Details of inventory

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Finished goods		
Sugar	37,485.85	-
Spirit	818.38	-
	38,304.23	**-**
By products		
Molasses	1,549.12	-
Bagasse	369.38	-
	1,918.50	**-**
Goods under process		
Sugar	340.04	-
	340.04	**-**

23 EMPLOYEE BENEFITS EXPENSES

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Salaries, wages, bonus etc.	3,509.99	-
Contribution to provident & other funds (Note 29)	256.65	-
Gratuity expenses (Note 29)	239.92	-
Employee's welfare expenses	76.05	-
	4,082.61	**-**

Notes to Financial Statements

as at and for the year ended 31st March 2017

24 OTHER EXPENSES

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Consumption of store and spares	660.21	-
Packing Materials	567.13	-
Power & Fuel	264.54	-
Repairs to and maintenance of :		
Buildings	172.57	-
Machinery	1,367.33	-
Others	42.01	-
Rent	44.10	-
Rates & Taxes	58.08	0.03
Insurance	59.15	-
Payment to Auditors		
As Auditors		
Audit fees	21.00	0.29
Limited review fees	12.60	-
In other capacity		
Tax audit fees	7.25	-
For certificates and other services	1.59	-
Reimbursement of expenses	2.64	-
Payment to Cost Auditors	0.61	-
Commission on sales	241.60	-
Freight & forwarding charges etc.	307.01	-
Charity and donations	2.73	-
Provision for bad and doubtful debts / advances	13.67	-
Bad debts, irrecoverable claims and advances written off	2.13	-
Loss on Property, plant and equipment sold / discarded (net)	142.69	-
Miscellaneous expenses	646.32	0.78
	4,636.96	**1.10**

25 DEPRECIATION AND AMORTIZATION EXPENSES

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Depreciation of Property, Plant and Equipment	1,949.21	-
Amortisation of intangible assets	20.38	-
	1,969.59	**-**

26 FINANCE COSTS

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Interest	3,738.86	-
Interest on income tax	95.00	-
Other borrowing cost	44.64	-
	3,878.50	**-**

Notes to Financial Statements

as at and for the year ended 31st March 2017

27 AGRICULTURAL INCOME

Details of revenue and expenses pertaining to agricultural activities which have been included in notes 19 to 25 under the respective heads.

₹ in lakhs

		Year ended 31st March 2017		Year ended 31st March 2016
Income				
Revenue from Operations				
Sales of products (including inter-transfers ₹ 96.35 lakhs)		172.84		-
Rent & Hire charges		0.30		-
Unspent Liabilities, Provisions no longer required and Unclaimed balances adjusted		2.37		-
Miscellaneous Receipts		8.16		-
		183.67		**-**
Expenses				
Cost of Raw Materials Consumed		30.68		-
(Increase) / Decrease in Stocks :				
Opening Stock (including acquired pursuant to the Scheme) [Note 2(ii)(b)]	91.33		-	
Less : Closing Stock	54.78	36.55	-	-
Consumption of stores and spares		0.83		
Repairs to and Maintenance of :				
Building		0.31		-
Others		5.34		-
Rent		7.73		-
Rates & Taxes		0.14		-
Employee benefits expenses :				
Salaries, wages, bonus etc.		61.30		-
Contribution to provident & other funds		1.48		-
Miscellaneous Expenses		26.29		-
Depreciation		3.93		-
		174.58		**-**
Agricultural Income		**9.09**		**-**

28 EARNINGS PER SHARE (EPS)

The following reflects the profit and share data used in the basic and diluted EPS computations:

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Profit / (Loss) after tax	5,871.61	(1.10)
Dividend on Non - Convertible Cumulative Redeemable Preference Share & tax thereon	166.09	-
Net profit / (loss) for calculation of basic and diluted EPS	**5,705.52**	**(1.10)**
	Nos.	**Nos.**
Weighted average number of equity shares in calculating basic & diluted EPS	**10,065,450**	**50,000**
Earning per equity share [Nominal value of share ₹ 10 (₹ 10)]	₹	₹
Basic & Diluted	**56.68**	**(2.20)**

There is no dilutive potential equity share

Notes to Financial Statements

as at and for the year ended 31st March 2017

29 GRATUITY - DEFINED BENEFIT PLAN

The Company has a defined benefit gratuity plan. Every employee who has completed 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 (UGSIL & OSML) 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.

The following tables summarize the components of net benefit expense recognized in the statement of profit and loss and the funded status and amounts recognized in the balance sheet for the plan.

Statement of profit and loss

Net employee benefit expense recognized in employee costs

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Current service cost	71.45	-
Interest cost on benefit obligation	79.22	-
Expected return on plan assets	(51.97)	-
Net actuarial loss recognized in the year	141.22	-
Net benefit expense	**239.92**	**-**
Actual return on plan assets	53.33	-

Balance sheet

Net Benefit liability / (asset)

₹ in lakhs

	As at 31st March 2017	As at 31st March 2016
Present value of defined benefit obligation	1,263.29	-
Fair value of plan assets	711.90	-
Plan liability	**551.39**	**-**

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

₹ in lakhs

	31st March 2017	31st March 2016
Opening defined benefit obligation (including transferred pursuant to the Scheme) [Note 2(ii)]	1074.27	-
Current service cost	71.45	-
Interest cost	79.22	-
Benefits paid	(104.23)	-
Actuarial losses on obligation	142.58	-
Closing defined benefit obligation	**1,263.29**	**-**

Changes in the fair value of plan assets are as follows :

₹ in lakhs

	31st March 2017	31st March 2016
Opening fair value of plan assets (including transferred pursuant to the Scheme) [Note 2(ii)]	682.52	-
Expected return	51.97	-
Contributions by employer	80.28	-
Benefits paid	(104.23)	-
Actuarial gains	1.36	-
Closing fair value of plan assets	**711.90**	**-**

The Company expects to contribute ₹ 170.91 lakhs to Gratuity Fund in the next year.

Notes to Financial Statements

as at and for the year ended 31st March 2017

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

	31st March 2017	31st March 2016
Investments with LIC	100%	-

The principal assumptions are shown below :

	31st March 2017	31st March 2016
Discount rate	7.18%	-
Expected rate of return on assets	7.75%	-
Withdrawal Rates	Varying between 1.80% to 4.20% per annum depending upon the duration and age of the employees	-

Amounts for the current year and previous periods are as follows : *

₹ in lakhs

	31st March 2017	31st March 2016	31st March 2015
Gratuity			
Defined benefit obligation	1,263.29	-	-
Plan assets	711.90	-	-
Surplus / (deficit)	(551.39)	-	-
Experience (gain) / loss adjustments on plan liabilities	99.92	-	-
Experience gain / (loss) adjustments on plan assets	1.36	-	-

* The Company was incorporated on 19th March 2015, and hence figures prior to 31st March 2015 are not applicable.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market

The overall expected rate of return on assets is determined based on the market prices prevailing on the date, applicable to the year over which the obligation is to be settled.

Defined Contribution Plan :

The Company has recognised the following amount as an expense and included under, "Contribution to Provident & Other Funds".

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Contribution to Provident / Pension Funds	256.65	-

30 LEASES

Operating lease:

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The leases range upto 3 years and are renewable either mutually or at the option of the Company. There is no escalation clause in the lease agreement. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

₹ in lakhs

	Year ended 31st March 2017	Year ended 31st March 2016
Lease payments made for the year	44.10*	

*including lease rent for use of agriculture land ₹ 7.73 Lakhs

Notes to Financial Statements

as at and for the year ended 31st March 2017

31 SEGMENT INFORMATION

The primary segment reporting format is determined to be business segments as the company's risks and rates of return are affected predominantly by differences in the goods produced. Secondary information is reported geographically. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. Accordingly, the Company has identified "Sugar", "Spirits" and "Co-generation" as the operating segments :

Sugar - Consists of manufacture, trading and sale of Sugar, Molasses and Bagasse
Spirits - Consists of manufacture and sale of Industrial Spirits (including Ethanol), Fusel Oil and Bio-Compost
Co-generation - Consists of generation and transmission of Power

The Company at present, operates in India only and therefore the analysis of geographical segments is not applicable to the Company.

Business segments

Year ended 31 March 2017

₹ in lakhs

Particulars	Sugar	Spirits	Co-generation	Total
Revenue *				
Segment revenue	65,147.09	5,223.17	6,165.46	76,535.72
Less : Inter segment	4,776.26	-	3,601.93	8,378.19
Total revenue from operations (net)	**60,370.83**	**5,223.17**	**2,563.53**	**68,157.53**
Results				
Segment results	10,006.57	1,691.75	2,581.59	14,279.91
Unallocated Income / (Expenses) (net of unallocable expenses / income)				(192.65)
Operating profit				**14,087.26**
Finance costs				3,878.50
Profit before tax				**10,208.76**
Current tax				1,880.00
Deferred tax charge				2,457.15
Net profit after tax				**5,871.61**

* net of excise duty and cess

₹ in lakhs

Particulars	Sugar	Spirits	Co-generation	Total
As at 31st March 2017				
Segment assets	87,120.37	14,394.49	8,730.51	110,245.37
Unallocated assets				561.90
Total assets				**110,807.27**
Segment liabilities	18,368.31	423.98	8.70	18,800.99
Unallocated liabilities				50,353.13
Total liabilities				**69,154.12**
Other segment information				
Capital expenditure				
Property, Plant and Equipment	517.50	1,046.40	184.14	**1,748.04**
Intangible assets	15.03	-	-	**15.03**
Depreciation	1,499.04	182.56	267.61	**1,949.21**
Amortization	20.38	-	-	**20.38**

Notes to Financial Statements

as at and for the year ended 31st March 2017

Year ended 31 March 2016

₹ in lakhs

Particulars	Sugar	Spirits	Co-generation	Total
Revenue				
Segment revenue	-	-	-	-
Less : Inter segment	-	-	-	-
Total revenue from operations (net)	-	-	-	-
Results				
Segment results	-	-	-	-
Unallocated Income / (Expenses) (net of unallocable expenses / income)				(1.10)
Operating profit / (loss)				**(1.10)**
Finance costs				-
Profit / (Loss) before tax				**(1.10)**
Current tax				-
Deferred tax charge / (credit)				-
Net profit / (Loss) after tax				**(1.10)**

₹ in lakhs

Particulars	Sugar	Spirits	Co-generation	Total
As at 31st March 2016				
Segment assets	-	-	-	-
Unallocated assets				3.71
Total assets				**3.71**
Segment liabilities	-	-	-	-
Unallocated liabilities				0.29
Total liabilities				**0.29**
Other segment information				
Capital expenditure				
Property, Plant and Equipment	-	-	-	-
Intangible assets	-	-	-	-
Depreciation	-	-	-	-
Amortization	-	-	-	-

Notes to Financial Statements

as at and for the year ended 31st March 2017

32 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Key management personnel	Shri Chandra Shekhar Nopany	– Chairman [w.e.f. 29.07.2016]
	Shri Chandra Mohan	– Whole-Time Director [w.e.f. 09.03.2017]
	Shri Sunil Choraria	– Chief Financial Officer [w.e.f. 30.03.2017]
	Shri Sathyamurthy Subramanian	– Company Secretary [w.e.f. 30.03.2017]
Relatives of key management personnel	Smt. Nandini Nopany	– Mother of Shri Chandra Shekhar Nopany
	Smt. Shalini Nopany	– Wife of Shri Chandra Shekhar Nopany
Enterprises owned or significantly influenced by key management personnel or their relatives	Avadh Sugar & Energy Limited	
	Sutlej Textiles & Industries Limited	
	SIL Investments Limited	
	Ganges Securities Limited	
	Palash Securities Limited	
	Ronson Traders Limited	
	Uttam Commercial Limited	

Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the reporting year :

a. Sale of goods

₹ in lakhs

	Year ended	Sale of goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Avadh Sugar & Energy Limited	31-Mar-17	40.21	-	-
	31-Mar-16	-	-	-

b. Purchase of goods

₹ in lakhs

	Year ended	Purchase of goods	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Avadh Sugar & Energy Limited	31-Mar-17	5.60	-	-
	31-Mar-16	-	-	-

c. Sale of fixed assets

₹ in lakhs

	Year ended	Sale of fixed assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Avadh Sugar & Energy Limited	31-Mar-17	147.74	-	-
	31-Mar-16	-	-	-

Notes to Financial Statements

as at and for the year ended 31st March 2017

d. Purchase of fixed assets

₹ in lakhs

	Year ended	Purchase of fixed assets	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Avadh Sugar & Energy Limited	31-Mar-17	7.53	-	-
	31-Mar-16	-	-	-

e. Loans / Inter-corporate deposits taken and repayment thereof

₹ in lakhs

	Year ended	Loan / Inter-corporate deposits taken	Repayment / adjustment	Interest accrued / paid	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives					
Sutlej Textiles & Industries Limited	31-Mar-17	4,000.00	4,000.00	458.47	-
	31-Mar-16	-	-	-	-
SIL Investments Limited	31-Mar-17	1,500.00 *	1,000.00	174.12	500.00
	31-Mar-16	-	-	-	-
Ronson Traders Limited	31-Mar-17	25.00 *	25.00	2.07	-
	31-Mar-16	-	-	-	-
Uttam Commercial Limited	31-Mar-17	60.00 *	60.00	4.60	-
	31-Mar-16	-	-	-	-

* Transfer pursuant to the Scheme [Note 2(ii)(b)].

f. Receivable / Payable outstanding (net)

₹ in lakhs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Enterprises owned or significantly influenced by key management personnel or their relatives				
Ganges Securities Limited	31-Mar-17	-	-	1.31	-
	31-Mar-16	-	-	-	-
Palash Securities Limited	31-Mar-17	-	-	8.55	-
	31-Mar-16	-	-	-	-

g. Remuneration to key managerial personnel

₹ in lakhs

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Shri Chandra Mohan	31-Mar-17	52.17*	-	2.26
	31-Mar-16	-	-	-

* Represents the amount paid / accrued during the year.

The remuneration to the key managerial personnel does not include the provisions made for gratuity and leave benefits, as they are determined on an actuarial basis for the company as a whole.

Transactions towards fund transfer (to and fro), Sharing of common expenses etc. between the Company's units and units of the erstwhile OSML & UGSIL, which are now part of Avadh Sugar & Energy Limited, till the date the Scheme became effective i.e. 23rd March 2017 and consequent settlement of balance after that date, have not been considered as related party transactions, since they were between units of the same company viz. OSML and UGSIL till the Scheme became effective.

Notes to Financial Statements

as at and for the year ended 31st March 2017

33 CAPITAL AND OTHER COMMITMENTS

Estimated amount of contracts remaining to be executed on Capital Account and not provided for (net of advances) ₹ 77.75 lakhs. (PY : Nil)

34 CONTINGENT LIABILITIES

₹ in lakhs

		Year ended 31st March 2017	Year ended 31st March 2016
(a)	Demands / claim by various Government authorities and others not acknowledged as debt and contested by the Company :		
	(i) Excise Duty & Service Tax	4,260.90	-
	(ii) Sales & Entry Tax	129.40	-
	(iii) Duty under State Acts	321.41	-
	(iv) Others	20.94	-
	Total	**4,732.65***	**-**
(b)	Outstanding towards Crop Loan disbursed to growers for which corporate guarantee is given to a bank	898.80	-
(c)	Bank Guarantees outstanding	374.54	-

* Based on discussions with the solicitors / favourable decisions in similar cases / legal opinions taken by the Company, the management believes that it is possible but not probable the action will succeed and accordingly no provision there against is considered necessary.

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

36 The details of Specified Bank Notes (SBNs) held and transacted during the period 8th November 2016 to 30th December 2016 are as under:

₹ in lakhs

	SBNs	Other Denomination Notes	Total
Closing cash in hand as at 8th November 2016	**36.21**	**9.91**	**46.12**
Add : Permitted receipts *	-	84.33	84.33
Less : Permitted payments	-	74.03	74.03
Less : Amount deposited in Banks	36.21	-	36.21
Closing cash in hand as at 30th December 2016	**-**	**20.21**	**20.21**

* Includes ₹ 71.79 lakhs withdrawals from Banks.

37 Details of dues to micro and small enterprises as defined under the MSMED Act, 2006 included in Trade Payables

₹ in lakhs

		31st March 2017	31st March 2016
(i)	The principal amount and the interest due thereon remaining unpaid to the supplier as at end of the accounting year.	34.23	
	Interest due on above	0.75	
	Total	**34.98**	**-**
(ii)	The amount of interest paid by the buyer in terms of section 16 of MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	54.63	-
(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 MSMED Act 2006.	2.06	-

Notes to Financial Statements

as at and for the year ended 31st March 2017

₹ in lakhs

		31st March 2017	31st March 2016
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	11.11	-
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises for the purpose of disallowance as a deductible under section 23 of the MSMED Act 2006.	8.30	-

38 (a) The Company has proposed to pay dividend on 12% Non-Convertible Cumulative Redeemable Preference Shares (NCCRPS) amounting ₹ 417.74 lakhs including Dividend Distribution Tax, which also includes ₹ 251.64 lakhs towards arrear dividend and dividend distribution tax for earlier years, subject to necessary approval from the Shareholders at the forthcoming Annual General Meeting.

(b) A dividend of ₹ 2/- per equity share of ₹ 10/- each for the year ended 31st March 2017, amounting ₹ 242.29 lakhs including Dividend Distribution Tax, has been proposed, subject to necessary approval from the Shareholders at the forthcoming Annual General Meeting.

39 Imported and Indigenous Raw Materials and Stores & Spares consumed.

	Consumption %	Value ₹ in lacs	Consumption %	Value ₹ in lacs
	31st March 2017		31st March 2016	
Raw Materials				
Indigenous	100%	48,470.13	-	-
	100%	**48,470.13**	**-**	**-**
Stores and Spares				
Indigenous	100%	660.21	-	-
	100%	**660.21**	**-**	**-**

It is not possible to identify consumption of spare parts separately and hence consumption of stores and spares is shown above.

40 Previous year's figures including those given in brackets have been regrouped / rearranged wherever necessary. Further, the current year figures being inclusive of figures of business undertakings of UGSIL and OSML, pursuant to the Scheme [Note 2(ii)], are not comparable with the previous year's figures.

As per our report of even date

For S.R.Batliboi & Co. LLP
Firm registration no. : 301003E/E300005
Chartered Accountants

per Kamal Agarwal
Partner
Membership no.: 58652

For and on behalf of the Board of Directors

Chandra Mohan
Whole-time Director

Chandra Shekhar Nopany
Chairman

Sathyamurthy Subramanian
Company Secretary

Sunil Choraria
Chief Financial Officer

Place : Kolkata
Date : 24th May 2017

NOTES

NOTES

concept, content and design at aicl (info@aicl.in)

MAGADH
SUGAR & ENERGY LTD

CIN : U15122UP2015PLC069632
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Email: birlasugar@birla-sugar.com Website: www.birla-sugar.com
Phone (05862) 256220 Fax (05862) 256225

MAGADH SUGAR & ENERGY LIMITED
CIN : U15122UP2015PLC069632
Registered Office: P.O. Hargaon, Dist. Sitapur (U.P.), Pin – 261 121
Email: birlasugar@birla-sugar.com Website: www.birla-sugar.com
Phone (05862) 256220 Fax (05862) 256225

Notice

Notice is hereby given that the Third Annual General Meeting of the members of **MAGADH SUGAR & ENERGY LIMITED** will be held on Tuesday, 1st August, 2017 at 10.30 a.m. at the Registered Office of the Company at P.O Hargaon, Dist Sitapur Pin – 261121, to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2017 and the Reports of the Directors and Auditors thereon.

2. To declare dividend on 12 % Non-Convertible Cumulative Redeemable Preference Shares of ₹ 100 each for the financial year 2014-15 to 2016-17.

3. To declare dividend of ₹ 2 per Equity Share of ₹ 10 each for the financial year 2016-17.

4. To appoint a Director in place of Mr. Chandra Shekhar Nopany (DIN 00014587), who retires by rotation and, being eligible, offers himself for re-appointment.

5. To appoint Auditors and to fix their remuneration. In this connection, to consider and, if thought fit, to pass the following Resolution which will be proposed as an **Ordinary Resolution**:-

   "RESOLVED THAT pursuant to provisions of Section 139, 142 and other applicable provisions of the Companies Act, 2013, if any, read with the Companies (Audit & Auditors) Rules, 2014, including any statutory enactment or modification thereof, M/s. Singhi & Co., Chartered Accountants, (Firm Registration No. 302049E) be and are hereby appointed as the Statutory Auditors of the Company and to hold the office from the conclusion of the 3rd Annual General Meeting to be held in the year 2017 till the conclusion of the 8th Annual General Meeting of the Company to be held in the year 2022, subject to ratification of their appointment by the members at every Annual General Meeting till the 8th Annual General Meeting, at such remuneration to be decided by the Board of Directors on the recommendation of the Audit Committee in consultation with the Auditors plus applicable taxes and reimbursement of travelling and out of pocket expenses incurred by them for the purpose of audit."

SPECIAL BUSINESS

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

   "RESOLVED that Mr. Padam Kumar Khaitan (DIN 00019700), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory

modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years upto 13th March, 2022."

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

   "RESOLVED that Mr. Yashwant Kumar Daga (DIN 00040632), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years upto 13th March, 2022."

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

   "RESOLVED that Mr. Ishwari Prasad Singh Roy (DIN 00217532) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years upto 13th March, 2022."

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

   "RESOLVED that Mr. Raj Kumar Bagri (DIN 00231766) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years upto 13th March, 2022."

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

    "RESOLVED that Mrs. Shashi Sharma (DIN 02904948) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 14th March, 2017, in terms of Section 161(1) of the Companies Act, 2013 and whose term of office expires at the Annual General Meeting and in respect of whom the Company has received a notice

in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 to hold office for five consecutive years upto 13th March, 2022."

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

    "RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the payment of remuneration of ₹ 1,10,000/- (apart from reimbursement of out of pocket expenses and applicable taxes) to Cost Auditors, M/s D Radhakrishnan & Co, for conducting the cost audit of the cost records of the Company for the year ending 31st March, 2018, as approved by the Board of Directors on the recommendation of the Audit Committee, be and is hereby approved and ratified."

By Order of the Board

Place : Kolkata
Dated : 24th May, 2017

S Subramanian
Company Secretary

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (AGM) IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**

   A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the paid-up share capital of the Company carrying voting rights may appoint a single person as a proxy an such person shall not act as a proxy for any other person or shareholder.

2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution/authority, as applicable.

3. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, is annexed hereto.

4. The Register of the Members and Share Transfer of Books of the Company will remain closed from Saturday 22nd July, 2017 to Tuesday 1st August, 2017 (both days inclusive), for the purpose of Annual General Meeting (AGM) and dividend for financial year 2016-17.

5. Subject to the provisions of the Act, dividend on Equity Shares as recommended by the Board of Directors, if declared at the meeting, to those members whose names appear on the Register of Members after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before Friday,

21st July, 2017. In respect of Equity Shares held in electronic form, the dividend will be paid to the beneficial owners of shares as at the end of business hours on 21st July, 2017, as per details furnished by the Depositories for this purpose. Shareholders are requested to provide Bank details to facilitate payment of dividend, etc., either in electronic mode or for printing on the payment instruments.

6. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company authorising their representative to attend and vote on their behalf at the Meeting.

7. Additional information, in respect of the directors seeking appointment/re-appointment at the AGM, forms part of the Notice.

8. Members are requested to bring their attendance slip along with their copy of the Annual Report to the Meeting.

9. Members are requested to notify the change in their addresses, if any, to the Company/ Registrar & Share Transfer Agent. Members holding shares in dematerialised form should send the above information to their Depository Participants.

10. In all correspondence with the Company/ Registrar & Share Transfer Agent the Members are requested to quote their accounts/folio numbers and in case their shares are held in the dematerialized form their Client ID Number and DP ID Number.

11. In terms of provisions of Section 72 of the Companies Act, 2013, nomination facility is available to individual shareholders in respect of shares held by them in physical form. The Nomination Form can be obtained for the purpose from the Company/Registrar & Share Transfer Agent.

    The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrar and Share Transfer Agent.

12. The Statement of Profit and Loss for the financial year ended 31st March, 2017, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet and circulated to the Members of the Company along with this Notice are also available in physical/electronic form for inspection by the Members at the Registered Office of the Company between 11.00 a.m. and 1.00 p.m. on all working days up to this AGM.

13. Members who wish to obtain information on the Company or view the Accounts for the financial year ended 31st March, 2017 may visit the Company's website www.birla-sugar.com or send their queries at least 10 days in advance before the AGM to the Company Secretary of the Company.

14. **Voting through electronic means**

    I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic

voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.

III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

IV. The remote e-voting period commences on 28th July, 2017 (9:00 am) and ends on 31st July, 2017 (5:00 pm). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 25th July, 2017, may cast their vote by remote e-voting.

The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.

V. The process and manner for remote e-voting are as under:

A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:

(i) Open email and open the attached PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on Shareholder - Login

(iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.

(v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.

(vii) Select "EVEN" of "Magadh Sugar & Energy Limited".

(viii) Now you are ready for remote e-voting as Cast Vote page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/

Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at goenkamohan@gmail.com with a copy marked to evoting@nsdl.co.in

B. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/ Depository Participants(s) or requesting physical copy] :

(i) User ID and Initial password is provided in the Attendance Slip for the AGM :

(ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.

VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.

VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 25th July, 2017.

X. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 25th July, 2017, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or kolkata@linkintime.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user

ID and password for casting your vote. If you forgot your password, you can reset your password by using

"Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.

XII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

XIII. Mr. Mohan Ram Goenka, Practicing Company Secretary (CP Registration No. 2551) has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.

XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Ballot Paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.

XV. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.birla-sugar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, National Stock Exchange of India Limited and Calcutta Stock Exchange Limited.

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

Item No 5.

M/s. S R Batliboi & Co. LLP, Chartered Accountants, Kolkata were appointed the Statutory Auditors of the Company for a period of 5 years at the 1st Annual General Meeting of the Company held on 11th September, 2015, to hold office from the conclusion of the 1st AGM until the conclusion of the 6th AGM of the Company to be held in 2020, subject to ratification by the Members at every AGM till the 6th AGM.

M/s S R Batliboi & Co. LLP, have vide their letter dated 20th May, 2017, expressed their unwillingness for ratification of their continuance as auditors at the ensuing Annual General Meeting,

The Board of Directors have, at their meeting held on 24th May, 2017, have based on the recommendation of the Audit Committee, recommended the appointment of M/s. Singhi & Co., Chartered Accountants, Kolkata as the Statutory Auditor of the Company in place of M/s. S R Batliboi & Co. LLP, to hold office from the conclusion of this AGM until the conclusion of the eighth AGM of the Company, subject to ratification by the Members at every AGM till the 8th AGM.

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

The resolutions as set out in item no. 5 of this Notice is accordingly commended for your approval.

Item No 6

Mr Padam Kumar Khaitan, aged 64 years, an eminent corporate personality and a Corporate Advocate, was appointed as an Additional Director by the Board of Directors w.e.f. 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Khaitan holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Sece 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mr Khaitan, as an Independent Director based on the declarations received from Mr Khaitan. The Board recommends to appoint Mr Khaitan as an Independent Director

for a consecutive period of five years upto13th March, 2022.

The Board feels that presence of Mr. Khaitan on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 6 for adoption.

Except Mr. Khaitan, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.6.

Item No 7

Mr Yashwant Kumar Daga, aged 56 years, an eminent corporate personality and an industrialist, was appointed as an Additional Director by the Board of Directors w.e.f. 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Daga holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Sece 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mr Daga, as an Independent Director based on the declarations received from Mr Daga. The Board recommends to appoint Mr Daga as an Independent Director for a consecutive period of five years upto 13th March, 2022.

The Board feels that presence of Mr. Daga on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 7 for adoption.

Except Mr. Daga, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.7.

Item No. 8

Mr Ishwari Prasad Singh Roy, aged 70 years, an eminent Lawyer was appointed as an Additional Director by the Board of Directors w.e.f. 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Singh Roy holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Sece 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mr Singh Roy, as an Independent Director based on the declarations received from Mr Singh Roy. The Board recommends to appoint Mr Singh Roy as an Independent Director for a consecutive period of five years upto 13th March, 2022.

The Board feels that presence of Mr. Singh Roy on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 8 for adoption.

Except Mr. Singh Roy, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.8.

Item No. 9

Mr Raj Kumar Bagri, aged 57 years, a practising Chartered Accountant was appointed as an Additional Director by the Board of Directors w.e.f. 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mr. Bagri holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing his candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Sece 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mr Bagri, as an Independent Director based on the declarations received from Mr Bagri. The Board recommends to appoint Mr Bagri as an Independent Director for a consecutive period of five years upto 13th March, 2022.

The Board feels that presence of Mr. Bagri on the Board would be of immense benefit to the Company and therefore recommends Resolution No.9 for adoption.

Except Mr. Bagri, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.9.

Item No. 10

Mrs Shashi Sharma, aged 57 years, a Chartered Accountant, was appointed as an Additional Director by the Board of Directors w.e.f. 14th March, 2017 in accordance with the provisions of Section 161 of the Companies Act, 2013 and Article 155 of the Articles of Association of the Company.

Pursuant to Section 161 of the Companies Act, 2013 Mrs Sharma holds office up to the date of the ensuing Annual General Meeting. In this regard the Company has received a request in writing from a Member of the Company proposing her candidature for appointment as a Director of the Company in accordance with the provisions of Section 160 and all other applicable provisions of the Companies Act, 2013. Pursuant to Sece 149 of the Companies Act, 2013, the Board of Directors at its meeting held on 14th March, 2017 designated Mrs Sharma, as an Independent Director based on the declarations received from Mrs Sharma. The Board recommends to appoint Mrs Sharma as an Independent Director for a consecutive period of five years upto 13th March, 2022.

The Board feels that presence of Mrs Sharma on the Board would be of immense benefit to the Company and therefore recommends Resolution No. 10 for adoption.

Except Mrs Sharma, being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10.

Item No 11.

The Board of Directors had on the recommendation of the Audit Committee, approved the appointment and proposed the remuneration of M/s D Radhakrishnan & Co., Cost Accountants, as Cost Auditors for conducting the cost audit of the cost records of Sugar, Industrial Alcohol and Power units of the Company for the financial year 2017-18 at a remuneration of ₹ 1,10,000/- .

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

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

Resolution is put for the consideration of the Shareholders.

The Board recommends the resolution at item no. 11 of the notice for approval by the shareholders.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 11.

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

Name	**Mr Chandra Shekhar Nopany**	
Date of Birth	19.09.1965	
Brief Profile covering experience	Mr Chandra Shekhar Nopany is a Member of the Institute of Chartered Accountants of India and Masters in Science of Industrial Administration from Carnegie Mellon University, Pittsburgh, USA. 1989. He is an eminent industrialist having vast experience in diverse fields like sugar, tea, shipping, textiles, fertilizers and chemicals, etc. He is the past President of Indian Chambers of Commerce and was member of the Executive Committee of FICCI.	
Date of Appointment	29.07.2016	
Inter-se relationship	None	
Shareholding	30840 Equity Shares	
	Name of Indian Company	**Committee Memberships, if any with position**
Other Directorships	Avadh Sugar & Energy Limited	-
	SIL Investments Limited	Chairman – Stakeholders Relationship Committee
	Yashovardhan Investment & Trading Company Limited	-
	Ronson Traders Ltd	Chairman – Stakeholders Relationship Committee
	New India Retailing & Investment Limited	-
	Sutlej Textiles And Industries Limited	-
	Chambal Fertilisers And Chemicals Limited	-
	Palash Securities Limited	-
	Ganges Securities Limited	-

Name	**Mr Padam Kumar Khaitan**	
Date of Birth	24.05.1953	
Brief Profile covering experience	Mr. Padam Kumar Khaitan, is an eminent lawyer specialized in Corporate Laws and a senior partner of the renowned law firm Khaitan & Company LLP. He has experience in Corporate, Commercial, Joint Venture, Foreign Collaboration, Foreign Investment, Litigation, Arbitration, Real Estate, Trust and Personal Clientele work.	
Date of Appointment	14.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Indian Company	**Committee Memberships, if any with position**
Other Directorships	Mcleod Russel India Limited	-
	Auro Investments Pvt Ltd.	-
	Kilburn Engineering Ltd	Chairman –Stakeholders' Relationship Committee
	GJS Hotels Limited	-
	Ramkrishna Forgings Ltd	-
	Nott Investments Pvt Ltd	-
	Cheviot Co Ltd	-
	Khaitan Consultants Limited	-
	Asian Hotels (East) Limited	Chairman - Stakeholders' Relationship Committee
	Mcnally Sayaji Engineering Limited	Member – Audit Committee and Stakeholders' Relationship Committee

Name	Mr Yashwant Kumar Daga	
Date of Birth	07.03.1961	
Brief Profile covering experience	Mr. Yashwant Kumar Daga, is a holder of Bachelors of Commerce and an eminent industrialist with varied experience of more than 25 years particularly in tea, textiles, spinning, hydropower and engineering. He has served on the elected committee of Tea Association of India and Indian Chamber of Commerce Kolkata. He has served as Chairman of Darjeeling planters Association besides being its elected member for many years.	
Date of Appointment	14.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Indian Company	**Committee Memberships, if any with position**
Other Directorships	Deepak Spinners Ltd	Member – Audit Committee and Stakeholders' Relationship Committee
	Brua Hydrowatt Private Limited	-
	Longview Tea Co Ltd	Member – Stakeholders' Relationship Committee
	H G I Industries Limited	Member – Audit Committee and Stakeholders' Relationship Committee
	Deepak Industries Ltd	Member – Audit Committee
	Mint Investments Ltd	Member – Audit Committee and Stakeholders' Relationship Committee
	Narsingh Holdings Pvt.Ltd.	-
	Merlin Holdings Private Limited	-
	Contransys Private Limited	-
	Deepak Gears Ltd	-
	Solding Hydrowatt Private Limited	-

Name	Mr Ishwari Prosad Singh Roy	
Date of Birth	23.03.1947	
Inter-se relationship	None	
Brief Profile covering experience	Mr. Ishwari Prosad Singh Roy, has completed his Masters Degree in Arts from Calcutta University and has done his Bachelors of Law from Kings College, London. Mr Singh Roy is an Advocate having about 40 years of experience and has appeared in large number of commercial and industrial law matters before Industrial Tribunals, High Courts and Supreme Court of India.	
Date of Appointment	14.03.2017	
Shareholding	NIL	
	Name of Indian Company	**Committee Memberships, if any with position**
Other Directorships	Castle Properities Pvt Ltd	-
	Uttar Pradesh Trading Co Ltd	-

Name	**Mr Raj Kumar Bagri**	
Date of Birth	10.05.1960	
Brief Profile covering experience	Mr Raj Kumar Bagri is an eminent Chartered Accountant and Cost Accountant and was associated with S R Batliboi & Co. (EY) in different capacities including Partner before venturing out on own earlier with Doshi, Chatterjee, Bagri & Co. and now with N D A & Associates as a leading partner looking after their assurance practices and has gained experience in auditing of manufacturing sectors like Sugar, automobile, textile, jute, cement, glass, paper, etc. He was also President of Institute of Internal Auditor's Calcutta Chapter for the year 2006-07.	
Date of Appointment	14.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Indian Company	**Committee Memberships, if any with position**
Other Directorships	Shree Services & Trading Company Limted	-

Name	**Mrs Shashi Sharma**	
Date of Birth	01.08.1960	
Brief Profile covering experience	Mrs Shashi Sharma is a Chartered Accountant and holds a Graduate Degree in Commerce from Shri Ram College of Commerce, Delhi University. She is also a Certified Treasury Manager from Institute of Chartered Financial Analysts of India, besides being an Alumni of London Business School, London. During her stint with Tourism Finance Corp. of India Ltd. She has first served as a Non-Executive Director and then as a Managing Director of the Company. Mrs. Sharma has also served as the Chief Treasury and Investment Officer at IFCI Limited before being elevated to the position of Executive Director. She has also served as a Director at Stock Holding Corporation of India Limited besides being a member of the Corporate Bond Securitization Advisory Committee set-up by SEBI.	
Date of Appointment	14.03.2017	
Inter-se relationship	None	
Shareholding	NIL	
	Name of Indian Company	**Committee Memberships, if any with position**

MAGADH SUGAR & ENERGY LIMITED
P.O. Hargaon, Dist. Sitapur (U.P.), Pin - 261121

3rd Annual General Meeting
Tuesday, August 1, 2017
at 10.30 a.m.

MAGADH SUGAR & ENERGY LIMITED

CIN : U15122UP2015PLC069632
Registered Office : P. O. Hargaon, Dist. Sitapur (U.P.), Pin - 261 121
Phone : (05862) 256220, Fax (05862) 256225, Email : birlasugar@birla-sugar.com, Website : www.birla-sugar.com

ATTENDANCE SLIP

I/We hereby record my / our presence at the Third Annual General Meeting of the Company being held on Tuesday, August 1, 2017 at 10.30 a.m., at the Registered Office of the Company at P.O. Hargaon, District Sitapur, Uttar Pradesh, Pin - 261 121.

....
Name of the Proxy (in BLOCK LETTERS) Signature of the Shareholder / Proxy Present

Note : Please cut here and bring the Attendance Slip duly signed , to the meeting and hand it over at the entrance. Duplicate slips will not be issued at the venue of the Meeting.

ELECTRONIC VOTING PARTICULARS

EVEN NO	User ID	PASSWORD/PIN

3rd Annual General Meeting
Tuesday, August 1, 2017
at 10.30 a.m.

MAGADH SUGAR & ENERGY LIMITED

CIN : U15122UP2015PLC069632
Registered Office : P. O. Hargaon, Dist. Sitapur (U.P.), Pin - 261 121
Phone : (05862) 256220, Fax (05862) 256225, Email : birlasugar@birla-sugar.com, Website : www.birla-sugar.com
Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules), 2014]

PROXY FORM
FORM MGT 11

I/We, being the member(s) of, ... shares of the above named Company, hereby appoint :

(1) Name ..... Address .....
E-mail ID ..... Signature ..... or failing him/her
(2) Name ..... Address .....
E-mail ID ..... Signature ..... or failing him/her,
(3) Name ..... Address .....
E-mail ID ..... Signature .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the Third Annual General Meeting of the Company being held on Tuesday, August 1, 2017 at 10.30 a.m., at the Registered Office of the Company at P.O. Hargaon, District Sitapur, Uttar Pradesh, Pin - 261 121 or / and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No.	Resolutions	Optional*	
		For	Against
1.	Adoption of Financial Statements.		
2.	Appointment of a Director in place of Mr. Chandra Shekhar Nopany, who retires by rotation and being eligible, seeks re-appointment.		
3.	Declaration of Dividend on 12 % Non-convertible Cumulative Redeemable Preference Shares of the Company.		
4.	Declaration of Dividend on Equity Shares of the Company.		
5.	To appoint Statutory Auditors of the Company.		
6.	Appointment of Mr. Padam Kumar Khaitan as an Independent Director.		
7.	Appointment of Mr. Yashwant Kumar Daga as an Independent Director.		
8.	Appointment of Mr. Ishwari Prosad Singh Roy as an Independent Director.		
9.	Appointment of Mr. Raj Kumar Bagri as an Independent Director.		
10.	Appointment of Mrs. Shashi Sharma as an Independent Director.		
11.	Ratification of remuneration to be paid to M/s. D Radhakrishnan & Co, Cost. Accountants, Cost Auditors of the Company.		

Signed this ..... day of .....
Member's Folio No. / DP. ID. Client ID. No. ..... Signature of Proxy holder(s) .....
Signature of Shareholder(s) .....

Affix the revenue stamp of ₹ 1/-

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of the Third Annual General Meeting.
*3. It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
4. Please complete all details including details of member(s) in above box before submission