MAGADH
SUGAR & ENERGY LTD

MSEL/SE/2018-19/26

October 3, 2018

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

SYMBOL – MAGADSUGAR

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

STOCK CODE – 540650

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

SCRIP CODE - 23935

Dear Sir,

Re :Annual Report & Accounts for the year ended March 31, 2018

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 2017-18, duly approved and adopted by the Members of the Company at the 4th Annual General Meeting held on 25th September, 2018.

Please acknowledge receipt.

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

S Subramanian
Company Secretary
FCS - 4974

Encl – as above

MAGADH
SUGAR & ENERGY LTD

MAGADH SUGAR & ENERGY LIMITED

"Tackling Headwinds"

ANNUAL REPORT 2017 - 18

Dr. Krishna Kumar Birla

The late Dr. Krishna Kumar Birla was son of the legendary Indian industrialist Shri. Ghanshyam Das Birla. He was born on 12th October, 1918 at Pilani in Rajasthan and over time established himself as a captain of Indian industry. He founded one of India's well-known business conglomerates and was a man of many facets - patriot, industrialist and philanthropist.

Over the decades, he grew his business conglomerate - sugar, fertilizers, media, textiles, shipping, engineering, financial services, furniture, information technology, plantations and infrastructure – into a respectable player within their sectors. A few of the companies that Dr. Birla promoted comprised Chambal Fertilisers and Chemicals Limited, CFCL Technologies Limited, Indo Maroc Phosphore SA, Texmaco Limited, Zuari Industries Limited, HT Media Limited, Paradeep Phosphates Limited and Sutlej Textiles & Industries Limited.

As an industry statesman, Dr. Birla headed several prominent national institutions like Federation of Indian Chambers of Commerce and Industry (FICCI), the Indian Sugar Mills Association (ISMA) and the International Chambers of Commerce (ICC).

Dr. Birla was more than an industrialist; he was a statesman-visionary who developed modern and scientific institutions in India. His philanthropic engagement included Birla Institute of Technology and Science, International Centre for Excellence, K. K. Birla Foundation and K. K. Birla Academy of Scientific, Historical and Cultural Research.

Dr. Birla was a Member of Parliament for three terms (aggregate 18 years) from 1984 till 2002 and served on several committees of Parliament. He was appointed twice - 1980 and 2004 - as member of the National Integration Council chaired by the Prime Minister, which also comprised state Chief Ministers as members. In recognition of his contributions to the nation, India Post honoured him with a commemorative postage stamp.

Spiritual strength and moral values were part of Dr. Birla's personal credo. Dr. Birla and his wife Smt. Manorama Devi constructed the magnificent Shri Radha-Krishna Temple in Kolkata.

Dr. Birla passed away on 30th August, 2008 leaving behind a rich legacy.

On the occasion of his centenary, we re-dedicate ourselves to the ideals by which he lived.

FORWARD LOOKING STATEMENT

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

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Chairperson's Insight

Dear Shareholders,

It is always a pleasure to address you all. India is rising towards constructive growth path and I believe we at Magadh Sugar & Energy Limited will also be a part of our growing economy. In spite of temporary turbulence we trust that company has a lot to achieve in coming years.

India is emerging as the fastest growing economy in the world and according to IMF Indian economy is poised for a growth of 7.4 per cent on good performance by sectors like agriculture, construction and manufacturing. We envisage that revival in rural demand and gaining traction in infrastructure spending is likely to drive India's and sugar industry's development. Strong consumption story in rural India and improvement in domestic demand is a positive sign for Indian economy.

Industry Insight

Indian Sugar industry is the second largest agro-based industry contributing significantly to the socio-economic development of the nation. Sugarcane emerged as a multiple usage crop used as a basic raw material for the production of sugar, ethanol, paper, electricity. The ethanol requirement of the country is growing and Molasses is the only source to manufacture Ethanol out of sugarcane.

As per ISMA, domestic sugar industry experienced excess production of sugar at more than 31.5 mln tones reaching a record high; higher productivity and increased area under sugarcane cultivation led by more than average rainfall was the most vital reason for increase in sugar production. Uttar Pradesh continues to be the largest sugar producing state followed by Maharashtra;, and recovery is better than last year. But the overproduction situation in domestic as well as international sugar industry led to downward correction in sugar prices and compelled the millers to destock aggressively.

Sugar prices have declined to their lowest levels due to aggressive sales by mills on account of oversupply of sugar. Sugar prices have declined 24.6 per cent since the current crushing season started in October; this situation has led to arrears to farmers. Considering higher production government of India has allowed exporting 2 MT of sugar out of 2017-18 production. Government of India has also announced Rs.55/- per ton of cane crushed by the millers to reduce the losses for exporting sugar.

Business Performance

During the year, Bihar faced headwinds on account of unusual rainfall in the first half and over production situation arises in the second half of the fiscal. However, this year has been challenging for sugar industry worldwide. Nevertheless record recoveries with our units getting the highest recoveries in Bihar was achieved Sugarcane crushed during FY18 stood at 215.29 lac quintals as compared to 164.75 lac quintals in the previous year. We believe Bihar is an emerging state with great potential going forward. The welfare of the farming community remains one of our top priorities. We have always prioritized the needs of farmers and ensured that arrears outstanding to them are cleared on time and help with our insights for better farming practices. Our co-generation and ethanol production was at high levels this fiscal due to higher sugar crushing.

Way Forward

We continue to march towards the path of growth with positive attitude, despite of temporary headwinds. We focus on reducing high-cost debt and strengthening our debt equity ratio which would further strengthen our balance sheet. We will always be keen to maintain our machinery and upgrade whenever necessary to enhance efficiencies of our machinery. Our focus on increasing mix of value added products like Ethanol to enhance our profitability. Achieving better working capital management and rationalization of cost structure will always be our key focus to maintain our cashflow efficiently. We believe, "*Success of company is not backed by the leader alone, but due to a strong team behind it*"; hence we consistently invest in enhancing the capabilities of our people. Also, we continue to build better relations with our farmers 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 4th Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2018.

2. Financial Results

(₹in lakhs)

Particulars	Year ended 31st March, 2018		Year ended 31st March, 2017	
Revenue from Operations (Gross)		72,590.24		71,863.37
Profit before Finance Costs, Tax, Depreciation and Amortization		6,604.71		16,219.12
Less: Depreciation & Amortization Expenses	1,868.31		1,986.46	
Finance Costs	4,333.97	7,202.28	4,069.42	6,055.88
Profit/(Loss) Before Tax		1,016.00		10,163.24
Less: Provision for Tax	242.00		1,880.00	
Income tax for earlier years	0.91		-	
Deferred Tax Charge	(1,718.05)	(1,475.14)	2,498.82	4,378.82
Profit/(Loss) After Tax		2,491.14		5,784.42

3. Operating Performance

During the year under review your Company continued to register top line growth inspite of depressed market sentiments in second half of the fiscal and a fall in sugar prices, prima-facie due to over production and aggressive sales. A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as **Annexure "A."**.

4. Financial Performance 2017-18

The Company recorded Total Revenue of ₹ 72,875.44 lacs (including other income aggregating to ₹ 285.20 lakhs) during the financial year ended 31st March, 2018. The Revenue from Operations (Gross) of the Company for the year 2017-18 stood at ₹ 72,590.24 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortization for the year under review stood at ₹ 6,604.71 lakhs representing 9.06% 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 2018 and date of this report.

5. Dividend

Your Company had adopted a dividend distribution policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. Consistent with this policy, your Board has recommended a dividend of ₹ 1/- on Equity Shares (10%) for the financial year 2017-18 to the Members of your Company. The proposal is subject to the approval of the Members at the 4th Annual General Meeting (AGM) of your Company scheduled to be held on 25th September, 2018. The dividend together with the dividend distribution tax will entail a cash outflow of ₹ 121.35 lakhs (previous year ₹ 685 lacs).

6. 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.

7. Share Capital

The Authorized Share Capital of the Company at the beginning of the year was ₹ 30,10,00,000/-(Rupees Thirty Crore and Ten lakhs) divided into 1,51,00,000 (One Crore Fifty One Lakh) Equity Shares of ₹ 10/- (Rupees ten) each and 15,00,000 (Fifteen Lac) Preference Shares of ₹ 100/- each. During the year under review the Company increased its Authorised Share Capital to ₹ 40,10,00,000/- (Rupees Forty Crores and Ten Lakhs) divided into 2,51,00,000 (Two Crore Fifty One Lakhs) Equity Shares of ₹ 10/- (Rupees ten) each and 15,00,000 (Fifteen Lakh) Equity Shares of ₹ 100/- (Rupees Hundred) each.

The present Authorized Share Capital of the Company is ₹ 40,10,00,000/- (Rupees Forty Crores and Ten Lakhs) divided into 2,51,00,000 (Two Crore Fifty One Lakhs) Equity Shares of ₹ 10/- (Rupees ten) each and 15,00,000 (Fifteen Lakh) Equity Shares of ₹ 100/- (Rupees Hundred) each.

8. Redemption of Preference Shares

During the year under review, your Company redeemed 11,50,000 (Nil) Non-convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 100/- each (NCCRPS), to the Preference Shareholders on 17th November, 2017. Accordingly, the paid up share capital post redemption of NCCRPS stands at ₹ 10,06,54,500/-.

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 *http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf*

10. Credit Rating

CARE Ratings Limited - a Credit Rating Agency, vide its letter dated 16 August 2017, has assigned the Credit Rating of the Company "A-" with respect to long-term bank facilities whereas short-term bank facilities rating was assigned at "A2+".

11. Human Resources

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

12. 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 shall retire by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment as Director of the Company.

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

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

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalized the format / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors and Chairman of the Company was carried out for the Financial Year 2017-18. Nomination and Remuneration Committee evaluated the performance of the individual Director

The Independent Directors in their separate meeting held on 5th February, 2018 carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The evaluation of Independent Directors was carried out without the presence of concerned Director.

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

13. Key Managerial Personnel

Pursuant to the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Mr. Chandra Mohan, Whole time Director, Mr. Sunil Choraria, Chief Financial Officer and Mr. Subramanian Sathyamurthy, Company Secretary are Key Managerial Personnel of the Company. During the year under review, there was no change in the Key Managerial Personnel.

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct & Ethics applicable to Directors & employees of the Company and a declaration to the said effect by the Whole-time Director is made part of Corporate Governance Report which forms part of this report. All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013. The Code is available on the Company's website at *http://www.birla-sugar.com/Magadh-Shareholders-Info/Magadh---Code-Of-Conduct.*

14. Familiarisation Programme

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

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 CSR Policy as approved by the Board is available on Company's website at *http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf* The Annual Report on CSR activities is appended as **Annexure - "J"**.

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 2018, 6 (six) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the financial year 2017-18 have been furnished in the Corporate Governance Report forming a part of this Annual Report.

18. Audit Committee

The Audit Committee constitutes 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 constitutes 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 constitutes 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 constitutes 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. Finance & Corporate Affairs Committee

The Finance & Corporate Affairs Committee constitutes of Mr Chandra Shekhar Nopany, Mr Yashwant Kumar Daga, Mr Ishwari Prosad Singh Roy and Mr Chandra Mohan. 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.

23. Internal Complaints Committee

An Internal Complaints Committee has been 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.

24. Loans, Guarantee and Investments

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

25. Related Party Contracts / Arrangements

There have been no materially-significant related party

transactions made by the Company with the Promoters, the Directors or the Key Managerial Personnel which may be in conflict with the interests of the Company at large. The Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at *http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy-.pdf* The details of related party transactions are set out in the notes to the financial statements.

26. 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 Mr. Sunil Choraria, Chief Financial Officer to oversee the risk management process in the Company with an objective to review the major risks which affect the Company from both the external and the internal environment perspective. Appropriate actions have been initiated to mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor the risks on a regular basis.

27. 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, 2018, 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.

28. 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 *http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf.*

29. Corporate Governance

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion & Analysis Report, the Report on Corporate Governance and Declaration of Whole-time Director on Code of Conduct and a Certificate on compliance of conditions of Corporate Governance form integral part of this Report and are annexed to this Report as **Annexure - "A", "B" "C" & "D"** respectively.

30. 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.

31. Auditors, Audit Qualifications and Board's Explanations

Statutory Auditors

At the 3rd Annual General Meeting (AGM) of your Company held on 1st August, 2017, Messrs Singhi & Co., Chartered Accountants, having Firm Registration No. 302049E were appointed as Statutory Auditors of your Company to hold office for a term of 5 (five) years from the conclusion of the 3rd AGM (subject to ratification of such appointment by the Members at every AGM) till the conclusion of the 8th AGM of your Company. However, since the first proviso to Sec 139(1) has been omitted by the Companies Amendment Act, 2017 with effect from 7th May, 2018, the ratification of such appointment at every AGM is not required. Accordingly, Messrs Singhi & Co., Chartered Accountants, shall continue as Statutory Auditors of your Company till the conclusion of its 8th AGM.

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 Auditor to audit the cost accounts of the Company for the financial year 2018-19. 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 Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to conduct the Secretarial Audit of the Company for the financial year ended 31st March, 2018. The Secretarial Audit Report is annexed herewith as **Annexure - "F"** and which is self-explanatory.

32. 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, are not applicable to your Company.

33. Extract of Annual Return

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

34. Energy Conservation, Technology Absorption and Foreign Exchange Earnings & Outgo

The information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **Annexure - "H".**

35. 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 **Annexure - "I"** and forms an integral part of this Report.

36. 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 Accounts for the year ended 31st March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b. that such accounting policies as mentioned in Note 3 of the Notes to the Financial Statements have been selected and applied consistently and judgement and estimates have been made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit 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.

37. 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.

38. 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
Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Kolkata
Dated 15th May, 2018

Annexure A

Management Discussion and Analysis

Cautionary Statement

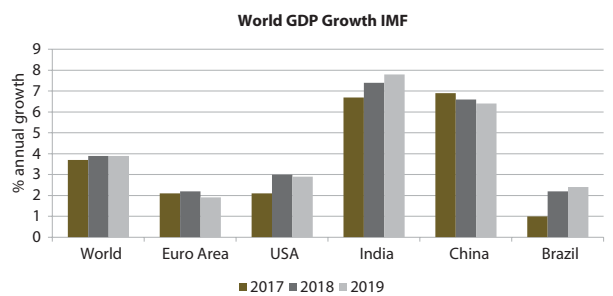
Some statements in the Management Discussion and Analysis describing the Company's objectives, predictions, expectations and the macro-economic estimates may be "forward-looking statements". Actual results may differ from the forward-looking statements contained in this document due to various uncertainties.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

The global economy experienced a much needed acceleration in growth. Economic cycle picked up in the second half of 2017 led by stronger investments and trade growth with momentum being carried forward into 2018. The risk factors to the durability of current optimistic cycle are trade tensions, geopolitical risks, domestic political fractures and debt-related risks. The United States economy is in good shape, led by decent investment growth. United Kingdom also experienced modest growth mainly due to strong net exports, which still lags other European countries in terms of growth. The Japanese economy is in the middle of a long expansion and continues to perform well but domestic demand and wage growth are easing and trade frictions are rising. Emerging Asian economies have benefited from stronger domestic demand. Some threats which could drag down this growth are rising external debt levels in some emerging market economies, sensitive trade tensions. India remains the world's fastest growing major economy. China, experienced robust growth but the key challenge for China is the execution of the proposed financial and economic reforms. Brazil and Russia have recovered from their recent recessions but remain exposed to risks.

Indian Economy

According to International Monetary Fund (IMF) India is the world's fastest-growing economy and opening a wider gap with China which is projected to slow. India's economy is forecasted to grow at 7.4% in the current fiscal from 6.7% in FY18 and accelerate further in FY20 to 7.8%. There will be a gradual increase in India's growth rate as structural reforms raise potential output. India's growth is lifted by strong private consumption as well as fading transitory effects of the demonetization initiative and implementation of the national goods and services tax. India's structural reforms in recent past and implementation of GST will help reduce internal barriers to trade also increase efficiency and improve tax compliance. Bank recapitalization will also enhance improvement in India's banking sector. India's per capita output growth reached from 5.4% in FY18 to 6% this year. According to the IMF, improvements to the monetary policy framework appear to have lowered inflation expectations.



Source: IMF

Global Sugar Economy

World Sugar production experienced an excess production, majorly on account of higher production by Asian countries. World production is expected to reach 179.4 mln tonnes despite Brazil's production declining. On the back of growing production in exporting countries, world export availability is expected to rise by 0.9 mln tonnes to 61.0 mln tonnes to reach to the second highest level in history. On the contrary, due to higher domestic production in importing countries the import demand is expected to shrink.

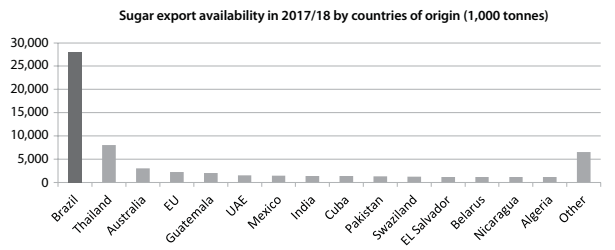
World Sugar Balance Sheet (mln tonnes)

Particulars	2017/18	2016/17	Change	
			in mln tonnes	in %
Production	178.70	168.23	10.47	6.2%
Consumption	173.55	170.77	2.77	1.6%
Surplus/Deficit	5.15	-2.54	-	-
Import demand	57.34	60.68	-3.34	-5.5%
Export availability	60.90	60.53	0.37	0.6%
End Stocks	90.53	88.94	1.59	1.8%
Stocks/Consumption ratio in %	52.16	52.08	0.08	0.2%

Source: International Sugar Organisation

Export

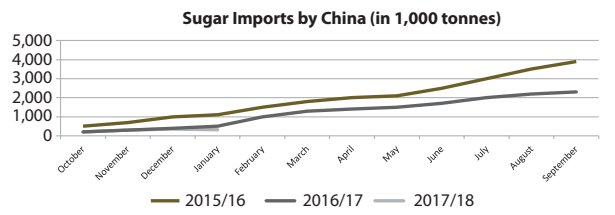
World export availability is stabilizing during the current season at 60.9 mln tones. Exports experienced a significant stock rebuilding projected for several exporters, including Pakistan, India, the EU and Russia. Nominal exportable surplus is projected to show a 7.9 mln tonne increase year-on-year in 2017/18



Source: International Sugar Organisation

Import Demand

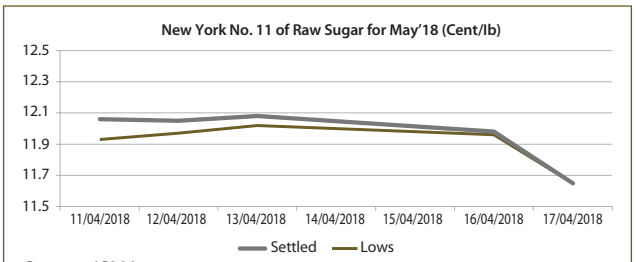
World balance for 2017/18 imports are expected to reach 57.3 mln tonnes against 60.6 mln tonnes in 2016/17 experiencing a decline in import demand. The major countries experiencing decrease in imports are the EU, India, China and Cambodia, whereas higher purchases by Taiwan benefited for China's market. Imports by China, one of the world's leading importers declined to 30,000 tonnes in the first four months of 2017/18 dragging it down by38.8%.



Source: International Sugar Organisation

Global Price Scenario

Raw sugar price in New York market for May'18 contract dropped below 12 cents/lb and are now ruling in the range of 11.6 to 12 cents/lb. Main reason for drop in sugar prices is because of increase in global surplus in 2017-18. Thailand's raw sugar output crossed 10 mln tons and with availability of white sugar at cheaper rates from EU, Pakistan, Thailand and India; the premiums over raw sugar for supply to coastal based refineries have come down heavily. China is estimated to have booked about 60,000 tons of High Quality Whites from Thailand, meanwhile Pakistan completed its exports of about 1.65 mln tons till now.



Source: ISMA

Demand Outlook

Current season expected a decrease in global import demand. Increase in global sugar consumption is expected at a modest growth of around 1.6%, in-spite of this increase the production growth in importing countries will cover the share of this increased consumption. Production growth in importing countries there is an expectation in decrease in the global import demand. Excess output in India has coincided with higher output in Thailand, bringing down global prices, leading to drag domestic prices making exports unviable.

Consumption Outlook

World sugar consumption dynamics are to be mainly driven by growth in population and income. As projected by the UN, global population is growing by 1.10% a year. Global economic activity has broadly strengthened and is expected to improve going forward.

Geographical Distribution of World Sugar Consumption

Particulars	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Total consumption (in 1,000 tonnes)						
Western and Central Europe	17,770	18,042	18,955	18,146	20,444	18,678
Eastern Europe and CIS	10,305	10,253	10,198	10,142	10,091	10,255
North America	16,105	15,855	15,674	15,579	14,989	14,999
Central America and Caribbean	3,641	3,569	3,491	3,376	3,362	3,298
South America	18,787	18,681	18,631	18,542	19,106	19,601
Middle East and North Africa	19,221	18,760	18,083	17,762	17,366	17,508
Far East and Oceania	39,494	38,449	37,501	36,896	35,933	34,849
Indian Subcontinent	33,640	32,960	32,648	33,243	31,593	30,031
Equatorial and Southern Africa	10,741	10,404	10,058	9,735	9,163	9,416
WORLD	**1,73,545**	**1,70,771**	**1,69,080**	**1,65,807**	**1,65,372**	**1,63,592**

Geographical Distribution of World Sugar Consumption

Particulars	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13
Annual growth rate in %	**5 year average**					
Western and Central Europe	1.51	-4.82	4.46	-11.24	9.45	-0.72
Eastern Europe and CIS	0.51	0.54	0.55	0.51	-1.6	0.03
North America	1.58	1.15	0.61	3.94	-0.07	1.14
Central America and Caribbean	2.02	2.23	3.41	0.42	1.94	2.11
South America	0.57	0.27	0.48	-2.95	-2.53	-0.71
Middle East and North Africa	2.46	3.74	1.81	2.28	-0.81	2.03
Far East and Oceania	2.72	2.53	1.64	2.68	3.11	2.67
Indian Subcontinent	2.06	0.96	-1.79	5.22	5.2	2.26
Equatorial and Southern Africa	3.24	3.44	3.32	6.24	-2.69	4.16
WORLD	**1.62**	**1.00**	**1.97**	**0.26**	**1.09**	**1.58**

Source: International Sugar Organisation

Global Ethanol

Ethanol has a wide application in industries such as food & beverage and bio-fuel. It is an important alcoholic beverage which is found in cider, beer, spirits, wine, etc. Increasing alcohol consumption in Europe and North America drives the ethanol market growth along with this changing lifestyle joined with increasing western culture demand in Asia Pacific also drives alcohol demand in the region. Rising environmental concerns is expected to benefit demand for ethanol as fuel additive. Major economies have revised their regulations to promote ethanol usage as bio-fuel in automotive industry. World Sugar market experienced weakness in current year due to over production situation which led mills in Brazil to allocate more cane to ethanol production. China experienced a production rise on account of selling off of government owned corn stocks. Production is expected to be at record highs for EU and China countries in 2018. Meanwhile India, Thailand and Argentina are also expected to increase output levels.

Domestic Sugar Industry Overview

As per ISMA, domestic sugar industry experienced excess production of sugar at 31.5 mln tonnes; higher productivity and increased area under sugarcane cultivation led by rainfall were the most important reason for increase in sugar production. According to ISMA 331 out of 523 sugar mills were operational out of which 187 were in Maharashtra and 111 in Uttar Pradesh. Also, excess availability of canes attracted the domestic sugar millers to precede crushing much earlier to the crushing season leading to excess production of sugar in current season and dragging the sugar prices on anticipation of over production situation. Due to, lower sugar prices sugarcane price arrears stood at INR 160 bn-170 bn. Government announced Minimum Indicative Export Quota of 2 mln tones to help reduce excesses and stabilize sugar prices.

Regional overview

Bihar's economy has a major role for sugar industry in the state. The northern part of the state is climatically well suited for producing good quality sugarcane with minimum inputs as compared to other states. The state government grants various rebates and concessions to promote sugar industry in Bihar.

Bihar experienced best sugar recovery this year whereas; Maharashtra is the second highest sugar producer after Uttar Pradesh. Sugar prices have crashed by Rs.1,100 per quintal from Rs.3,600 to Rs.2,500; making it difficult for sugar factories to pay cane farmers the price set by the Centre. The sugar industry is expecting for export of 4 mn tonnes of sugar stock to stabilize the falling prices. Some steps were attempted by the Government to check the fall in sugar prices, which included stock holding limits on sugar mills and export targets under MIEQ and exports under DFIA. Despite these steps, the sugar prices have continued to fall causing distress to the sugar mills as well as to the sugarcane farmers leading to arrears of about 200 bn.

Cumulative sugar production for SS17-18 (until 31Mar'18)

Particulars	Until 31 Mar'18
Sugar Production (mlntonnes)	
Maharashtra	10.1
Uttar Pradesh	9.5
Karnataka	3.6
Others	5.0
Total Production	**28.2**
Maharashtra	187
Uttar Pradesh	111
Karnataka	65
Others	160
Total Mills	**523**

Source: International Sugar Organisation

Challenges

The pressure of falling prices makes mill owners unable to pay farmers sizeable cane purchase arrears and the amount has reached to a figure of between Rs.16,000 crore to Rs.17,000 crore as of March 2018 according to ISMA, To overcome this situation government may have to give some financial sops for mills to export sugar from the current season's output.

Ethanol

Higher sugar recovery will tend to increase the availability of molasses. Millers due to mounting crushing of sugar had to sell the molasses at discounting rates to dispose the molasses piled up. These discounted prices attract the Indian ethanol industry players increasing the sale of ethanol in current season.

Indian Sugar Prices

The first half of the year experienced a higher trend, however as the season progressed and production expectations were raised, prices dropped significantly in January from INR 37/kg to INR 30/kg. The government took some steps to stabilise the prices like reverse stock limits for sugar mills to avoid dumping of sugar in market and hike in import duties to restrict imports from coming into the domestic market.

Co-Generation

In India, the Maharashtra state's power minister had agreed to fix the entry-level tariff from cogeneration units at INR 5/unit in early February. The minister stated that power purchase agreements would soon be signed with mills and millers would have to be prepared to bid competitively.

Company Overview

Magadh Sugar & Energy Limited was incorporated on 19th March 2015 with main object to deal in sugar and sugar products, spirits and alcohol of denatured of any strength and all other products arising out of the manufacturing process of sugar or resultant of any activity related to sugar business, generation of power through various means.

Company has three sugar mills at New Swadeshi Sugar Mills, Narkatiaganj (District West Champaran, Bihar), Bharat Sugar Mills (District Sidhwalia, Bihar), Hasanpur Sugar Mills, Hasanpur (District Samastipur, Bihar) with a combined crushing capacity of 17,500 TCD.

The company is also having one distillery at Narkatiaganj with a total capacity of 60 KLPD. The Company is also having Cogeneration facility and can generate 38 MW power.

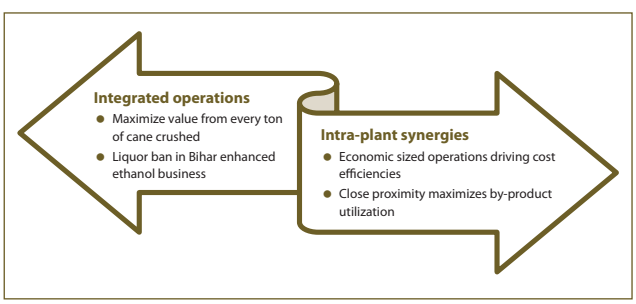
Region	Mill	Capacity
Pashchim Champaran	New Swadeshi Sugar Mills	7,500 TCD
	New Swadeshi Distillery	60 KLPD
	New Swadeshi Co-generation	10 MW
Gopalganj	Bharat Sugar Mills	5,000 TCD
	Bharat Co-generation	18 MW
Samastipur	Hasanpur Sugar Mills	5,000 TCD
	Hasanpur Co-generation	10 MW

Industry Opportunities In Bihar

Magadh Sugar having a considerable market share in state of Bihar is ready to reap the opportunities going forward. Bihar being the fastest growing state in India (as per IBEF) with around 80 per cent of the state's population employed in agriculture has great potential for growth in coming future with favorable market conditions. The sugar crushing capacity in sugar mills at Bihar is 60,000 TCD in 2017/18 season, of which Magadh commands 29.17% market share of total Bihar's sugar crushing capacity.

Strategy Going Forward

Key focus will be on increasing yield per acre and varietal improvement of cane for consistent quality and achieving better conditions in various types of market conditions. De-bottlenecking to enhance the crushing capacity of the sugar business and further improve the efficiency standards.



Operational highlights

Sugar Production

Particulars	Sugar Season 2017-18			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)	118.08	58.24	38.97	88.06	47.69	29.00
Recovery %	10.31	9.24	10.47	9.70	9.18	9.94
Sugarcane produced(lac quintals)	12.17	5.38	4.07	8.58	4.37	2.88
Crushing days	161	115	115	124	96	88

Operational highlights (Contd.)

Alcohol Production (including Ethanol)

Particulars	Financial year 2017-18	Financial year 2016-17
Alcohol Produced (lac litres)	124.67	140.92
Recovery (%) (litres per quintal)	20.66	19.47
No. of distiliery operational days	219	261

Co-generation Power plants

Particulars	Financial year 2017-18			Financial year 2016-17		
	Narkatiaganj	Sidhwalia	Hasanpur	Narkatiaganj	Sidhwalia	Hasanpur
Power generated	248.21	424.60	227.15	228.06	412.96	188.17
Power sold to grid (units in lac)	128.57	300.10	96.87	116.55	304.98	81.97
No. of days worked	135	127	113	124	121	103

Financial Highlights

Particulars	Year ended 31st March 2018	Year ended 31st March 2017
Revenue from Operations (Gross)	72590.24	71863.37
Other Income	285.20	180.59
Profit before Finance Cost, Depreciation & Tax	7218.28	16219.12
Finance Cost	4333.97	4069.42
Depreciation	1868.31	1986.46
Tax Expenses	(1475.14)	4378.82
Profit after Tax	2491.14	5784.42

Human Resources management and Industrial relations

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

The current strength of management staff in 2017-18 is 117 and non-management staff is 1124.

Internal control and compliance

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

Risk Management

The risk committee comprising members of the Board of Directors and other Executives, were mandated to prepare collective and comprehensive policy charter to assist the management to overcome internal and external risk challenges.

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

Annexure B

Report on Corporate Governance

1. Company's Philosophy

Magadh Sugar & Energy Limited (MSEL), a part of K K Birla Group of Sugar 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 Regulations 26 of 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.

vi) The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.

vii) The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.

The Independent Directors (IDs) met on 6th February, 2018, without the presence of the Chairman & Wholetime Director, CEOs, the Non-Executive Non-Independent Directors and the Management Team. The meeting was attended by all the Independent Directors and enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Familiarisation Programme

In terms of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company is required to conduct Familiarisation Programme for Independent Directors (IDs) to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information.

As a part of the familiarisation programme, presentation was made to the Independent Directors giving a brief overview of roles, responsibilities and liabilities of Independent Directors under Corporate Governance norms with focus on constitution of various Committees under the Companies Act, 2013.

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

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

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

Significant Statutory updates are circulated on a quarterly basis as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. Securities and Exchange Board of India (SEBI), Ministry of Corporate Affairs (MCA), etc.

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

Performance Evaluation

The Nomination and Remuneration Committee (NRC) of the Company formulated and laid down criteria for Performance Evaluation of the Board (including Committees) and every Director (including Independent Directors and Chairperson) pursuant to provisions of Section 134, Section 149 read with Code of Independent Directors (Schedule IV) and Section 178 of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of SEBI Listing Regulations, 2015 covering inter-alia the following parameters namely:

i) **For Board Evaluation -** degree of fulfillment of key responsibilities; Board culture and dynamics.

ii) **Board Committee Evaluation -** effectiveness of meetings; Committee dynamics.

iii) **Individual Director Evaluation (including IDs) -** contribution at Board Meetings.

Further, the Chairperson is evaluated on key aspects of his role which includes inter- alia effective leadership to the Board and adequate guidance to the Wholetime Director.

During the year under review, the Board carried out annual evaluation of its own performance as well as evaluation of the working of various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee. This exercise was carried out through a structured questionnaire prepared separately for Individual Board Member and Board Committees based on the criteria as formulated by the NRC and in context of the Guidance note dated January 05, 2017 issued by SEBI.

Based on these criteria, the performance of the Board, various Board Committees viz. Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee, and Individual Directors (including Independent Directors) was evaluated and found to be satisfactory.

During the year under review, the Independent Directors of the Company reviewed the performance of Non- Independent Directors, the Board as a whole and of the Chairperson of the Company, taking into account the views of Executive Director and Non- Executive Directors.

Further, the Independent Directors hold unanimous opinion that the Non- Independent Directors including the Chairperson bring to the Board, abundant knowledge in their respective field and are experts in their areas. Besides, they are insightful, convincing, astute, with a keen sense of observation, mature and have a deep knowledge of the Company.

The Board as a whole is an integrated, balanced and cohesive unit where diverse views are expressed and dialogued when required, with each Director bringing professional domain knowledge to the table. All Directors are participative, interactive and communicative.

The Chairperson has abundant knowledge, experience, skills and understanding of the Board's functioning, possesses a mind for detail, is meticulous to the core and conducts the Meetings with poise and maturity.

Board meetings

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

During the period under review 6 (six) Board Meetings were held on 3rd May, 2017, 24th May, 2017, 14th August, 2017, 7th November, 2017, 6th February, 2018 and 23rd February, 2018 respectively.

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships / Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015 held by them during the year 2017-18 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	6	No	1	-	-	NIL
Mr Padam Kumar Khaitan (DIN – 00019700)	I/NED	3	No	9	2	2	NIL
Mr Yashwant Daga (DIN – 00040632)	I/NED	4	No	6	-	8	NIL
Mrs Shashi Sharma (DIN – 02904948)	I/NED	4	Yes	-	-	-	NIL
Mr Raj Kumar Bagri (DIN- 00231766)	I/NED	6	Yes	1	-	-	NIL
Mr Chandra Mohan (DIN – 07760264)	WTD	2	No	-	-	-	NIL

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

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 convening the Annual General Meeting.

Committees of the Board

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

3. Audit Committee

i) Overall purpose/objective

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of SEBI (LODR) Regulations, 2015 by the Board of Directors, at its meeting held on March 14, 2017.

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

ii) Terms of Reference

The Terms of Reference of this Committee includes oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, recommending appointment, remuneration and terms of appointment of auditors, reviewing/ examining quarterly and annual financial statements and auditor's report thereon before submission to the Board for approval, evaluate Company's internal financial controls and risk management systems, reviewing performance of statutory and internal auditors discussing with auditors significant findings, if any, related party transactions and adequacy of internal control systems, reviewing the functioning of the Whistle Blower

Mechanism and other matters specified for Audit Committee in Section 177 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and SEBI (LODR) Regulations, 2015.

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

The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Auditors and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company. The Company has also appointed external agencies to undertake the Internal Financial Controls (IFC) implementation at the Company and for review, control and monitoring Internal Financial Controls as well as for the purpose of Information System (IS) Audit of the internal systems and processes of the Company.

iii) Composition and Meetings

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

5 (Five) meetings of the Audit Committee were held during the year 2017-18 on 24th May, 2017, 14th August, 2017, 7th November, 2017, 6th February, 2018 and 23rd February, 2018 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI (LODR) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows :

Name of the Member	Status	No of meetings attended
Mr Raj Kumar Bagri	Chairperson	5
Mrs Shashi Sharma	Member	4
Mr Yashwant Kumar Daga	Member	4
Mr Ishwari Prosad Singh Roy	Member	5

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/grievances 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 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. It also deals with matters relating to Company's Code of Conduct for Prohibition of Insider Trading framed in line with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and related matters. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

i) Composition & Meetings:

The composition of the Stakeholders' Relationship Committee as on 31st March, 2018 is as follows:

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

During the period under review the Committee met two times on 7th November, 2017 and 6th February, 2018 respectively.

Attendance of the members at the meetings was as follows :

Name of the Member	Status	No of meetings attended
Mr Raj Kumar Bagri	Chairperson	2
Mr Yashwant Kumar Daga	Member	2
Mr Padam Kumar Khaitan	Member	1

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

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

During the financial year ended March 31, 2018, the Company

received 1 (one) complaint on SCORES, the web based redressal system of the Securities and Exchange Board of India (SEBI). The aforesaid complaint was resolved to the satisfaction of the shareholders and complaints were pending as on March 31, 2018.

Further, pursuant to Regulation 13(3) read with Regulation 13(4) of SEBI (LODR) Regulations, 2015, Statements of investor complaints as received from the Registrar & Share Transfer Agents, Link Intime Private Limited, were filed with the Stock Exchanges on a quarterly basis and the said Statements were also placed before the Board of Directors for information and noting.

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Regulation 19 of SEBI (LODR) Regulations, 2015 read with Section 178 of the Companies Act, 2013.

i) Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under SEBI (LODR) Regulations, 2015.

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 - Chairperson
b) Mr Padam Kumar Khaitan
c) Mr Ishwari Prosad Singh Roy
d) Mr Raj Kumar Bagri

During the period under review the Committee met once on 14th August, 2017.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	No of meetings attended
Mr Yashwant Kumar Daga	Chairperson	-
Mr Padam Kumar Khaitan	Member	1
Mr Shri Ishwari Prosad Singh Roy	Member	1
Mr Raj Kumar Bagri	Member	1

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

Detail of remuneration paid to the Directors for the financial year 2017-18:

a) Wholetime Director (₹ in lakhs)

Wholetime Director	Salary	Perqui-sites	Retirement Benefits	Total
Mr. Chandra Mohan	74.85	6.20	-	81.05

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

b) Non-Executive Directors

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

The shareholders of the Company, at the Extra-Ordinary General Meeting held on March 14, 2017, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2017-18 subject to the aggregate annual limit of one percent of the net profits of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013. However, the Board of

Directors of the Company within the aforesaid limit has further put forth a ceiling of maximum ₹ 5 lakhs to be paid to each Non-Executive Directors. In pursuance of the approval of the shareholders the Board of Directors determined the commission payable to individual Directors for the Financial Year 2017-18 based on the time devoted and the contribution made by individual directors in the affairs of the Company.

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

(₹ in lakhs)

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2017-18 (₹)
1	Mr Chandra Shekhar Nopany	2.40	1.97
2	Mrs Shashi Sharma	2.40	1.97
3	Mr Yashwant Kumar Daga	3.60	1.97
4	Mr Padam Kumar Khaitan	1.80	1.97
5	Mr Ishwari Prosad Singh Roy	4.20	1.97
6	Mr Raj Kumar Bagri	4.00	1.98

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

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company was constituted on 14th March, 2017 in line with the provisions of SEBI (LODR) Regulations, 2015 read with Section 135 of the Companies Act, 2013.

The Corporate Social Responsibility Committee comprises of Mr. Chandra Shekhar Nopany, Chairperson, Mr. Padam Kumar Khaitan, Independent Director and Mr. Chandra Mohan, Whole time Director. Mr. Chandra Shekhar Nopany, Chairperson of the Company acts as the Chairperson of the Corporate Social Responsibility Committee. Mr S Subramanian, Company Secretary of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Company's CSR Policy is available on the Company's website at *http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf*.

During the period under review the Committee met on 7th November, 2017.

Attendance of the members at the meetings was as follows :

Name of the Member	Status	No of meetings attended
Mr Chandra Shekhar Nopany	Chairperson	1
Mr Padam Kumar Khaitan	Member	1
Mr Chandra Mohan	Member	-

7. Risk Management Committee

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

The Risk Management Committee was constituted on 24th May, 2017 in line with the provisions of 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.

8. Finance & Corporate Affairs Committee

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

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

3 (three) meetings of the Finance & Corpotrate Affairs Committee of Directors of the Company were held during the year 2017-18 on April 07, 2017, June 19, 2017, and 19th January, 2018.

Attendance of the members at the meetings was as follows :

Name of the Member	Status	No of meetings attended
Mr Chandra Shekhar Nopany	Chairperson	2
Mr Yashwant Kumar Daga	Member	2
Mr Ishwari Prosad Singh Roy	Member	3
Mr Chandra Mohan	Member	-

9. 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/Avadh/Avadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf*

10. Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required by the Indian Accounting Standards (IND AS) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which 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/Avadh/Avadh-Sugar-Related-Party-Transaction-Policy-.pdf*

11. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern. The said policy has been uploaded on the Company's website at *http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf*

12. Policy Against Sexual And Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavour to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. As per the Policy, any employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the year, the Company has not received any complaint on sexual harassment from any of the women employees of the Company.

13. General Body Meetings

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

Financial Year	Date	Time	Location
2016-17	01.08.2017	11.00 a.m.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2015-16	12.09.2016	11.00 a.m.	
2014-15	11.09.2015	11.00 a.m.	

The last Annual General Meeting was held on **1st August, 2017,** which was chaired by Mr Raj Kumar Bagri.

No Special Resolution was passed at the last Annual General Meeting held on 1st August, 2017.

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.

(i) Postal Ballot

During the year 2017-18, the Company had sought Shareholders' approval through postal ballots as per details given below:

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total No of Valid Votes	No. of Votes in Favour	No. of Votes Against
Special Resolution: To consider change in terms/variation in redemption of 12% Non-convertible Cumulative Redeemable Preference Shares of Rs 100/-	22-08-2017	06-10-2017	4518844	4514904	3940
Special Resolution: To consider raising of funds by issuance & allotment of shares/securities including Convertible Bonds/Debentures/ Equity Shares through Qualified Institutional Placement (QIP) and/or Depository Receipts and/or any other modes for an amount not exceeding Rs 100 Crores.	07-11-2017	22-12-2017	6712003	6711986	17
Ordinary Resolution: Increase in the Authorised Share Capital and Alteration of the Memorandum of Association of the Company.	07-11-2017	22-12-2017	6709215	6708808	407

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

14. 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 SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE), The National Stock Exchange of India Limited (NSE) and The Calcutta Stock Exchnage Ltd (CSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in Hindi in Lucknow edition.

ii) The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.

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

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) Presentation made to any Institutional Investor or to any Analysts during the period under review are made available on the above website.

15. General Shareholders' Information

i) 4th Annual General Meeting

Day : Tuesday
Date : 25th September, 2018
Time : 2.00 p.m.
Venue : Registered Office of the Company at -
P.O. Hargaon, Dist. Sitapur
Uttar Pradesh - 261 121

ii) Tentative Financial Calendar for the year 2018-19

Approval of Audited Annual Results (2016-17)	15th May, 2018
First Quarter Results	On or before 14th August, 2018
Second Quarter Results	On or before 14th November, 2018
Third Quarter Results	On or before 14th January, 2019
Audited Annual Results (2017-18)	On or before 30th May, 2019

iii) Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from the 18th September, 2018(Tuesday) to 25th September, 2018 (Tuesday) (both days inclusive).

iv) Dividend Payment Date

Within 30 days of the Annual General Meeting.

v) Listing on Stock Exchanges and Stock Codes

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

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

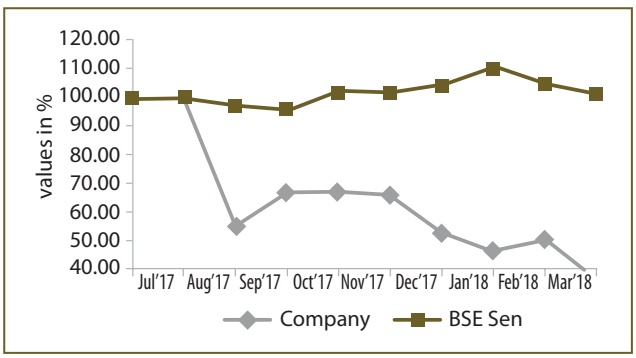
Listing fees for the FY 2018-19 have been paid to the above Stock Exchanges.

vi) Market Price data

The Equity Shares of the Company were listed and traded with effect from July 28, 2017. Monthly high/low of market price of the Company's Equity Shares traded on BSE Ltd. and National Stock Exchange of India Ltd. during the last financial year was as follows:

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High ₹	Low ₹	High ₹	Low ₹
July, 2017	364.00	328.55	299.90	270.75
August, 2017	312.15	160.05	297.35	160.00
September, 2017	269.00	190.00	270.00	188.95
October, 2017	233.35	201.00	232.00	201.05
November, 2017	231.00	180.20	234.60	176.70
December, 2017	217.00	168.85	219.90	168.75
January, 2018	177.50	137.00	186.55	140.00
February, 2018	187.95	128.55	190.00	130.55
March, 2018	168.30	111.30	168.00	111.80

vii) Performance of Company's Equity Shares in comparison to BSE Sensex



The shares of the company were never suspended.

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 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) Equity Share Capital History

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

Date of Allotment	No. of share	Issue Price (₹ pere share)
30.03.2017	1,00,65,450	10

The Distribution of Shareholding as on 31st March, 2018 was as follows:

No. of Equity Shares	No. of share holders	% of total share-holder	No. of shares held	% of total shares
1 - 500	7,005	88.99	6,26,210	6.22
501 - 1000	392	4.98	2,86,953	2.85
1001 – 2000	225	2.86	3,37,299	3.35
2001 – 3000	65	0.82	1,58,359	1.57
3001 – 4000	48	0.61	1,61,230	1.60
4001 – 5000	28	0.35	1,32,564	1.32
5001 – 10000	43	0.55	2,98,630	2.97
100001 and above	66	0.84	80,64,205	80.12
Total	**7,872**	**100.00**	**1,00,65,450**	**100.00**

b) Detail of Shareholding pattern of the Company as on 31st March, 2018 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	61,34,636	60.95
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	3,10,245	3.08
Bodies Corporate	5,91,145	5.88
Indian Public	28,97,165	28.78
NRIs / OCBs / FIIs / Foreign Nationals/Clearing Members	1,32,259	1.31
Total	**1,00,65,450**	**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. 99,58,469 Equity Shares viz. 98.94% 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) Commodities price risk or foreign exchange risk and hedging :

Not Applicable

xiv) Location of Plants:

Sugar Mills

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

xv) 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.

xvi) Credit Ratings

Particulars	Agency	Rating
Long-tern Bank facilities	CARE Ratings Limited	CARE A-
Short-term Bank facilities		CARE A2+

16. CEO and CFO Certification

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of SEBI (LODR) Regulations, 2015 inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2018, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

17. Information about directors seeking appointment/ re-appointment

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

18. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its promoters, employees and directors. 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/MagadhMagadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OFUNPUBLISHED-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.

19. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct and Ethics (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://www.birla-sugar.com/Magadh-Shareholders-Info/Magadh---Code-Of-Conduct*. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Wholetime Director, is attached to this report and which forms an integral part of this report.

20. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the 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.

21. Payment of Dividend etc. in electronic mode

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

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

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

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

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

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

Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy was adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc. The Company's Dividend Distribution Policy is available on the website of the Company and the link to the said Policy has been provided elsewhere in this Annual Report.

22. Reconciliation of Share Capital Audit

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

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

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

24. Secretarial Audit

The Secretarial Auditor appointed by the Company undertook the Secretarial Audit of records and documents in accordance with Section 204 of the Companies Act, 2013 and the Rules made thereunder. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Secretarial Standards issued by The Institute of Company

Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2018 is provided in the Annual Report.

25. Disclosures

i) There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 44 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 Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affiars. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.

26. Discretionary Requirements

a) Chairman of the Board : Whether Non-Executive Chairman is entitled to maintain a Chairman's office at the Company's expense and also allowed reimbursement of expenses incurred in performance of his duties

Yes, the Company does provide for maintainance of Chairperson office at the Company's expense.

b) Shareholder rights : A half-yearly declaration of financial performance including summary of the significant events in last six-months, may be sent to each household of shareholders

Since quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website, these are not sent individually to the shareholders of the Company. There is no declaration/publication of second half yearly results as the audited annual results are taken on record by the Board and then communicated to the shareholders through the Annual Report. The Annual Report of the Company for the financial year 2017- 18 shall be emailed to the Members whose email addresses are available with the depositories or are obtained directly from the Members, as per Section 136 of the Companies Act, 2013 and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.

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

c) Modified opinion(s) in audit report : Company may move towards a regime of unmodified financial statements

It is always the Company's endeavour to present unmodified financial statements. There is no audit modification in the Company's financial statements for the year ended on March 31, 2018.

d) Separate posts of Chairman and CEO: The Company may appoint separate persons to the post of Chairman and Managing Director/CEO

The positions of Chairman and Chief Executive Officer (CEO) are separate.

e) Reporting of Internal Auditor : The Internal Auditor may report directly to the Audit Committee

The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

27. Web links to Company policies and programmes

a. **Code For Fair Disclosure Of Unpublished Price Sensitive Information:**
http://www.birla-sugar.com/Assets/MagadhMagadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OFUNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf

b. **Code of Conduct:**
http://www.birla-sugar.com/Magadh-Shareholders-Info/Magadh---Code-Of-Conduct.

c. **CSR Policy:**
http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf

d. **Policy for Determining Material Subsidiaries:**
http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf

e. **Policy on Determination of Materiality:**
http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-on-Determination-of-Materiality.pdf

f. **Policy on preservation of documents including archival:**
http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Policy-on-preservation-of-documents-including-archival.pdf

g. **Related Party Transaction Policy:**
http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Related-Party-Transaction-Policy-.pdf

h. **Whistle Blower Policy:**
http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Whistle-Blower-Policy.pdf

i. **Familiarisation Programme :**
http://www.birla-sugar.com/Assets/Magadh/Magadh-Sugar-Familiarisation-Programme-for-Independent-Directors.pdf

28. Disclosure of compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of SEBI (LODR) Regulation, 2015

Pursuant to Schedule V of SEBI (LODR) Regulations, 2015, the Company hereby confirms that it has complied with the corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of Regulation 46(2) inter-alia covering the following subject matter/heads:

i) Board of Directors

ii) Audit Committee

iii) Nomination and Remuneration Committee

iv) Stakeholders' Relationship Committee

v) Risk Management Committee – Not Applicable

vi) Vigil Mechanism

vii) Related Party Transactions

viii) Corporate governance requirements with respect to subsidiary of Company

ix) Obligations with respect to Independent Directors

x) Obligations with respect to Directors and senior management

xi) Other Corporate governance requirements as stipulated under the Regulations

xii) Dissemination of various information on the website of the Company w.r.t clauses (b) to (i) of Regulation 46(2).

Annexure C

Certificate on Code of Conduct

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

Pursuant to Regulation 34(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 I, Chandra Mohan, Wholetime Director of Magadh Sugar & Energy Limited, declare that all the Board Members and Senior Management Personnel of the Company have affirmed their compliance with the Company's Code of Conduct during the financial year 2017-18.

Place: Kolkata
Date: 15th May, 2018

Chandra Mohan
Wholetime Director

Annexure D

Independent Auditor's Certificate on Corporate Governance

To the Members of
Magadh Sugar & Energy Limited.

1. We have examined the compliance of conditions of Corporate Governance by **Magadh Sugar & Energy Limited**. ("the Company"), for the year ended on 31st March, 2018, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Managements' Responsibility

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

Auditor's Responsibility

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

Opinion

7. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V to the Listing Regulations during the year ended 31st March, 2018.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

(Pradeep Kumar Singhi)
Partner
(Membership No. 050773)

Place: Kolkata
Date: May 15, 2018

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.

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 achievements possessed 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.

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-Time Director , 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 thereof in 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, 2018

[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
PO Hargaon, Sitapur
Uttar Pradesh- 261121

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **MAGADH SUGAR & ENERGY LIMITED** (hereinafter called the "Company"). 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 specified in Annexure- A1, hereinafter referred to as "Books and Papers") and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2018, 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;
2. The Securities Contracts (Regulation) Act, 1956 ("SCRA") and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
   a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   b. SEBI (Prohibition of Insider Trading) Regulations, 2015;
   c. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
   d. The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and rules made thereunder;
   e. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
   f. The Securities and Exchange Board of India (Issue of Capital & Disclosure Requirement) Regulations, 2009;
   g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
   h. The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998;
   i. The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
   j. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
   a. The Essential Commodities Act, 1955
   b. Sugar (Control) Order, 1966;
   c. Sugar Development Fund Act, 2006;
   d. Bihar Sugarcane (Regulation of Supply and Purchase) Act, 1981 and Rules made thereunder;
   e. Food Safety and Standards Act, 2006 and Rules and Regulations made thereunder; and
   f. Legal Metrology Act, 2009 and rules made thereunder.

   During the Audit Period, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, etc. mentioned above.
7. We have also examined compliance with the applicable clauses of the Secretarial Standards 1 and 2 as issued by the Institute of Company Secretaries of India and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Management Responsibility:

1. Maintenance of secretarial record 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 or examined any books, information or statements other than Books and Papers;
4. Where ever 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, Women Director and Independent Directors.

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.

All decisions of the Board were taken with the requisite 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 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 incurred the following specific event/ action that can have a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

1. The Company's Equity Shares are listed on the National Stock Exchange, BSE Limited and the Calcutta Stock Exchange Limited since July 28, 2017.
2. Pursuant to Sections 48, 55 and 110 of the Companies Act, 2013, read with corresponding Rules thereof, and all other applicable provisions of the Companies Act, 2013, if any, the consent of the Equity Shareholders be and is hereby accorded to vary/change in the rights, terms and conditions of the 11, 50,000 12% Non-Convertible Cumulative Redeemable Preference Shares of Rs.100/- each (Preference Shares).
3. The Company has redeemed 11,50,000 12% Non-Convertible Cumulative Redeemable Preference Shares of Rs. 100/- each along with accrued dividend in accordance with provisions of the Companies Act, 2013.
4. The Company has increased its Authorised Capital by another Rs.10 crores in the Equity share capital resulting in an Authorised Capital of Rs.40.10 crores as on March 31, 2018.

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

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

Place: Kolkata
Date: 10.05.2018

ANNEXURE-A1

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
     - 1.1.3 Audit Committee
     - 1.1.4 Nomination and Remuneration Committee
     - 1.1.5 Stakeholder Relationship Committee
     - 1.1.6 Corporate Social Responsibility Committee
     - 1.1.7 Finance and Corporate Affairs Committee
   - 1.2 Annual Report (2016-17);
   - 1.3 Agenda papers for Board Meeting along with Notice;
   - 1.4 Financial Results up to March 31, 2018;
   - 1.5 Memorandum and Articles of Association;
   - 1.6 Policies framed under the Act, 2013 and the Listing Regulations, 2015;
   - 1.7 Forms and returns filed with the ROC;
   - 1.8 Registers maintained under Act, 2013;
   - 1.9 Disclosures under Act, 2013 and Listing Regulations.

Annexure G

Form No. MGT-9

Extract of Annual Return
as on the financial year ended on 31st March, 2018

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

I. Registration and Other Details

CIN	L15122UP2015PLC069632
Registration Date	19-03-2015
Name of the Company	MAGADH SUGAR & ENERGY LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	P O Hargaon Dist Sitapur Uttar Pradesh 261 121, Tel No : 05862 256220
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	**Link Intime India Private Limited** 59 C, Chowringhee Road, 3rd Floor, Kolkata 700 020 Tel.: +91 33 2289 0540 Fax: +91 33 2289 0539 E-mail : kolkata@linkintime.co.in

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	1072	84.99%

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	
Promoter and Promoter Group									
Indian									
Individuals/Hindu Undivided Family	6,73,085	-	6,73,085	6.69	6,72,885	-	6,72,885	6.69	-
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Bodies Corporate	43,85,556	10,75,995	54,61,551	54.26	54,61,551	-	54,61,551	54.26	-
Financial Institutions/Banks	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	200	-	200	-	-
Sub-Total (A)(1)	**50,58,641**	**10,75,995**	**61,34,636**	**60.95**	**61,34,636**	**-**	**61,34,636**	**60.95**	**-**

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

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	
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)	**50,58,641**	**10,75,995**	**61,34,636**	**60.95**	**61,34,636**	**-**	**61,34,636**	**60.95**	**-**
Public shareholding									
Institutions									
Mutual Funds/UTI	-	662	662	0.01	-	662	662	0.01	-
Financial Institutions/Banks	13,578	251	13,829	0.14		251	251	-	(0.14)
Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
Venture Capital Funds	-	-	-	-	-	-	-	-	-
Insurance Companies	3,09,332	-	3,09,332	3.07	3,09,332	-	3,09,332	3.07	-
Foreign Institutional Investors	-	-	-	-	-	-	-	-	-
Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Any Other (Total)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1)	**3,22,910**	**913**	**3,23,823**	**3.22**	**3,09,332**	**913**	**3,10,245**	**3.08**	**(0.14)**
Non-institutions									
Bodies Corporate	5,63,232	18,186	5,81,418	5.78	5,72,957	18,188	5,91,145	5.87	0.10
Individuals - i. Individual Shareholders Holding Nominal Share Capital Up To Rs. 2 Lakh.	16,23,126	75,894	16,99,020	16.88	15,29,925	66,638	15,96,563	15.86	(1.02)
Individuals - ii. Individual Shareholders Holding Nominal Share Capital In Excess of Rs. 2 Lakh	4,81,430	21,027	5,02,457	4.99	6,06,926	21,027	6,27,953	6.24	1.25
Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
Clearing Member	67,815	-	67,815	0.67	46,089	-	46,089	0.46	(0.21)
Market Maker	4,951	-	4,951	0.05	3,607	-	3,607	0.04	(0.01)
Directors/Relatives	-	-	-	-	-	-	-	-	-
Foreign Company	-	-	-	-	-	-	-	-	-
Foreign National	422	212	634	0.01	422	212	634	0.01	-
HUF	1,41,215	-	1,41,215	1.40	1,13,451	0	1,13,451	0.13	(0.27)
Non Resident Indians (Non Repat) l	18,148	-	18,148	0.18	22,641	0	22,641	0.22	0.04
Non Resident Indians (Repat)	31,933	2	31,935	0.32	59,285	3	59,288	0.59	0.27
Office Bearers	-	-	-	-	-	-	-	-	-
Societies	5,59,398	-	5,59,398	5.56	5,59,398		5,59,398	5.56	-
Sub-Total (B)(2)	**34,91,670**	**1,15,321**	**36,06,991**	**35.84**	**35,14,701**	**1,06,068**	**36,20,769**	**35.97**	**0.14**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**38,14,580**	**1,16,234**	**39,30,814**	**39.05**	**38,24,033**	**1,06,981**	**39,31,014**	**39.05**	**-**
TOTAL (A)+(B)	**88,73,221**	**11,92,229**	**1,00,65,450**	**100.00**	**99,58,469**	**1,06,981**	**1,00,65,450**	**100.00**	**-**
Shares held by Custodians and against which Depository Receipts have been issued	-	-	-	-	-	-	-	-	-
Promoter and Promoter Group	-	-	-	-	-	-	-	-	-
Public	-	-	-	-	-	-	-	-	-
GRAND TOTAL (A)+(B)+(C)	**88,73,221**	**11,92,229**	**1,00,65,450**	**100.00**	**99,58,469**	**1,06,981**	**1,00,65,450**	**100.00**	**-**

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

ii) Shareholding of Promoters

Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share-holding during the year
	No of Shares	% of total shares of the Company	% of shares pledged/ encum-bered to total shares	No of Shares	% of total shares of the Company	% of shares pledged/ encum-bered to total shares	
Nandini Nopany	6,31,646	6.27	-	6,31,446	6.27	-	-
Chandra Shekhar Nopany	30,840	0.31	-	30,840	0.31	-	-
Urvi Nopany	10,599	0.11	-	10,599	0.11	-	-
SIL Investments Limited	12,04,756	11.97	-	12,04,756	11.97	-	-
Avadh Sugar & Energy Limited	10,61,539	10.55	-	10,61,539	10.55	-	-
New India Retailing And Investment Ltd	7,54,636	7.50	-	7,54,636	7.50	-	-
Yashovardhan Investment &Trading Co. Ltd.	5,12,650	5.09	-	5,12,650	5.09	-	-
Hargaon Investment & Tradind Co. Ltd.	5,12,399	5.09	-	5,12,399	5.09	-	-
RTM Investment And Trading Co. Ltd.	3,21,185	3.19	-	3,21,185	3.19	-	-
SCM Investment & Trading Co. Ltd.	2,72,544	2.71	-	2,72,544	2.71	-	-
Champaran Marketing Co. Ltd.	2,03,133	2.02	-	2,03,133	2.02	-	-
OSM Investment & Trading Co. Ltd.	1,82,924	1.82	-	1,82,924	1.82	-	-
Nilgiri Plantations Limited	1,07,470	1.07	-	1,07,470	1.07	-	-
Sidh Enterprises Ltd.	81,392	0.81	-	81,392	0.81	-	-
Narkatiaganj Farms Limited	67,293	0.67	-	67,293	0.67	-	-
Ronson Traders Limited	65,033	0.65	-	65,033	0.65	-	-
Rajpur Farms Limited	52,003	0.52	-	52,003	0.52	-	-
Shree Vihar Properties Ltd	24,559	0.24	-	24,559	0.24	-	-
La Monde Trading & Investments Private Ltd	19,610	0.19	-	19,610	0.19	-	-
Palash Securities Limited	14,456	0.14	-	14,456	0.14	-	-
Uttam Commercial Ltd.	1,735	0.02	-	1,735	0.02	-	-
Sonali Commercial Ltd.	1,285	0.01	-	1,285	0.01	-	-
Pavapuri Trading And Investment Company Ltd.	900	0.01	-	900	0.01	-	-
Deepshikha Trading Co. Private Limited	49	0.00	-	49	0.00	-	-
Chandra Shekhar Nopany #	-	-	-	100	0.00	-	-
Chandra Shekhar Nopany ##	-	-	-	100	0.00	-	-
Total	**61,34,636**	**60.95**	**-**	**61,34,636**	**60.95**	**-**	**-**

As trustee of Shekhar Family Trust
As trustee of Shruti Family Trust

iii) Change in Promoters' Shareholding

Sl. No.	Name & Type of transaction	Shareholding		Date	Increase/ Decrease in share-holding	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning (01-04-2017)/ end (31-03-2018) of the year	% of total shares of the Company			No of Shares	% of total shares of the Company
1	**Nandini Nopany**						
	At the beginning of the year	6,31,646	6.28				
	Changes during the year			29.03.2018	(200)	6,31,446	6.27
	At the end of the year	6,31,446	6.27			6,31,446	6.27

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

iii) Change in Promoters' Shareholding (Contd.)

Sl. No.	Name & Type of transaction	Shareholding		Date	Increase/ Decrease in share-holding	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning (01-04-2017)/ end (31-03-2018) of the year	% of total shares of the Company			No of Shares	% of total shares of the Company
2	**Chandra Shekhar Nopany**						
	At the beginning of the year	30,840	0.31				
	At the end of the year	30,840	0.31			30,840	0.31
3	**Urvi Nopany**						
	At the beginning of the year	10,599	0.11				
	At the end of the year	10,599	0.11			10,599	0.11
4	**SIL Investments Limited**						
	At the beginning of the year	12,04,756	11.97				
	At the end of the year	12,04,756	11.97			12,04,756	11.97
5	**Avadh Sugar & Energy Limited**						
	At the beginning of the year	10,61,539	10.55				
	At the end of the year	10,61,539	10.55			10,61,539	10.55
6	**New India Retailing and Investment Limited**						
	At the beginning of the year	7,54,636	7.50				
	At the end of the year	7,54,636	7.50			7,54,636	7.50
7	**Yashovardhan Investment & Trading Co. Limited**						
	At the beginning of the year	5,12,650	5.09				
	At the end of the year	5,12,650	5.09			5,12,650	5.09
8	**Hargaon Investment & Tradind Co. Ltd.**						
	At the beginning of the year	5,12,399	5.09				
	At the end of the year	5,12,399	5.09			5,12,399	5.09
9	**RTM Investment and Trading Co. Limited**						
	At the beginning of the year	3,21,185	3.19				
	At the end of the year	3,21,185	3.19			3,21,185	3.19
10	**SCM Investment & Trading Co. Limited**						
	At the beginning of the year	2,72,544	2.71				
	At the end of the year	2,72,544	2.71			2,72,544	2.71
11	**Champaran Marketing Co. Ltd.**						
	At the beginning of the year	2,03,133	2.02				
	At the end of the year	2,03,133	2.02			2,03,133	2.02
12	**OSM Investment & Trading Co. Ltd.**						
	At the beginning of the year	1,82,924	1.82				
	At the end of the year	1,82,924	1.82			1,82,924	1.82
13	**Nilgiri Plantations Limited**						
	At the beginning of the year	1,07,470	1.07				
	At the end of the year	1,07,470	1.07			1,07,470	1.07
14	**Sidh Enterprises Limited**						
	At the beginning of the year	81,392	0.81				
	At the end of the year	81,392	0.81			81,392	0.81
15	**Narkatiaganj Farms Limited**						
	At the beginning of the year	67,293	0.67				
	At the end of the year	67,293	0.67			67,293	0.67
16	**Ronson Traders Limited**						
	At the beginning of the year	65,033	0.65				
	At the end of the year	65,033	0.65			65,033	0.65

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

iii) Change in Promoters' Shareholding (Contd.)

Sl. No.	Name & Type of transaction	Shareholding		Date	Increase/ Decrease in share-holding	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning (01-04-2017)/ end (31-03-2018) of the year	% of total shares of the Company			No of Shares	% of total shares of the Company
17	**Rajpur Farms Limited**						
	At the beginning of the year	52,003	0.52				
	At the end of the year	52,003	0.52			52,003	0.52
18	**Shree Vihar Properties Ltd**						
	At the beginning of the year	24,559	0.24				
	At the end of the year	24,559	0.24			24,559	0.24
19	**La Monde Trading & Investments Private Limited**						
	At the beginning of the year	19,610	0.19				
	At the end of the year	19,610	0.19			19,610	0.19
20	**Palash Securities Limited**						
	At the beginning of the year	14,456	0.14				
	At the end of the year	14,456	0.14			14,456	0.14
21	**Uttam Commercial Limited**						
	At the beginning of the year	1,735	0.02				
	At the end of the year	1,735	0.02			1,735	0.02
22	**Sonali Commercial Limited**						
	At the beginning of the year	1,285	0.01				
	At the end of the year	1,285	0.01			1,285	0.01
23	**Pavapuri Trading and Investment Company Limited**						
	At the beginning of the year	900	0.01				
	At the end of the year	900	0.01			900	0.01
24	**Deepshikha Trading Co. Private Limited**						
	At the beginning of the year	49	0.00				
	At the end of the year	49	0.00			49	0.00
25	**Chandra Shekhar Nopany #**						
	At the beginning of the year	-	-				
	Changes during the year				100	100	
	At the end of the year	100	0.00			100	0.00
26	**Chandra Shekhar Nopany ##**						
	At the beginning of the year	-	-				
	Changes during the year				100	100	0.00
	At the end of the year	100	0.00			100	0.00

As trustee of Shekhar Family Trust

As trustee of Shruti Family Trust

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

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

Sl. No.	Name & Type of transaction	Shareholding		Date	Increase/ Decrease in share-holding	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning (01-04-2017)/ end (31-03-2018) of the year	% of total shares of the Company			No of Shares	% of total shares of the Company
1	**Navjeewan Medical Institute**						
	At the beginning of the year	559398	5.56				
	At the end of the year	559398	5.56			559398	5.56
2	**Life Insurance Corporation of India**						
	At the beginning of the year	309332	3.07				
	At the end of the year	309332	3.07			309332	3.07
3	**Earthstone Holding (Two) Private Limited**						
	At the beginning of the year	110243	1.10				
	At the end of the year	110243	1.10			110243	1.10
4	**Ajaykumar Bhaskar Patil**						
	At the beginning of the year				-	-	-
	Purchase			11-08-2017	8000	8000	0.08
	Purchase			18-08-2017	12000	20000	0.20
	Purchase			01-09-2017	14914	34914	0.35
	Purchase			10-11-2017	7086	42000	0.42
	Purchase			17-11-2017	7000	49000	0.49
	Purchase			29-12-2017	5500	54500	0.54
	Purchase			05-01-2018	6000	60500	0.60
	Purchase			19-01-2018	480	60980	0.61
	Purchase			26-01-2018	8520	69500	0.69
	Purchase			02-02-2018	8225	77725	0.77
	Purchase			09-02-2018	4282	82007	0.81
	Purchase			16-03-2018	1493	83500	0.83
	Purchase			23-03-2018	9000	92500	0.92
	Purchase			31-03-2018	6500	99000	0.98
	At the end of the year	99000	0.98			99000	0.98
5	**Nisha Ajay Patil**						
	At the beginning of the year	NIL	NIL			NIL	NIL
	Purchase			11-08-2017	10000	10000	0.10
	Purchase			18-08-2017	21000	31000	0.31
	Purchase			25-08-2017	20000	51000	0.51
	Purchase			01-09-2017	12000	63000	0.63
	Purchase			29-12-2017	11500	74500	0.74
	Purchase			05-01-2018	10752	85252	0.85
	Purchase			12-01-2018	3248	88500	0.88
	Purchase			19-01-2018	9106	97606	0.97
	Purchase			26-01-2018	394	98000	0.97
	Purchase			02-02-2018	5000	103000	1.02
	Sale			16-03-2018	(7656)	95344	0.95
	Sale			23-03-2018	(2344)	93000	0.92
	At the end of the year	93000	0.92			93000	0.92
6	**Shobhana Bhartia**						
	At the beginning of the year	46137	0.46				
	At the end of the year	46137	0.46			46137	0.46
7	**Jyotsna Poddar**						
	At the beginning of the year	46137	0.46				
	At the end of the year	46137	0.46			46137	0.46

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

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

Sl. No.	Name & Type of transaction	Shareholding		Date	Increase/ Decrease in share-holding	Cumulative Shareholding during the year (01-04-2017 to 31-03-2018)	
		No of Shares at the beginning (01-04-2017)/ end (31-03-2018) of the year	% of total shares of the Company			No of Shares	% of total shares of the Company
8	**Rg Texknit Private Limited**						
	At the beginning of the year						
	Purchase			11-08-2017	6000	6000	0.06
	Purchase			18-08-2017	2000	8000	0.08
	Purchase			01-09-2017	10000	18000	0.18
	Purchase			08-09-2017	14945	32945	0.33
	Purchase			15-09-2017	1000	33945	0.34
	Purchase			22-09-2017	578	34523	0.34
	Purchase			29-12-2017	12579	47102	0.47
	Sale			09-03-2018	(5000)	42102	0.42
	At the end of the year	42102	0.42			42102	0.42
9	**Sungold Commotrade Private Limited**						
	At the beginning of the year						
	Purchase			02-06-2017	11681	11681	0.12
				09-06-2017	1	11682	0.12
				11-08-2017	10000	21682	0.22
				22-09-2017	5000	26682	0.27
				10-11-2017	10000	36682	0.36
				17-11-2017	2000	38682	0.38
	At the end of the year	38682	0.38			38682	0.38
10	**Ranjit Singh Mundra**						
	At the beginning of the year						
	Purchase			01-12-2017	4710	4710	0.05
	Purchase			08-12-2017	4350	9060	0.09
	Purchase			22-12-2017	2505	11565	0.11
	Purchase			29-12-2017	1000	12565	0.12
	Purchase			05-01-2018	2500	15065	0.15
	Purchase			12-01-2018	1468	16533	0.16
	Sale			19-01-2018	3350	19883	0.20
	Purchase			26-01-2018	7677	27560	0.27
	Sale			02-02-2018	295	27855	0.28
				09-02-2018	353	28208	0.28
				16-03-2018	1000	29208	0.29
				23-03-2018	567	29775	0.30
				31-03-2018	7879	37654	0.37
	At the end of the year	37654	0.37			37654	0.37

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company	No of Shares	% of total shares of the Company
Mr. Chandra Shekhar Nopany, Chairperson				
At the beginning of the year	30840	0.31	30840	0.31
Changes during the year	-	-	30840	0.31
At the end of the year	30840	0.31	30840	0.31
Mr Chandra Mohan, Wholetime Director				
At the beginning of the year	NIL	NIL	NIL	NIL
Changes during the year	NIL	NIL	NIL	NIL
At the end of the year	NIL	NIL	NIL	NIL

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

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

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

Note: Mr Raj Kumar Bagri, Mr Yashwant Kumar Daga, Mr Ishwari Prosad Singh Roy, Mr Padam Kumar Khaitan 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	18.494.96	950.00	25,233.62	44,678.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	657.06	96.77	92.89	846.72
Total (i+ii+iii)	**19,152.02**	**1,046.77**	**25,326.51**	**45,525.30**
Change in Indebtedness during the financial year				
Addition	-	7,714.34	954.66	8,669.00
Reduction	2,032.87	-	-	2,032.87
Net Change	**(2,032.87)**	**7,714.34**	**954.66**	**6,636.13**
Indebtedness at the end of the financial year				
i) Principal Amount	16,915.03	8,725.00	26,256.76	51,896.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	204.12	36.11	24.41	264.64
Total (i+ii+iii)	**17,119.15**	**8,761.11**	**26,281.17**	**52,161.43**

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 (₹)
1	Gross salary	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	74,85,500	74,85,500
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	6,19,541	6,19,541
	(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)	**81,05,041**	**81,05,041**

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)

B Remuneration to other Directors:

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Director						Total Amount
		Mr Chandra Shekhar Nopany	Mr Raj Kumar Bagri	Mr Yashwant Kumar Daga	Mr Ishwari Prosad Singh Roy	Mr Padam Kumar Khaitan	Mrs Shashi Sharma	
1	**Independent Directors**							
	Fee for attending Board/ Committee Meetings	-	4.00	3.60	4.20	1.80	2.40	16.00
	Commission	-	1.98	1.97	1.97	1.97	1.97	9.86
	Others, please specify	-	-	-	-	-	-	-
	Total B (1)	**-**	**5.98**	**5.57**	**6.17**	**3.77**	**4.37**	**25.86**
2	**Other Non- Executive Directors**							
	Fee for attending Board/ Committee Meetings	2.40	-	-	-	-	-	2.40
	Commission	1.97	-	-	-	-	-	1.97
	Others, please specify	-	-	-	-	-	-	-
	Total B (2)	**4.37**	**-**	**-**	**-**	**-**	**-**	**4.37**
	Total B (1+2)	**4.37**	**5.98**	**5.57**	**6.17**	**3.77**	**4.37**	**30.23**

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 (₹)
1	Gross salary	-	-	-
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	15,37,200	17,83,200	33,20,400
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,29,000	1,89,000	4,18,000
	(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)	**17,66,200**	**19,72,200**	**37,38,400**

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					

Annexure H

Information under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2018.

a) Conservation of Energy:

i The Company continues to take following initiatives to conserve Energy during the year 2017-18:

1) Various machineries and equipments installed during earlier years besides increasing generation of steam tend to reduce consumption of steam and fuel.
2) Auto control combustion system fitted with all the boilers reduce the consumption of bagasse.
3) VFDs are being installed at several working stations like Cane carrier, rake carrier etc. that will result in power saving.
4) 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.

b) 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.

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 ₹ 580.67 lakhs

c) 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 I

A) Information pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The percentage increase in remuneration of each Director, Wholetime Director, Chief Financial Officer and Company Secretary in the financial year 2017-18 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:

Name	Designation	Remuneration for the year ended 31.03.2018 (₹ in lakhs)	% age increase in remuneration in the FY 2017-18 as compared to Previous Year 2016-17	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr. Chandra Shekhar Nopany	Non-Executive Chairperson	4.37	Refer Note*	1.88
Mr. Raj Kumar Bagri	Independent Director	5.98		2.58
Mr. Yashwant Kumar Daga	Independent Director	5.57		2.40
Mr Ishwari Prosad Singh Roy	Independent Director	6.17		2.66
Mr. Padam Kumar Khaitan	Independent Director	3.77		1.63
Mrs. Shashi Sharma	Independent Director	4.37		1.88
Mr. Chandra Mohan	Whole-time Director	84.42	61.82%	36.39
Mr. Sunil Choraria	Chief Financial Officer	19.65		Not Applicable
Mr. Subramanian Sathyamurthy	Company Secretary	22.31		Not Applicable

Note : Remuneration includes commission payable for FY 2017-18 and Sitting fees paid to the Non-Executive Directors based on the number of meetings attended during the financial year 2017-18, since re-organised w.e.f. 30.03.2017 post scheme and hence not comparable for earlier year.

ii. The percentage increase in the median remuneration of employees in the financial year 2017-18 : 7.76%

iii. The number of permanent employees on the rolls of the Company : 1241

iv. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration :**

Average increase in the salaries of employees other than managerial personnel in the financial year 2017-18 is 8.37%. Details of percentage increase in the remuneration of managerial personnel is given in the table above.

v. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

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

Top Ten Employees in terms of Remuneration Drawn during the Financial Year 2017-18

Sl. No.	Name & Designation of the Employee	Designation	Qualification	Age (years)	Experience (Years)	Date of Commencement of Employment	Remuneration Received	Last employment	Equity Shares held
1	Mr. Chandra Mohan	Wholetime Director	Diploma in Mech Engg	58	34	18-05-2007	84,42,434	The Oudh Sugar Mills Ltd.	-
2	Mr. Chand Bihari Patodia	Group President	Intermediate	69	50	01-02-1990	63,90,000	The Oudh Sugar Mills Ltd.	-
3	Mr. Mehtab Singh	Executive President - Hasanpur	Msc. Ag., MA Indl. Psychlogy	52	27	24-07-2014	44,68,561	Upper Ganges Sugar & Ind. Ltd.	-
4	Mr. Balwant Singh Garewal	Executive President - Sidhwalia	B.E, ANSI Sugar Engg, B.O.E	53	32	20-02-2017	37,58,754	Indian Sucrose Ltd.	-
5	Mr. Brij Mohan Agarwal	Vice President (Marketing)	B.Com, MBA (Finance)	48	27	22-11-1991	27,81,900	The Oudh Sugar Mills Ltd.	-
6	Mr. S Subramanian	Company Secretary	B.Com (Hons), FCS	52	25	05-06-2013	22,31,490	Upper Ganges Sugar & Ind. Ltd.	-
7	Mr. Sunil Choraria	Chief Financial Officer	B.Com, CS & PGDBM	46	24	30-03-2017	19,65,700	Shree Services Trading Co. Ltd.	-
8	Mr. Manoj Kumar Avasthi	Deputy General Manager	B.Com, MBA	50	26	01-05- 2017	18,47,249	Chambal Fertilisers & Chemicals Ltd.	-
9	Mr. Om Prakash Singh	Executive Vice President (Technical)	Diploma in Mechanical Engineering	54	32	01-05- 2013	17,53,602	The Oudh Sugar Mills Ltd.	-
10	Mr. Manoj Prasad	Vice President (Finance)	B.Com, AICWA	48	23	28-05-2008	16,72,847	Upper Ganges Sugar & Ind. Ltd.	-

Notes :

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

For and on behalf of the Board

Chandra Shekhar Nopany

Chairperson

Place: Kolkata

Date: 15th May, 2018

Annexure J

Annual Report on Corporate Social Responsibility Activities for the Financial Year 2017-18

Sr. No.	Particulars	Remarks
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	The Company's CSR policy focuses on practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with an intent to make a positive difference to society and to conduct the business in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them. The CSR policy is available on the website of the Company viz. *http://birla-sugar.com/Assets/Magadh/Magadh-Sugar-CSR-Policy.pdf*
2	The Composition of the CSR Committee.	• Mr Chandra Shekhar Nopany, Chairperson • Mr Padam Kumar Khaitan, Independent Director • Mr Chandra Mohan, Whole-time Director
3	Average net profit of the Company for last three financial years.	Rs. 34.50 crores approximately
4	Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above).	Rs. 69 lacs approximately
5	Details of CSR spent during the financial year:	
	a) Total amount to be spent for the financial year	Rs. 69.18 lacs approximately
	b) Amount unspent, if any;	NIL
	c) Manner in which the amount spent during the financial year is detailed below	As provided in enclosed Table
6	In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report	Not Applicable
7	A responsibility statement of the CSR Committee that the implementation and monitoring of CSR policy is in compliance with CSR objective and Policy of the company	The CSR Committee confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Details of amount spent on CSR Activities during the financial year ended 31 March, 2018

Sr. No.	CSR project or activity identified	Sector in which the project is covered	Projects or programs		Amount Outlay (budget)* project or programs wise (in ₹ lakhs)	Amount spent on the project or programs (in ₹ lakhs)		Cumulative expenditure upto to the reporting period (in ₹ lakhs)	Amount Spent: Direct or through implementing agency
			Area	Name of District		Direct Expenditure	Overheads		
1.	Education initiative – promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Promotion of educational activities	Neori	Ranchi Jharkhand	45.00	45.00	-	Contribution to Manav Vikas Vidyalaya Trust, Kolkata	Contribution to Manav Vikas Vidyalaya Trust, Kolkata
2.	Medical aid and supply of food for disaster relief for the flood victims at North Bihar	● Promotion of promoting health care including preventive health care ● eradicating hunger, poverty and malnutrition	In the District of West Champaran and Gopalganj where the Narkatiaganj Unit and Sidhwalia Unit of the Company are located.	Bihar	24.00	24.18	-	Amount directly spent by the Company	Amount directly spent by the Company

Chandra Mohan
Whole-time Director

Chandra Shekhar Nopany
Chairperson, CSR Committee

Place: Kolkata

Date: 15th May, 2018

Independent Auditor's Report

To the Members of Magadh Sugar & Energy Limited

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Magadh Sugar & Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian 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 Ind AS 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 Ind AS 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 there under. We conducted our audit of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS 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, 2018, its profit including other comprehensive income, its cash flows and the changes in equity 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, to the extent applicable.

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

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the 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 including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, 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 Ind AS financial statements – Refer Note 38 to the Ind AS 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.

Other Matter

The Comparative financial information of the Company for the year ended March 31,2017 and the transition date opening balance sheet as at April 1,2016, included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act,2013 read with relevant rules issued there under, audited by the predecessor auditor whose report for the year ended March 31,2017 and March 31, 2016 dated May 24, 2017 and May 12, 2016 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us.

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

(**Pradeep Kumar Singhi**)
Partner
Membership No. 050773

Place: Kolkata
Date: May 15, 2018

Annexure 1

Referred to in Paragraph 1 Under the Heading "Report on other Legal and Regulatory Requirements" of our Report of Even Date to the Members of Magadh Sugar & Energy Limited as at and for the year ended March 31, 2018

(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 Freehold Land included in Property, Plant & Equipment which had been transferred to Company pursuant to Scheme of arrangement 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, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, Goods & Service Tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

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

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

Name of Statue	Nature of dues	Amount (Rs. in Lakhs)	Period to which amount relates	Forum where dispute is pending
Bihar VAT Act, 2005	Differential VAT on Denatured Sprit. VAT on exempted Sales.	72.86	2008-09 to 2011-12	Appellate tribunal, Patna / Joint Commissioner Appeals.
Central Sales Tax	Demand for sales tax due to non-sub-mission 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	Supreme Court of India / Certifi-cate officer, Samastipur
Central Excise Act, 1944	Disallowance of CENVAT credit on certain input / capital items / input services.	153.40	1986-87, 2004-05 to 2007-08, April 2008 - January 2016, Mar-15 to Dec-16	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 Indian Accounting Standards.

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

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

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

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

(**Pradeep Kumar Singhi**)
Partner
Membership No. 050773

Place: Kolkata
Date: May 15, 2018

Annexure 2

To the Independent Auditor's Report of Even Date on the Ind AS 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 and Energy Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS 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, 2018, 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 **Singhi & Co.**
Chartered Accountants
Firm Registration No.302049E

(**Pradeep Kumar Singhi**)
Partner
Membership No. 050773

Place: Kolkata
Date: May 15, 2018

Balance Sheet as at 31 March 2018

(₹ in lakhs)

Particulars	Notes	As at 31 March 2018	As at 31 March 2017	As at 31 March 2016
ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	4	65,287.62	64,909.13	64,780.59
(b) Capital Work-in-Progress	5	204.39	114.97	755.07
(c) Other Intangible Assets	6	14.79	20.18	25.53
(d) Financial Assets				
(i) Investments	7	0.68	0.67	0.67
(ii) Loans	13	2.11	2.71	1.81
(e) Other Non-Current Assets	16	125.55	105.08	190.57
Total Non-current Assets		**65,635.14**	**65,152.74**	**65,754.24**
2 Current Assets				
(a) Inventories	8	45,400.16	42,680.45	37,682.98
(b) Biological assets other than bearer plants	9	81.41	54.78	91.33
(c) Financial Assets				
(i) Trade Receivables	10	1,901.80	1,158.21	1,198.28
(ii) Cash and Cash Equivalents	11	75.11	145.17	132.57
(iii) Bank Balances other than (ii) above	12	2.30	0.13	0.13
(iv) Loans	13	44.42	30.59	25.69
(v) Other Financial Assets	14	28.97	385.74	439.11
(d) Current Tax Assets (net)	15	221.65	-	-
(e) Other Current Assets	17	1,302.70	1,490.71	3,443.80
Total Current Assets		**49,058.52**	**45,945.78**	**43,013.89**
TOTAL ASSETS		**1,14,693.66**	**1,11,098.52**	**1,08,768.13**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	18	1,006.55	1,006.55	-
(b) Equity Share Capital Suspense	18	-	-	1,006.55
(c) Other Equity	19	41,391.38	39,112.68	33,422.88
Total Equity		**42,397.93**	**40,119.23**	**34,429.43**
LIABILITIES				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	12,805.50	14,636.85	20,100.18
(ii) Other Financial Liabilities	22	176.64	347.79	563.98
(b) Provisions	23	303.26	380.48	310.79
(c) Deferred Tax Liabilities (net)	24	746.50	2,448.75	-
(d) Other Non-Current Liabilities	25	381.88	424.68	363.90
Total Non-current Liabilities		**14,413.78**	**18,238.55**	**21,338.85**
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	20	33,481.76	26,183.62	25,027.81
(ii) Trade Payable	21	16,986.09	10,479.95	13,683.19
(iii) Other Financial Liabilities	22	6,303.86	10,872.01	11,452.27
(b) Provisions	23	443.32	337.43	235.20
(c) Other Current Liabilities	26	666.92	2,987.88	2,601.38
(d) Current Tax Liabilities (net)	15	-	1,879.85	-
Total Current Liabilities		**57,881.95**	**52,740.74**	**52,999.85**
TOTAL LIABILITIES		**72,295.73**	**70,979.29**	**74,338.70**
TOTAL EQUITY AND LIABILITIES		**1,14,693.66**	**1,11,098.52**	**1,08,768.13**
Summary of significant accounting policies	3			
The accompanying notes are an integral part of the financial statements.				

As per our report of even date

For and on behalf of the Board of Directors
Magadh Sugar & Energy Limited

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

per **Pradeep Kumar Singhi**
Partner
Membership No.: 050773
Place: Kolkata
Date: 15 May 2018

Chandra Mohan
Whole-time Director
DIN: 07760264

Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Subramanian Sathyamurthy
Company Secretary

Sunil Choraria
Chief Financial Officer

Statement of Profit and Loss for the year ended 31 March 2018

(₹ in lakhs)

Particulars		Notes	Year ended 31 March 2018	Year ended 31 March 2017
I.	**Revenue from Operations**	27	72,590.24	71,863.37
II.	**Other Income**	28	285.20	180.59
III.	**Total Income (I + II)**		**72,875.44**	**72,043.96**
IV.	**Expenses**			
	Cost of Materials Consumed	29	60,337.41	48,535.80
	Changes in inventories of Finished Goods and Work-in-progress	30	(4,609.17)	(4,976.69)
	Excise duty and cess		862.06	3,782.33
	Employee benefits expense	31	4,103.49	3,875.14
	Finance costs	32	4,333.97	4,069.42
	Depreciation and amortization expense	33	1,868.31	1,986.46
	Other expenses	34	5,576.94	4,608.26
	Total Expenses (IV)		**72,473.01**	**61,880.72**
V.	**Profits before exceptional items and tax (III - IV)**		402.43	10,163.24
VI.	**Exceptional Items**	47	613.57	-
VII.	**Profits before tax (V + VI)**		**1,016.00**	**10,163.24**
VIII.	**Tax expense**			
	Current tax	35	242.00	1,880.00
	Income tax for earlier years	35	0.91	-
	Deferred tax (including credit of ₹ 1,880.00 lakhs pertaining to earlier year)	35	(1,718.05)	2,498.82
	Total Tax expenses (VIII)		**(1,475.14)**	**4,378.82**
IX.	**Profit for the year (VII-VIII)**		**2,491.14**	**5,784.42**
VIII.	**Other comprehensive income**			
	Items that will not be reclassified subsequently to profit or loss			
	(a) Remeasurement of defined benefit liability / (asset)		45.65	(144.69)
	(b) Income taxes relating to items that will not be reclassified to profit or loss		(15.80)	50.07
	Other comprehensive income for the year, net of income tax		**29.85**	**(94.62)**
IX.	**Total comprehensive income for the year (VIII+IX)**		**2,520.99**	**5,689.80**
X.	**Earnings per equity share [Nominal value per share ₹ 10 (₹10)]**			
	(a) Basic (₹)	36	**24.75**	**57.47**
	(b) Diluted (₹)	36	**24.75**	**57.47**
Summary of significant accounting policies		3		
The accompanying notes are an integral part of the financial statements.				

As per our report of even date

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

per **Pradeep Kumar Singhi**
Partner
Membership No.: 050773
Place: Kolkata
Date: 15 May 2018

For and on behalf of the Board of Directors
Magadh Sugar & Energy Limited

Chandra Mohan
Whole-time Director
DIN: 07760264

Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Subramanian Sathyamurthy
Company Secretary

Sunil Choraria
Chief Financial Officer

Statement of Changes in Equity for the year ended 31 March 2018

A. Equity Share Capital

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balances at the beginning of the year		1,00,65,450	1,006.55	50,000	5.00
Share cancelled pursuant to the Scheme [Note 50(C)(II)]	18	-	-	(50,000)	(5.00)
Allotment of equity share capital during the year [Note 50(C)(I)]	18	-	-	1,00,65,450	1,006.55
Balances at the end of the year		**1,00,65,450**	**1,006.55**	**1,00,65,450**	**1,006.55**

B. Equity Share Capital Suspense

Particulars	Note	As at 31 March 2018		As at 31 March 2017	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balances at the beginning of the year		-	-	1,00,65,450	1,006.55
Allotted during the year [Note 50(C)(I)]	18	-	-	(1,00,65,450)	(1,006.55)
Balances at the end of the year		**-**	**-**	**-**	**-**

C. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Total
	Capital Reserve	Capital Redemption Reserve	Molasses Storage and Maintenance Reserve	Retained Earnings	
Balance as at 1 April 2016	36,897.75*	-	9.89*	(3,484.76)*	33,422.88
Total comprehensive income for the year					
- Profit	-	-	-	5,784.42	5,784.42
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	-	(94.62)	(94.62)
Total comprehensive income	-	-	-	5,689.80	5,689.80
Transfer to Capital Redemption Reserve	-	1,150.00	-	(1,150.00)	-
Balance as at 31 March 2017	36,897.75	1,150.00	9.89	1,055.04	39,112.68
Total comprehensive income for the year					
- Profit	-	-	-	2,491.14	2,491.14
- Remeasurement of defined benefit liability / (asset) (net of tax)	-	-	-	29.85	29.85
Total comprehensive income	-	-	-	2,520.99	2,520.99
Dividend (including dividend distribution tax) on equity shares [Note 19(d)]	-	-	-	(242.29)	(242.29)
Balance as at 31 March 2018	**36,897.75**	**1,150.00**	**9.89**	**3,333.74**	**41,391.38**

* Refer Note 50(C)(III).

As per our report of even date

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

per **Pradeep Kumar Singhi**
Partner
Membership No.: 050773
Place: Kolkata
Date: 15 May 2018

For and on behalf of the Board of Directors
Magadh Sugar & Energy Limited

Chandra Mohan
Whole-time Director
DIN: 07760264

Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Subramanian Sathyamurthy
Company Secretary

Sunil Choraria
Chief Financial Officer

Cash Flow Statement for the year ended 31 March 2018

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	1,016.00	10,163.24
Adjustments for:		
Depreciation and amortisation expense	1,868.31	1,986.46
Depreciation in relation to Biological Assets other than bearer plants	6.78	3.93
Finance Costs	4,333.97	4,069.42
Provision for bad and doubtful debts / advances	1.95	13.67
Bad debts, irrecoverable claims and advances written off (net)	1.63	2.13
Loss on sale / discard of Property, Plant and Equipment (net)	49.91	154.63
Interest income	(72.47)	(35.00)
Government Grant	(23.01)	(33.45)
Unspent liabilities, Provisions no longer required and Unclaimed Balances written back	(61.82)	(56.00)
Remeasurement of defined benefit liability / (asset)	45.65	(144.69)
	7,166.90	**16,124.34**
Working capital adjustments:		
Increase in Inventories	(2,719.71)	(4,997.47)
(Increase) / Decrease in Biological assets other than bearer plants	(26.63)	36.55
(Increase) / Decrease in Trade Receivables and Loans	(756.82)	34.27
Decrease in Other Financial Assets	355.84	55.33
Decrease in Other Assets	203.44	1,942.13
Increase / (Decrease) in Trade Payables	6,552.14	(3,150.28)
Decrease in Other Financial Liabilities	(4,204.82)	(1,472.12)
Increase in Provisions	28.67	171.92
(Decrease) / Increase in Other Liabilities	(2,162.68)	156.56
Cash Generation from Operations	**4,436.33**	**8,901.23**
Income tax paid	(2,344.41)	(0.15)
Net Cash from Operating Activities	**2,091.92**	**8,901.08**
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, Plant and Equipment	1.06	134.96
Acquisition of Property, Plant and Equipment	(2,492.01)	(1,501.78)
Acquisition of Other Intangible Assets	(3.69)	(15.03)
Investments made	(0.01)	-
Interest received	71.23	33.04
Net Cash used in Investing Activities	**(2,423.42)**	**(1,348.81)**
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-current Borrowings	(10,270.96)	(4,794.83)
Proceeds from Non-current Borrowings	10,000.00	-
Redemption of Preference Shares	(1,150.00)	-
Proceeds from Current Borrowings (net)	7,298.14	1,155.81
Interest Paid	(4,850.60)	(3,900.65)
Dividend on Preference Shares including tax thereon paid	(522.85)	-
Dividend on Equity Shares including tax thereon paid	(242.29)	-
Net Cash from / (used in) Financing Activities	**261.44**	**(7,539.67)**
Net Changes in Cash & Cash Equivalents (A + B + C)	**(70.06)**	**12.60**
Cash & Cash Equivalents at the beginning of the year	**145.17**	**132.57**
Cash & Cash Equivalents at the end of the year	**75.11**	**145.17**

Change in Liability arising from financing activities

(₹ in lakhs)

Particulars	As on 1 April 2017	Cash Flow	Fair Value Change	As on 31 March 2018
Non-current Borrowings (Note 20)	18,494.96	(270.96)	191.03	18,415.03
Current Borrowings (Note 20)	26,183.62	7,298.14	-	33,481.76

As per our report of even date

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

per **Pradeep Kumar Singhi**
Partner
Membership No.: 050773
Place: Kolkata
Date: 15 May 2018

For and on behalf of the Board of Directors
Magadh Sugar & Energy Limited

Chandra Mohan
Whole-time Director
DIN: 07760264

Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Subramanian Sathyamurthy
Company Secretary

Sunil Choraria
Chief Financial Officer

Notes to Financial Statements for the year ended 31 March 2018

1. Reporting entity

Magadh Sugar & Energy Limited is a public company domiciled and headquartered in India, having its registered office situated at Hargaon, District Sitapur in the state of Uttar Pradesh. The Company was originally incorporated on 19 March 2015 under the provisions of Indian Companies Act, 2013, as a subsidiary of Upper Ganges Sugar and Industries Limited (UGSIL). Consequent to a Composite Scheme of Arrangement approved by the National Company Law Tribunal (NCLT) on 2 March 2017, and its filing with the Registrar of Companies, Kanpur on 23 March 2017, the business undertakings located at Sidhwalia, District Gopalganj and at Hasanpur, District Samastipur in the state of Bihar of UGSIL had been merged with the Company from the appointed date i.e. 1 April 2015. Also the business undertaking located at Narkatiaganj, District West Champaran in the State of Bihar of The Oudh Sugar Mills Limited (OSML) was first transferred to Vaishali Sugar & Energy Limited (VSEL) via slump sale and was subsequently merged with the Company from the appointed date i.e. 1 April 2015. Its shares are listed on National Stock Exchange (NSE), Bombay Stock Exchange (BSE) and Calcutta Stock Exchange (CSE) with effect from 28 July 2017.

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

2. Basis of preparation

(a) Statement of compliance

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

The financial statements upto and for the year ended 31 March 2017 were prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company had 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 Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Accounting Standards) Amendment Rules, 2016 on an accrual basis under the historical cost convention after giving the impact of Scheme of Arrangement as detailed in Note 50(C).

As these are the Company's first financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101 First-time Adoption of Indian Accounting Standards has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 50(C).

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 15 May 2018.

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

(b) Functional and presentation currency

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

(c) Basis of measurement

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

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

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

(d) Use of estimates and judgments

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

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

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

adjustment in the financial statements for the every period ended is included in the following notes:

- **Note 4 and 6 -** Useful life and residual value of property, plant and equipment and other intangible assets;
- **Note 9 -** Determining the fair values of biological assets other than bearer plants on the basis of significant unobservable inputs;
- **Notes 23 and 38 -** Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 24 -** Recognition of deferred tax assets: availability of future taxable profit against which carried forward tax losses can be used;
- **Note 42 -** Measurement of defined benefit obligations: key actuarial assumptions;
- **Note 48 -** Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

(e) Measurement of fair values

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

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

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

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2(c).

3. Significant accounting policies

(a) Current and Non-current classification

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

Assets

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

i) it is expected to be realised in, or is intended for sale or consumption in, the Company's normal operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is expected to be realised within 12 months after the reporting date; or

iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date

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

All other assets are classified as non-current.

Liabilities

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

i) it is expected to be settled in the Company's normal operating cycle;

ii) it is held primarily for the purpose of being traded;

iii) it is due to be settled within 12 months after the reporting date; or

iv) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current.

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

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Operating cycle

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

(b) Foreign currency transactions

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

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

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

(c) Financial instruments

i) Recognition and initial measurement

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

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

ii) Classification and subsequent measurement

Financial assets

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

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

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

Financial assets at amortised cost

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

a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

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

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

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

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

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

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

In assessing whether the contractual cash flows are

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

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

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

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in Statement of Profit and Loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to Statement of Profit and Loss.

Financial liabilities: Classification, subsequent measurement and gains and losses

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

Financial liabilities through fair value through profit or loss (FVTPL)

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

Financial liabilities at amortised cost

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

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

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

iii) Derecognition

Financial assets

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

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

Financial liabilities

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

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case,

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in Statement of Profit and Loss.

iv) Offsetting

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

d) Property, plant and equipment [PPE]

i) Recognition and measurement

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

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

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

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

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

ii) Transition to Ind AS

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

iii) Subsequent expenditure

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

iv) Depreciation

Depreciation for the year is recognised in the Statement of Profit and Loss.

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

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

Depreciation on additions / (disposals) is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off).

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

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

Freehold land is not depreciated.

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

v) Capital work-in-progress (CWIP)

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

(e) Intangible assets

i) Computer software

Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses.

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ii) Amortisation

Amortisation is calculated to write off the cost of intangible assets over their estimated useful lives using the straight-line method, and is included in depreciation and amortisation in Statement of Profit and Loss.

Class of assets	Management estimate of useful life (in years)
Computer software	5

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

iii) Subsequent expenditure

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

iv) Transition to Ind AS

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

(f) Biological assets other than bearer plants

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

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

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

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

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

(g) Inventories

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

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

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

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

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

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

(h) Impairment

i) Impairment of financial instruments : financial assets

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

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

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

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

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

In case of trade receivables, the Company follows the simplified approach permitted by *Ind AS 109 Financial Instruments* for recognition of impairment loss allowance. The application of simplified approach does not require

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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

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

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

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

ii) Impairment of non-financial assets

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

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

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

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

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

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

(i) Employee benefits

i) Short-term employee benefits

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

ii) Defined contribution plans

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

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

The Company makes specified periodical contribution to the following defined contribution plans :

a) Provident / Pension funds;

b) Superannuation fund.

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

iii) Defined benefit plans

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

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

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

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

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

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

iv) Compensated absences

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

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

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

(j) Provisions (other than for employee benefits)

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

(k) Contingent liabilities and contingent assets

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

(l) Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received / receivable taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

The specific recognition criteria for revenue recognition are as follows:

a) Sale of goods

Sale of goods is recognised at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration. It includes excise duty and cess and excludes GST, Sales Tax / VAT, Trade discounts and rebates.

b) Sale of Power

Earning from sale of power is accounted for on tariff rates agreed with respective Electricity Board and are net of discounts for prompt payment of bills.

c) Income from Renewable Energy Certificates (RECs)

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

d) Interest income

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

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

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

Interest is recognosed on time proportion basis.

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

e) Insurance claims

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

(m) Expenses

All expenses are accounted for on accrual basis.

(n) Government grants

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

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

Government grants relating to property, plant and equipment are treated as deferred income and are credited to the statement of profit and loss on a systematic basis over the expected useful life of the related asset to match them with the costs for which they are intended to compensate and presented within other income.

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

(o) Leases

(i) Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

The arrangement is, or contains, a lease if fulfillment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values. If it is concluded for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. The liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the incremental borrowing rate.

(ii) Assets held under leases

Leases of property, plant and equipment that transfer to the Company substantially all the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Company's Balance Sheet. Payments made under operating leases are recognised in the Statement of Profit or Loss on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with general inflation.

(iii) Lease payments

Payments made under operating leases are generally recognised in Statement of Profit and Loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

(p) Income tax

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

i) Current tax

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

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

ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits. Deferred tax is not recognised for:

– temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction.

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

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

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

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

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

(q) Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 43 for segment information presented.

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker.

The Company's Whole Time Director (WTD) has been identified as being the Chief Operating Decision Maker. Refer Note 43 for segment information presented.

(r) Borrowing costs

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

(s) Cash and cash equivalents

Cash and cash equivalents include cash and cash-on-deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

(t) Cash flow statement

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

(u) Earnings per share

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

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

(v) Determination of fair values

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

i) Financial assets

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

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

ii) Trade and other receivables

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

iii) Financial liabilities

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

(w) Recent accounting pronouncement

Ind AS 115- Revenue from Contract with Customers: On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

the entity's contracts with customers. The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company has completed an initial assessment of the potential impact of the adoption of Ind AS 115 on accounting policies followed in its financial statements. The Company has done a preliminary assessment and does not expect a significant impact due to the adoption of the standard.

The Company plans to apply Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 1 April 2018) in retained earnings. As a result, the Company will not present relevant individual line items appearing under comparative period presentation.

Amendment to Existing issued Ind AS:

Ind AS 12 - Income Taxes;

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates;

Ind AS 28 - Investment in Associates and Joint Ventures; and

Ind AS 112 - Disclosure of Interests in Other Entities.

The impact of the above standards on the financial statements, as assessed by the Company, is not expected to be material.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

4. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Freehold Land (a)	Buildings	Plant and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total
Reconciliation of carrying amount								
Cost or deemed cost								
(gross carrying amount)								
Balance at 1 April 2016	36,427.20	3,485.30	24,642.80	37.08	41.88	135.18	11.15	64,780.59
Additions during the year	-	199.25	2,015.10	117.27	8.17	35.66	12.69	2,388.14
Disposals / discard during the year	-	0.83	473.03	5.23	0.27	11.47	0.07	490.90
Balance at 31 March 2017	**36,427.20**	**3,683.72**	**26,184.87**	**149.12**	**49.78**	**159.37**	**23.77**	**66,677.83**
Additions during the year	-	303.99	1,885.83	23.84	10.87	62.86	8.08	2,295.47
Disposals / discard during the year	-	-	78.69	1.65	-	7.77	-	88.11
Balance at 31 March 2018	**36,427.20**	**3,987.71**	**27,992.01**	**171.31**	**60.65**	**214.46**	**31.85**	**68,885.19**
Accumulated Depreciation								
Charge for 2016-17 (b)	-	147.51	1,673.52	113.47	6.60	24.89	4.02	1,970.01
Disposals / discard during 2016-17	-	-	189.04	4.88	0.23	7.09	0.07	201.31
Balance at 31 March 2017	**-**	**147.51**	**1,484.48**	**108.59**	**6.37**	**17.80**	**3.95**	**1,768.70**
Charge for the year (b)	-	159.30	1,650.30	14.02	7.11	28.46	6.82	1,866.01
Disposals / discard during the year	-	-	28.92	0.85	-	7.37	-	37.14
Balance at 31 March 2018	**-**	**306.81**	**3,105.86**	**121.76**	**13.48**	**38.89**	**10.77**	**3,597.57**
Carrying amount (net)								
At 1 April 2016	36,427.20	3,485.30	24,642.80	37.08	41.88	135.18	11.15	64,780.59
At 31 March 2017	36,427.20	3,536.21	24,700.39	40.53	43.41	141.57	19.82	64,909.13
At 31 March 2018	**36,427.20**	**3,680.90**	**24,886.15**	**49.55**	**47.17**	**175.57**	**21.08**	**65,287.62**

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

(b) Includes ₹ 6.78 lakhs (31 March 2017: ₹ 3.93 lakhs) in relation to biological assets other than bearer plants.

(c) Property, plant and equipments given as Security for borrowings [Note 20].

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

5. Capital Work-in-Progress

(₹ in lakhs)

Particulars	Capital Work-in-Progress
Reconciliation of carrying amount	
Balance at 1 April 2016	755.07
Add: Additions during the year	1,274.77
Less: Transfer to Property, Plant and Equipment	1,914.87
Balance at 31 March 2017	114.97
Add: Additions during the year	1,750.01
Less: Transfer to Property, Plant and Equipment	1,660.59
Balance at 31 March 2018	**204.39**
Carrying amount (net)	
At 1 April 2016	755.07
At 31 March 2017	114.97
At 31 March 2018	**204.39**

6. Other Intangible Assets

(₹ in lakhs)

Particulars	Computer Software
Computer Software:	
Reconciliation of carrying amount	
Cost or deemed cost :	
(gross carrying amount)	
Balance at 1 April 2016	25.53
Add : Additions during the year	15.03
Balance at 31 March 2017	40.56
Add : Additions during the year	3.69
Balance at 31 March 2018	**44.25**
Accumulated amortisation :	
Amortisation for 2016-17	20.38
Balance at 31 March 2017	20.38
Amortisation for the year	9.08
Balance at 31 March 2018	**29.46**
Carrying amount (net)	
At 1 April 2016	25.53
At 31 March 2017	20.18
At 31 March 2018	**14.79**

7. Investments

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A. Non-current Investments			
Government securities (unquoted) carried at amortised cost *			
11% Bihar State Development Loan, 2001	0.53	0.53	0.53
7 Years National Savings Certificates	0.07	0.07	0.07
6 Years National Savings Certificates	0.08	0.07	0.07
	0.68	**0.67**	**0.67**

* Deposited / pledged with various Government authorities.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

8. Inventories

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Value at lower of cost and net realisable value			
Raw materials	1,515.40	931.60	926.14
Work-in-progress	638.18	340.04	342.61
Finished goods	40,170.52	38,304.23	33,431.02
Stores, chemicals and spare parts*	1,056.08	1,086.57	1,002.03
Bio-compost	60.36	59.87	78.72
Valued at estimated realisable value			
By-Products	1,920.09	1,918.50	1,880.11
Scrap	39.53	39.64	22.35
	45,400.16	**42,680.45**	**37,682.98**
*** includes stock in transit:**			
Stores, chemicals and spare parts	1.43	20.98	3.92

(a) The write-down of inventories to net realisable value during the year amounted to ₹ 4,552.82 lakhs (31 March 2017: ₹ Nil; 1 April 2016: ₹ Nil). These are recognised as expenses during the respective period and included in changes in inventories of finished goods and work in progress.

(b) Inventories are hypothecated / pledged against borrowings [Note 20].

9. Biological assets other than bearer plants

(₹ in lakhs)

Particulars	Sugar cane and others
Reconciliation of carrying amount	
Balance at 1 April 2016	91.33
Expenditure during the year	72.95
Change in fair value	8.66
New Crop Plantations	54.78
Decrease due to harvested sugarcane transferred to inventory [including captive consumption of ₹ 96.35 lakhs]	(172.94)
Balance at 31 March 2017	54.78
Expenditure during the year	77.60
Change in fair value	78.92
New Crop Plantations	81.41
Decrease due to harvested sugarcane transferred to inventory [including captive consumption of ₹ 114.26 lakhs]	(211.30)
Balance at 31 March 2018	**81.41**
Carrying amount (net)	
At 1 April 2016	91.33
At 31 March 2017	54.78
At 31 March 2018	**81.41**

A. Measurement of fair values

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

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

B. Risk management strategy related to agricultural activities

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

i. Regulatory and environmental risks

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

ii. Supply and demand risk

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

iii. Climate and other risks

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

10. Trade receivables

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Unsecured, considered good	1,901.80	1,158.21	1,198.28
Unsecured, considered doubtful	-	2.95	2.95
	1,901.80	**1,161.16**	**1,201.23**
Less : Provision for loss allowances	-	2.95	2.95
	1,901.80	**1,158.21**	**1,198.28**
Non-current	-	-	-
Current	1,901.80	1,158.21	1,198.28

(a) No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. Further no trade or other receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.

(b) Information about the Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 48(C).

(c) Trade receivables are hypothecated against borrowings [Note 20].

11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Cash and cash equivalents			
Cash on hand	11.26	28.47	30.16
Cheques on hand	-	54.36	-
Balances with banks			
- Current accounts	63.85	62.34	102.41
	75.11	**145.17**	**132.57**

12. Other bank balances

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Earmarked balances with bank for unpaid dividend account	2.17	-	-
Earmarked balances in Post office saving bank account*	0.13	0.13	0.13
	2.30	**0.13**	**0.13**

* Pledged / lodged with the Government Authorities as Security.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

13. Loans

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured, considered good)			
Non-current			
Security and other deposits	2.11	2.71	1.81
	2.11	**2.71**	**1.81**
Current			
Security and other deposits	12.42	6.43	4.92
Loans to employees	32.00	24.16	20.77
	44.42	**30.59**	**25.69**

14. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured, considered good)			
Current			
Renewable Energy Certificates Entitlement	23.03	381.04	436.37
Interest accrued on loans, advances, investments etc.	5.94	4.70	2.74
	28.97	**385.74**	**439.11**

15. Current Tax Assets / (Liabilities) (net)

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance tax and tax deducted at sources	2,344.56	0.15	-
Less: Provision for taxation	2,122.91	1,880.00	-
	221.65	**(1,879.85)**	**-**

16. Other Non-current Assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured, considered good)			
Capital Advances	34.00	10.34	94.03
Advances other than Capital Advances			
Other advances			
- Deposits against demand under appeal and / or under dispute	89.15	90.82	89.26
- Prepaid Expenses	2.40	3.92	7.28
	91.55	**94.74**	**96.54**
	125.55	**105.08**	**190.57**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(Unsecured, considered good except stated otherwise)			
Advances other than Capital Advances			
Advances to supplier and others			
- Unsecured, considered good	484.38	470.97	435.16
- Unsecured, considered doubtful	53.36	71.61	60.98
	537.74	542.58	496.14
Less : Provision for loss allowances	53.36	71.61	60.98
	484.38	**470.97**	**435.16**
Other advances			
- Claims / refunds receivable	697.96	693.44	2,720.60
- Balance with Excise and other Government Authorities	98.96	307.07	272.60
- Prepaid Expenses	21.40	19.23	15.44
	818.32	**1,019.74**	**3,008.64**
	1,302.70	**1,490.71**	**3,443.80**

18. Share Capital

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised:			
2,51,00,000 (31 March 2017: 1,51,00,000 ; 1 April 2016: 50,000) Equity shares of ₹ 10 each	2,510.00	1,510.00	5.00
15,00,000 (31 March 2017: 15,00,000 ; 1 April 2016: Nil) Preference shares of ₹ 100 each	1,500.00	1,500.00	-
	4,010.00	**3,010.00***	**5.00**
Issued, subscribed and fully paid-up:			
1,00,65,450 (31 March 2017: 1,00,65,450**; 1 April 2016: Nil***) equity shares of ₹ 10 each	1,006.55	1,006.55	-
	1,006.55	**1,006.55**	**-**

* includes ₹ 10.00 lakhs pertaining to VSEL transferred by virtue of the Scheme [Note 50(C)(I)].

** issued pursuant to the Scheme [Note 50(C)(I)].

*** after considering cancellation of 50,000 shares of ₹ 10 each pursuant to the Scheme [Note 50(C)(II)].

11,50,000 12% Non-convertible cumulative redeemable preference shares of ₹ 100 each issued are classified as financial liability. [Note 20]

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

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	(₹) in lakhs	No. of shares	(₹) in lakhs
Equity shares				
At the beginning of the year	1,00,65,450	1,006.55	50,000	5.00
Share cancelled pursuant to the Scheme [Note 46(C)(b)]	-	-	(50,000)	(5.00)
Issued pursuant to the Scheme during the year [Note 50C)(I)] #	-	-	1,00,65,450	1,006.55
At the end of the year	**1,00,65,450**	**1,006.55**	**1,00,65,450**	**1,006.55**

Pending allotment, the same has been disclosed as **Share Capital Suspense** as on 1 April 2016 in the Balance Sheet.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

18. Share Capital (Contd.)

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

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

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

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

	As at 31 March 2018		As at 31 March 2017	
	No. of shares	% of total shares in the class	No. of shares	% of total shares in the class
Equity shares of ₹ 10 each fully paid up held by				
SIL Investments Limited	12,04,756	11.97	12,04,756	11.97
Avadh Sugar & Energy Limited	10,61,539	10.55	10,61,539	10.55
New India Retailing & Investment Limited	7,54,636	7.50	7,54,636	7.50
Mrs. Nandini Nopany	6,31,646	6.28	6,31,646	6.28
Navjeevan Medical Institute	5,59,398	5.56	5,59,398	5.56
Yashovardhan Investment & Trading Company Limited	5,12,650	5.09	5,12,650	5.09
Hargaon Investment & Trading Company Limited	5,12,399	5.09	5,12,399	5.09

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

	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 31 March 2015
Equity shares of ₹ 10 each allotted as fully paid-up pursuant to the Scheme [Note 50(C)(I)]	-	1,00,65,450	-	-
Preference shares of ₹ 100 each allotted as fully paid-up pursuant to the Scheme [Note 50(C)(I)]	-	11,50,000	-	-

Note: As the Company was incorporated on 19 March 2015, disclosure of number of shares issued for consideration other than cash for the year ended 31 March 2014 is not applicable and hence not disclosed.

19. Other Equity

(₹ in lakhs)

	Note	As at 1 April 2016	Movement during the year	As at 31 March 2017	Movement during the year	As at 31 March 2018
Capital Reserve	a	36,897.75	-	36,897.75	-	36,897.75
Capital Redemption Reserve	b	-	1,150.00	1,150.00	-	1,150.00
Molasses Storage and Maintenance Reserve	c	9.89	-	9.89	-	9.89
Retained Earnings	d	(3,484.76)	4,539.80	1,055.04	2,278.70	3,333.74
		33,422.88	**5,689.80**	**39,112.68**	**2,278.70**	**41,391.38**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

19. Other Equity (Contd.)

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

(a) Capital Reserve

The difference between the net fair / book value of assets and liabilities of the sugar business undertakings acquired and shares issued to the shareholders of VSEL and UGSIL under the Scheme had been credited to Capital Reserve [Note 50(C)(IV)].

(b) Capital Redemption Reserve

The Company had created Capital Redemption Reserve aggregating to ₹ 1,150 lakhs on Non-convertible cumulative redeemable preference shares in accordance with the Companies Act, 2013.

(c) Molasses Storage & Maintenance Reserve

The Storage fund for molasses which had been earmarked in the earlier years as per the relevant provisions of the State laws.

(d) Retained Earnings

It comprise of accumulated profit / (loss) of the Company. The movement is on account of following:

(₹ in lakhs)

		Year ended 31 March 2018	Year ended 31 March 2017
(i)	Profit for the year	2,491.14	5,784.42
(ii)	Remeasurement of defined benefit liability / (asset)	29.85	(94.62)
(iii)	Dividend (including dividend distribution tax) on equity shares (refer details below)	(242.29)	-
(iv)	Transfer to Capital Redemption Reserve	-	(1,150.00)
		2,278.70	**4,539.80**

Dividends (including dividend distribution tax) on Equity Shares

The following dividends were declared and paid by the Company:

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
₹ 2 per equity share (31 March 2017: ₹ Nil) as final dividend	201.31	-
Dividend distribution tax on final dividend to equity shareholders	40.98	-
	242.29	**-**

After the reporting date, the following dividends (excluding dividend distribution tax) were proposed by the board of directors subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities. Dividends would attract dividend distribution tax when declared or paid.

(₹ in lakhs)

	As at 31 March 2018	As at 31 March 2017
Proposed dividend for the year ended 31 March 2018 ₹ 1 per share (31 March 2017: ₹ 2 per share)	100.65	201.31
	100.65	**201.31**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

20. Borrowings

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current Borrowings			
Term Loans (secured)			
From banks -			
Under project finance / corporate loan scheme	1,800.01	3,856.78	5,041.78
Term loan	-	450.65	539.49
Rupee term loan	8,429.76	-	-
Under financial assistance scheme (SEFASU 2014)	1,733.53	2,928.44	4,125.68
Under financial assistance scheme (SOFT 2015 Central)	-	4,336.27	4,329.97
Under financial assistance scheme (SOFT 2015 Bihar)	3,524.41	4,679.23	5,841.62
From sugar development fund	1,427.32	2,243.59	3,594.72
Term Loans (unsecured)			
From a bank -			
Medium term loan	1,500.00	-	-
	18,415.03	**18,494.96**	**23,473.26**
Non-convertible Cumulative Redeemable Preference Shares (unsecured)			
11,50,000 12% preference shares of ₹ 100/- each	-	1,567.37	1,401.42
	-	**1,567.37**	**1,401.42**
	18,415.03	**20,062.33**	**24,874.68**
Less : Current portion of Non-current borrowings [Note 22]	5,609.53	5,425.48	4,774.50
	12,805.50	**14,636.85**	**20,100.18**
Current Borrowings			
Secured			
From banks (repayable on demand)			
Cash credit including working capital demand loan	26,256.76	25,233.62	21,892.31
Unsecured			
Short term loan from a bank	500.00	-	-
Inter-corporate deposits	6,725.00	950.00	3,135.50
	33,481.76	**26,183.62**	**25,027.81**

Information about the Company's exposure to interest and liquidity risk is included in Note 48(C).

A. Nature of Security and Terms of repayment

(i) Term Loans

(a) Term loan from a bank under corporate loan scheme, carry interest in the range of 11.35 % to 11.60 % p.a. and is repayable in 20 quarterly instalments by June 2020. This loan is secured by first mortgage / charge created / to be created on all the fixed assets, present and future, of the Company, ranking pari-passu amongst the various lenders.

(b) Rupee Term Loans from a bank, carry interest @ 10.20% p.a. and are repayable in 14 / 28 quarterly installments starting from September, 2018 and ending by June, 2025. These loans are secured by first mortgage / charge created / to be created on entire fixed assets, present and future, of the Company, ranking pari-passu amongst the various lenders.

The same is further secured by pledge of 30 lakhs shares of Sutlej Textiles & Industries Ltd. and 12.63 lakhs shares of Chambal Fertilisers & Chemicals Ltd. held by a promoter company.

(c) Term loans from banks under Scheme for Extending Financial Assistance to Sugar Undertakings (SEFASU 2014) carry interest @ 12 % p.a. and are repayable in monthly / quarterly installments by June, 2019. The Company is entitled to interest subvention from the Government of India upto 12% as per terms of the Scheme and the same will be directly reimbursed to banks by the Department of Food & Public

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

Distribution and hence, no liability towards interest has been provided for in these financial statements. The above loans are secured by first pari-passu charge created / to be created on all the fixed assets, both present and future, of the Company, ranking pari-passu amongst the various lenders.

(d) Term loans from a bank under Financial Assistance Scheme of the State Government of Bihar (SOFT Loan 2015), carry interest in the range of 12.35 % to 12.80% p.a. and repayable in 20 equal quarterly instalments by 31st March, 2021. The Company is entitled to interest subvention from the State Government of Bihar upto 10% p.a. as per terms of the Scheme and the same will be reimbursed directly to Banks by the State Government of Bihar and hence, no liability towards interest under subvention has been provided for in these financial statements. The above loans are secured by first mortgage /charge created / to be created on all the fixed assets, both present and future, of the Company, ranking pari-passu amongst the various lenders.

(e) Term loan from the Sugar Development Fund (SDF), carry interest @ 4 % p.a. and is secured by second charge on all the immovable and movable assets (save and except book debts), present and future, of the Company's Sugar unit at Sidhwalia (including Co-generation plant). The SDF loan is repayable in 5 equal yearly instalments ending on September 2019.

(f) Medium Term Loan (Unsecured) from a bank, carry interest at the rate of 9.10% p.a. and is repayable in 3 (three) quarterly instalments from October, 2018 to April, 2019.

(ii) Cash credit including working capital demand loan

(a) Cash Credit from Banks, other than from DCB Bank Ltd., is secured by hypothecation of all current assets of Sugar units of the Company ranking pari-passu amongst the various lenders and also by 2nd / 3rd charge created/ to be created on all the fixed assets of the Company.

(b) Cash Credit ₹ 2,000 lakhs and Commodity Finance ₹ 4,500 lakhs from DCB Bank Ltd, are secured by hypothecation of current assets of Sugar unit at Narkatiaganj and pledge of the stock of sugar pertaining to Sugar unit at Sidhwalia, respectively.

(c) Cash Credit borrowings including Working Capital Demand Loan (WCDL) carry interest in the range of 8.65% to 11.65% p.a. However, Working Capital Demand Loans are repayable within a period of 3 (three) months.

(d) Short term loan (unsecured) from a bank carrying interest @ 8.90% p.a. and is repayable within a period of 3 (three) months by April, 2018.

B. Non-convertible Cumulative Redeemable Preference Shares

(i) Rights, preferences and restrictions attached to 12% Non-convertible cumulative redeemable preference shares of ₹ 100 each

The Non-convertible Cumulative Redeemable Preference Shares (NCCRPS) of ₹ 100 each carries dividend @ 12% per annum. NCCRPS were redeemable at par on 24 September 2019 being five years from the date of the original allotment i.e. 25 September 2014 with a right vested to the Board of Directors to redeem it earlier. The same has been redeemed during the year.

21. Trade Payables

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Dues to micro enterprises and small enterprises [Note 45]	65.87	45.34	36.33
Trade payables (other than micro enterprises and small enterprises)	16,920.22	10,434.61	13,646.86
	16,986.09	**10,479.95**	**13,683.19**

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 48(C).

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

22. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current			
Trade and other deposits	7.00	8.50	8.50
Interest accrued but not due	169.64	339.29	555.48
	176.64	**347.79**	**563.98**
Current			
Current portion of Non-current borrowings [Note 20]	5,609.53	5,425.48	4,774.50
Interest accrued but not due	95.00	507.43	429.12
Crop loan from a bank pending disbursement to cane growers	-	3,799.00	5,731.20
Payable to employees	550.81	899.99	427.67
Liability for capital goods	39.72	176.17	13.60
Unclaimed dividend *	2.17	-	-
Other payables	6.63	63.94	76.18
	6,303.86	**10,872.01**	**11,452.27**

* There is no amount due and outstanding to be credited to Investor Education and Protection fund.

Information about the Company's exposure to liquidity risks related to the above financial liabilities is disclosed in Note 48(C).

23. Provisions

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Provision for employee benefits			
Net defined benefit liability - Gratuity [Note 42]	545.93	551.39	391.76
Liability for compensated absences	111.24	77.11	64.82
	657.17	628.50	456.58
Other Provisions			
For litigation, claims and contingencies	89.41	89.41	89.41
	89.41	89.41	89.41
	746.58	**717.91**	**545.99**
Non-current	303.26	380.48	310.79
Current	443.32	337.43	235.20
	746.58	**717.91**	**545.99**

24. Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31 March 2017	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2018
Deferred tax liabilities				
Property, plant and equipments including intangible assets	5,824.73	19.65	-	5,844.38
	5,824.73	19.65	-	5,844.38
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	3,132.67	(402.69)	-	2,729.98
MAT credit entitlement *	-	2,122.00	-	2,122.00
Provisions - employee benefits	217.51	25.72	(15.80)	227.43
Provisions - others	25.80	(7.33)	-	18.47
	3,375.98	**1,737.70**	**(15.80)**	**5,097.88**
Net deferred tax liabilities / (assets)	**2,448.75**	**(1,718.05)**	**15.80**	**746.50**

* Includes ₹ 1,880.00 lakhs pertaining to earlier year.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

24. Deferred Tax Liabilities (net) (Contd.)

(₹ in lakhs)

Particulars	As at 1 April 2016	Recognised in profit or loss	Recognised in other comprehensive income	As at 31 March 2017
Deferred tax liabilities				
Property, plant and equipments including intangible assets	5,693.42	131.31	-	5,824.73
	5,693.42	131.31	-	5,824.73
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	6,637.23	(3,504.56)	-	3,132.67
Provisions - employee benefits	158.01	9.43	50.07	217.51
Provisions - others	22.12	3.68	-	25.80
	6,817.36	(3,491.45)	50.07	3,375.98
Less : Deferred tax asset not recognised *	1,123.94	(1,123.94)	-	-
	5,693.42	**(2,367.51)**	**50.07**	**3,375.98**
Net deferred tax liabilities / (assets)	**-**	**2,498.82**	**(50.07)**	**2,448.75**

* Deferred tax assets have been recognised to the extent of Deferred tax liabilities.

(a) The ultimate realisation of the deferred tax assets, carried forward losses and unused tax credits is dependent upon the generation of future taxable income during the periods in which the temporary difference become deductible. Management considers the scheduled reversals of deferred tax liabilities, projected future taxable income and the planning strategies in making this assessment. Based on the historical taxable income and projection of future taxable income over the periods in which the deferred tax assets are deductible, management believes that the Company will realise the benefits of those recognised deductible differences, carried forward losses and portion of unused tax credits.

(b) MAT credit entitlement is the amount which can be recovered and set off in subsequent years as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

(₹ in lakhs)

Particulars	Amount	Year of expiry #
As at 31 March 2018	242.00	Assessment Year (AY) 2032-33
	1,880.00	Assessment Year (AY) 2033-34
	2,122.00	

Expiry date has been stated based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date.

25. Other Non-Current Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred Income on Government Grant	381.88	424.68	363.90
	381.88	**424.68**	**363.90**

26. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Advance against Sale of Goods / Property, plant and equipments	254.08	247.93	136.50
Statutory dues	319.28	230.75	82.01
Excise duty on closing stock*	-	2,352.36	2,360.97
Deferred Income on Government Grant	93.56	156.84	21.90
	666.92	**2,987.88**	**2,601.38**

* not applicable due to applicability of GST laws w.e.f. 1 July 2017.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

27. Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Sale of Goods (including excise duty) (A)		
Finished goods	68,540.67	67,674.13
Power	2,633.28	2,563.53
By products	851.17	1,048.63
Others	245.13	381.41
	72,270.25	71,667.70
Other operating revenue (B)		
Excise duty reimbursement	154.38	-
Renewable Energy Certificates Credit	154.67	174.31
Scrap Sales	10.94	21.36
	319.99	195.67
Total revenue from operations (A+B)	**72,590.24**	**71,863.37**

28. Other Income

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest income on:		
- Loans, deposits, advances etc.	72.47	35.00
Government Grant	23.01	33.45
Insurance and other claims	1.57	17.42
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	61.82	56.00
Change in fair value of biological asset other than bearer plants [Note 9]	78.92	8.66
Miscellaneous receipts	47.41	30.06
	285.20	**180.59**

29. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Inventory of materials at the beginning of the year	931.60	926.14
Add : Purchases and procurement expenses	60,921.21	48,541.26
	61,852.81	49,467.40
Less: Inventory of materials at the end of the year	1,515.40	931.60
	60,337.41	**48,535.80**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Inventories at the end of the year		
Finished goods	40,170.52	38,304.23
By Products	1,920.09	1,918.50
Work-in-progress	638.18	340.04
Bio-compost	60.36	59.87
Scrap	39.53	39.64
	42,828.68	**40,662.28**
Inventories at the beginning of the year		
Finished goods	38,304.23	33,431.02
By Products	1,918.50	1,880.11
Work-in-progress	340.04	342.61
Bio-compost	59.87	78.72
Scrap	39.64	22.35
	40,662.28	**35,754.81**
	(2,166.40)	(4,907.47)
Decrease of excise duty on inventories	(2,442.77)	(69.22)
	(4,609.17)	**(4,976.69)**

31. Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Salaries, wages, bonus etc.	3,576.75	3,448.70
Contribution to provident and other funds	304.12	255.17
Expenses related to post-employment defined benefit plans [Note 42]	131.15	95.22
Staff welfare expenses	91.47	76.05
	4,103.49	**3,875.14**

32. Finance costs

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Interest expense on financial liabilities measured at amortised cost	4,188.42	3,808.47
Dividends on redeemable preference share classified as financial liabilities measured at amortised cost (including related dividend distribution tax)	105.48	165.95
Interest on income tax	40.07	95.00
	4,333.97	**4,069.42**

33. Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation of property, plant and equipment * [Note 4]	1,859.23	1,966.08
Amortisation of intangible assets [Note 6]	9.08	20.38
	1,868.31	**1,986.46**

* excluding ₹ **6.78 lakhs** (31 March 2017: ₹ 3.93 lakhs) incurred in relation to biological assets other than bearer plants [Note 9].

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

34. Other expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
Consumption of stores and spares		868.12		659.38
Packing materials		755.49		567.13
Power and fuel		368.39		264.54
Repairs to:				
- Buildings		292.59		172.26
- Machinery		1,533.23		1,367.33
- Others		32.56		36.67
Rent		67.95		36.37
Rates and taxes		26.39		57.94
Insurance		60.68		59.15
Payment to auditors' [refer Note (a) below]		21.68		45.08
Payment to cost auditors		1.10		0.61
Commission on sales		256.91		241.60
Freight and forwarding charges		355.83		307.01
Charity and donations		10.97		2.73
Provision for bad and doubtful debts / advances		1.95		13.67
Bad debts, irrecoverable claims and advances written off	8.96		2.13	
Less : Adjusted against provisions	7.33	1.63	-	2.13
Loss on sale / discard of Property, Plant and Equipment (net)		49.91		154.63
Contribution towards Corporate Social Responsibility expenses [refer Note (b) below]		69.37		-
Director's sitting fees		18.40		-
Director's commission		11.83		-
Miscellaneous expenses		771.96		620.03
		5,576.94		**4,608.26**

(a) Payment to auditors'

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
As Auditors		
- Statutory audit	12.00	21.00
- Limited review of quarterly results	7.20	12.60
In other capacity		
- Tax audit	-	7.25
- For certificates and other services	1.00	1.59
Reimbursement of expenses	1.48	2.64
	21.68	**45.08**

₹ 45.08 lakhs of previous year paid to erstwhile auditors.

(b) Contribution towards Corporate Social Responsibility expenses

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(A) Gross amount required to be spent by the Company during the year	69.00	-
(B) Amount spent during the year on:		
(i) Construction / acquisition of any asset		
- In Cash	-	-
- Yet to be paid in cash	-	-
Total	**-**	**-**
(ii) On purpose other than (i) above		
- In Cash	69.37	-
- Yet to be paid in cash	-	-
Total	**69.37**	**-**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

35. Tax expense

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Current tax	242.00	1,880.00
Income tax for earlier years	0.91	-
Deferred tax		
Attributable to origination and reversal of temporary differences / MAT Credit	(1,718.05)	2,498.82
Total tax expense for the year	**(1,475.14)**	**4,378.82**

Reconciliation of tax expense and the accounting profit multiplied by Indian domestic tax rate:

Particulars	Year ended 31 March 2018		Year ended 31 March 2017	
	Rate	₹ in lakhs	Rate	₹ in lakhs
Accounting Profit before tax		**1,016.00**		**10,163.24**
Tax using the Company's domestic tax rate	34.608%	351.62	34.608%	3,517.29
Add / (Less) Tax effect of:				
– Lower recognition of Deferred Tax Expense due to non-recognition of deferred tax assets in earlier periods		-		(1,123.94)
– Recognition of MAT Credit for earlier year		(1,880.00)		-
– Non-recognition of MAT Credit		-		1,880.00
– Interest expense on Preference shares classified as liability not deductible for tax purposes		36.50		57.43
– Amount related to earlier years		0.91		-
– Other permanent differences		15.83		48.04
Tax expense recognised in the Statement of Profit and Loss		**(1,475.14)**		**4,378.82**

36. Earnings per equity share (EPS)

Basic and Diluted earnings per share

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

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
(i) Profit / (loss) attributable to equity shareholders (₹ in lakhs)	2,491.14	5,784.42
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	1,00,65,450	1,00,65,450
(iii) **Earning per equity share [Nominal value of share ₹ 10] [(i)/(ii)]**		
Basic & Diluted (₹)	24.75	57.47

There is no dilutive potential equity share.

37. Capital and Other Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) ₹ **245.00 lakhs** (31 March 2017: ₹ 77.75 lakhs, 1 April 2016: ₹ 340.92 lakhs).

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

38. Contingent Liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(a) Claims against the Company not acknowledged as debt			
(i) Excise duty and service tax	4,254.31	4,260.90	5,271.90
(ii) Sales and entry tax	129.40	129.40	133.59
(iii) Duty under state acts	321.41	321.41	317.08
(iv) Others	20.94	20.94	40.89
Total *	**4,726.06**	**4,732.65**	**5,763.46**

*** Notes:**

a. Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.

b. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. Also, the Company does not expect any reimbursements in respect of the above contingent liabilities.

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
(b) Corporate guarantees given to bank	**-**	**898.80**	**1,523.16**

(c) 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.

39. The Company has lodged / in the process of filing claims, for the losses incurred due to flood during the year at one of the units. Pending finalisation / acceptance of the claim by the Insurance Company, no accounting adjustment for such claims amounting to ₹ 477.00 lakhs net of salvage value recovered, has been made in the books of account as a matter of prudence.

40. The Central Government, pursuant to notification dated May 9, 2018 issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for financial assistance of ₹ 5.50 per quintal of actual sugarcane crushed during sugar season 2017-18 or the proportionate inter-se allocation of 28,000 lakhs quintals of sugarcane to be crushed (for sugar season 2017-18) on the basis of their average sugar production of last two sugar seasons and current season (upto February, 2018), whichever is lower. Such financial assistance is subject to fulfillment of certain eligibility conditions as specified therein. Pending compliance of such conditions, no accounting adjustment in this regard has been made in the books of account.

41. Operating Lease

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

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Amount recognised in the Statement of Profit and Loss*	67.95	36.37

* excluding ₹ **9.43 lakhs** (31 March 2017: ₹ 7.73 lakhs) incurred in relation to biological assets other than bearer plants [Note 9].

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

42. Assets and Liabilities relating to employee defined benefits

Defined benefits - Gratuity Plan

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

Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Present value of defined benefit obligations	1,263.39	1,263.29	1,074.28
Fair value of plan assets	717.46	711.90	682.52
Net defined benefit liabilities	**545.93**	**551.39**	**391.76**

Defined contribution plans

(₹ in lakhs)

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
Contribution to Provident / Pension Funds *	300.56	255.17
Contribution to Superannuation Fund	3.56	-
	304.12	**255.17**

* excluding ₹ **1.47 lakhs** (31 March 2017: ₹ 1.48 lakhs) incurred in relation to biological assets other than bearer plants [Note 9].

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

The Company expects to contribute ₹ 242.67 lakhs to Gratuity Fund in the next year.

Inherent risk

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

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

Reconciliation of the net defined benefit liabilities:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	1,263.29	1,074.28
(b) Current service cost	92.22	64.86
(c) Interest cost	88.76	83.26
(d) Benefits paid	(140.55)	(103.37)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	(56.54)	57.26
- due to change in demographic assumptions	16.94	-
- due to experience changes	(0.73)	87.00
Balance at the end of the year	**1,263.39**	**1,263.29**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

42. Assets and Liabilities relating to employee defined benefits (Contd.)

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

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	711.90	682.52
(b) Actual return on plan assets	55.15	52.47
(c) Contributions by the employer	90.96	80.28
(d) Benefits paid	(140.55)	(103.37)
Balance at the end of the year	**717.46**	**711.90**
(iii) Actuarial gain / (loss) on plan assets		
(a) Expected Interest Income	49.83	52.90
(b) Actual return on plan assets	55.15	52.47
Actuarial gain / (loss) on plan assets	**5.32**	**(0.43)**
(iv) Expense recognised in Statement of Profit or Loss		
(a) Current service cost	92.22	64.86
(b) Interest cost	88.76	83.26
(c) Interest income	49.83	52.90
Amount charged to Profit or Loss	**131.15**	**95.22**
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligations	40.33	(144.26)
(b) Actuarial gain / (loss) on plan assets	5.32	(0.43)
Amount recognised in Other Comprehensive Income	**45.65**	**(144.69)**
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(vii) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.75%	7.00%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	**Less than 40 Years – 4.2%** **40 and Above – 1.8%**	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2006-08).

(viii) Sensitivity analysis

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

(₹ in lakhs)

Particulars	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	32.81	(34.48)	38.68	(40.79)
(b) Future salary growth (1% movement)	(71.52)	65.84	(83.22)	76.19
(c) Withdrawal assumption (4% movement)	(36.55)	27.06	(9.21)	1.24

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

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

43. Operating Segments

A. Basis for segmentation

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

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

Reportable segments	Operations
Sugar	Manufacture and sale of sugar, molasses and bagasse
Distillery	Manufacture and sale of industrial spirits (including ethanol), fusel oil and bio-compost
Co-generation	Generation and transmission of power

B. Information about reportable segments

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

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2018				
Revenue:				
Segment revenue	69,789.48	5,503.19	6,817.54	82,110.21
Less: Inter-segment revenue	5,334.75	0.96	4,184.26	9,519.97
Total revenue from operations	**64,454.73**	**5,502.23**	**2,633.28**	**72,590.24**
Segment profit before income tax	1,436.54	1,506.66	2,907.41	5,850.61
Finance costs				4,333.97
Unallocable expenses (net of unallocable income)				500.64
Profit before tax				**1,016.00**
As on 31 March 2018				
Segment assets	90,518.91	14,570.55	9,220.65	1,14,310.11
Unallocated assets				383.55
Total assets				**1,14,693.66**
Segment liabilities	19,242.31	228.87	7.18	19,478.36
Unallocated liabilities				52,817.37
Total liabilities				**72,295.73**
Year ended 31 March 2018				
Other segment information				
Capital expenditure				
- Property, Plant and Equipments	1,953.64	306.48	124.77	2,384.89
- Intangible assets	3.69	-	-	3.69
Depreciation	1,375.86	233.59	256.56	1,866.01
Amortization	9.08	-	-	9.08

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

43. Operating Segments (Contd.)

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2017				
Revenue:				
Segment revenue	68,421.97	5,654.13	6,165.46	80,241.56
Less: Inter-segment revenue	4,776.26	-	3,601.93	8,378.19
Total revenue from operations	**63,645.71**	**5,654.13**	**2,563.53**	**71,863.37**
Segment profit before income tax	10,146.84	1,697.48	2,580.99	14,425.31
Finance costs				4,069.42
Unallocable expenses (net of unallocable income)				192.65
Profit before tax				**10,163.24**
As on 31 March 2017				
Segment assets	87,483.41	14,394.49	8,730.51	1,10,608.41
Unallocated assets				490.11
Total assets				**1,11,098.52**
Segment liabilities	18,720.66	423.98	8.70	19,153.34
Unallocated liabilities				51,825.95
Total liabilities				**70,979.29**
Year ended 31 March 2017				
Other segment information				
Capital expenditure				
- Property, Plant and Equipments	517.50	1,046.40	184.14	1,748.04
- Intangible assets	15.03	-	-	15.03
Depreciation	1,519.84	182.56	267.61	1,970.01
Amortization	20.38	-	-	20.38

C. Geographical information

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

D. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31 March 2018 and 31 March 2017.

44. Related Party Disclosures

In accordance with the requirements of Indian Accounting Standard (Ind-AS) 24 "Related Party Disclosures", names of the related parties, related party relationships, transactions and outstanding balances, where control exist and with whom transactions have been taken placed during the reported periods are:

A. Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year		
Key management personnel	Mr. Chandra Shekhar Nopany	– Chairman / Non-Executive Director
	Mr. Padam Kumar Khaitan	– Independent / Non-Executive Director
	Mr. Yashwant Kumar Daga	– Independent / Non-Executive Director
	Mr. Ishwari Prosad Singh Roy	– Independent / Non-Executive Director
	Mr. Raj Kumar Bagri	– Independent / Non-Executive Director
	Mrs. Shashi Sharma	– Independent / Non-Executive Director
	Mr. Chandra Mohan	– Whole-Time Director
	Mr. Sunil Choraria	– Chief Financial Officer
	Mr. Subramanian Sathyamurthy	– Company Secretary
Relatives of key management personnel	Mrs. Nandini Nopany	– Mother of Mr. Chandra Shekhar Nopany
	Mrs. Shalini Nopany	– Wife of Mr. Chandra Shekhar Nopany

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

44. Related Party Disclosures (Contd.)

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

a. Dividend paid

(₹ in lakhs)

Particulars	Year ended	Dividend on Equity Shares	Dividend on Preference Shares	Amount owed to related parties
Mr. Chandra Shekhar Nopany	**31 March 2018**	**0.62**	**-**	**-**
	31 March 2017	-	-	-
Relatives of key management personnel				
Mrs. Nandini Nopany	**31 March 2018**	**12.63**	**-**	**-**
	31 March 2017	-	-	-

b. Director's sitting fees / commission

(₹ in lakhs)

Particulars	Year ended	Director's sitting fees	Director's commission	Amount owed to related parties
Mr. Chandra Shekhar Nopany	**31 March 2018**	**2.40**	**1.97**	**1.97**
	31 March 2017	-	-	-
Mr. Padam Kumar Khaitan	**31 March 2018**	**1.80**	**1.97**	**1.97**
	31 March 2017	-	-	-
Mr. Yashwant Kumar Daga	**31 March 2018**	**3.60**	**1.97**	**1.97**
	31 March 2017	-	-	-
Mr. Ishwari Prosad Singh Roy	**31 March 2018**	**4.20**	**1.97**	**1.97**
	31 March 2017	-	-	-
Mr. Raj Kumar Bagri	**31 March 2018**	**4.00**	**1.98**	**1.98**
	31 March 2017	-	-	-
Mrs. Shashi Sharma	**31 March 2018**	**2.40**	**1.97**	**1.97**
	31 March 2017	-	-	-

c. Remuneration to key managerial personnel

(₹ in lakhs)

Particulars	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Chandra Mohan	**31 March 2018**	**84.42**	**-**	**2.53**
	31 March 2017	52.17	-	2.26
Sunil Choraria	**31 March 2018**	**19.65**	**-**	**1.05**
	31 March 2017	-	-	-
Subramanian Sathyamurthy	**31 March 2018**	**22.31**	**-**	**1.22**
	31 March 2017	-	-	-

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

C. Details of loans, investments and guarantee covered under Section 186(4) of the Companies Act, 2013

The Company has neither given any loan nor has advanced any amount either during the year ended 31 March 2018 or year ended 31 March 2017.

D. Terms and conditions of transactions with related parties

a. The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

b. The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.

c. The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

45. Due to Micro enterprises and small enterprises

(₹ in lakhs)

Particulars		31 March 2018	31 March 2017
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year :		
	Principal amount due to micro and small enterprises	55.02	34.23
	Interest due on above	0.41	0.75
	Total	**55.43**	**34.98**
(ii)	The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	35.18	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 the MSMED Act 2006.	0.50	2.06
(iv)	The amount of interest accrued and remaining unpaid at the end of the accounting year.	10.85	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 enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	9.94	8.30

46. Government Grant

The Company is eligible to receive various government grants by way of Remissions of Sugarcane Commission to Zonal Development Council and Sugarcane Purchase tax, Capital Subsidies on acquisition of Property, plant and equipment, Production Subsidy and Interest subvention on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:

(₹ in lakhs)

Sr. No.	Particulars	Treatment in Financial Statements	Year ended / As on 31 March 2018	Year ended / As on 31 March 2017
	Revenue related Government Grants:			
(i)	Remission of Sugarcane Commission to Zonal Development Council [Note (a) below]	Deducted from "Cost of Material Consumed" in Note 29	931.78	733.71
(ii)	Remission of Sugarcane Purchase Tax [Note (b) below]	Deducted from "Cost of Material Consumed" in Note 29	347.84	288.38
(iii)	Capital Subsidy on Property, plant and equipment [Note (c) below]	Accrued amount shown as "Government Grant" in Note 28	23.01	33.45
(iv)	Reimbursement of Excise duty as Production Subsidy [Note (d) below]	Amount shown as "Exceptional Item" in Statement of Profit and Loss and as "Excise duty reimbursement" in Note 27	767.95	-
(v)	Interest Subvention on term loans [Note (e) below]	"Deducted from ""Finance costs" in Note 32	835.21	1,407.09

Sr. No.	Particulars	Treatment in Financial Statements	Year ended / As on 31 March 2018	Year ended / As on 31 March 2017
	Deferred Government Grants:			
(i)	Capital Subsidy on Property, plant and equipment [Note (c) below]	Unadjusted balance amount shown as "Deferred Income on Government Grant" in Note 25 & 26	382.33	352.35
(ii)	Interest Subvention on term loans [Note (e) below]	Unadjusted balance amount shown as "Deferred Income on Government Grant" in Note 25 & 26	93.11	229.17

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

46. Government Grant (Contd.)

Notes :

(a) The State Government of Bihar has granted Remission of Sugarcane Commission by reducing from 1.80% to 0.2.% of Sugarcane Purchase Price for the sugar season 2017-18 and 2016-17. In accordance with the accounting policy, the above reduction in sugarcane commission to Zonal Development Council applicable on sugarcane purchased during the year has been netted with the Cost of Material Consumed.

(b) The State Government of Bihar has exempted Purchase Tax @ ₹ 1.75 per quintal of Sugarcane Purchased for the sugar season 2017-18 and 2016-17. In accordance with the accounting policy, the above exemption in purchase tax applicable on sugarcane purchased during the year has been netted with the Cost of Material Consumed.

(c) It consists of Capital Subsidies received during the year 2015-16 and 2017-18 from the State Government of Bihar on acquisition of property, plant and equipment. It is being recognised proportionately in the Statement of Profit and Loss on the basis of useful life of related property, plant and equipment. Deferred Income on this Government Grant is being shown as per accounting policy as other liabilities.

(d) The State Government of Bihar under Industrial Promotion Policy, 2006 has allowed reimbursement of Excise duty on Sale of excess production of sugar over the average production in the base year. Accordingly, the Company has received / accounted for the excise duty reimbursement for the sugar season 2014-15, 2015-16 and 2016-17.

(e) The Company has obtained certain term loans from banks under financial assistance schemes (SEFASU 2014, SOFT 2015 - Central and SOFT 2015 - Bihar) and Sugar Development Fund at below market rate of interest. The difference between the fair value of the loans based on prevailing market interest rates and interest paid on such loans has been recognised in the Statement of Profit and Loss by netting with the related finance cost.

47. Exceptional items represents excise duty re-imbursement as Production Subsidy pertaining to earlier years under Industrial Promotion Policy, 2006 of the State Government of Bihar.

48. Financial instruments - fair values and risk management

A. Accounting classification and fair values

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

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31 March 2018					
Financial assets not measured at fair value					
Investment in Government Securities	-	-	0.68	0.68	0.68
Trade receivables	-	-	1,901.80	1,901.80	1,901.80
Cash and cash equivalents	-	-	75.11	75.11	75.11
Other Bank Balances	-	-	2.30	2.30	2.30
Loans	-	-	46.53	46.53	46.53
Other financial assets	-	-	28.97	28.97	28.97
	-	**-**	**2,055.39**	**2,055.39**	**2,055.39**
As at 31 March 2018					
Financial liabilities not measured at fair value					
Borrowing	-	-	51,896.79	51,896.79	51,896.79
Trade payables	-	-	16,986.09	16,986.09	16,986.09
Other financial liabilities	-	-	870.97	870.97	870.97
	-	**-**	**69,753.85**	**69,753.85**	**69,753.85**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

A. Accounting classification and fair values

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

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31 March 2017					
Financial assets not measured at fair value					
Investment in Government Securities	-	-	0.67	0.67	0.67
Trade receivables	-	-	1,158.21	1,158.21	1,158.21
Cash and cash equivalents	-	-	145.17	145.17	145.17
Other Bank Balances	-	-	0.13	0.13	0.13
Loans	-	-	33.30	33.30	33.30
Other financial assets	-	-	385.74	385.74	385.74
	-	**-**	**1,723.22**	**1,723.22**	**1,723.22**
As at 31 March 2017					
Financial liabilities not measured at fair value					
Borrowing	-	-	46,245.95	46,245.95	46,245.95
Trade payables	-	-	10,479.95	10,479.95	10,479.95
Other financial liabilities	-	-	5,794.32	5,794.32	5,794.32
	-	**-**	**62,520.22**	**62,520.22**	**62,520.22**
As at 1 April 2016					
Financial assets not measured at fair value					
Investment in Government Securities	-	-	0.67	0.67	0.67
Trade receivables	-	-	1,198.28	1,198.28	1,198.28
Cash and cash equivalents	-	-	132.57	132.57	132.57
Other Bank Balances	-	-	0.13	0.13	0.13
Loans	-	-	27.50	27.50	27.50
Other financial assets	-	-	439.11	439.11	439.11
	-	**-**	**1,798.26**	**1,798.26**	**1,798.26**
Financial liabilities not measured at fair value					
Borrowing	-	-	49,902.49	49,902.49	49,902.49
Trade payables	-	-	13,683.19	13,683.19	13,683.19
Other financial liabilities	-	-	7,241.75	7,241.75	7,241.75
	-	**-**	**70,827.43**	**70,827.43**	**70,827.43**

The management assessed that trade receivables, cash and cash equivalent, other bank balances, trade payable, cash credits including working capital loan, inter corporate deposits and other financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

B. Measurement of fair values

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in forced or liquidation sale.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

C. Financial risk management

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

(i) Credit risk

(ii) Liquidity risk

(iii) Market risk

Risk management framework

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

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

The Company's audit committee oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The audit committee is assisted in its oversight role by internal audit. Internal auditor undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

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

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

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

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables	Ageing analysis, credit rating	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk Interest rate	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Fund management
Regulatory risk	Commercial traction	Impact of policies	Monitoring of Policies and assessing impact
Commodity price risk	Commercial traction	Cash flow forecasting Sensitivity analysis	Business diversification Inventory management
Security prices	Investment in equity securities	Sensitivity analysis	Long term investment

(i) Credit risk

Credit risk is the risk of financial loss of the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally form the Company receivables from customers and loans. The Company has no significant concentration of credit risk with any counterparty. The carrying amount of financial assets represent the maximum credit risk exposure. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivable on case to case basis and has accordingly created loss allowance on trade receivables.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions representing large number of minor receivables operating in independent markets.

The Company's exposure to credit risk for trade receivables by type of counterparty is as follows.

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Government concerns (including government undertakings)	1,411.14	1,053.38	861.35
Others	490.66	104.83	336.93
	1,901.80	1,158.21	1,198.28

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

Ageing of trade receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31 March 2018	**1,233.41**	**492.04**	**171.45**	**-**	**4.90**	**1,901.80**
As at 31 March 2017	1,053.38	86.84	10.02	0.65	7.32	1,158.21
As at 1 April 2016	1,128.95	50.39	16.05	-	2.89	1,198.28

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

(ii) Liquidity risk

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. Processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

Exposure to liquidity risks

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(₹ in lakhs)

Particulars	Carrying amount	Total	Less than 1 year	1 to 2 years	2 to 5 years	More than 5 years
As at 31 March 2018						
Secured term loan from banks and others*	16,915.03	21,297.43	5,782.36	4,956.17	7,294.35	3,264.55
Unsecured term loan from a bank*	1,500.00	1,612.38	1,159.01	453.37	-	-
Cash credit including working capital demand loan	26,256.76	26,256.76	26,256.76	-	-	-
Unsecured short term loan from a bank	500.00	500.00	500.00	-	-	-
Inter-corporate deposits	6,725.00	6,725.00	6,725.00	-	-	-
Trade payables	16,986.09	16,986.09	16,986.09	-	-	-
Other financial liabilities	870.97	870.97	863.97	-	-	7.00
	69,753.85	**74,248.63**	**58,273.19**	**5,409.54**	**7,294.35**	**3,271.55**
As at 31 March 2017						
Secured term loan from banks and others*	18,494.96	21,554.15	6,663.19	6,277.99	8,289.70	323.27
Non-convertible Cumulative Redeemable Preference Share*	1,567.37	1,840.00	417.73	166.09	1,256.18	-
Cash credit including working capital demand loan	25,233.62	25,233.62	25,233.62	-	-	-
Inter-corporate deposits	950.00	950.00	950.00	-	-	-
Trade payables	10,479.95	10,479.95	10,479.95	-	-	-
Other financial liabilities	5,794.32	5,794.32	5,785.82	-	-	8.50
	62,520.22	**65,852.04**	**49,530.31**	**6,444.08**	**9,545.88**	**331.77**
As at 1 April 2016						
Secured term loan from banks and others*	23,473.26	28,692.23	6,207.46	6,995.81	14,205.38	1,283.58
Non-convertible Cumulative Redeemable Preference Share*	1,401.42	1,840.00	251.64	166.09	1,422.27	-
Cash credit including working capital demand loan	21,892.31	21,892.31	21,892.31	-	-	-
Inter-corporate deposits	3,135.50	3,135.50	3,135.50	-	-	-
Trade payables	13,683.19	13,683.19	13,683.19	-	-	-
Other financial liabilities	7,241.75	7,241.75	7,233.25	-	-	8.50
	70,827.43	**76,484.98**	**52,403.35**	**7,161.90**	**15,627.65**	**1,292.08**

* including estimated interest.

(iii) Market risk

Market risk is the risk of loss of future earnings, fair value or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, commodity prices, regulatory changes, equity prices and other market changes that effect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and borrowings.

Foreign exchange risks

All transactions of the Company are in Indian currency, consequently Company is not exposed to foreign currency risk. The Company has no outstanding foreign currency exposure or related derivative contract.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company exposure to the risk of changes in market interest rates relates primarily to the Company's long term and short term borrowing with floating interest rates. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

Currently the Company's borrowings are within acceptable risk levels, as determined by the management, hence the Company has not taken any swaps to hedge the interest rate risk.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

Exposure to interest rate risks

The interest rate profile of the Company's interest bearing financial instruments at the end of the reporting period are as follows:

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Fixed rate instruments			
Financial assets	-	-	-
Financial liabilities	8,152.32	4,760.96	8,131.64
Variable rate instruments			
Financial assets	-	-	-
Financial liabilities	43,744.47	41,484.99	41,770.85

Cash flow sensitivity analysis

Fixed rate instruments that are carried at amortised cost are not subject to interest rate risk for the purpose of sensitive analysis.

A reasonably possible change of 50 basis points in interest rate at the reporting dates would have increased or decreased equity and profit or loss by the amounts shown below:

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
Variable rate instruments	(218.72)	218.72	(143.03)	143.03
31 March 2017				
Variable rate instruments	(207.42)	207.42	(135.64)	135.64

Interest rate sensitivity has been calculated assuming the borrowings outstanding at the reporting date, have been outstanding for the entire reporting period and all other variables.

Equity risk

The Company's quoted equity instruments are susceptible to market price risk arising from uncertainties about future values of the investment securities. The reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The senior management reviews and approves all equity investment decisions.

Regulatory risk

Sugar industry is regulated both by Central Government as well as State Government. Central and State Governments policies and regulations affects the Sugar industry and the Company's operations and profitability. Spirit business is also dependent on the Government policy.

However, with the removal of major regulatory control on sugar sales by the Central Government, the regulatory risk are moderated.

Commodity price risk

The Company is exposed to the risk of price fluctuations of raw material as well as finished goods. Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The Company manages its commodity price risk by maintaining adequate inventory of raw materials and finished goods considering future price movement.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

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

Inventory sensitivity analysis (raw material, work-in-progress and finished goods)

A reasonably possible change of 10% in prices of inventory at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables remain constant.

(₹ in lakhs)

Particulars	Profit or loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31 March 2018				
Inventories (raw material, work-in-progress and finished goods)	4,232.41	(4,232.41)	2,767.66	(2,767.66)
31 March 2017				
Inventories (raw material, work-in-progress and finished goods)	3,957.59	(3,957.59)	2,587.95	(2,587.95)

49. Capital management

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

The Company's objective when managing capital are to:

(a) to maximise shareholders value and provide benefits to other stakeholders, and

(b) maintain an optimal capital structure to reduce the cost of capital.

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

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

The Company monitors capital using debt-equity ratio, which is total debt divided by total equity.

(₹ in lakhs)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Total debt (Bank and other borrowings)	51,896.79	46,245.95	49,902.49
Equity	42,397.93	40,119.23	34,429.43
Debt to equity ratio	1.22 : 1	1.15 : 1	1.45 : 1

50. Explanation of transition to Ind AS

As stated in Note 2(a), the Company has prepared its first financial statements in accordance with Ind AS. For the year ended 31 March 2017, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2014 read with the Companies (Accounting Standards) Amendment Rules, 2016 notified under Section 133 of the Act and other relevant provisions of the Act ('previous GAAP').

The accounting policies set out in note 3 have been applied in preparing the financial statements for the year ended 31 March 2018 including the comparative information for the year ended 31 March 2017 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2016.

In preparing its Ind AS balance sheet as at 1 April 2016 and in presenting the comparative information for the year ended 31 March 2017, the Company has adjusted amounts reported previously in financial statements prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Company in restating its financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing the financial statements, the Company has applied the below mentioned optional exemptions and mandatory exceptions.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

A. Optional exemptions availed

(a) Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

(i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date

(ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of revaluation, provided the revaluation was, at the date of revaluation, broadly comparable to:

- fair value;
- or cost or depreciated cost under Ind AS adjusted to reflect.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

(iii) use carrying values of property, plant and equipment and intangible assets as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Company has elected to continue with the carrying values under previous GAAP for all the items of property, plant and equipment. The same election has been made in respect of intangible assets also. There is no decommissioning liabilities to be incurred by the Company relating to property, plant and equipment.

(b) Determining whether an arrangement contains a lease

Ind AS 101 includes an optional exemption that permits an entity to apply the relevant requirements in Appendix C of Ind AS 17 for determining whether an arrangement existing at the date of transition contains a lease by considering the facts and circumstances existing at the date of transition (rather than at the inception of the arrangement).

The Company has elected to avail of above exemption.

(c) The Company has no equity investments on the date of transition i.e. 1 April 2016.

(d) Business combinations

Ind AS 101 provides the option to apply Ind AS 103 prospectively from the transition date or from a specific date prior to the transition date. This provides relief from full retrospective application that would require restatement of all business combinations prior to the transition date.

The Company elected to apply Ind AS 103 prospectively to business combinations occurring after its transition date. Business combinations occurring prior to the transition date have not been restated, accordingly Company has elected not to apply Ind-AS 103 on the scheme of arrangement, the effective date of which was 1 April 2015 [Note 1].

(e) Fair value measurement of financial assets or liabilities at initial recognition

The Company has applied the requirements of Ind AS 109, "Financial Instruments: Recognition and Measurement", wherever applicable.

B. Mandatory exceptions

(a) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error.

However, the estimates should be adjusted to reflect any differences in accounting policies.

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Company's estimates under Ind AS are consistent with the above requirement.

(b) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.

(c) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

C. Reconciliation of equity

(₹ in lakhs)

Particulars	Note	As at 31 March 2017		
		Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
ASSETS				
1 Non-Current Assets				
(a) Property, Plant and Equipment	a	64,546.09	363.04	64,909.13
(b) Capital Work-in-Progress		114.97	-	114.97
(c) Other Intangible Assets		20.18	-	20.18
(d) Financial Assets				
(i) Investments		0.67	-	0.67
(ii) Loans		2.71	-	2.71
(e) Other Non-Current Assets		105.08	-	105.08
Total Non-current Assets		**64,789.70**	**363.04**	**65,152.74**
2 Current Assets				
(a) Inventories	b	42,680.45	-	42,680.45
(b) Biological assets other than bearer plants	b	54.78	-	54.78
(c) Financial Assets				
(i) Trade Receivables		1,158.21	-	1,158.21
(ii) Cash and Cash Equivalents		145.17	-	145.17
(iii) Bank Balances other than (ii) above		0.13	-	0.13
(iv) Loans		30.59	-	30.59
(v) Other Financial Assets		385.74	-	385.74
(d) Current Tax Assets (net)		-	-	-
(e) Other Current Assets		1,490.71	-	1,490.71
Total Current Assets		**45,945.78**	**-**	**45,945.78**
TOTAL ASSETS		**1,10,735.48**	**363.04**	**1,11,098.52**
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital		1,006.55	-	1,006.55
(b) Other Equity	f	39,496.60	(383.92)	39,112.68
TOTAL EQUITY		**40,503.15**	**(383.92)**	**40,119.23**
LIABILITIES				
1 Non-Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings	c	14,463.01	173.84	14,636.85
(ii) Other Financial Liabilities		347.79	-	347.79
(b) Provisions		380.48	-	380.48
(c) Deferred Tax Liabilities (net)	f	2,457.15	(8.40)	2,448.75
(d) Other Non-Current Liabilities	a and c	-	424.68	424.68
Total Non-current Liabilities		**17,648.43**	**590.12**	**18,238.55**
2 Current Liabilities				
(a) Financial Liabilities				
(i) Borrowings		26,183.62	-	26,183.62
(ii) Trade Payable		10,479.95	-	10,479.95
(iii) Other Financial Liabilities	c	10,872.01		10,872.01
(b) Provisions		337.43	-	337.43
(c) Other Current Liabilities	a and c	2,831.04	156.84	2,987.88
(d) Current Tax Liabilities (net)		1,879.85	-	1,879.85
Total Current Liabilities		**52,583.90**	**156.84**	**52,740.74**
TOTAL LIABILITIES		**70,232.33**	**746.96**	**70,979.29**
TOTAL EQUITY AND LIABILITIES		**1,10,735.48**	**363.04**	**1,11,098.52**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

C. Reconciliation of equity (Contd.)

(₹ in lakhs)

Particulars	Note	As at 31 March 2016			
		Previous GAAP	Effect of scheme of arrangement*	Adjustment on transition to Ind AS	Ind AS
ASSETS					
1 Non-Current Assets					
(a) Property, Plant and Equipment	a	-	64,384.81	395.78	64,780.59
(b) Capital Work-in-Progress		-	755.07	-	755.07
(c) Other Intangible Assets		-	25.53	-	25.53
(d) Financial Assets					
(i) Investments		-	0.67	-	0.67
(ii) Loans		-	1.81	-	1.81
(e) Other Non-Current Assets		-	190.57	-	190.57
Total Non-current Assets		**-**	**65,358.46**	**395.78**	**65,754.24**
2 Current Assets					
(a) Inventories	b	-	37,682.98	-	37,682.98
(b) Biological assets other than bearer plants	b	-	91.33	-	91.33
(c) Financial Assets					
(i) Trade Receivables		-	1,198.28	-	1,198.28
(ii) Cash and Cash Equivalents		3.71	128.86	-	132.57
(iii) Bank Balances other than (ii) above		-	0.13	-	0.13
(iv) Loans		-	25.69	-	25.69
(v) Other Financial Assets		-	439.11	-	439.11
(d) Current Tax Assets (net)		-	-	-	-
(e) Other Current Assets		-	3,443.80	-	3,443.80
Total Current Assets		**3.71**	**43,010.18**	**-**	**43,013.89**
TOTAL ASSETS		**3.71**	**1,08,368.64**	**395.78**	**1,08,768.13**
EQUITY AND LIABILITIES					
EQUITY					
(a) Equity Share Capital Suspense	I	-	1,006.55	-	1,006.55
(b) Equity Share Capital	II	5.00	(5.00)	-	-
(c) Other Equity	III and f	(1.58)	33,626.57	(202.11)	33,422.88
TOTAL EQUITY		**3.42**	**34,628.12**	**(202.11)**	**34,429.43**
LIABILITIES					
1 Non-Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings	c	-	19,888.09	212.09	20,100.18
(ii) Other Financial Liabilities		-	563.98	-	563.98
(b) Provisions		-	310.79	-	310.79
(c) Deferred Tax Liabilities (net)		-	-	-	-
(d) Other Non-Current Liabilities	a	-	-	363.90	363.90
Total Non-current Liabilities		**-**	**20,762.86**	**575.99**	**21,338.85**
2 Current Liabilities					
(a) Financial Liabilities					
(i) Borrowings		-	25,027.81	-	25,027.81
(ii) Trade Payable		0.29	13,682.90	-	13,683.19
(iii) Other Financial Liabilities		-	11,452.27	-	11,452.27
(b) Provisions		-	235.20	-	235.20
(c) Other Current Liabilities	a	-	2,579.48	21.90	2,601.38
Total Current Liabilities		**0.29**	**52,977.66**	**21.90**	**52,999.85**
TOTAL LIABILITIES		**0.29**	**73,740.52**	**597.89**	**74,338.70**
TOTAL EQUITY AND LIABILITIES		**3.71**	**1,08,368.64**	**395.78**	**1,08,768.13**

*Represents effect of composite scheme of arrangement approved by National Company Law Tribunal from the appointed date i.e. 1st April 2015 (Refer Note 1) including impact of operation for the year 2015-16 and the relevant impacts are as under:

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

*Represents effect of composite scheme of arrangement approved by National Company Law Tribunal from the appointed date i.e. 1st April 2015 (Refer Note 1) including impact of operation for the year 2015-16 and the relevant impacts are as under: (Contd.)

I. Equity Share Capital Suspense

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

The details of share capital to be issued are as below:

Particulars	Amount (₹ in lakhs)
1,00,65,450 equity shares of ₹ 10 each *	1,006.55
11,50,000 12% NCCRPS of ₹ 100 each (classified as financial liabilities)	1,150.00
	2,156.55

Note: ₹ 10.00 lakhs has been added to the authorised share capital from VSEL by virtue of the scheme.

* Pending allotment, these have been shown as share capital suspense in the Balance sheet as at 1 April 2016 and the same have been subsequently allotted on 30 March 2017.

II. Equity Share Capital

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

III. Other Equity

Particulars	Amount (₹ in lakhs)
i) Reserve and Retained Earning arisen / transferred pursuant to the Scheme:	
Capital Reserve	36,897.75
Molasses Storage & Maintenance Reserve	9.89
ii) Net Loss for the year 2015-16	(3,281.07)
Total	**33,626.57**

IV. Capital Reserve (included in other equity above)

i) ₹ 5.00 lakhs has been credited to Capital Reserve towards cancellation of 50,000 equity shares of ₹ 10 each of the Company held by UGSIL pursuant to the scheme of arrangement.

ii) The difference of ₹ 36,892.75 lakhs 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.

Note :

The Previous GAAP figures as on 1 April 2016 and effect of scheme of arrangement have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

D. Reconciliation of total comprehensive income for the year ended 31 March 2017

(₹ in lakhs)

Particulars		Note	Year ended 31 March 2017		
			Previous GAAP*	Adjustment on transition to Ind AS	Ind AS
I.	**Revenue from Operations**	d	68,081.04	3,782.33	71,863.37
II.	**Other Income**	a	147.14	33.45	180.59
III.	**Total Income (I + II)**		**68,228.18**	**3,815.78**	**72,043.96**
IV.	**Expenses**				
	Cost of Materials Consumed		48,535.80	-	48,535.80
	Changes in inventories of Finished Goods, Stock-in-Trade and Goods under process		(4,976.69)	-	(4,976.69)
	Excise duty and cess	d	-	3,782.33	3,782.33
	Employee benefits expense	e	4,019.83	(144.69)	3,875.14
	Finance costs	c	3,878.50	190.92	4,069.42
	Depreciation and amortization expense	a	1,965.66	20.80	1,986.46
	Other expenses	a	4,596.32	11.94	4,608.26
	Total Expenses (IV)		**58,019.42**	**3,861.30**	**61,880.72**
V.	**Profits before tax (III - IV)**		**10,208.76**	**(45.52)**	**10,163.24**
VI.	**Tax expense**				
	Current tax		1,880.00	-	1,880.00
	Deferred tax	a, c and e	2,457.15	41.67	2,498.82
	Total Tax expenses (VI)		**4,337.15**	**41.67**	**4,378.82**
VII.	**Profit for the year (V-VI)**		**5,871.61**	**(87.19)**	**5,784.42**
VIII.	**Other comprehensive income**				
	Items that will not be reclassified subsequently to profit or loss				
	(a) Remeasurement of defined benefit liability / (asset)	e	-	(144.69)	(144.69)
	(b) Income taxes relating to items that will not be reclassified to profit or loss	e	-	50.07	50.07
	Other comprehensive income for the year, net of income tax		**-**	**(94.62)**	**(94.62)**
IX.	**Total comprehensive income for the year (VIII+IX)**		**5,871.61**	**(181.81)**	**5,689.80**

* The Previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

E. There were no significant reconciliation items between cash flows prepared under previous GAAP and those prepared under Ind AS.

F. Notes to the reconciliations of equity as at 1 April 2016 and 31 March 2017 and total comprehensive income for the year ended 31 March 2017

(a) Property, Plant and Equipment

Under the previous GAAP, the Company has deducted the amount of grant from the cost of the fixed assets. As a consequence to recognise the amount of unamortised deferred income as at the date of transition in accordance with paragraph 10 of Ind AS 101 relating to the period subsequent to the transition date, the corresponding amount should be made to the carrying amount of Property, Plant & Equipment (PPE) (net of cumulative depreciation impact) and retained earnings, respectively, as the grant is directly linked to PPE. Accordingly, adjustment to PPE is consequential and hence the same needs to be adjusted to the value of PPE.

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2017
Statement of Profit and Loss	
Other Income	
- Government grant	33.45
Depreciation and amortisation expenses	(20.80)
Other Expenses	
- Loss on Property, plant and equipment sold / discarded (net)	(11.94)
Deferred Tax	(0.24)
Adjustment before income tax	**0.47**

Particulars	As at 1 April 2016	As at 31 March 2017
Balance sheet		
Property, Plant and Equipments	395.78	363.04
Deferred Tax Liabilities	-	(0.24)
Other Non-current Liabilities - Deferred income on Government Grant	(363.90)	(331.56)
Other Current Liabilities - Deferred income on Government Grant	(21.90)	(20.79)
Adjustment to retained earnings	**9.98**	**10.45**

(b) Biological assets

Under the previous GAAP, there was no standard dealing with biological assets. Ind AS requires biological assets and agricultural produce within its scope to be measured at fair value less cost to sell at each balance sheet date and to be presented as separate line item on the face of the balance sheet with corresponding gain or loss to be recognized in the Statement of Profit and Loss.

(c) Borrowings at amortised cost:

Based on Ind AS 109, financial liabilities in the form of borrowings have been accounted at amortised cost using the effective interest rate method.

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2017
Statement of Profit and Loss	
Finance costs	
- Interest expense	(24.97)
- Dividends on redeemable preference share classified as financial liabilities measured at amortised cost (including related dividend distribution tax)	(165.95)
Deferred Tax	8.64
Adjustment before income tax	**(182.28)**

Particulars	As at 1 April 2016	As at 31 March 2017
Balance sheet		
Borrowings at amortised cost	39.33	243.53
Dividend (including tax thereon) on preference shares classified as financial liabilities	(251.42)	(417.37)
Deferred Tax Assets	-	8.64
Other Non-current Liabilities - Deferred income on Government Grant	-	(93.12)
Other Current Liabilities - Deferred income on Government Grant	-	(136.05)
Adjustment to retained earnings	**(212.09)**	**(394.37)**

Notes to Financial Statements for the year ended 31 March 2018 (Contd.)

50. Explanation of transition to Ind AS (Contd.)

(d) Excise duty

Under previous GAAP, revenue from sale of goods was presented net of the excise duty on sales. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. Excise duty is presented in the Statement of Profit and Loss as an expense. This has resulted in an increase in the revenue from operations and expenses for the year ended 31 March 2017. The total comprehensive income for the year ended and equity as at 31 March 2017 has remained unchanged.

The impact arising from the change is summarised as follows:

(₹ in lakhs)

Particulars	Year ended 31 March 2017
Statement of Profit and Loss	
Profit or loss:	
Revenue from operations	3,782.33
Excise duty	(3,782.33)
Adjustment before income tax	**-**

(e) Actuarial gain and loss

Under Ind AS, all actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP the Company recognised actuarial gains and losses including income tax effect thereon in profit or loss. However, this has no impact on the total comprehensive income and total equity as on 1 April 2016 or as on 31 March 2017.

(f) Retained earnings

The above changes (decreased) / increased total equity as follows:

(₹ in lakhs)

Particulars	Note	As at 1 April 2016	As at 31 March 2017
Property, Plant and Equipments	a	395.78	363.04
Borrowings at amortised cost	c	39.33	243.53
Deferred Tax Assets	a and c	-	8.40
Dividend (including tax thereon) on preference shares classified as financial liabilities	c	(251.42)	(417.37)
Other Non-current Liabilities - Deferred income on Government Grant	a and c	(363.90)	(424.68)
Other Current Liabilities - Deferred income on Government Grant	a and c	(21.90)	(156.84)
		(202.11)	**(383.92)**

51. The previous year's including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date

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

per **Pradeep Kumar Singhi**
Partner
Membership No.: 050773
Place: Kolkata
Date: 15 May 2018

For and on behalf of the Board of Directors
Magadh Sugar & Energy Limited

Chandra Mohan
Whole-time Director
DIN: 07760264

Chandra Shekhar Nopany
Chairperson
DIN: 00014587

Subramanian Sathyamurthy
Company Secretary

Sunil Choraria
Chief Financial Officer

Corporate Information

Board of Directors

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

Committees of Directors

Audit Committee

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

Stakeholders' Relationship Committee

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

Nomination and Remuneration Committee

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

Risk Management Committee

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

Corporate Social Responsibility Committee

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

Finance & Corporate Affairs Committee

Mr. Chandra Shekhar Nopany – Chairperson
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

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

Advocates & Solicitors

Khaitan & Co. LLP

Bankers

State Bank of India
ICICI Bank Ltd
DCB Bank Ltd

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.)
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Tel. No.: (05862) 256220, Fax No.: (05862) 256225
E-mail : birlasugar@birla-sugar.com
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CIN – L15122UP20152PLC069632

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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

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