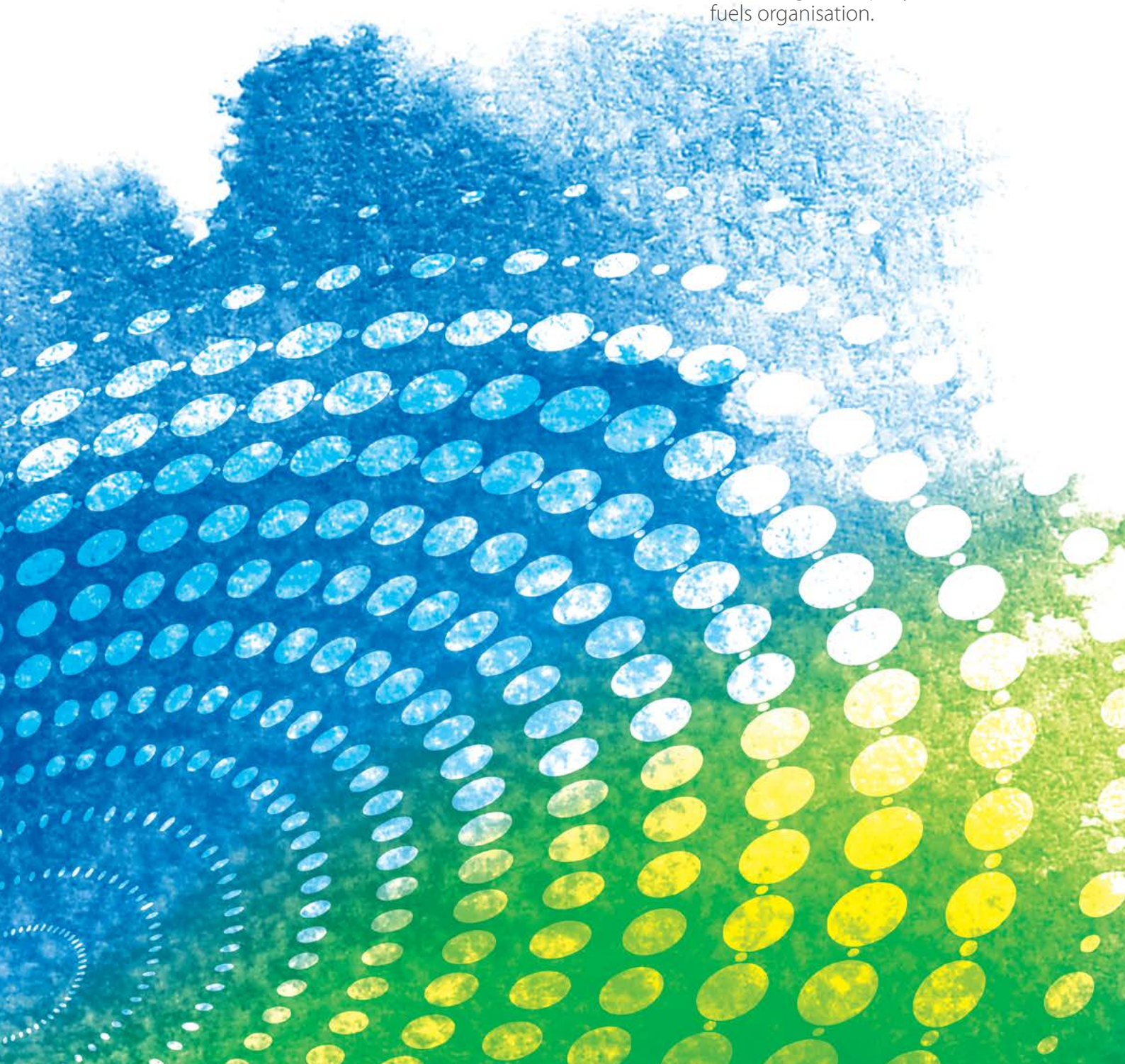


Building energy efficiency

The Company is transforming
from a sugar company into a bio-
fuels organisation.



Contents

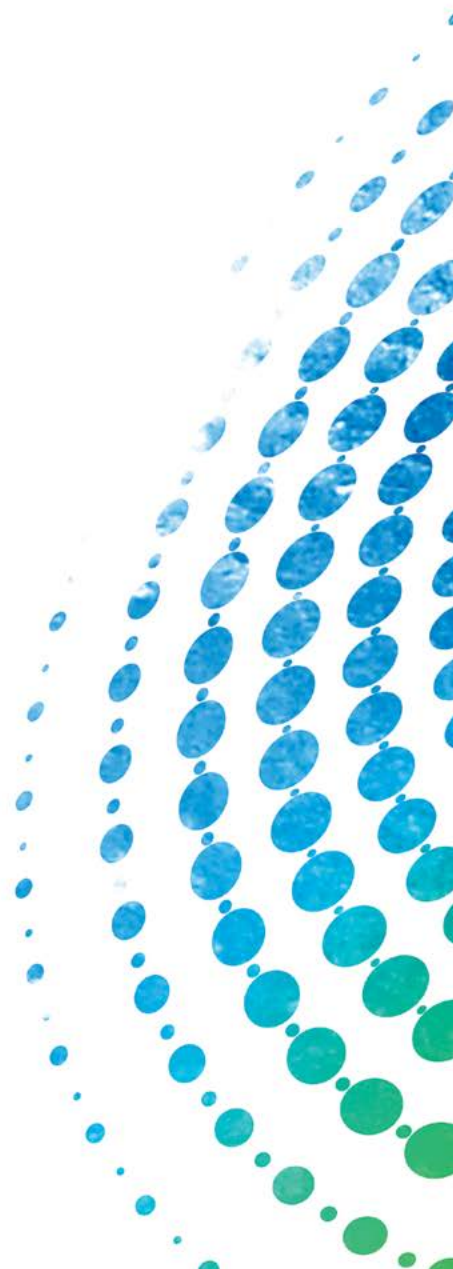
- 02 Corporate Snapshot
- 05 How we performed operationally in 2022-23
- 06 How our operational excellence has translated into improved financials
- 08 Chairperson's overview
- 10 Enhancing value for our stakeholders
- 14 The foundation of our business is the ability to mobilise abundant cane of premium quality in a sustainable way
- 16 The health of our sugar business
- 18 The health of our distillery business
- 19 The health of our co-generation business
- 20 At Avadh Sugar, ESG remains the bedrock of our business
- 23 How we are engaging with the community
- 25 Directors Report
- 31 Management discussion and analysis
- 37 Corporate Governance Report
- 77 Business Responsibility and Sustainability Report
- 104 Financial Statements

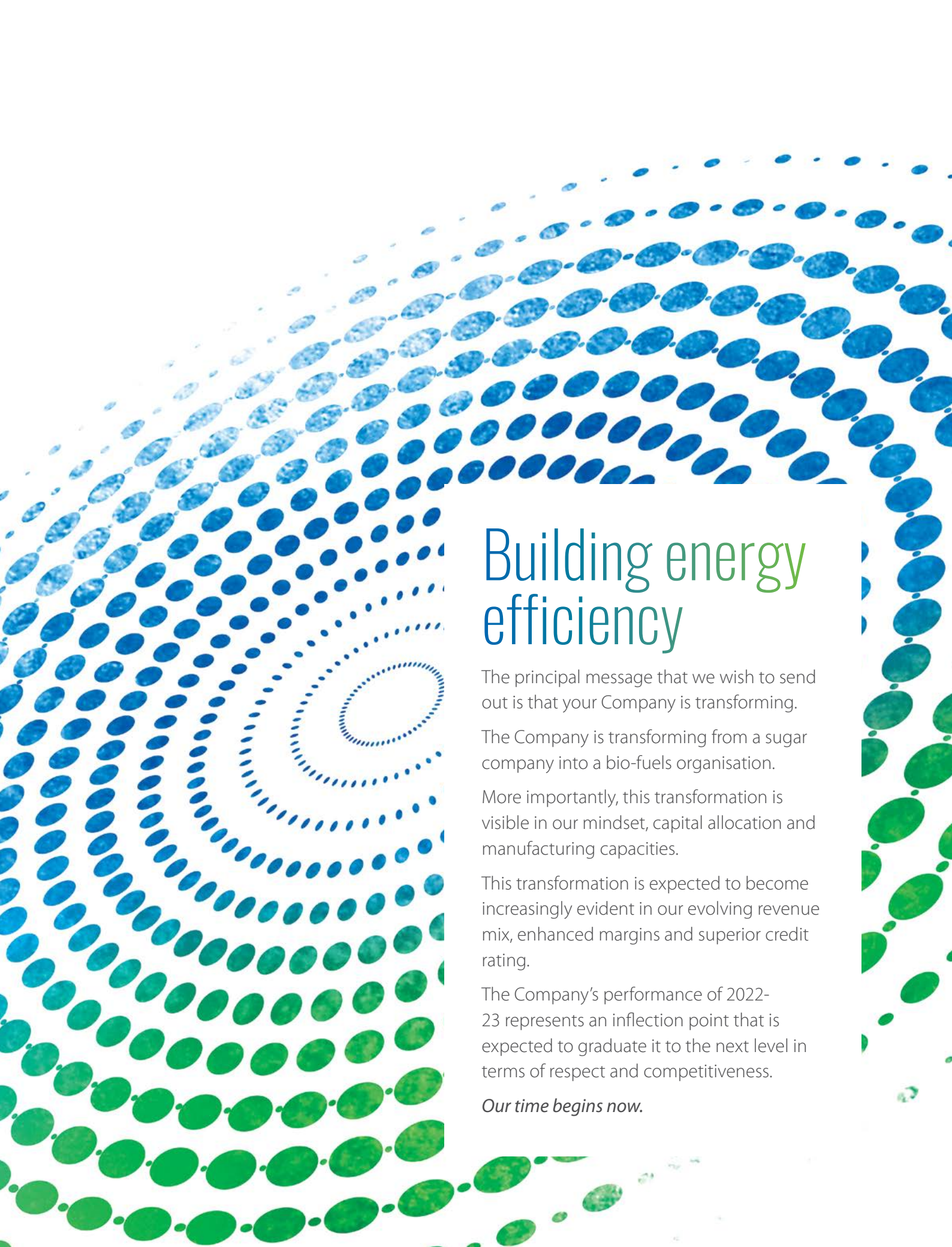
Forward-looking statement

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



Online Annual report
www.birla-sugar.com





Building energy efficiency

The principal message that we wish to send out is that your Company is transforming.

The Company is transforming from a sugar company into a bio-fuels organisation.

More importantly, this transformation is visible in our mindset, capital allocation and manufacturing capacities.

This transformation is expected to become increasingly evident in our evolving revenue mix, enhanced margins and superior credit rating.

The Company's performance of 2022-23 represents an inflection point that is expected to graduate it to the next level in terms of respect and competitiveness.

Our time begins now.



Corporate Snapshot

Avadh Sugar and Energy Limited.

Adequately invested in the balanced production of sugar, ethanol and co-generated power.

Transforming from the core business of sugar to bio-fuels.

Transforming from a cash-intensive business to a complement of superior business liquidity.

Transforming from debt-driven expansion to accruals-driven growth.

Transforming from one-off profitability to stable business sustainability.

Background

Avadh Sugar and Energy Limited is a member of the large conglomerate of the K.K Birla Group. The K.K Birla Group is a large player in India's private sector with a consolidated cane crushing capacity of around 50,800 Tonnes per day. The Group manufactures white crystal sugar and by-products across seven efficient manufacturing units in Uttar Pradesh and Bihar.

Business

The Company was established on 19 March, 2015.

Products

The Company's manufacturing units produce sugar and sugar products, spirits, alcohol and power. The Company's product portfolio is integrated, indicating the raw material of one process is used to manufacture another. This has enhanced integrated, margins and inter-dependence. The Company generated 77.09% of its revenues from sugar, 20.00% from distillery and 2.02% from power co-generation during the year under review.

People

The Company is a stable employer of competent and experienced talent. The talent possesses capabilities in agriculture, manufacturing, information technology, research, finance and other support functions. The Company comprised 2113 employees as on 31 March, 2023; more than 75% employees had been with the organisation for five years or more as on 31 March, 2023.

Listing

The Company's shares are listed on the National Stock Exchange and Bombay Stock Exchange. The Company's market capitalisation was ₹871.20 Crore as on 31 March, 2023. The promoter accounted for 61.02% of the Company's equity.

Locations

The Company enjoys a presence in cane-rich Uttar Pradesh with four manufacturing units in Sitapur, Kushinagar, Shahajahanpur and Bijnor districts. The Company's consolidated crushing capacity was 31,800 TCD as on 31 March, 2023.

Capacity	Consolidated	Hargaon	Seohara	Rosa	Hata
Sugar (TCD)	31,800	10,000	10,000	4,800	7,000
Distillery (KLPD)	325	200	125		
Renewable energy (MW)	74	15	24		35

Revenue mix

Capacity	Revenue (₹ Crore)		PBIT (₹ Crore)	
	2022-23	2021-22	2022-23	2021-22
Sugar	2156.87	2195.98	122.38	128.15
Power	56.57	42.47	(2.02)	1.57
Distillery	559.73	484.29	112.89	146.73

Vendors

The Company's growth has been driven by enduring relationships with thousands of cane growers proximate to its four manufacturing units. The Company procured cane from 2.82 Lakh farmers in 2022-23. The Company's purchases accounted for ₹2,090 Crore, recharging the local economy.

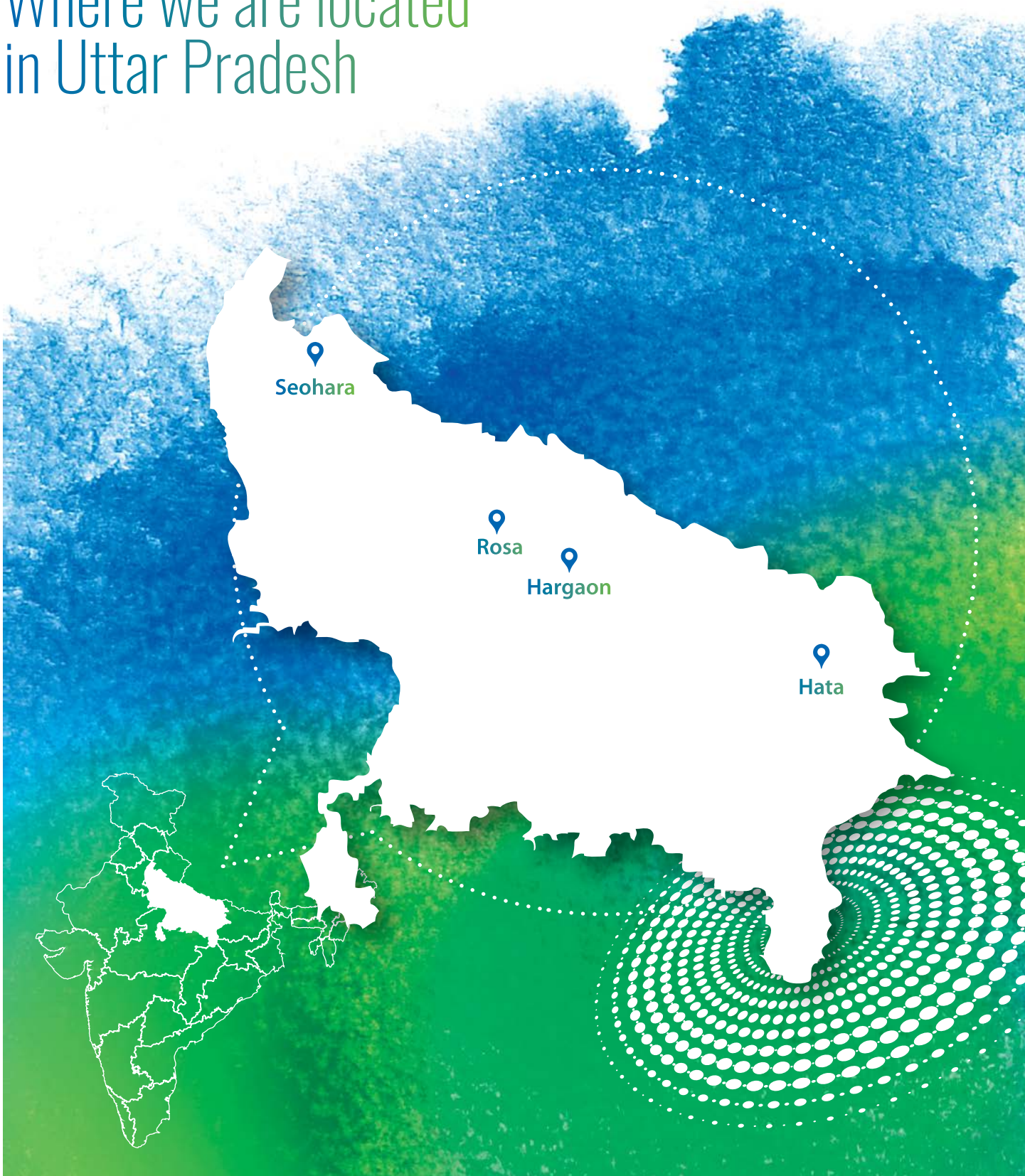
Customers

The Company developed strong relationships with wholesalers across six States in India. The Company's wholesaler network consists of numerous brokers and sub-brokers as distribution partners. All the Company's wholesalers are associated with Avadh for more than five years.

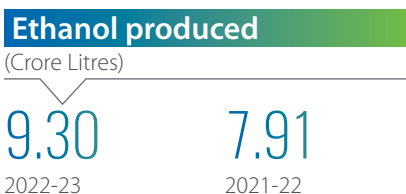
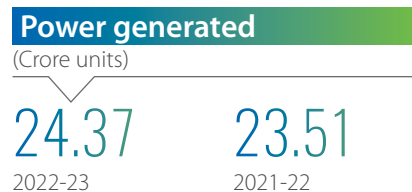
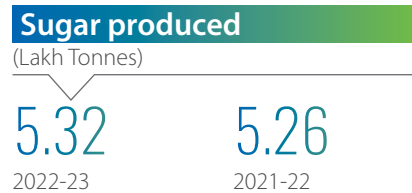
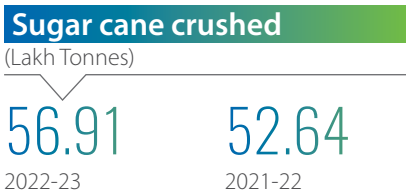
Credit rating

The Company's long-term issuer rating was affirmed at 'IND A/ Stable' by India Ratings credit agency, validating its debt repayment capability.

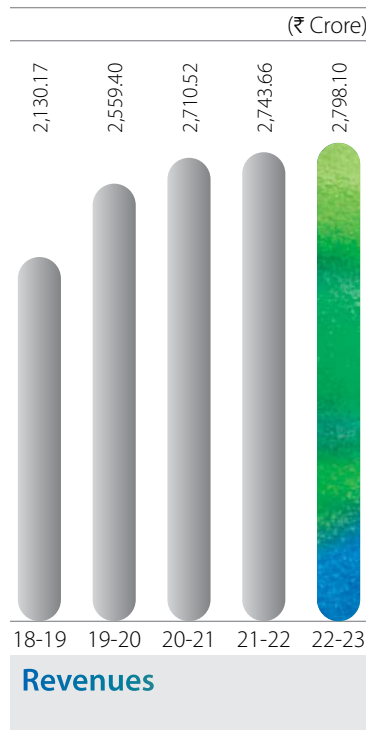
Where we are located in Uttar Pradesh



How we performed operationally in 2022-23



How our operational excellence has translated into improved financials



Definition

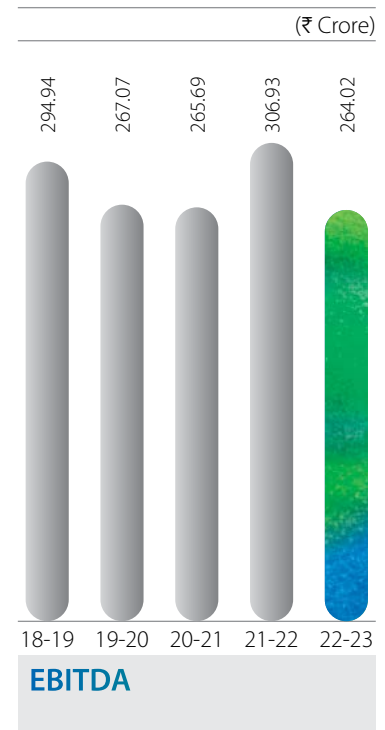
Growth in sales

Why is this measured?

It is an index that showcases the Company's ability to maximise revenues, which provides a basis against which the Company's performance can be compared with sectoral peers.

Performance

Revenues were higher by 1.98% to ₹2,798.01 Crore in 2022-23 on account of higher average realisations even though volumes were lower.



Definition

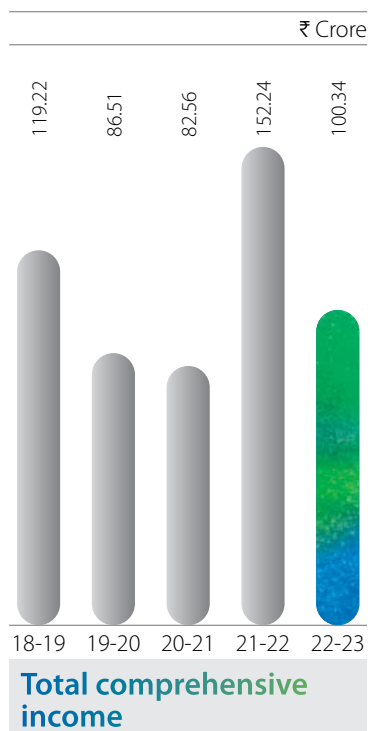
Earnings before interest, depreciation, exceptional items and tax.

Why is this measured?

It is an index that showcases the Company's ability to generate a surplus after operating costs, creating a base for comparison with sectoral peers.

Performance

The Company reported a 13.98% decline in EBITDA in 2022-23 owing to lower sugar volumes and increased cane costs.



Definition

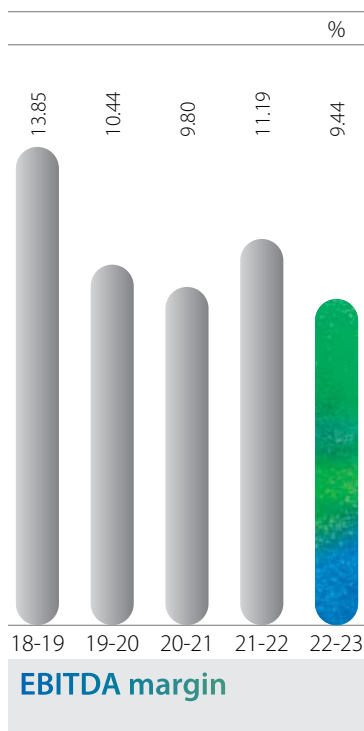
Total comprehensive income (TCI) comprises profit for the year and other comprehensive income.

Why is this measured?

It provides a holistic view of the Company's income that is not fully captured in the income statement.

Performance

The Company reported a 34.09% decline in TCI in 2022-23.



Definition

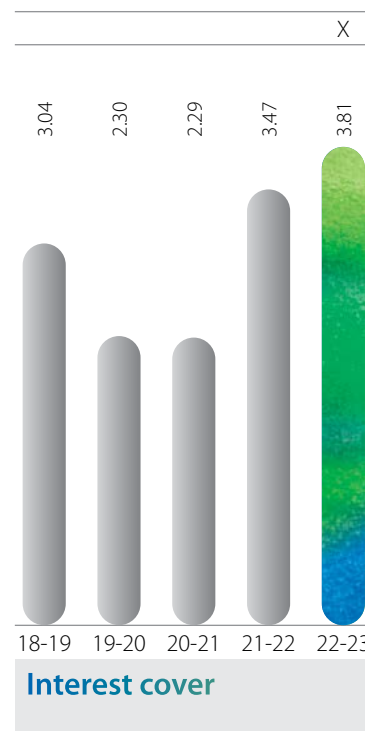
EBITDA margin is a profitability measure to ascertain a company's operating efficiency.

Why is this measured?

The EBITDA margin provides an index of how much a company earns (before interest, depreciation, exceptional items and tax) on each rupee of sales.

Performance

The Company's EBITDA margin was lower by 1.78 bps due to increased cane costs and lower sugarcane crushing



Definition

This is derived through the division of EBITDA by interest outflow.

Why this is measured?

Interest cover indicates the solvency available to service interest – the higher the better.

Performance

The Company's interest cover strengthened from 3.47x in 2021-22 to 3.81x in 2022-23, among the highest in the industry.

Chairperson's overview

Building Energy Efficiency



Dear shareholders,

I am delighted to present our Annual Report for the Financial Year (FY) 2022-23.

We entered the year with global economies facing headwinds of inflation and recession. In India, on the back of our demographic dividend, we sustained our growth trajectory and are on track to achieve a growth of 7% in 2023-24.

The global sugar industry pivoted from deficit to neutral in the previous year. According to most estimates, the sugar year was a surplus one. However, India's contribution to the surplus was limited by a lower-than-expected production and the consequent capping of exports by the Government of India to ensure stability in the domestic markets. Over the past few years, there have been several policy interventions that have been designed to help the sugar industry in general and farmers in particular. With the government's continuous support towards the sugar sector and increasing focus on diversion towards ethanol production to promote the Ethanol Blending Program in India, the sugar sector is likely to gain traction. The cyclicity in the Indian sugar industry is declining and moving towards a structural change backed by strong ethanol demand.

Industry insight

Sugar prices in the global market surged to near decadal highs on fears of lower production in a few countries including India and the likelihood of the Indian government not allowing exports of more than 6 Million Tonnes for the current season (October 2022-September 2023). In the current sugar season 2022-23, 532 mills commenced operations as against 518 mills that operated in the previous season.

World ethanol production in 2023 is expected to reach 111.8 Billion litres and global consumption in 2023 is projected

at 106.9 Billion litres. In November 2022, the Cabinet Committee on Economic Affairs approved a higher ethanol price derived from different sugarcane-based raw materials under the ethanol blending programme for the forthcoming sugar season 2022-23 during ESY 2022-23. As a result, production projections for 2022/23 were raised to 4.8 Billion litres to meet a more ambitious 12% blending target with the recognition that an upside exists for this figure.

Business performance

The principal message that I seek to communicate is that Avadh Sugar is enhancing its sustainability through business broad basing.

There was a time until a few years ago when the Company generated 83% of its revenues from sugar, 11.93% from ethanol and 4.47% from power co-generation. The proportion of EBIT contribution from each of these businesses was 25.65%, 53.60% and 20.59% respectively in 2018-19, the year the National Biofuel Policy was announced.

The biggest change in our Company following the announcement of that landmark policy is that we enhanced our distillery capacity from 200 KLPD to 325 KLPD as on 31 March, 2023.

The time has come to appraise the outcome of the broad basing. The Company derived 77.09% of its revenues from sugar, 20% from ethanol and 2.02% from power co-generation during the financial year under review in this report. The shift was reflected in the proportion of EBIT contribution from each of these businesses: 52.35%, 48.29% and (0.87)% respectively in 2022-23.

During the year, the Company crushed 569.07 Lakh quintals against 526.36 Lakh quintals in the previous year. Ethanol production increased from 791.31 Lakh litres to 929.79 Lakh litres. The average

realisation of ₹3,483 / Quintal for sugar and ₹62.16 / Litre for Ethanol helped improve the top line as sales of sugar saw some tapering off.

During 2022-23, our total income stood at ₹2,807 Crore against ₹2,748 Crore in 2021-22. The Company's EBITDA stood at ₹264 Crore in 2022-23 as against ₹307 Crore in 2021-22, mainly on account of a wage revision by the Government of Uttar Pradesh with retrospective effect, resulting in an additional cost of ₹12 Crore and a lower export subsidy. The Company reported a profit after tax of ₹100 Crore in 2022-23 as against ₹124 Crore in the previous year. The Company reduced its debt from ₹1,213 Crore in 2021-22 to ₹1,067 Crore in 2022-23.

Our core strategies

Avadh Sugar & Energy Limited is the flagship of the K. K. Birla Group of Sugar Companies with a strong commitment to values and sustainability. We are committed to adding value for all stakeholders, especially local communities where our Company operates in. During the year gone by, the Company sustained its fiscal discipline to strengthen its Balance Sheet and build a strong growth platform.

Way forward

The Company remains committed to optimise the expanded capacity and work on enhancing the product mix with a higher focus on value-added products. We believe that we are attractively positioned to capture opportunities likely to materialise and continue to be optimistic of the potential of our industry.

Warm regards,
Nandini Nopany

Review

Enhancing value for our stakeholders



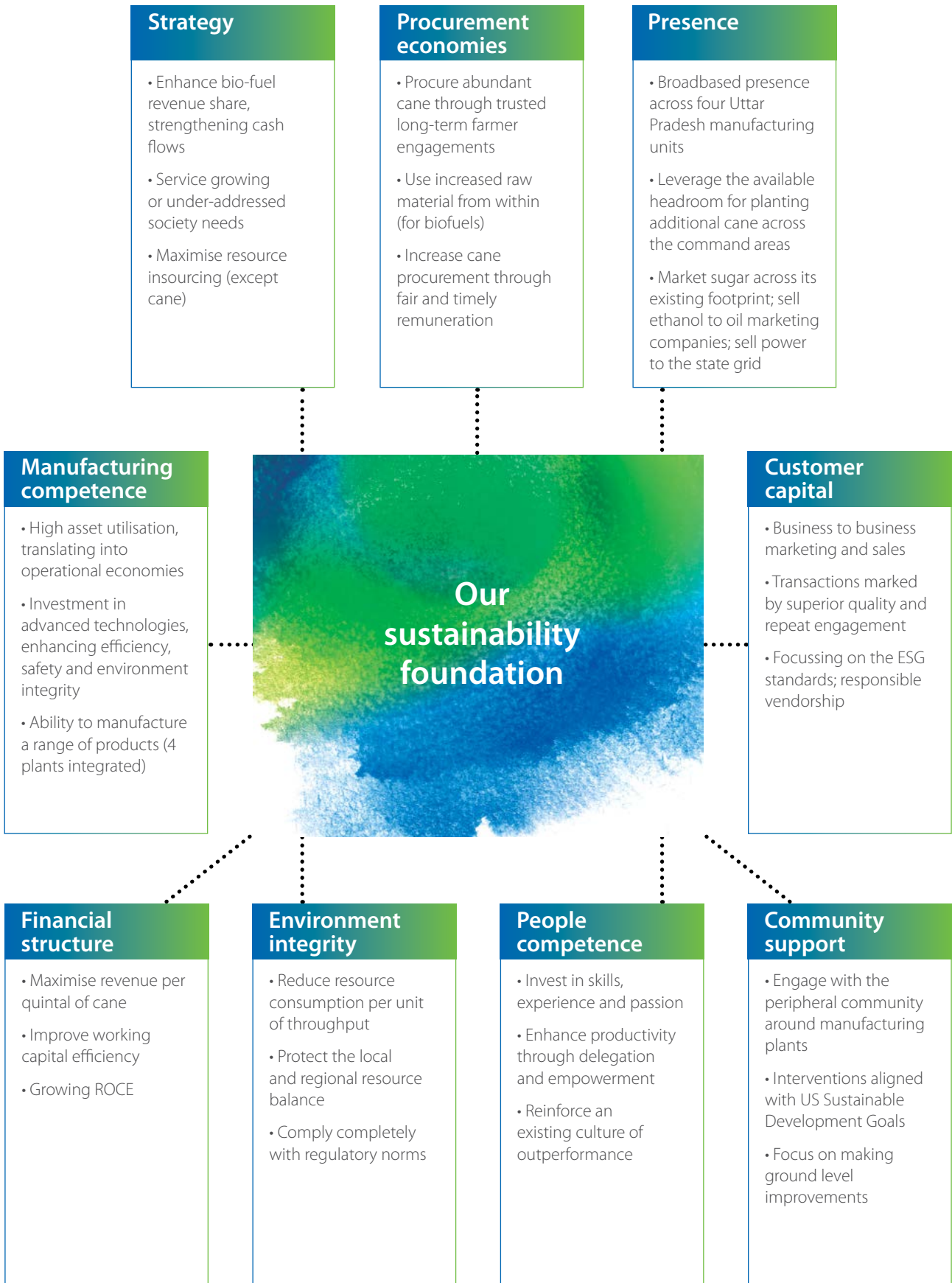
Overview

There is a growing premium to enhance value for all stakeholders by expanding our business in other segments.

This holistic approach has been reported through this Integrated Value-Creation Report. The report offers diverse insights (financial management commentary, governance, remuneration and

sustainability reporting) that enhance value.

The drivers of holistic value-creation enhance our Company's perception and respect across stakeholders (employee, customers, suppliers, business partners, local communities, legislators, regulators and policy makers).



6 Capitals influencing Avadh's value-creation approach

Financial capital	Manufactured capital	Human capital	Natural capital	Intellectual capital	Social and relationship capital
The financial resources are referred to the funds obtained from investors, promoters, banks, government and financial institutions in the form of debt, equity or accruals.	The manufactured capital is referred to the assets, equipment and state-of-the-art technologies invested to manufacture the end product. The logistics for the transfer of raw material and finished goods form an integral part of the Company's manufacturing potential.	The experience and competence of the Company's management, employees and contract workers constitute its human capital.	The Company obtains its raw materials from nature, putting a premium on reduced environment impact.	The Company's cost optimisation, operational excellence and proprietary knowledge constitute its intellectual capital.	The Company's relationship with communities and partners (vendors, suppliers and customers) showcases responsible citizenship.

Our long-term business strategy

Strategic focus	Innovate and excel	Cost leadership	Supplier of choice	Robust people practices	Responsible citizenship	Value-creation
Key enablers	We focus on improving cane yields, sugar recovery and end product quality	<p>We prioritise operational excellence that translates into cost efficiency.</p> <p>We invest adequately and timely in automation, operational integration and capacity sweating</p> <p>We are growing our business through accruals, moderating the role of debt and strengthening our gearing</p>	<p>We manufacture as per the highest quality benchmark, strengthening our position as a preferred supplier</p> <p>Our products match the demanding needs of our customers, translating into multi-year engagement</p>	<p>We had employed more than 2,113 people as on 31 March, 2023</p> <p>Our people engagement comprises delegation, empowerment, responsibility and accountability.</p> <p>75% of our employees had worked for 5 years or more with us as 31 March, 2023</p>	<p>We are engaged in community development near our manufacturing facilities</p> <p>We expended ₹256.71 Lakh in CSR initiatives in 2022-23</p> <p>Our CSR engagement touched the lives of thousands of individuals</p>	<p>We enhance value by maximising revenues from a cane of stick through operational integration</p> <p>We have invested in high governance standards, enhancing sustainability</p> <p>We are growing with a smaller Balance Sheet, enhancing profitability</p>
Material issues addressed	Prudent leverage of advanced technologies and creating a culture of outperformance	Deepening an any-market competitiveness, the basis of business sustainability	Deepening customer willingness to work with us despite a wider vendor choice	Deepening a culture of excellence across every factory, level and role	Premium on trust, accountability and responsibility	Increasing variables and uncertainties
Capitals impacted	Manufactured, Intellectual, Financial	Financial, Intellectual, Natural, Social and Relationship	Intellectual, Manufactured, Social and Relationship	Intellectual, Human, Relationship, Natural	Social and Relationship, Natural	Intellectual, Manufactured, Social and Relationship

The value we enhanced in 2022-23

Financial capital

Earnings per share (₹)

50.07

Market capitalisation
as on 31 March, 2023
(₹ Crore)

871.20

Intellectual capital

Percentage of
employees with the
Company for 5+ years

75.48%

Manufacturing capital

Revenues earned
from sugar
(₹ Crore)

2156.87

Revenues earned
from co-generated
power (₹ Crore)

56.57

Revenues earned
from ethanol
(₹ Crore)

559.73

Human capital

Employees

2113

Remuneration paid,
₹ Crore

120.43

Natural capital

Green power
generated (Crore
units, 2022-23)

24.37

Ethanol sold for petrol
blending (Crore
Litres)

9.01

Social and relationship capital

Cane growers
engaged by the
Company

282,000

Customers addressed
(all businesses)

2180

Who we shared our value with in 2022-23

Investors	Lender	Customers	Employees
The Company paid ₹2,001.84 Lakh as dividend; market capital was ₹871.20 Crore	The Company paid ₹69.31 Crore as interest.	The Company generated ₹2,798.01 Crore in revenue from sales	The Company expended ₹120.43 Crore in employee remuneration

Excellence driver

The foundation of our business is the ability to mobilise abundant cane of premium quality in a sustainable way



Overview

At Avadh Sugar, the foundation of the business comprises the capacity to mobilise adequate cane of a premium quality in the shortest post-harvest tenure to maximise capacity utilisation and hence, efficiently amortise fixed costs.

The capacity to do this in a sustainable manner is derived from structured cane development. The round-the-year activity

ascertains farm acreage, enhances grower confidence, protects crop health, advises farmers on improved agricultural initiatives and remunerates on schedule. By playing the responsible role of a friend-philosopher-guide, the Company encourages new farmers to allocate a part of their holdings for cane and existing farmers to enhance their cane farm share or enhance productivity.

Big numbers

2.82 Lakh, farmers associated with the Company, 2022-23

Challenges and counter-response

The CO 0238 variety that had been championed by the Company in the past showed signs of yield decline and resistance to the red rot disease during the year under review. Cane growers encountered harvest losses; the Company lost potential crushing revenues.

The Company was responsive in advocating the use of a new advanced cane variety (CO118 and CO15023) in place of the CO238 variety wherever possible. The Company provided subsidised seed varieties and conducted village meetings to highlight the importance of new varieties.

Strengths of our programme

Relationships: The Company deepened relationships with its farmers through periodic visits and assistance. The result is that all the farmers have been associated with the Company for more than ten years, a high assurance of sustained cane availability.

Proximity: The Company's command areas are proximate to its manufacturing units, providing a quick logistical access and short cut-to-crush time, enhancing recovery.

Replacement: The Company's aggressive replacement of its erstwhile cane variety will help de-risk it from crop disease on the one hand and enhance yields on the other

Mechanisation: The Company's support for mechanised farming is expected to enhance cane quality and yields

Technology: The Company deployed digital technologies in farm measurement within its command areas, enhancing precision and speed

Advice: The Company advised farmers in proved modern agricultural practices with the objective to enhance farm productivity

Highlights, 2022-23

Financial

The Company paid all farmers completely within 14 days, enhancing trust.

The Company focused on enhancing farmer liquidity as an inducement to plant more cane

The Company advised farmers on suitable non-cane planting to enhance farm incomes

Support

- The Company embarked on the production of trichoderma that could be provided to farmers.
- The Company commercialised plants developed in its tissue culture lab
- The Company arranged meetings between farmers and scientists; it appointed a prominent scientist (Hata) for farmer consultation.

Equipment

- The Company engaged a third party to introduce mechanised harvesting (Hata unit).
- The Company provided subsidised trolleys (36 quintals) to farmers, reducing the cut-to-crush time.
- The Company provided farmers with tranche opener, ratoon management

devices, trash mulchers, tractors and spray machines.

Miscellaneous

- The Company's ambulances (with testing facilities) provided free health checks for farmers
- The Company installed health ATMs at primary medical centres proximate to cane farms

Outcomes

The Company reported 8.11% growth in cane supply - at its Hata facility from 6.8 Lakh Tonnes in 2021-22 to 9.46 Lakh Tonnes in 2022-23; at its Hargaon unit from 17.14 Lakh Tonnes in 2021-22 to 18.42 Lakh Tonnes in 2022-23; at its Seohara unit from 21.66 Lakh Tonnes in 2021-22 to 22.14 Lakh Tonnes in 2022-23 and at its Rosa unit from 6.96 Lakh Tonnes in 2021-22 to 6.89 Lakh Tonnes in 2022-23.

Outlook

The Company intends to moderate the cut-to-crush tenure across all manufacturing units following the introduction of mechanised harvesting (following trials). The Company intends to protect the cane crop through timely diagnosis and treatment. The Company intends to accelerate the introduction of high yielding varieties (C 13235 and C14201). The enhanced manufacture of trichoderma is expected to counter disease.

Excellence driver

The health of our sugar business



77.09

% of our the
Company's revenues,
2022-23

2.95

% decline in
revenues, 2022-23

Overview

Avadh Sugar is a long-standing sugar manufacturer of around nine decades (first unit commissioned in Hargaon in 1932). The sugar business accounted for 72.73% of the Company's revenues during the year under review, retaining its position as the largest within the Company. The Company's four manufacturing units (Seohara, Hargaon, Rosa and Hata) are located in the cane rich belt of Western Uttar Pradesh, producing white sugar and refined sugar. The Company's cane crushing capacity was 31,800 TCD as on 31 March, 2023. The Company invested in state-of-the art technologies to enhance energy-efficiency and quality.

Challenges and counter-response

- The sluggishness in sugar realisations affected the profitability of the business

- Sugar recovery declined on account of a disease-affected CO238 cane variety.

- The Company exported 1.28 Lakh Tonnes of sugar, capitalising on buoyant realisations

- The Company replaced CO238 cane variety in vulnerable command areas, protecting recovery

Competitive features

Experience: The Company capitalised on a multi-decade relationship with farmers and workers.

Location: The Company's manufacturing units are located in a cane-rich Uttar Pradesh, enhancing resource access.

Portfolio: The Company produced white sugar in three units and refined sugar in one unit, enhancing specialisation.

Quality: The Company's sugar quality is

well accepted; its output corresponded to below ICUMSA 100, validating quality

Highlights, 2022-23

- The business manufactured 5.32 Lakh Tonnes of sugar (white sugar 4.56 Lakh Tonnes).

Delivered an EBIT of ₹122.38 Crore compared to ₹128.15 Crore

- Crushed 56.91 Lakh Tonnes of cane compared to 52.64 Lakh Tonnes in 2021-22.

- Diverted 4.60 Lakh Tonnes out of 56.91 Lakh Tonnes of sugarcane for ethanol production, enhancing profitability through syrup.

- Reported 2.49 Lakh Tonnes of inventory as on 31 March, 2023.

- Modernised the old mill house with new mills in Seohara and Rosa

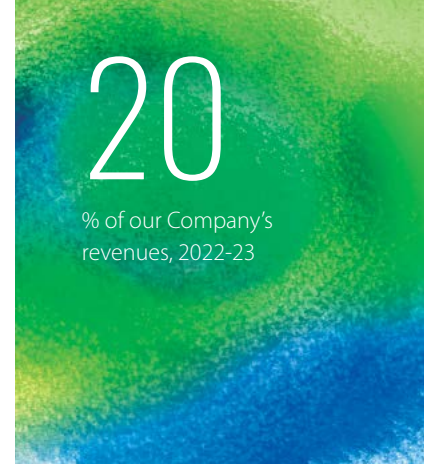
Big numbers

8.82 % sugar sacrifice in 2022-23

10.19 % sugar recovery in 2022-23

Excellence driver

The health of our distillery business



Overview

Avadh commissioned its maiden distillery at Hargaon in 1945. The Company had distilleries in Hargaon and Seohara with an aggregate capacity of 325 KLPD as on 31 March, 2023. The Company recorded its last distillery expansion in January 2022 at the Hargaon unit.

During the year under review, the Company supplied 9.01 Crore litres of ethanol, of which 5.56 Crore litres was generated through the B-Heavy route and 3.41 Crore litres from the direct syrup route. Average ethanol realisation was ₹62.72 per litre; ethanol realisation from the syrup route was ₹65.21 per litre; from the B-Heavy route this stood at ₹60.23 per litre.

Avadh is among a handful of companies consuming captively its entire molasses output, eliminating its reliance on purchases. The Company's sugar diversion for ethanol production doubled over the previous year, validating the position of the distillery segment as a revenue driver and quick cash flow generator.

Our competitive features

Pioneering: Avadh Sugar is among select sugar companies in Uttar Pradesh to have ventured into ethanol manufacture.

Equipped: The Company's distillery units have been invested with the latest technology (including new molasses tank and multi-evaporator system).

Association: The Company enjoys a longstanding association with ethanol

buyers (oil marketing companies).

Captive utilisation: The Company's distillery utilisation was 100% in 2022-23 at the expanded capacity.

Highlights, 2022-23

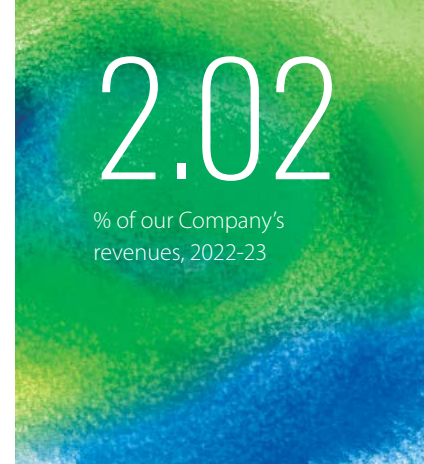
- Sold 9.01 Crore bulk litres of ethanol at an average ₹60.36 per litre compared to 8.23 Crore bulk litres at an average realisation of ₹57.70 per litre in 2021-22.
- Manufactured 9.30 Crore bulk litres of alcohol as against 7.91 Crore bulk litres of alcohol in the previous year.
- Operated both distillery units (Seohara and Hargaon) for around 326 days.
- Achieved 100% capacity utilisation across both distillery units

Big numbers

60.36 ₹, realisation per litre, 2022-23

Excellence driver

The health of our co-generation business



Overview

The Company's bagasse-based co-generation capacity was 74 MW as on 31 March, 2023, out of which the surplus 65.97% power was sold to the Uttar Pradesh Power Corporation Limited. The cogeneration business contributed 2.02% to the Company's revenues. Captive power generation enabled the Company to access uninterrupted power supply and generate merchant revenues.

Challenges and counter-response

The Company realised ₹3.26 per unit of sold power, which is unremunerative. The Company is engaged in legal remedial action against the state government to get a higher power price (as earlier contracted).

Our competitive features

Efficient: The Company possesses advanced boilers and turbines, enhancing operational efficiency.

Captive utilisation: The Company's boilers and turbines were fully utilised without downtime.

Technology: The Company invested in state-of-the-art power generating assets, enhancing efficiency and productivity.

Highlights, 2022-23

- The business EBIT margin stood at 0.76% as against 0.51% in 2021-22.
- Produced 24.37 Crore units compared to 23.51 Crore units in 2021-22.
- Exported 16.07 Crore units compared to 13.55 Crore units in 2021-22.

- Recorded zero downtime of turbines.
- Average realisations stood at ₹3.26 per unit compared to ₹3.10 per unit in 2021-22.

Big numbers

3.26

₹, rate per unit
during 2022-23

3.10

₹, rate per unit
during 2021-22

At Avadh Sugar, ESG remains the bedrock of our business



Overview

At Avadh Sugar, we live the role of a responsible corporate citizen, marked by a growing focus on environment-social-governance (ESG) that underlines our responsibility towards stakeholders.

ESG seriousness is relevant for our Company as the business is marked by hazardous processes, putting a premium on safety, systems and security. There is growing evidence that a deep governance culture – as opposed to a kneejerk

response - enhances stability, increases counter-cyclicality and catalyses long-term stakeholder value. In view of this growing evidence, governance is integral to our business.

ESG enhances competitiveness and sustainability, manifested in topline growth, cost reduction, minimised regulatory and legal interventions, increased employee productivity and optimised returns.

Avadh Sugar and ESG

At Avadh Sugar, environment-social-governance (ESG) represents the heart of our business.

The environment component relates to the consumption of environmentally responsible resources, optimal quantum, waste recycling, moderated consumption of fossil fuels and resistance to climate change, reducing the carbon footprint.

The social component addresses the need to invest in people, culture, vendor/customer relationships and social responsibility.

The governance component entails strategic clarity, prioritises business values, highlights codes of conduct, explains Board composition and showcases alignment with UNGC principles, creating a fair stakeholder expectation.

The combination – environment, social and governance – offers a platform for secure, scalable and sustainable long-term growth.

Environment

The Company's environment approach revolves around minimising its carbon footprint.

Product selection: There is an overarching focus on the manufacture of products beneficial for human or societal consumption. Sugar enhances taste and food preservation; ethanol is used as a fuel additive that enhances combustion (moderating emissions) while co-generated power replaces thermal power.

Stronger controls: There is an increasing commitment to environmental management, due diligence and disaster planning & response systems. The

Company is being increasingly driven by an overarching culture of processes, systems (information technology), audits and compliances.

Reducing environment impact: There is a commitment to reduce energy intensity and greenhouse gas emissions while turning to the use of cleaner processes or fuels. The Company intends to achieve zero waste to landfills and zero effluent discharge targets, while moderating water consumption and groundwater drawal intensity

Proactive investments: The Company made investments in infrastructure, equipment, people and practices to enhance environment responsibility.

Social

At Avadh Sugar, business transformation has been accelerated by our team knowledge and experience.

Employees: We have invested in products and processes leading to effective cost management. The Company made timely investments (recruitment, retention and training). It enhanced operational safety through training, protocols, certifications, timely investments and awareness building.

Customers and vendors: The Company deepened relationships with vendors (who provided capital equipment and spares) and primary customers (trade partners). The Company worked with large, marquee vendors and dependable trade partners.

Community: The Company engaged with communities around its manufacturing locations through CSR interventions that enhanced their prosperity.

Governance

At Avadh Sugar, our governance platform provides a clarity on how to do business, attracting like-minded stakeholders.

Stakeholders: We exist for the benefit of all our stakeholders: the vendor must be able to grow with us; the customer must experience enhanced competitiveness arising out of our business solution; the employee must derive pride, remuneration, career advancement and engagement stability; the investor must generate a superior return on employed capital over competing investment opportunities; the community must benefit from our presence; the government must benefit through taxes and livelihood creation.

Board of Directors: Our strategic direction is influenced by our Board of Directors, comprising prominent professionals and industrialists.

Integrity: Fairness in dealing is why customers seek products from us, employees work at our Company, vendors sell to us, investors provide risk capital, bankers lend and communities support.

Long-term perspective: Our long-term investments in locations, assets, technologies, people, products and the selection of trade partners have been based on character and competence.

Process-driven: Our direction and professionalised day-today management have made our growth scalable, coupled with checks and balances. Our audit-driven and compliance-driven approach has enhanced the trust in our financials, validating our conservative accounting interpretations.

How we are deepening our EHS (Environment health and safety) culture



Our environment commitment

- Installed water recharge borewells (Hargaon unit)
- Developed a pond at Seohara; maintained ponds at Hargaon
- Planted 5,000 trees in 2022-23
- Achieved zero liquid discharge across all distilleries
- Celebrated Environment Day on 5th June across the manufacturing units, planting trees and engaging in other activities
- Banned the use of polythene across all factories and colonies
- Sustained manufacturing units with green fuel
- Managed an effluent treatment plant across manufacturing locations.

Our health commitment

- Collaborated with private Hospitals; conducted medical camps biannually in all units in 2022-23
- Provided free medicines and arranged health checks in offices and surrounding areas
- Provided health ATMs in proximate government hospitals
- Planned a Medclaim policy for each employee
- Each operational unit comprised a doctor, clinic, ambulance, compounder and pathology lab
- Commissioned canteens in each factory to provide nutritious food

Our safety commitment

- Created a Safety Committee to drive its safety agenda
- Provided personal protection equipment (shoes, helmets and safety belts) to employees
- Installed in-factory fire hydrants and fire cylinders; conducted periodic mock fire drills in factories
- Provided safety training (on the job and online)
- Engaged third party consultants for employee safety training
- Installed safety signage and machine working instructions on factory walls, enhancing awareness.
- Commenced recording and monitoring 'near miss' incidents to draw learnings and prevent recurrence
- Engaged HRDC as a consultant to implement the 5S safety system (Hargaon)

Social responsibility

How we are engaging with the community

Overview

At Avadh Sugar, we seek to create societal value through CSR programmes benefiting the marginalised around the factories of its presence.

CSR committee

The CSR Committee of our Board formulated a CSR policy by listing activities to be pursued. The Committee recommends to the Board estimated budgets for activities, which is then approved for onward action. The Committee supervises policy implementation.

Our CSR spending (in ₹ Crore)

2022-23	2.57
2021-22	2.49
2020-21	2.61
2019-20	3.60
2018-19	2.50

Our CSR initiatives in 2022-23

Education

The Company focusses on providing quality education and improved learning outcomes. The Company sponsored schools bearing the expense for books, blackboards, stationery and administrative costs. The Company took initiatives to improve the education infrastructure of several schools in and around its plants.

Healthcare

We provide healthcare assistance to the marginalised. The Company sponsors free beds, medicines and treatment. The Company undertakes welfare activities at its manufacturing locations like free medical check camps, eye check camps and health awareness camps. The Company promoted humanitarian principles and healthcare in Uttar Pradesh. The Company provided an ambulance for the farmers and local public.

Sanitation

The Company focused to provide easy access to sanitation facilities in the rural households of Uttar Pradesh. The Company commits to protect the dignity of women in rural India by giving them access to clean sanitation facilities within their households. The programme improved the health and sanitation standards in households and villages in and around its plants by reducing the cases of diseases and malnutrition due to open defecation.

Water distribution

The Company engaged in water distribution initiatives to make a positive impact, improving their reputation and building strong relationships with the communities. The Company supplied and installed hand pumps in its nearby village households benefitting the families living therein. The Company also installed water coolers at different places during the year under review.

Corporate Information

BOARD OF DIRECTORS

Mrs Nandini Nopany, Chairperson
Mr. Chandra Shekhar Nopany,
Co-Chairperson
Mr. Anand Ashvin Dalal
Mr. Gaurav Swarup
Mr. Pradip Kumar Bishnoi
Mr. Kalpataru Tripathy
Mrs. Kausalya Madhavan
Mr. Devendra Kumar Sharma,
Wholetime Director

COMMITTEES OF DIRECTORS

Audit Committee

Mr. Anand Ashvin Dalal, Chairperson
Mr. Pradip Kumar Bishnoi
Mr. Kalpataru Tripathy
Mrs. Kausalya Madhavan
Mr. Devendra Kumar Sharma

Stakeholders' Relationship Committee

Mrs. Kausalya Madhavan, Chairperson
Mr. Anand Ashvin Dalal
Mr. Pradip Kumar Bishnoi
Mr. Gaurav Swarup

Nomination and Remuneration Committee

Mr. Gaurav Swarup, Chairperson
Mr. Anand Ashvin Dalal
Mr. Kalpataru Tripathy
Mrs. Kausalya Madhavan

Risk Management Committee

Mr. Pradip Kumar Bishnoi, Chairperson
Mrs. Kausalya Madhavan
Mr. Chand Bihari Patodia
Mr. Dilip Patodia
Mr. Devendra Kumar Sharma

Corporate Social Responsibility Committee

Mrs Nandini Nopany, Chairperson
Mr. Pradip Kumar Bishnoi
Mr. Devendra Kumar Sharma

Finance & Corporate Affairs Committee

Mrs Nandini Nopany
Mr. Chandra Shekhar Nopany
Mr. Gaurav Swarup
Mr. Devendra Kumar Sharma

EXECUTIVES

Mr. Devendra Kumar Sharma, Wholetime
Director & Executive President, Hargaon
Mr. Sukhvir Singh, Executive
President, Seohara
Mr. Karan Singh, Executive President, Hata
Mr. Munesh Pal, Executive President, Rosa
Mr. Dilip Patodia, Chief Financial Officer
Mr. Devinder Kumar Jain, Company Secretary

AUDITORS

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

ADVOCATES & SOLICITORS

Khaitan & Co. LLP

BANKERS

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

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Unit : Avadh Sugar & Energy Limited)
502 & 503, 5th Floor,
Vaishno Chambers, 6, Brabourne Road,
Kolkata - 700 001
Tel: 91 033 2289 0540 / Fax : 91 033
2289 0539
E-mail: kolkata@linkintime.co.in

REGISTERED OFFICE

P.O. Hargaon District – Sitapur, (U. P.),
Pin Code – 261 121
Tel. No.: (05862) 256220, Fax No. :
(05862) 256225
E-mail : avadhsugar@birlasugar.org
Website : www.birla-sugar.com
CIN – L15122UP20152PLC069635

CORPORATE & HEAD OFFICE

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

SUGAR MILLS

1. Hargaon, Dist. Sitapur, (U. P.)
2. Seohara, Dist. Bijnor, (U. P.)
3. Hata, Dist. Kushinagar (U. P.)
4. Rosa, Dist. Shahjahanpur, (U. P.)

DISTILLERIES

1. Hargaon, Dist. Sitapur, (U. P.)
2. Seohara, Dist. Bijnor, (U. P.)

CO-GENERATION POWER PLANT

1. Hargaon, Dist. Sitapur, (U. P.)
2. Seohara, Dist. Bijnor, (U. P.)
3. Hata, Dist. Kushinagar (U. P.)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present herewith the 9th Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2023.

1. FINANCIAL RESULTS

(₹ in lakhs)

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Revenue from Operations (Gross)		2,79,801.49		2,74,365.91
Profit before Finance Costs, Tax, Depreciation and Amortization		26,402.50		30,693.09
Less: Depreciation & Amortization Expenses	5,111.96		5,128.49	
Finance costs	6,930.62		8,842.41	
Profit/ (Loss) Before Tax		14,359.92		16,722.19
Less: Provision for Tax		4,335.98		4,281.26
Profit/ (Loss) After Tax:		10,023.94		12,440.93

2. OPERATING PERFORMANCE

A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as "Annexure A".

3. FINANCIAL PERFORMANCE 2022-23

The Company recorded Total Revenue of ₹2,80,726.97 Lakhs (including other income aggregating to ₹925.48 Lakhs during the financial year ended 31st March, 2023. The Revenue from Operations (Gross) of the Company for the year 2022-23 stood at 2,79,801.49 Lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹26,402.50 representing 9.41% 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 2023 and date of this report.

4. DIVIDEND

In terms of Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Board of the Company has adopted a Dividend Distribution Policy, that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. There has been no change in this policy during the year under review. This policy is also available on the website of the Company and can be accessed at the weblink - <http://www.birla-sugar.com/Assets/Avadh/Avadh%20Sugar%20-%20Dividen%20Distribution%20Policy.pdf>

Consistent with this policy, your Board has recommended a dividend of ₹10 /- on Equity Shares (100 %) for the financial year 2022-23 to the Members of your Company. The proposal is subject to the approval of the Members at the 9th Annual General Meeting (AGM) of your Company scheduled to be

held on July 26, 2023. The dividend will entail a cash outflow of ₹2001.84 lakhs (previous year ₹2001.84 lakhs).

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

5. PUBLIC DEPOSITS

During the year, the Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013. There was no public deposit outstanding as at the beginning and end of the financial year 2022-23.

6. SHARE CAPITAL

The Authorized Share Capital of the Company stood at ₹170,05,00,000/- (Rupees One hundred seventy crore and five lakhs) divided into 5,60,50,000 (Five crore sixty lacs fifty thousand) Equity Shares of ₹10/- (Rupees ten) each; 8,00,00,000 (Eight crore) Preference Shares of ₹10/- and 34,00,000 (Thirty-four lacs) Preference Shares of ₹100/- each and there is no change in the authorised capital.

The Issued and Subscribed Share Capital of your Company, as on 31st March, 2023, stands at ₹20,01,84,200/- divided into 2,00,18,420 Equity Shares of ₹10/- each.

7. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

The Company does not have any subsidiary company or any associate company or any joint venture with any person. However, the Company has in place a policy for determining material subsidiaries in line with the requirement of the Listing Regulations as amended from time to time. The said Policy is being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>

8. CREDIT RATING

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

9. HUMAN RESOURCES

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

10. DIRECTORS

The Board of Directors comprises of seven Non-Executive Directors having experience in varied fields and a Whole time Director. Out of seven Non-Executive Directors, five of them are Independent Directors and other two directors are Promoter Directors. Mrs Nandini Nopany is the Chairperson of the Company and Mr Chandra Shekhar Nopany is Co-Chairperson 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 read with Regulation 25 of SEBI (LODR) Regulations, 2015.

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

Mrs. Nandini Nopany will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for re-appointment as Director of the Company.

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

In pursuance of the provisions of the Companies Act, 2013 and according to Regulation 25(3) of the Listing Regulations, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. After detailed discussion at Board level as well as taking input from each Director, Nomination and Remuneration Committee finalized the format / questionnaires containing various parameters to evaluate the performance of Board and its committee(s), Individual Directors and Chairperson of the Company. The performance evaluation parameters are based on their roles and responsibilities, contribution to the Company's goals, decision making process, flow of information and various other aspects. The evaluation of performance of the Board as a whole, Committees of the Board, Individual Directors including the Chairperson of the Company was carried out for the Financial Year 2022-23. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 17th March, 2023 carried out the evaluation of the Board of Directors as a whole, Chairperson of the Company and Non-Independent Directors. The evaluation of Independent Directors was carried out without the presence of concerned Director.

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

A certificate obtained by the Company from a company secretary in practice, confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority, is enclosed as **"Annexure E"** to this Report.

11. KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel of the Company as on 31st March, 2023 are as under:

- a) Mr. Devendra Kumar Sharma, Whole time Director
- b) Mr. Dilip Patodia, Chief Financial Officer
- c) Mr Devinder Kumar Jain, Company Secretary

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect by the Whole-time Director is made part of Corporate Governance Report which forms part of this report. There has been no change in this policy during the year under review. The Code is available on the Company's website at the weblink <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Code-of-Conduct.pdf> All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

12. FAMILIARISATION PROGRAMME

Periodic presentations are made at the Board Meetings, business, performance updates & business strategy of the Company. The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company and available at the weblink-<http://www.birla-sugar.com/Assets/Avadh/Familiarisation%20Programme.pdf>

13. REMUNERATION POLICY

In pursuance of the provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, the Company has formulated a Remuneration Policy. There has been no change in this policy during the year under review and a copy of the said Policy is available at the website of the Company at the weblink <http://www.birla-sugar.com/Assets/Avadh/ASEL-Nomination-and-Remuneration-Policy.pdf>

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

14. CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company believes in long term strategy to contribute to the well-being and development of the society especially the rural population around its plants at Hargaon, Hata, Rosa & Seohara . As part of its CSR initiatives, the Company is working mainly in the areas of imparting School Education, Technical & Vocational Education, Rural Development, Community Healthcare etc. This multi-pronged CSR approach is showing notable improvement in the quality of life of rural population. The Company continues to spend to support local initiatives to improve infrastructure as well as support in other corporate social responsibilities. The CSR Policy as approved by the Board is available on Company's weblink <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf> There has been no change in this policy during the year under review.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Annual Report on CSR activities (including the details of the development and implementation of the Corporate Social Responsibility Policy) as prescribed under Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as **"Annexure I"** to this Report.

For the purpose of Section 135 of the Companies Act, 2013, the amount equivalent to 2% of the average net profits of the Company made during the immediately preceding

three financial years works out to ₹255.34 lakhs. As against this, the Company had spent ₹256.71 lakhs on CSR projects / programs during the Financial Year 2022-23.

15. BOARD MEETINGS

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. During the financial year ended 31st March 2023, 6 (six) Meetings of the Board of Directors of the Company were held. The details of the Board Meetings held during the year under review are given in the Corporate Governance Report forming a part of this Annual Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the Listing Regulations.

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

18. INTERNAL COMPLAINTS COMMITTEE

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

19. 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.

20. RELATED PARTY CONTRACTS / ARRANGEMENTS

All Related Party Transactions entered during the year were on arm's length basis and in the ordinary course of business. There have been no materially-significant related party transactions made by the Company with the Promoters, the Directors or the Key Managerial Personnel which may be in conflict with the interests of the Company at large. Accordingly, disclosure of contracts or arrangements with Related Parties as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

The Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at following web-link <http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Related-Party-Transaction-Policy-.pdf>

The details of related party transactions are set out in the notes to the financial statements.

21. RISK MANAGEMENT

In line with the regulatory requirements, the Company has formally framed Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. A Risk Management Committee, has been constituted comprising of two Independent Directors, Whole time Director, Chief Financial Officer and the Group President to oversee the risk management process in the Company with an objective to review the major risks which effect the Company from both the external and the internal environment perspective. Appropriate actions have been initiated to either mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor the risks on a regular basis. The details of the terms of reference, number and date of meeting, attendance of director and remuneration paid to them are separately provided in the Corporate Governance Report.

22. 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. There is a proper system to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively. The directors confirm that, for the preparation of financial statements for the financial year ended March 31, 2023, 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.

23. WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. The brief detail about this mechanism may be accessed on the Company's website at the weblink

<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Whistle-Blower-Policy.pdf>

24. CORPORATE GOVERNANCE & ANNUAL RETURN

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2022-23 is attached as **"Annexure B"** to this Report. All the Directors of the Company and senior management personnel have confirmed the compliance of Code of Conduct of the Company. The declaration of the Whole-time Director confirming compliance with the 'Code of Conduct' of the Company is enclosed as **"Annexure C"** to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as **"Annexure D"** to this Report

25. 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.

26. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

STATUTORY AUDITORS

The shareholders of the Company, at the AGM held on July 20, 2022, had appointed Messrs S R Batliboi & Co LLP, Chartered Accountants, (Firm Registration No. 301003E/E300005), as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the Eighth AGM of the Company held on July 20, 2022 till the conclusion of the Thirteenth AGM of the Company.

The Notes to the Financial Statements read with the Auditor's Reports are self-explanatory and therefore, do not call for further comments or explanations. There has been no qualification, reservation, adverse remark or disclaimer in the Auditor's Reports.

COST AUDITORS

Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Sugar activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed Mr Somnath Mukherjee, Cost Accountant, as the Cost Auditor to audit the cost accounts of the Company for the financial year 2023-24. As required under the Companies Act, 2013, the remuneration payable to the cost auditor is required to be placed before the Members in a general meeting for their ratification.

SECRETARIAL AUDITOR

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company had appointed Messrs Vinod Kothari & Co., Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2022-23. The Secretarial Audit Report is annexed herewith as **"Annexure F"** and which is self-explanatory.

There has been no qualification, reservation, observation, disclaimer or adverse remark in the Secretarial Audit Report.

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

27. INVESTOR EDUCATION AND PROTECTION FUND

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

28. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The requisite information on conservation of energy, technology absorption and foreign exchange earnings and outgo as stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as **"Annexure G"**.

29. PARTICULARS OF EMPLOYEES

The human resource is an important asset which has played pivotal role in the performance and growth of the Company over the years. Your Company maintains very healthy work environment and the employees are motivated to contribute their best in the working of the Company. The information required to be disclosed in pursuance of Section 197 of the Companies Act, 2013, read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **"Annexure H"** to this Report and forms an integral part of this Report.

30. DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statements in terms of Section 134(3)(c) of the Companies Act, 2013:

- a. that in the preparation of the annual financial statements for the year ended March 31, 2023, 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, 2023 and of the profit or loss of the Company for the year ended on that date;
- c. that proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the annual financial statements have been prepared on a going concern basis;
- e. that proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- f. that systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

31. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

In pursuance of the provisions of the Listing Regulations, the Business Responsibility & Sustainability Report for the

financial year 2022-23 describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report.

32. CEO/CFO CERTIFICATION

Mr. Devendra Kumar Sharma, the Whole time Director and Mr. Dilip Patodia, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the SEBI (LODR) Regulations, 2015.

33. 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 Governments of Uttar Pradesh, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Board of Directors also convey its sincere appreciation of the commitment and dedication of the employees at all levels.

For and on behalf of the Board

Chandra Shekhar Nopany

Co-Chairperson

DIN - 00014587

Place : Kolkata

Date : 8th May, 2023

Management discussion and analysis

Global economy

Overview: The global economy was estimated to have grown at a slower 3.2% in 2022, compared to 6% in 2021. Some realities that defined the global business and trading sentiment comprised the Russian invasion of Ukraine, return of inflation, pandemic upsurge in China, global liquidity squeeze following higher interest rates, and quantitative tightening by the US Federal Reserve.

The total outcome of these adversities translated into moderated global capital and consumer spending, disrupted trade, increased energy costs and cautious consumer spending. Even as the global conflict remained geographically distant from India, ripples comprised increased oil import bills, cascading inflation, cautionary government and a sluggish equity market.

Global inflation was 8.9% in 2022, among the highest in decades. US consumer prices increased about 7% in 2022, the highest in four decades. The Federal Reserve raised its benchmark interest rate to their highest in 15 years.

The global equities, bonds, and crypto assets reported an aggregated value drawdown of USD26 trillion from peak, equivalent to 26% of the global gross domestic product (GDP). What made 2022 unique was a concurrent decline in bond and equity markets; 2022 was the only year when the S&P 500 and 10-year US treasuries delivered negative returns of more than 10%.

Gross FDI inflows – equity, reinvested earnings and other capital – declined 8.4% to \$55.3 billion in April-December. The decline was even sharper in the case of FDI inflows as equity – these fell 15% to \$36.75 billion during the first three quarters of FY 2022-23.

Brent crude oil decreased significantly from a peak of around USD 120 per barrel in June 2022 to USD 70 per barrel at the end of the calendar year due to the availability of cheap Russian oil.

The S&P GSCI (benchmark for commodity investments and a measure of global commodity performance) fell from a peak of 4288 in June 2022 to 3233.4. There was a sharp decline in crude oil, natural gas, coal, lithium, lumber, cobalt, nickel and urea realisations.

Performance of major economies

United States: Reported GDP growth of 2.1% compared to 5.9% in 2021

China: GDP growth was 3% in 2022 compared to 8.1% in 2021

United Kingdom: GDP grew by 4.1% in 2022 compared to 7.6% in 2021

Japan: GDP grew 1.7% in 2022 compared to 1.6% in 2021

Germany: GDP grew 1.8% compared to 2.6% in 2021

[Source: PWC report, EY report, IMF data, OECD data]

Outlook

The current economic scenario in the first quarter of CY2023 shows early indicators that the world economy could achieve a soft landing—with inflation coming down and growth steady—have receded amid stubbornly high inflation and recent financial sector turmoil. Central banks have raised interest rates and while food and energy prices have come down, the underlying price pressures are proving sticky, with labour markets tight in a number of economies. Commodity prices that rose sharply following Russia's invasion of Ukraine have moderated, but the war continues, and geopolitical tensions are high. Infectious COVID-19 strains caused widespread outbreaks last year, but economies that were hit hard—most notably China—appear to be recovering, easing supply-chain disruptions. For advanced economies, growth is projected to decline by half in 2023 to 1.3%, before rising to 1.4% in 2024. For emerging market and developing economies, economic prospects are on average stronger than for advanced economies, but these prospects vary more widely across regions. On an average, growth is expected to be 3.9% in 2023 and to rise to 4.2% in 2024.

World output projections

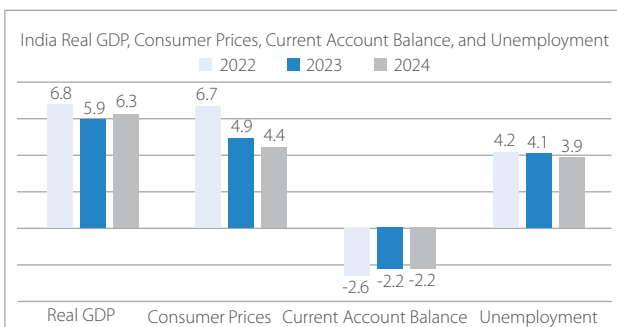
Regional growth (%)	2022	2023 (E)	2024 (E)
World output	3.4	2.8	3.0
Advanced economies	2.7	1.3	1.4
Emerging market and developing economies	4.0	3.9	4.2
European Union	3.7	0.7	1.6

Source: Global Prospects and Policies, International Monetary Fund | April 2023

Indian economy

Recovering from pandemic-induced contraction, Russian-Ukraine conflict and inflation, the Indian economy is staging a broad-based recovery across sectors, positioning to ascend to the pre-pandemic growth path in FY23. Private consumption in H1 is the highest since FY15 and this has led to a boost in production activity resulting in enhanced capacity utilisation across sectors. With monetary tightening, the US dollar has appreciated against several currencies, including the rupee. However, the rupee has been one of the better-performing currencies worldwide, but the modest depreciation it underwent may have added to the domestic inflationary pressures besides widening the CAD. Global commodity prices may have eased but are still higher compared to pre-conflict levels. The upside to India's growth outlook arises from the limited health and economic fallout for the rest of the world from the current surge in Covid-19 infections, a return of capital flows to India amidst a stable domestic inflation rate below 6%; and overall impetus to private sector investment. The Economic Survey of 2023 projects India's baseline GDP to grow at 6.5% in FY24 and is broadly comparable to the estimates provided by multilateral agencies such as the World Bank, the IMF, and the ADB.

Outlook: India is expected to grow 6.8% in FY2024, catalysed in no small measure by 35% capital expenditure growth by the government. The growth could be catalysed by broad-based credit expansion, better capacity utilisation and improving trade deficits. Headline and core inflation rates could down. The private sector's investments could revive, strengthening the economy. India is poised to sustain its outperformance. The landscape favours India: Europe is moving towards a probable recession, US economy is slowing, China's GDP growth forecast of 4.4% is less than India's GDP estimate of 6.1%, America and Europe are experiencing the highest inflation in 40 years.



Source: Global Prospects and Policies, International Monetary Fund | April 2023

The outlook for private business investment remained positive despite an increase in policy rates. India was less exposed to Chinese economic weakness, with much less direct trade with China than many Asian peers. Broad-based credit growth, improving capacity utilisation, government's thrust on capital spending and infrastructure should bolster investment activity. According to our surveys, manufacturing, services and infrastructure sector firms are optimistic about the business outlook. The protracted

geopolitical tensions, tightening global financial conditions and slowing external demand are the downside risks.

Union Budget FY 2023-24 provisions

The Budget 2022-23 sought to lay the foundation for the future of the Indian economy through projects like PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments.

The capital expenditure of the Indian government expanded 35.4% from ₹5.54 lakh crore to ₹7.50 lakh crore. An outlay of ₹5.25 lakh crore was made to the Ministry of Defence (13.31% of the total Budget outlay). An announcement of nearly ₹20,000 crore was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for the national highways network. An allocation of ₹2.37 lakh crore was made towards the procurement of wheat and paddy under the MSP safety net. An outlay of ₹1.97 lakh crore was announced for Production Linked Incentive schemes across 13 sectors.

Global sugar sector review

The global sugar market size is pegged at 180431Lakh Tons in 2022/23. According to the IMARC Group, the market is expected to reach 2172.0 LakhTons by 2028, registering a growth rate of 1.20% during 2023-2028. Global sugar production is expected to have decrease by 17.11Lakh tons to 1804.31 Lakh tons. A poor finish to the EU harvest and an unprecedented truncation of the UK beet harvest, due to freezing temperatures and snow fall mid-December, is added to by a lower Indian Sugar production. Meanwhile, Brazil and Thai sugar production figures were revised higher, tempering the aggregate downward revision in Global production, but also increasing the export market origin concentration still further. Sugar consumption is expected to create new records on account of growth in markets like China, Indonesia and Russia. Higher exports from Brazil and Thailand are expected to offset the decline in India. Stocks are expected to remain at a low level as growth in global consumption surpasses production growth. (Source: einnews.com, apps. fas. usda.gov)

Prominent sugar producing nations

USA: Sugar production in USA is expected to be flat at 92.31Lakh tons. Sugar consumption stood at 113 Lakh tonnes while stocks are lowered with the drop in production and imports.

Brazil: Sugar production in Brazil is expected to enhance by 15.4 Lakh tons to reach 336.0 Lakh tons as higher sugarcane yields from favorable weather resulted in additional sugarcane available for crushing. Sugar consumption is expected to remain unchanged at 95 Lakh tonnes while exports are expected to increase with higher exportable supplies.

Thailand: Thailand's sugar output is expected to increase by 3.49 Lakh tons to reach 123.49 Lakh tons from earlier estimate

of 120 Lakh tons. Sugar consumption is expected to increase by 100,000 tons to reach 25.2 Lakh tons on account of the country's anticipated economic recovery. Exports are expected to surge due to large exportable supplies while stocks are expected to reduce sharply following strong exports.

China: China's sugar production increased by 1.12 Lakh tons to 98.88 Lakh tons with increased cane sugar and beet sugar production. Sugar consumption is expected to enhance on the assumption that Covid-related restrictions ease. Sugar imports decline as high world sugar prices encourage drawdown of stocks

European Union: Sugar production in the European Union is expected to decline by 11.83 Lakh tons to reach 142.28 Lakh tons as farmers reduced sugar beet plantings by replacing it with profitable crops like corn and sunflower. Sugar consumption and imports are unchanged while exports and stocks are moderated with the lower available supplies.

Indian sugar sector review

India possesses around 700 sugar mills in the country with a capacity to crush 340 lakh metric tonnes of sugar with an annual turnover of ₹1,00,000 crores. The sugar industry has provided livelihood to nearly 50 Lakh Indians. India is expected to produce 320 to 330 Lakh tonnes of sugar in 2022-23 after considering diversion of 40 Lakh tonnes of sugar for ethanol production. India's domestic sugar consumption is expected at around 275 Lakh tonnes in SS 2022-23. India had an opening balance of sugar between 80-100 Lakh tonnes in the past few years which is expected to be around 58 Lakh tonnes in SS 2022-23.

The area planted under sugarcane in the country has enhanced by 6%. The government allowed sugar mills to export 60 Lakh tonnes of sugar in SS 2022-23. Sugar mills have contracted to export about 56 Lakh tonnes till January 2023; producers. Expectations of a decline in sugar production have dampened prospects of any additional exports during the 2022-23 sugar season. Going forward, the sugar sector is expected to gain traction due to the government's continuous support and growing focus on diversion towards ethanol production to promote the ethanol blending program in India.

(Source: Economic Times, reuters, Mongabay.com)

Particulars (Lakh tonnes)	SS 2022-23 (E)
Opening balance (as on 1 st Oct, 2022)	58
Estimated sugar production	328
Estimated sugar consumption	275
Estimated export	61
Closing balance (as on 30 th Sept, 2023)	50
Stock to use ratio	22.5%

(Source: Industry)

Indian sugar exports and imports

India remains the second biggest exporter of sugar globally. India is expected to export around 61 Lakh tonnes plus of sugar in the 2022-23 sugar season. According to the Indian Sugar Mills

Association (ISMA), India entered into a contract to export 35 lakh tonnes of sugar in 2022-23 sugar season. The government announced the sugar export policy of 2022-23 which permitted exports of 60 lakh tonnes of sugar on a quota basis till 31st May.

Sugar exports (in Lakh tonnes)

Sugar season	Exports
2018-19	38
2019-20	58
2020-21	70
2021-22	112
2022-23 (Expected)	61

Fair and remunerative prices (FRP)

The government increased the fair and remunerative price (FRP) of sugarcane for the 2022-23 sugar season by ₹15 per quintal to ₹305 for a basic recovery rate of 10.25%. It is 5.1% higher than ₹290 per quintal fixed for the sugar season 2020-21. The growth in fair and remunerative price is on account of the inducing demands from sugar mills for a corresponding rise in the minimum sale price (MSP) of sugar to remain competitive.

India's major sugar producing states

Uttar Pradesh: The area for sugar cultivation in Uttar Pradesh increased by 3% to reach 23.8 lac hectares in 2022-23 SS compared to 23.1 lac hectares in 2021-22 SS. The states sugar output is expected to remain same at 102 Lakh tonnes in 2022-23 SS like in the previous year (2021-22 SS).

Maharashtra: Sugarcane acreage in Maharashtra is expected to increase by 7% to 14.5 lakh hectares in 2022-23 SS compared to 13.5 lakh hectares in 2021-22 SS. Maharashtra's sugar output is expected to decline to 105 Lakh tonnes in 2022-23 SS compared to 137 Lakh tonnes in 2021-22 SS on account of lower cane yields.

Karnataka: Sugarcane acreage in Karnataka is expected to enhance by 11% to reach 6.5 lakh hectares compared to 5.9 lakh hectares in 2021-22. Installation of new distillation capacities in the sugar units of the state has resulted in the decline in sugar output at 56 Lakh tonnes in 2022-23 SS as against 61.50 Lakh tonnes in 2021-22 SS.

Global ethanol sector review

The global ethanol market is pegged at US \$ 109 billion in 2022 and is expected to reach US\$ 170 billion by 2032, reporting a CAGR of 4.6%. The growth of the ethanol market is expected to be fast progressive compared to a previous compounded annual growth rate of 3.9% between 2016 and 2021. Growing interest in using the substance as a biofuel coupled with growth in alcohol consumption are expected to be significant drivers of the global ethanol market.

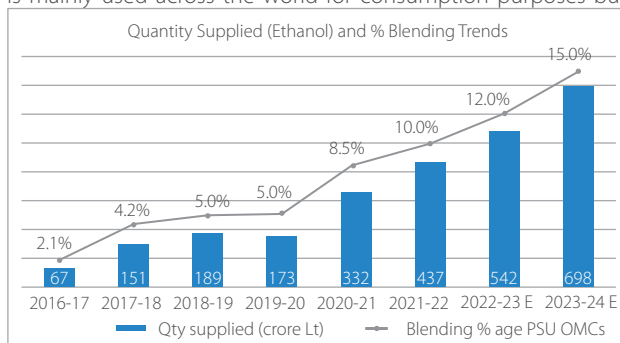
North America is the largest ethanol market with an ethanol market share of more than 18.6% worldwide. Supportive government regulations of the countries in North America towards ethanol production, deployment of ethanol as a

biofuel and growing awareness of the necessity to moderate environmental pollution were the major factors contributing to the dominance of the region. United States remains the primary contributor in the North American region. Europe contributes around 16.3% of the global ethanol market. Ethanol prices enhanced during the second quarter of 2022 in line with the expansion of the European market.

The Asia Pacific region is expected to record the quickest CAGR growth between 2022 and 2032 on account of growing fuel consumption and increased industrial activity. India and China are significantly employing ethanol in the pharmaceutical ethanol market in the Asia Pacific region. The developing countries in the region have embarked into a brand new renewable energy programme that is cleaner and better suited to lower high crude oil and petrochemical imports. (Source: Future market insights. com)

Indian ethanol sector review

Ethanol has emerged among the major priority sectors in the 21st century India. India remains the fifth largest ethanol producer worldwide after US, Brazil, European Union and China. Ethanol is mainly used across the world for consumption purposes but



countries like Brazil and India use it as a biofuel. According to the International Energy Agency, India is on the course to surpass China as the third largest ethanol consumer by 2026 with the objective of becoming carbon neutral by 2070. In 2022, India's ethanol production stood at a record high of 350 crore liters compared to 330 crore liters produced in 2021.

According to the ministry of consumer affairs, food and public distribution, India's ethanol production capacity has jumped to 947 crore litres per annum till 30th November 2022. Of these, molasses-based distilleries enjoy a capacity of 619 crore liters whereas grain based distilleries possess a capacity of 328 crore liters. The capacity expansion is expected to save around foreign exchange for the country worth around ₹30,000 crore per annum. Moreover, the achievement of E10 has resulted in additional revenue of about ₹18,000 crores of sugar mills which will surpass ₹3,500 on achievement of E20 blending with petrol by 2025.

The government aims to achieve 12% ethanol blending with petrol in 2022-23. The country aspires to reach 20% ethanol blending target by 2025 which will require to produce 1,000 crore liters of ethanol. 13,200 Lakh tonnes of sugarcane, 190Lakh

hectares of additional land and 348 billion cubic meters of additional water will be required to achieve the ethanol blending target through molasses. 228 ethanol projects have received loans of more than ₹18,500 crores sanctioned from banks. Out of the loans sanctioned, more than ₹9,000 crores has been disbursed to the 196 projects. (Source: Mint, Statista, scroll.in, chini.mandi.com)

Pricing: In November 2022, the CCEA approved higher ethanol price derived from different sugarcane based raw materials under the EBP Programme for the forthcoming sugar season 2022-23 during ESY 2022-23 from 1st December 2022 to 31st October, 2023:

- The price of ethanol from C heavy molasses route be increased from ₹46.66 per litre to ₹49.41 per litre,
- The price of ethanol from B heavy molasses route be increased from ₹59.08 per litre to ₹60.73 per litre,
- The price of ethanol from sugarcane juice/sugar/sugar syrup route be increased from ₹63.45 per litre to ₹65.61 per litre,

Co-generation

Sugar cane is one of the most promising agricultural sources of biomass energy. Sugar cane yields two kinds of biomass (sugarcane trash and bagasse). Bagasse is the fibrous residue left after milling sugarcane with 45-50% moisture content and a mixture of hard fibre with soft and smooth parenchymatous (pith) tissue with high hygroscopic property.

For every 100 tonnes of sugar cane crushed, a sugar factory produces nearly 30 tonnes of wet bagasse. Bagasse is used as a primary fuel source by sugar mills. When bagasse is burned, it produces sufficient heat and electrical energy to supply sugar mill needs. The carbon dioxide emitted on burning the bagasse is equal to the amount of CO₂ that the sugarcane plant has absorbed from the atmosphere during growth, making cogeneration greenhouse gas neutral.

Company review

Avadh Sugar and Energy Limited is a part of the prestigious K.K Birla Group of sugar companies with a eight decade exposure in the country's sugar sector. The Company is an integrated sugar player dealing in sugar, ethanol and spirits, cogeneration and other by-products. The Company has four sugar mills in Uttar Pradesh with a combined crushing capacity of 31,800 TCD, two distilleries with an overall ethanol production capacity of 325 KLPD and a cogeneration facility that can produce 74 MW power.

Financial overview

Analysis of the profit and loss statement

Revenues: Revenues from operations reported a 1.98% growth from ₹274365.91 lakhs in 2021-22 to reach ₹279801.49 lakhs in 2022-23. Other income of the Company reported a 124.64% growth and accounted for a 0.33% share of the Company's revenues, reflecting the Company's dependence on its core business operations.

Expenses: Total expenses increased by 3.22% from ₹258055.70 lakhs in 2021-22 to ₹266367.05 lakhs in 2022-23.

Analysis of the Balance Sheet

Sources of funds

The capital employed by the Company decreased by 2.29% as on 31 March, 2023 owing to decreased accruals.

The net worth of the Company increased by 9.97% during the year owing to plough back of profits. The Company's equity share capital comprised 2,0018,420 equity shares of ₹10/ each.

Long-term debt of the Company reduced by 16.29% to ₹43687.19 lakhs as on 31 March, 2023 owing to scheduled repayment. The debt-equity ratio of the Company stood at 1.20 in 2022-23 compared to 1.50 in 2021-22 owing to scheduled repayments and lower accruals during the year.

Finance costs of the Company reduced by 21.62% from ₹8842.41 lakhs in 2021-22 to ₹6930.62 lakhs in 2022-23 owing to lower borrowings, especially to fund working capital.

Applications of funds

Fixed assets (net block) of the Company increased by 8.20% from ₹107688.12 lakhs as on 31 March, 2022 to ₹116514.08 lakhs as on 31 March, 2023 owing to an increase in capex during the year.

Investments

Non-current investments of the Company increased from ₹4682.17 lakhs as on 31 March, 2022 to ₹4747.56 lakhs as on 31 March, 2023, due to fair valuation of quoted investments.

Working capital management

Current assets of the Company reduced by 7.63% from ₹127420.36 lakhs as on 31 March, 2022 to ₹117699.09 lakhs as on 31 March, 2023 owing to reduced inventory and declining debtors. The current ratio of the Company stood at 1.00 and at the close of 2022-23 compared to 1.07 at the close of 2021-22.

Inventories including raw materials, work-in-progress and finished goods among others reduced by 7.24% from ₹116973.02 lakhs as on 31 March, 2022 to ₹108503.06 lakhs as on 31 March, 2023 owing to lower inventory. The inventory turnover ratio improved from 1.77 in 2021-22 to 2.13 in 2022-23.

Despite marginal growth in revenues, trade receivables declined by 15.22% from ₹8568.62 lakhs as on 31 March, 2022 to ₹7264.72 lakhs as on 31 March, 2023. Trade receivable turnover ratio stood at 35.34 as on 31 March, 2023 as compared to 37.11 as on 31 March, 2022 owing to declining debtors.

Margins

Cost absorption impact due to flat revenues impacted the margins during the year. The EBITDA margin of the Company reduced by 1.77 basis points from 11.17% in 2021-22 to 9.41%

while the net profit margin of the Company improved by [] basis points due to exceptional gains on account of disposal of shares in the associate company.

Key ratios

Particulars	2022-23	2021-22
Net profit Ratio (%)	4%	5%
Debt-equity ratio	1.20	1.50
Return on capital employed (%)	11.00	12.00
Debtors turnover ratio	35.34	37.11
Inventory turnover ratio	2.13	1.77
Interest coverage ratio	3.81	3.47
Current ratio	1.00	1.07
Debt service coverage ratio	1.46	1.23
Return on net worth	12.69	17.52

Risk management at Avadh

Geographical risk: A long distance between factories and cane fields could affect the company's recovery.

Mitigation: All the Company's factories are situated within [] kms of its command areas and connected by good roads, moderating its cut-to-crush tenure.

Demand risk: Surplus sugar supply over demand could affect profitability.

Mitigation: The company has prudently sacrificed sugar production in favour of ethanol, strengthening realisations per stick of cane. The competitive cost of sugar manufacture has helped the company's sugar business remain profitable in challenging market cycles.

Procurement risk: The Company may not be able to mobilise adequate sugarcane.

Mitigation: The Company enjoys a strong partnership with ₹2.82 lakhs cane farmers. The company engaged in aggressive cane development, enhancing raw material access. The result is that the company enhanced cane procurement in of the last decade.

Liquidity risk: The Company might not have the ability to meet short-term financial obligations without incurring major losses.

Mitigation: The Company's focus on its ethanol business is expected to help the company generate quicker revenues, strengthening the company's liquidity position.

Competition risk: The Company might face challenges to retain its market share due to increased competition from larger players.

Mitigation: The Company created a network of wholesalers who remained with the company since its inception. Majority of the company's wholesalers are associated since inception.

Climatic risk: The Company's command areas might be affected by heavy rainfall and flood which might damage the crops, leading to reduced sugar recoveries.

Mitigation: The Company undertook necessary farming practices, timely varietal replacements and faster decision making to curb the climatic risk.

Regulatory risk: The Company's operations might be impacted due to change in regulatory operations.

Mitigation: The Company complies with all the regulatory measures announced by the government.

Quality risk: The Company's inability to maintain the required product quality standards might affect its market share.

Mitigation: The Company overcame quality risks through process-driven systems, training, certifications and sampling.

Financial risk: Increase in debt might pose a risk for the company.

Mitigation: The Company regularly repays its debt, strengthening its Balance Sheet and credit rating. Going ahead, the company expects to grow through its accruals.

Internal control systems and their adequacy

The internal audit system of the company has been regularly tracked and reformed to make sure that assets are protected, established regulations are complied with and pending issues are addressed on time. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee records the observations of the auditors and takes corrective actions, if necessary. It maintains constant dialogue

with statutory and internal auditors to ensure that internal control systems are operating effectively

Human resources and industrial relations

The Company considers that the value of the employees is the key to its success and is devoted to provide them skills which will enable them to seamlessly evolve with ongoing technological advancements.

The Company's permanent workforce stood at 817 as at 31st March, 2023. During the year, the Company arranged training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct.

Corporate social responsibility

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.

Cautionary statement

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

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

Avadh Sugar & Energy Limited (ASEL), a part of K K Birla Group of Sugar Companies, is of the firm conviction that Corporate Governance in essence refers to the rules, procedures, values, systems or laws by which businesses are operated, regulated, and controlled. A well-defined and enforced corporate governance provides a structure that works for the benefit of everyone concerned by ensuring that the enterprise adheres to accepted ethical standards and best practices as well to formal laws. Governance practices may vary but the principles are generic and universal. Accordingly the Board of ASEL manages its business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders which term includes every one ranging from the board of directors, management, shareholders, cane growers, customers, employees and society at large.

Given the fact that the business operations of ASEL is well diversified, sound governance practices are indispensable for it to build and sustain trust in all its stakeholders. ASEL is committed to run its business in a legal, ethical and transparent manner with dedication that originates from the very top and permeates throughout the organization. Besides adhering to the prescribed corporate practices as per the amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") from time to time, it voluntarily governs itself as per highest ethical and responsible standards of business.

This chapter, along with the chapters on Management Discussion and Analysis and Shareholders information, reports ASEL's compliance with Listing Regulations highlighting the additional initiatives taken in line with international best practices.

Corporate Governance Philosophy

ASEL's philosophy is to constantly achieve business excellence and optimize long term value through ethical business conditions. Being a value driven organization ASEL envisages attainment of the highest level of transparency, accountability and equity in all facets of its operations including everyone it works with, the community it is in touch with and the environment it has an impact on. Strong Governance practices by the Company have boosted the level of stakeholder's confidence testified by improved performance and various recognitions achieved by the

Company. This has helped ASEL to pay uninterrupted value based services to all its stakeholders.

The corporate governance structure in the Company ensures that its Board of Directors is well informed and well equipped to fulfill its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is the backbone of the ability to meet the aspirations of all stakeholders.

ASEL's initiatives towards adhering to highest standards of governance include: professionalization of the Board; fair and transparent processes and reporting systems; and going beyond the mandated Corporate Governance Code requirements of Securities and Exchange Board of India (SEBI). At the highest level the Company continuously endeavors to improve upon these aspects on an ongoing basis and adopt innovative approaches for leveraging resources, converting opportunities into achievements through proper coordination, empowerment and motivation, fostering a healthy all round growth and development to take the Company forward.

2. Board of Directors

- i. The Company has in all 8 Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these 8 Directors, 5 (62.50%) are Independent Directors (IDs), 2 are Promoter Directors and 1 is a Wholtime Director. The composition of the Board is in conformity with the Listing Regulations. The Board is headed by the Non-Executive Promoter Chairperson Mrs Nandini Nopany. The composition of Board of Directors is balanced in terms of specialisation in one or more areas.
- ii. The Board of Directors takes into account the interest of all stakeholders while discharging its responsibilities and provides leadership and guidance to the Company's management while discharging its fiduciary responsibilities thereby ensuring that the management adheres to the high standards of ethics, transparency and disclosures.
- iii. The non-executive directors bring objective and independent perspective in the deliberations and decisions of the Board of Directors as they have a wider view of external factors affecting the Company and its business. These directors make a constructive contribution to the Company by ensuring fairness and transparency while

considering the business plans devised by the management team. They receive sitting fees for attending the meetings and do not have any other material pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.

- iv. All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization. The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, rules framed thereunder and the Listing Regulations. It is confirmed that in the opinion of the Board of Directors, the Independent Directors of the Company fulfill the conditions specified in the Listing Regulations and are independent of the management of the Company.
- v. As per the disclosure received by the Company from the Directors none of them are Director on the Board of more than 7 listed entities as well as the Wholetime Director has no other directorship in compliance with Regulation 17A of Listing Regulations, and none of Directors are member in more than ten committees, nor as Chairperson of more than five committees across all companies in which they are Directors, in compliance with Regulation 26 of Listing Regulations as well as not have been debarred or disqualified from being appointed or continuing as director by SEBI/ Ministry of Corporate Affairs(MCA) or any other statutory authority. The Directors intimate the Company about the committee positions they occupy in other companies and also notify changes from time to time. The Company has obtained a certificate from a company secretary in practice confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by SEBI/MCA or any such statutory authority. A copy of the said certificate is attached as "Annexure E" to the Board's Report.
- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Companies Act, 2013 except for the Chairperson who is related to Mr Chandra Shekhar Nopany, Co-Chairperson.
- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once in every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters.

The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.

- ix. Mrs. Nandini Nopany (DIN:00051362), Director is retiring by rotation at the forthcoming AGM scheduled to be held on July 26, 2023 and being eligible has offered herself for re-appointment. The brief resume and other requisite details of the Director proposed to be re-appointed forms part of the notice of ensuing AGM.
- x. The IDs met on 17th March, 2023 without the presence of the Chairperson, Wholetime Director, the Non-Executive Non-IDs and the Management Team. The meeting was attended by IDs in person which enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the performance of non-IDs, Chairperson, Co-chairperson and the Board as a whole as well as the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- xi. Key Board qualifications, expertise and attributes

The ASEL Board comprises of qualified members who bring in the required skills, competence and expertise that allow them to make effective contributions to the Board and its committees. The Board members are committed to ensuring that the ASEL Board is in compliance with the highest standards of corporate governance.

The Board has identified the following skills/expertise/competencies fundamental for the effective functioning of the Company which are currently available with the Board:

Business	Understanding of Sugar business dynamics across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Ability to think strategically, identify and critically assess strategic opportunities and threats and develop effective strategies in the context of strategic objectives of the Company's policies and priorities.
Governance	Experience in developing governance practices, serving the best interest of all stakeholders, protecting shareholder interests, maintaining board and management accountability and driving corporate ethics and values.

In the table below, the specific areas of focus or expertise of individual Board members have been highlighted.

Key Board Qualifications

Director	Business	Strategy and Planning	Governance
Mrs Nandini Nopany (DIN – 00051362)	✓	✓	✓
Mr Chandra Shekhar Nopany (DIN – 00014587)	✓	✓	✓
Mr Gaurav Swarup (DIN- 00374298)	✓	✓	✓
Mr Anand Ashvin Dalal (DIN – 0353555)	✓	✓	✓
Mr Pradip Kumar Bishnoi (DIN- 00732640)	✓	✓	✓
Mr Kalpataru Tripathy (DIN – 00865794)	✓	✓	✓
Ms Kausalya Madhavan (DIN – 5198559)	✓	✓	✓
Mr Devendra Kumar Sharma (DIN – 06498196)	✓	✓	✓

Familiarisation Programme

In terms of Regulation 25(7) of Listing Regulations, the Company is required to conduct Familiarisation Programme for IDs to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. As a part of the familiarisation programme, presentation was made to the IDs giving a brief overview of roles, responsibilities and liabilities of IDs under Corporate Governance norms with focus on constitution of various Committees under the Companies Act, 2013. In addition to the above, the Directors are continuously encouraged to participate in various training sessions to ensure that the Board members are kept up to date.

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

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

Significant Statutory updates are circulated as a part of the agenda of the Board Meetings through which Directors are made aware of the significant new developments and highlights from various regulatory authorities viz. SEBI, MCA, other statutory authority etc.

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

The details of the familiarisation programme (other than through meeting of Board and its Committees) imparted to Independent Director are uploaded on the website of the Company and available at the weblink [http://www.birla-sugar.com/ Assets/Avadh/Familiarisation%20Programme.pdf](http://www.birla-sugar.com/Assets/Avadh/Familiarisation%20Programme.pdf)

Performance Evaluation

In pursuance of the provisions of the Companies Act, 2013 and Listing Regulations, the Company has laid down a Performance Evaluation Policy. The said policy prescribed in detail the process for effective evaluation of performance of the Board of Directors, the Committees thereof, individual Directors and the Chairperson of the Company. The Nomination and Remuneration Committee ("NRC") had finalized the proformas / questionnaires containing different parameters to evaluate the performance of Board of Directors and its committee(s), individual Directors and the Chairperson of the Company. The performance evaluation parameters for Independent Directors include level of participation in decision making process, understanding of Company's business and industry, ensuring adequacy and functionality of vigil mechanism, communicating inter-se with Board members and senior management, etc.

As per the Performance Evaluation Policy of the Company, the evaluation of performance of the Board as a whole, Committees of the Board of Directors, individual Directors and Chairperson/ Co-chairperson of the Company was carried out for the Financial Year 2022-23. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson/Co-chairperson of the Company and Non-Independent Directors. The Independent Directors have briefed the Board of Directors about performance evaluation by Independent Directors of the Company.

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

Board Diversity Policy

Board diversity is imperative in view of globalization of business, rapid deployment of technology, greater social responsibility, ever increasing emphasis on corporate governance and increasing need for risk management. Having members of the Board of Directors from different fields enables the Company to keep pace with changing business dynamics and provide financial,

reputational and qualitative benefits. The Board of Directors had adopted "Board Diversity Policy" which sets out the basic guidelines to constitute a diverse Board that can, inter alia, draw upon a range of perspectives, experience and knowledge.

Board meetings

The meetings of the Board of Directors are scheduled in advance. The Company Secretary prepares the agenda for the meetings in consultation with the Chairperson and other concerned persons in the senior management. The detailed agenda and other

relevant notes are circulated to the Directors well in advance. All material back up information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

During the period under review 6 (Six) Board Meetings were held on 10th May, 2022, 1st June, 2022, 4th August, 2022, 7th November, 2022, 6th February, 2023 and 28th March, 2023 respectively

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

Name of Director	Category of Director	No. of Board Meetings held and attended during FY 2022-23		Whether attended last AGM held on Wednesday, 20th July, 2022	No. of Directorships in other Indian Public Limited Companies (As on 31st March 2023) [#]	No. of Committee positions held in other Indian Public Companies (As on 31st March 2023) ^{##}		Number of Equity shares held (As on 31st March, 2023)
		Held	Attended			Chairman	Member	
Mrs Nandini Nopany (DIN – 00051362)	P/C/NED	6	3	Yes	6	-	-	99,404*
Mr Chandra Shekhar Nopany (DIN – 00014587)	P/CO/NED	6	6	Yes	8	1	-	68,176
Mr Gaurav Swarup (DIN- 00374298)	NED/ID	6	6	Yes	7	-	5	NIL
Mr Anand Ashvin Dalal (DIN – 0353555)	NED/ID	6	6	Yes	2	-	-	NIL
Mr Pradip Kumar Bishnoi (DIN- 00732640)	NED/ID	6	6	Yes	3	1	3	NIL
Mr Kalpataru Tripathy (DIN – 00865794)	NED/ID	6	6	Yes	5	2	3	NIL
Ms Kausalya Madhavan (DIN – 5198559)	NED/ID	6	6	Yes	-	-	-	NIL
Mr Devendra Kumar Sharma (DIN – 06498196)	WTD	6	6	Yes	-	-	-	NIL

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

Notes :

* includes 31,846 equity shares held as Trustee of Chandra Shekhar Charity Trust

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

^{##} In accordance with Regulation 26 of the Listing Regulations, memberships /chairmanships of only Audit Committee and Stakeholders Relationship Committee of other Indian Public Limited Companies have been considered.

The other Indian listed entities where Directors of the Company hold directorship as on 31st March 2023 are as follows:

Name of the Director	Other Indian Listed Entity Directorships	Category of Directorship
Mrs Nandini Nopany	Ganges Securities Limited	Non-Executive Chairperson
Mr Chandra Shekhar Nopany	Magadh Sugar & Energy Limited	Non-Executive Chairperson
	Chambal Fertilisers and Chemicals Limited	Non-Executive Director
	New India Retailing & Investment Limited	Non-Executive Chairperson
	Sutlej Textiles and Industries Limited	Executive Chairperson
	SIL Investments Limited	Non-Executive Chairperson
Mr Gaurav Swarup	Graphite India Limited	Independent Non Executive Director
	Swadeshi Polytex Limited	Non-Executive Director
	KSB Ltd	Non-Executive Director
	Industrial and Prudential Investment Company Limited	Executive Director
	IFGL Refractories Limited	Independent Non Executive Director
Mr Anand Ashvin Dalal	The Jamshri Realty Limited	Non-Executive Director
Mr Pradip Kumar Bishnoi	Rane (Madras) Limited	Independent Non Executive Director
	Rane Holdings Limited	Independent Non Executive Director
	Rane Engine Valve Limited	Independent Non Executive Director
Mr Kalpataru Tripathy	JK Tyre & Industries Ltd	Independent Non Executive Director

Mrs Kausalya Madhavan and Mr Devendra Kumar Sharma are not holding any directorship in any other listed entity.

Committees of the Board

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

3. Audit Committee

i. Overall purpose/Objective

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of Listing Regulations, 2015 as amended from time to time, 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 Statutory Auditors/independent accountants/internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

ii. Terms of Reference

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

Mr Anand Ashvin Dalal, Chairperson of the Audit Committee attended the Annual General Meeting of the Company held during the year 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 Standards of Accounting specified under Sec 133 of the Companies Act, 2013, and looks after overall financial activities under applicable laws and regulations governing the Company.

iii. Composition and Meetings

The Audit Committee as on 31st March, 2023, comprises of Mr Anand Ashvin Dalal, Mr Pradip Kumar Bishnoi, Mr Kalpataru Tripathy, Mrs Kausalya Madhavan, Independent Directors and Mr Devendra Kumar Sharma, Whole time Director. Mr Anand Ashvin Dalal, Independent Director of the Company is the Chairperson of the Audit Committee. All the Members of the Audit Committee are financially literate and have accounting

or related financial management expertise. The Chief Financial Officer (CFO) is a permanent invitee to the meetings of the Audit Committee and the Company Secretary acts as the Secretary to the Audit Committee. The Statutory Auditors as well as Internal Auditors of the Company are invited to attend the Audit Committee meetings. The Company also invite the Cost Auditor and Secretarial Auditor to attend the meeting and discuss their report. The Committee also invites senior executives, as it considers appropriate, to be present at the meetings of the Committee.

Four meetings of the Audit Committee were held during the year 2022-23 on 10th May 2022, 4th August, 2022, 7th November, 2022 and 6th February, 2023 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by Listing Regulations, 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	Category	No of meetings attended
Mr Anand Ashvin Dalal	Chairperson	Independent Director	4
Mr Pradip Kumar Bishnoi	Member	Independent Director	4
Mr Kalpataru Tripathy	Member	Independent Director	4
Mrs Kausalya Madhavan	Member	Independent Director	4
Mr Devendra Kumar Sharma	Member	Wholetime Director	4

4. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee of the Company was constituted on 14th March, 2017, in line with the provisions of Regulation 20 of Listing Regulations, 2015 read with Section 178 of the Companies Act, 2013.

(i) Terms of Reference:

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

Relationship Committee meets at regular intervals to take note of share transfer and other matters.

(ii) Composition & Meetings:

During the year under review the Stakeholders' Relationship Committee was reconstituted on 6th February, 2023 by appointing Mrs Kausalya Madhavan as the Chairperson of the Committee. Mr Devendra Kumar Sharma ceased to be a member with effect from 6th February, 2023. The composition of the Stakeholders' Relationship Committee as on 31st March, 2023 is as follows:

- Mrs Kausalya Madhavan
- Mr Anand Ashvin Dalal
- Mr Gaurav Swarup
- Mr Pradip Kumar Bishnoi

During the period under review the Committee met four times on 10th May, 2022, 4th August, 2022, 4th November, 2022 and 2nd February, 2023. The Committee is headed by Mrs Kausalya Madhavan, an Independent Director and the Company Secretary is the Compliance Officer.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mrs Kausalya Madhavan @	Chairperson	Independent Director	-
Mr Anand Ashvin Dalal	Member	Independent Director	4
Mr Gaurav Swarup	Member	Independent Director	4
Mr Pradip Kumar Bishnoi	Member	Independent Director	4
Mr Devendra Kumar Sharma#	Member	Wholetime Director	4

@ Appointed with effect from 6th February, 2023

Ceased to be a Member with effect from 6th February, 2023

The Board of Directors have authorised the Company Secretary to approve transfers/ transmissions of shares in physical form upto 1000 shares. The transfers/ transmissions approved by the Company 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 avadhinvestors@birla-sugar.com

During the financial year ended 31st March, 2023, 2 (two) Nos. complaints were received and duly resolved. There were no complaints pending as on 31st March, 2023.

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

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Regulation 19 of Listing Regulations, 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 including their remuneration in accordance with the criteria laid down, recommends to the Board their appointment and removal and other matters specified for Nomination and Remuneration Committee in Section 178 of the Companies Act, 2013, Companies (Meetings of Board and its Powers) Rules, 2014 and under Listing Regulations, 2015.

ii. Terms of Reference:

The broad terms of reference of the Nomination and Remuneration Committee, inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of IDs and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment, remuneration and removal.

It also discharges such other functions as may be delegated by the Board of Directors from time to time.

iii. Composition and Meetings:

The Committee comprises of the following Directors as on 31st March, 2023

- a. Mr Gaurav Swarup
- b. Mr Anand Ashvin Dalal
- c. Mr Kalpataru Tripathy
- d. Mrs Kausalya Madhavan

During the period under review the Committee met three times on 10th May, 2022, 23rd September, 2022 and 2nd February, 2023

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Gaurav Swarup	Chairperson	Independent Director	3
Mr Anand Ashvin Dalal	Member	Independent Director	3
Mr Kalpataru Tripathy	Member	Independent Director	2
Mrs Kausalya Madhavan	Member	Independent Director	3

iv. Remuneration Policy:

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is available on the Company website at weblink <http://www.birla-sugar.com/Assets/Avadh/ASEL-Nomination-and-Remuneration-Policy.pdf>

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

i. Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2022-23:

a. Wholetime Director (₹ in lakhs)

Name	Salary	Perquisites	Retirement Benefits *	Total
Mr Devendra Kumar Sharma	127.67	13.19	9.45	150.31

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

Mr Devendra Kumar Sharma'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 Non-executive Director for attending meetings of the Board of Directors and Committees thereof respectively.

The shareholders of the Company had approved through Postal Ballot on 13th March, 2022, payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2021-22 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 had further put forth a ceiling of ₹10 Lakhs with effect from the financial year 2021-22, which was approved by the Shareholders through Postal Ballot on 13th March, 2022. In pursuance of the approval of the shareholders, the Board of Directors determined the commission payable to individual Directors for the Financial Year 2022-23 based on the time devoted and the contribution made by individual directors in the affairs of the Company.

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

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2022-23 (₹)
1	Mrs Nandini Nopany	1,60,000	10,00,000
2	Mr Chandra Shekhar Nopany	2,60,000	10,00,000
3	Mr Anand Ashvin Dalal	4,60,000	10,00,000
4	Mr Gaurav Swarup	4,00,000	10,00,000
5	Mr Pradip Kumar Bishnoi	5,00,000	10,00,000
6	Mr Kalpataru Tripathy	3,60,000	10,00,000
7	Mrs Kausalya Madhavan	4,20,000	10,00,000

There was no other pecuniary relationship or transaction with the non-executive directors.

6. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Listing Regulations, 2015 read with Section 135 of the Companies Act, 2013. The role of Committee includes formulating and recommending to the Board of Directors a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company as specified under the Companies Act, 2013 recommending the amount of expenditure to be incurred on such activities, instituting a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company etc. The Committee also reviews periodically the progress of CSR projects/ programs/ activities undertaken by the Company. It also discharges such other functions as may be delegated by the Board of Directors from time to time.

The Corporate Social Responsibility Committee comprises of Mrs Nandini Nopany, Chairperson, Mr Pradip Kumar Bishnoi, Independent Director and Mr Devendra Kumar Sharma, Whole time Director. Mrs Nandini Nopany, Chairperson of the Company acts as the Chairperson of the Corporate Social Responsibility Committee. The Company Secretary of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time, the Company's CSR Policy is available on the Company's website at <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf>

During the period under review the Committee met twice on 10th May, 2022, 3rd November, 2022 and 6th February, 2023

Attendance of the members at the meetings was as follows :

Name of the Member	Status	Category	No of meetings attended
Mrs Nandini Nopany	Chairperson	Non-Executive Director	1
Mr Pradip Kumar Bishnoi	Member	Independent Director	3
Mr Devendra Kumar Sharma	Member	Executive Director	3

7. Risk Management Committee

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

The Risk Management Committee was constituted on 23rd May, 2017 in line with the provisions of Listing Regulations, 2015. The Committee was reconstituted on August 2, 2022 by inducting Mrs Kausalya Madhavan, Independent Director as Member. The Committee now comprises of Mr Pradip Kumar Bishnoi and Mrs Kausalya Madhavan, Independent Directors, Mr Chand Bihari Patodia, Group President, Mr Devendra Kumar Sharma, Wholetime Director and Mr Dilip Patodia, Chief Financial Officer. Mr Pradip Kumar Bishnoi is the Chairperson of the Committee.

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

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

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

During the period under review the Committee met twice on 23rd September, 2022 and 20th March, 2023.

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

Name of the Member	Status	Category	No of meetings attended
Mr Pradip Kumar Bishnoi	Chairperson	Independent Director	2
Mrs Kausalya Madhavan	Member	Independent Director	2
Mr Chand Bihari Patodia	Member	Group President	2
Mr Dilip Patodia	Member	Chief Financial Officer	2
Mr Devendra Kumar Sharma	Member	Executive Director	2

8. Finance & Corporate Affairs Committee

The Finance & Corporate Affairs Committee of Board of Directors was constituted on 14th March, 2017 and comprises of Mrs Nandini Nopany, Chairperson, Mr Chandra Shekhar Nopany, Co-Chairperson, Mr Gaurav Swarup, Non-Executive & Independent Director and Mr Devendra Kumar Sharma, Wholetime Director.

The Company Secretary of the Company acts as the Secretary to the Committee and Mr Dilip Patodia, Chief Financial Officer is a regular invitee to such Committee.

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

During the period under review the Committee met once on 17th January, 2023.

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

Name of the Member	Status	Category	No of meetings attended
Mrs Nandini Nopany	Chairperson	Non-Executive Director	1
Mr Chandra Shekhar Nopany	Member	Non-Executive Director	1
Mr Gaurav Swarup	Member	Independent Director	1
Mr Devendra Kumar Sharma	Member	Executive Director	-

9. Subsidiary Companies

The Company does not have any subsidiary neither does has any associate nor any joint venture. However, the Board of Directors have formulated a Policy for determining material subsidiaries in its meeting held on 30th March, 2017 and subsequently modified on 26th March 2019 in line with changes envisaged in Listing Regulations and such modified 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 Listing 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. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Adequate disclosure as required by the Indian Accounting Standards (IND As) have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which modified in line with amended provisions of Companies Act, 2013 read with Listing Regulations, 2015 and has been uploaded on the Company's website <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 was updated with recent amendments w.r.t. Unpublished Price Sensitive Information as mandated by SEBI laws and has been uploaded on the Company's website at <http://www.birla-sugar.com/Assets/Avadh/Avadh-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 cannot realize his / her maximum potential. As per the Policy, any

employee may report his / her complaint to the Internal Complaint Committee formed for this purpose. The Company affirms that during the year under review adequate access was provided to any complainant who wished to register a complaint under the Policy. During the financial year 2022-23, the Company has not received any complaint on sexual harassment from any of the women employees of the Company, neither there were any pending complaints which were disposed of nor there were any complaints pending as on the end of the FY 2022-23.

13. General Body Meetings

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

Financial Year	Date	Time	Location
2021-22	20-07-2022	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM" and deemed venue: Registered Office of the Company P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2020-21	23-08-2021	11.00 A.M.	
2019-20	21-09-2020	11.00 A.M.	

The last Annual General Meeting was held on 20th July, 2022, which was chaired by Mr Chandra Shekhar Nopany.

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

13.2 Postal Ballot

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

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total No. of Valid Votes	No. of Votes with Assent for the Resolution	No. of Votes with Dissent for the Resolution
Re-appointment of Mr Devendra Kumar Sharma as a Wholetme Director	06-02-2023	17-03-2023	1,30,77,613	1,30,63,592 (99.89)	14,021 (0.11)

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

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

14. Means of Communication

14.1 The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 days from the close of the financial year as per the requirements of Listing Regulations 2015.. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in Hindi in Lucknow edition.

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

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

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

14.5 Email id earmarked for redressing Investor queries is avadhinvestors@birla-sugar.com

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

15. General Shareholders' Information

15.01: 9th Annual General Meeting

Day & Date : Wednesday, July 26, 2023

Time : 11.00 A.M.

Venue : 9th Annual General Meeting will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at P.O. Hargaon, Dist. Sitapur Uttar Pradesh – 261121.

15.02 Financial Year : April to March

15.03 Tentative Financial Calendar

Event	Date
Approval of Audited Annual Results (2022-23)	8 th May, 2023
First Quarter Results	On or before 14 th August, 2023
Second Quarter Results	On or before 14 th November, 2023
Third Quarter Results	On or before 14 th February, 2024
Audited Annual Results (2023-24)	On or before 30 th May, 2024

15.04 Book Closure & Record Date

The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, July 20 to Wednesday, July 26, 2023 (both days inclusive) for the purpose of Annual General Meeting. The Record Date for ascertaining the entitlement of Dividend is Wednesday, July 12, 2023.

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

15.06 Listing on Stock Exchanges and Stock Codes

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

Name and Address of the Stock Exchanges	Stock Code/ Scrip Code	ISIN Number for NSDL/CDSL (Dematerialised Shares)
BSE Ltd. (BSE) Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001	540649	INE349W01017
National Stock Exchange of India Ltd. (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (East), Mumbai 400051	AVADHSUGAR	

The Company has paid annual listing fees for the Financial Year 2023-24 to the above Stock Exchanges.

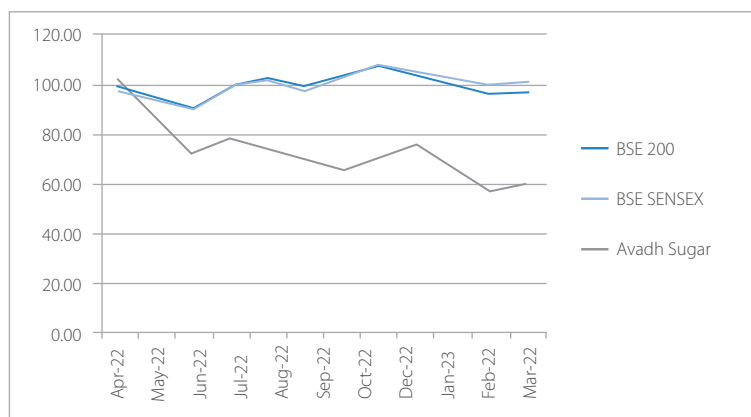
15.07 Market Price data

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

(Amount in ₹)

Month	BSE		NSE	
	High	Low	High	Low
April, 2022	884.95	725.50	885.00	725.65
May, 2022	746.75	545.75	747.80	546.00
June, 2022	628.00	468.20	629.00	468.10
July, 2022	606.85	517.55	608.00	517.15
August, 2022	570.60	502.00	570.00	501.45
September, 2022	573.00	495.50	573.00	493.10
October, 2022	548.75	473.70	549.00	473.00
November, 2022	527.90	469.30	521.10	467.55
December, 2022	618.00	490.85	618.45	489.65
January, 2023	563.40	460.10	563.70	468.00
February, 2023	500.95	415.05	501.90	414.05
March, 2023	451.90	418.75	504.00	392.00

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



The base of 100 is taken to be the closing price of shares at BSE and values of indices as on March 31, 2022.

The shares of the company were never suspended.

15.09 Registrar & Share Transfer Agent

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly, all correspondence, share transfer, demat/remat requests and other communication in relation thereto should be mailed/hand delivered to the said RTA directly at the following address:

Link Intime India Pvt. Ltd.

Unit: Avadh Sugar & Energy Limited

502 & 503, 5th Floor,

Vaishno Chambers,

6, Brabourne Road, Kolkata - 700 001

Tel: 91 033 4004 9728 / Fax : 91 033 4073 1698

E-mail: kolkata@linkintime.co.in

15.10 Share Transfer System

The Board of Directors have authorised the Company Secretary to approve transfer/transmission of upto 1,000 shares. The requests for transfer/transmission more than 1000 shares in physical form are approved by the Stakeholders' Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders. During the financial year 884 Equity Shares were transferred/transmitted.

15.11 Distribution of Shareholding

a. Equity Share Capital History

The Paid up Capital of the Company consists of 2,00,18,420 Equity shares of ₹10/- each fully paid up and allotted as under:

Date of Allotment	No. of shares	Issue Price (₹ per share)
30.03.2017	1,00,09,210	10
02.07.2019	1,00,09,210	(Bonus) 1:1

b. The Distribution of Shareholding as on 31st March, 2023 was as follows:

No of Equity Shares	No. of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	25,440	94.05	17,45,810	8.72
501 to 1000	796	2.93	6,04,379	3.02
1001 to 2000	405	1.49	6,03,380	3.01
2001 to 3000	134	0.49	3,42,419	1.71
3001 to 4000	64	0.24	2,28,836	1.14
4001 to 5000	53	0.20	2,41,432	1.21
5001 to 10000	71	0.26	5,30,785	2.65
10001 and above	93	0.34	1,57,21,379	78.53
Total	27,156	100.00	2,00,18,420	100.00

c. Detail of Shareholding pattern of the Company as on 31st March, 2023 was as follows:

Category	No. of Shares held	% of Shareholding
Promoter & Promoter Group	1,20,89,172	60.39
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	90,113	0.45
Bodies Corporate	7,82,118	3.91
Individuals/HUF/Trust	64,58,427	32.26
Stock Exchange Clearing Members/Market Maker	20,037	0.10
NRIs / OCBs / FII / Foreign Nationals	5,14,561	2.57
Unclaimed Shares	63,992	0.32
Total	2,00,18,420	100.00

15.12 Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Limited and The National Stock Exchange of India Limited under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 1,99,27,542 Equity Shares viz. 99.55% of the Equity Share Capital of the Company have already been dematerialized.

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

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

15.15 Location of Plants:
Sugar Mills:

- Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- Seohara, District Bijnor, Uttar Pradesh, Pin-246 746.
- Hata, District Kushinagar, Uttar Pradesh, Pin-274 207
- Rosa, District Shahjahanpur, Uttar Pradesh, Pin-242 406

Distilleries:

- Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- Seohara, District Bijnor, Uttar Pradesh, Pin-246 746.

Co-generation Power Plants:

- Hargaon, District Sitapur, Uttar Pradesh, Pin-261 121.
- Seohara, District Bijnor, Uttar Pradesh, Pin-246 746.
- Hata, District Kushinagar, Uttar Pradesh, Pin-274 207

15.16 Address for Correspondence:

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

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

The Company is not required to credit any sum to the Investor Education and Protection Fund (IEPF) pursuant to Section 125 of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

15.18 Credit Ratings

The details of the Credit Rating assigned to the Company as on 31st March 2023 is as under:

Particulars	Amount (₹ in Crore)	Agency	Assigned Rating
Term Loan	450.34	India Ratings and Research	IND A STABLE
Fund-based limit	103.40		IND A STABLE/IND A1
Non-fund based limit	5.00		IND A1

15.19 Details of Unpaid Dividend

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

Dividend Year	Amount lying in Unpaid Dividend Account as on March 31, 2023 (in ₹)	Due date for transfer to Investor Education and Protection Fund ("IEPF")
2016-2017	2,34,130.00	06.09.2024
2017-2018	1,08,476.00	31.10.2025
2018-2019	2,90,703.00	09.10.2026
2019-2020	8,00,862.00	27.10.2027
2020-2021	7,21,316.00	29.09.2028
2021-2022	15,67,686.00	26.08.2029

15.20 Transfer of shares in Unclaimed Suspense Account

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

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2022	779	63,992
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2022-23	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2022-23	-	-
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2023	779	63,992

16. CEO and CFO Certification

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of Listing Regulations, 2015 inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2023, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

17. Information about directors seeking appointment/ re-appointment

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

18. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its designated persons. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at <http://www.birla-sugar.com/Assets/Avadh/Avadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf> The Code ensures the prevention of dealing in Company's shares/ securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Board of Directors and the designated persons have confirmed compliance with the Code.

19. Code of Conduct

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

20. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, prepared by the Wholetime Director which is duly supported by the legal compliance report of the internal auditors, heads of each Units at Hargaon, Seohara, Hata & Rosa, as well as by the Chief Financial Officer and Company Secretary. The Board also reviews periodically the steps taken by the Company to rectify instances of non compliances, if there be any.

21. Payment of Dividend etc. in electronic mode

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

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

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

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

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

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

Further, pursuant to Regulation 43A of SEBI Listing Regulations, 2015, a Dividend Distribution Policy has been adopted by the Company covering, inter alia, the parameters for declaration of dividend, utilization of retained earnings, procedure for dividend declaration etc.

22. Reconciliation of Share Capital Audit

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

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

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

24. Secretarial Audit & Secretarial Compliance Report

Pursuant to Section 204 of the Companies Act, 2013 and rules thereunder, the Board of Directors of the Company appointed M/s Vinod Kothari & Company, Practising Company Secretaries, to conduct Secretarial Audit of the records and documents of the Company. The Secretarial Audit Report confirms that the Company has complied inter alia with all the applicable provisions of the Companies Act, 2013 and the Rules made thereunder, Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder, Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India), Securities Contracts (Regulation) Act, 1956 and all the Regulations and Guidelines of the Securities and Exchange Board of India (SEBI) as applicable to the Company, including the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, SEBI (Prohibition of Insider Trading) Regulations, 2015, the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993. The Secretarial Audit Report for the financial year ended March 31, 2023 is provided in the Annual Report. In addition to the Secretarial Audit Report, SEBI vide its Circular dated 8th February 2019 has mandated on annual basis a check by the company secretary in practice on compliance of SEBI Regulations and circulars/ guidelines issued thereunder and to submit a compliance report to the Company within 60 days of the end of the financial year, which was carried out by M/s Vinod Kothari & Company, Practising Company Secretary and their report shall be submitted to Stock Exchange within stipulated time and shall also be uploaded on company's website at www.birlasugar.com.

25. Disclosures

- 25.01 There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 41 of the Accounts in the Annual Report.
- 25.02 No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- 25.03 Your Company is fully compliant with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats have been submitted to the concerned stock exchanges.
- 25.04 The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- 25.05 The Company has complied with all the applicable mandatory requirements.
- 25.06 In the preparation of the financial statements, the Company has followed Standards of Accounting notified under Section 133 of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- 25.07 Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and entities in the network firm/network entity of which the statutory auditor is a part was ₹62.56 Lakhs.
- 25.08 During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of Listing Regulations, 2015, as amended from time to time.

25.09 All the recommendations/ suggestions made by the Committees of Board of Directors which is mandatorily required during the financial year 2022-23 were accepted by the Board of Directors.

26. Discretionary Requirements

26.01 **Chairperson's Office:** Chairperson's Office is maintained by the Company and expenses towards performance of the Chairperson's duties are borne by the Company / reimbursed to her.

26.02 **Shareholder rights:** The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website. The Annual Report of the Company for the financial year 2022-23 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.

26.03 **Audit Opinion:** It is always the Company's endeavour to present unmodified audit opinion on the financial statements. There is no audit modified audit opinion on the Company's financial statements for the year ended on 31st March, 2023.

26.04 **Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

27. Web links to Company policies and programmes

The Company's policies and programmes as prescribed under the Listing Regulations are available at:

- a. Code For Fair Disclosure Of Unpublished Price Sensitive Information :
<http://www.birla-sugar.com/Assets/Avadh/Avadh%20Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION.pdf>
- b. Code of Conduct :
<http://www.birla-sugar.com/Avadh-Shareholders-Info/Avadh---Code-Of-Conduct.pdf>
- c. CSR Policy :
<http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf>
- d. Policy for Determining Material Subsidiaries :
<http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>
- e. Policy on Determination of Materiality :
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy- on-Determination-of-Materiality.pdf>
- f. Policy on preservation of documents including archival : <http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy- on-preservation-of-documents-including-archival.pdf>
- g. Policy on Related Party Transaction/s :
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Related-Party-Transaction-Policy-.pdf>
- h. Whistle Blower Policy :
<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Whistle-Blower-Policy.pdf>
- i. Familiarisation Programme :
<http://www.birla-sugar.com/Assets/Avadh/Familiarisation%20Programme.pdf>

Annexure C

Certificate on Code of Conduct

To
The Members
Avadh 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, Devendra Kumar Sharma, Wholetime Director of Avadh 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 2022-23.

Date : May 8, 2023

Devendra Kumar Sharma
Wholetime Director
DIN - 06498196

Annexure D

Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

The Members of Avadh Sugar & Energy Limited

1. The Corporate Governance Report prepared by Avadh Sugar & Energy Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2023 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.
3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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.
7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
 - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
 - iii. Obtained and read the Register of Directors as on 31st March, 2023 and verified that at least one independent woman director was on the Board of Directors throughout the year;
 - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 01, 2022 to March 31, 2023:
 - (a) Board of Directors;
 - (b) Audit Committee;
 - (c) Annual General Meeting (AGM)
 - (d) Nomination and Remuneration Committee;
 - (e) Stakeholders Relationship Committee;
 - (f) Risk Management Committee
 - (g) Corporate Social Responsibility Committee
 - v. Obtained necessary declarations from the directors of the Company.
 - vi. Obtained and read the policy adopted by the Company for related party transactions.
 - vii. Obtained the schedule of related party transactions during the year and balances at the year-end. Obtained and read the minutes of the audit committee meeting wherein such related party transactions have been pre-approved by the audit committee.
 - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

9. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2023, referred to in paragraph 4 above.

Other matters and Restriction on Use

10. This report 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.
11. This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Sanjay Kumar Agarwal**

Partner

Membership Number: 060352

UDIN: 23060352BGWRFJ3547

Place of Signature: Kolkata

Date: May 08, 2023

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Avadh Sugar & Energy Limited** having CIN : L15122UP2015PLC069635 and having registered office at P.O. - Hargaon, Dist. - Sitapur, Uttar Pradesh – 261121 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2023 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Chandra Shekhar Nopany	00014587	29.07.2016
2.	Nandini Nopany	00051362	29.07.2016
3.	Anand Ashvin Dalal	00353555	14.03.2017
4.	Gaurav Swarup	00374298	14.03.2017
5.	Pradip Kumar Bishnoi	00732640	14.03.2017
6.	Kalpataru Tripathy	00865794	14.03.2017
7.	Kausalya Madhavan	05198559	11.02.2019
8.	Devendra Kumar Sharma	06498196	29.07.2016

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

Place: Kolkata
Date : 08.05.2023

Name : CS Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238
PRCN : 1038/2020
UIN : S1999WB026800
UDIN : F004848E000269178

Form No. MR-3**Secretarial Audit Report**

FOR THE YEAR ENDED MARCH 31, 2023

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

To,
The Members,
Avadh Sugar & Energy Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avadh Sugar & Energy Limited** [hereinafter called '**the Company**'] for the year ended March 31, 2023 [**"Period under Review"**] in terms of Audit Engagement Letter dated 11th August, 2022. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

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

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable: -
 - a. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - b. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - c. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - d. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a. The Sugar Development Fund Act, 1982 and Rules;
 - b. The Sugarcane (Control) Order, 1966;
 - c. The Food Safety and Standards Act, 2006 and Rules;
 - d. Food Safety and Standards Regulations;
 - e. The Essential Commodities Act, 1955;
 - f. Legal Metrology Act, 2009;
 - g. Petroleum Act, 1934 And Rules;
 - h. Electricity Act, 2003 and Rules;
 - i. The Uttar Pradesh Sheera Niyantaran Adhiniyam, 1964;
 - j. Uttar Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1953.

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

Management Responsibility:

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

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

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings and Committee meetings, agenda and detailed notes on agenda were sent at least seven days in advance or at a shorter notice with the approval of all directors obtained in advance for the same, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Resolutions have been approved by majority while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

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

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

Barsha Dikshit
Partner

Membership No.: A48152
CP No.: 18060

UDIN: A048152E000269560

Peer Review Certificate No.: 781/2020

Place: Kolkata

Date: 8th May, 2023

ANNEXURE TO SECRETARIAL AUDIT REPORT (UN-QUALIFIED)

To,
The Members,
Avadh Sugar & Energy Limited

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

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

Annexure II: List of Documents

1. Draft of the final minutes shared through electronic mode of the following meetings:
 - a. Board Meeting;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Stakeholders Relationship Committee;
 - e. Corporate Social Responsibility Committee;
 - f. Risk Management Committee meeting;

2. Annual Report 2021-22;
3. Notice and Agenda for Board and Committee Meetings on sample basis;
4. Memorandum and Articles of Association;
5. Disclosures under Act, 2013 on sample basis and those under Listing Regulations;
6. Forms and Returns files with the ROC;
7. Policies framed under Act, 2013 and Listing Regulations;
8. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015;
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations.

Annexure G**Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo. Information under section 134 (3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2023.****(A) Conservation of Energy****i. The steps taken or impact on the conservation of energy –**

- A) Installed Steam-saving device, FFE (Falling Film Evaporator) & VCP For B-MASSECUITE-70 Ton. It reduced the steam consumption from 40% to 36% of cane crushed. Efforts are also on to further reduce the steam consumption to 34% at Seohara.
- B) Old-designed turbines at mills have been replaced with AC electrical drives to improve milling. It resulted in reduction of bagasse pol to 1.40% and bagasse moisture to 49.70.
- C) Old turbines were replaced by 15MW efficient turbine.
- D) Installed Steam Economy System to reduce the steam consumption from 48% to 41% on cane at Hata.
- E) Taking four no's Refined Pan circulators on auto mode by which speed controlled during tightening zone, consequently power saved and reduced mechanical wear & tear too.
- F) Modification done in bagasse feeders to overcome frequent tripping, by which bagasse combustions improved and contributed on bagasse saving.
- G) Used Plate Heat Exchanger to heat make up RO water for Boiler by composite condensate and raised temperature of water from 30°C to 65 °C.
- H) Replaced HPSV 70W lights with 40W LED lights at boiler area and 40W tube lights with 20W LED lights at power house to save electrical energy.

ii. the steps taken by the company for utilizing alternate sources of energy– Nil**iii. The capital investment on energy conservation equipment – ₹5423.91 Lakhs****(B) Technology Absorption –****(i) the efforts made towards technology absorption–****1. Trench Method :-**

This is a furrow method at a wider row of sugar cane planting. This method enhances the yield of sugar cane. This method helps saving of water in irrigation as well as prevents lodging of cane. Farmers are being encouraged to sow the seeds of Cane through Trench method of sowing so as to increase the yield.

2. Power Spray (Boom Sprayer) :-

Power sprayer is a tractor driven implement. It is cost effective in the sense of labour saving and more coverage area of foliar spray in short period of time and helps the crop to grow faster & healthier.

3. Small Tractors :-

This is an economical as well as time saving replacement of labour used in various agricultural operations. This may play a big role in supplying of fresh cane due to its small consignment. This is very use full for small holding growers which are more than 75%.

4. Control of Insect, Pest and Disease

- a) Though 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 Bore: Parasites Trichogramma have been applied in the crop to protect from insects, Pests and Borers.

5. Ratoon Management

To increase the yield of the Ratoon, farmers are being educated on constant basis for 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. We are distributing seedling of new promising variety for faster multiplication of cane variety.

- (ii) The Company has not imported any new technology during last three years.
- (iii) The Company had incurred an expenditure on research and cane development amounting to ₹666.32 lakhs

(C) Foreign Exchange Earnings and Out go :-

- a) Activities relating to exports, initiatives taken to increase exports. – ₹ Nil
- b) Development of new export markets for products and services and export plan – ₹ Nil
- c) Earnings in Foreign Exchange (FOB Value) – ₹ 47.74 Lakhs
- d) Expenditure in Foreign Currency - ₹ Nil

Annexure H
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 2022-23 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2022-23:

Name	Designation	Remuneration for the year ended 31.03.2023 (₹ in lakhs)	% age increase in remuneration in the FY 2022-23 as compared to Previous year 2021-22	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mrs. Nandini Nopany	Chairperson	11.60	14.71	3.26
Mr Chandra Shekhar Nopany	Co-Chairperson	12.60	(5.97)	3.48
Mr Anand Ashvin Dalal	Independent Director	14.60	(3.95)	4.03
Mr Gaurav Swarup	Independent Director	14.00	4.48	3.86
Mr Pradip Kumar Bishnoi	Independent Director	15.00	(3.85)	4.08
Mr Kalpataru Tripathy	Independent Director	13.60	(2.86)	3.75
Mrs Kausalya Madhavan	Independent Director	14.20	(4.05)	3.92
Mr Devendra Kumar Sharma	Wholetime Director	150.31	15.71	41.46
Mr Dilip Patodia	Chief Financial Officer	172.30	7.91	Not Applicable
Mr Devinder Kumar Jain @	Company Secretary	83.76	Not Applicable	Not Applicable

@ Percentage increase/decrease in remuneration is not comparable for Mr Devinder Kumar Jain, Company Secretary as he was employed only for the part of FY 2021-22.

- ii. The percentage increase in the median remuneration of employees in the financial year 2022-23 : 26.01%
- iii. The number of permanent employees on the rolls of the Company : 817
- 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 2022-23 was 16.25%. Details of percentage increase in the remuneration of managerial personnel is given in the table above.
- v. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

B) Statement pursuant to Section 197(12) of the Companies Act, 2013 read with the Rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

I. Details of the top ten employees in terms of remuneration drawn for the Financial Year 2022-23:

S. No	Name Of The Employee	Designation	Qualification	Age (Years)	Experience (Years)	Date Of Commencement of Employment	Remuneration Received (₹)	Last Employment	Equity Shares Held
1	Mr Chand Bihari Patodia	Group President	Intermediate	74	55	01-02-1990	3,08,96,481	The Oudh Sugar Mills Ltd.	Nil
2	Mr Dilip Patodia	Chief Financial Officer	B.Com, CA, CS	57	32	01-07-2011	1,72,29,443	The Oudh Sugar Mills Ltd.	Nil
3	Mr Devendra Kumar Sharma	Executive President-Hargaon	M.Com, AICWA	55	32	01-07-2014	1,50,31,320	The Oudh Sugar Mills Ltd	Nil
4	Mr Sukhveer Singh	Executive President-Seohara	B.Sc.	62	33	01-09-2008	1,41,49,071	Upper Ganges Sugar & Industries Ltd.	Nil
5	Mr C.Venugopal	President(Business)	MBA (Marketing & Finance)	54	30	16-03-2019	1,37,12,580	Umang Dairy	Nil
6	Mr Devinder Kumar Jain	Company Secretary	B.Sc., ACS, LLB	53	27	01-09-2021	84,08,049	McDonald's India Private Limited	Nil
7	Mr Karan Singh	Executive President-Hata	B.Sc. (Hons) Agriculture	61	37	19-06-2018	72,86,745	West Keny Sci,Kenya	Nil
8	Mr Munesh Pal	Executive President-Rosa	Post Graduation	57	33	10-06-2019	56,19,005	Chhada Sugar & Industries Pvt. Ltd.	Nil
9	Mr Rajeev Kumar Tyagi	Executive Vice President (Tech.)-Seohara	B.Tech.	54	31	29-07-2019	51,51,247	Balrampur Sugar Mills, Balrampur	Nil
10	Mr Vivek Kant Sharma	Executive Vice President (Prod.)-Seohara	NSI from Post Graduate	56	34	01-06-2013	42,24,332	Bajaj Hindustan Ltd., Rudholi	Nil

II. Employed throughout the financial year and were in receipt of remuneration aggregating not less than ₹1,02,00,000/- per annum.

S. No	Name Of The Employee	Designation	Qualification	Age (Years)	Experience (Years)	Date Of Commencement of Employment	Remuneration Received	Last Employment	Equity Shares Held
1	Mr Chand Bihari Patodia	Group President	Intermediate	74	55	01-02-1990	3,08,96,481	The Oudh Sugar Mills Ltd.	Nil
2	Mr Dilip Patodia	Chief Financial Officer	B.Com, CA, CS	57	32	01-07-2011	1,72,29,443	The Oudh Sugar Mills Ltd.	Nil
3	Mr Devendra Kumar Sharma	Executive President-Hargaon	M.Com, AICWA	55	32	01-07-2014	1,50,31,320	The Oudh Sugar Mills Ltd	Nil
4	Mr Sukhveer Singh	Executive President-Seohara	B.Sc.	62	33	01-09-2008	1,41,49,071	Upper Ganges Sugar & Industries Ltd.	Nil
5	Mr C.Venugopal	President(Business)	MBA (Marketing & Finance)	54	30	16-03-2019	1,37,12,580	Umang Dairy	Nil

Notes:

1. Remuneration received includes Salary, Perquisites and Company's contribution to Provident Fund.
2. Other Terms & Conditions: As per Company's Rules and Regulations.
3. No Employee is a relative of any Director or Key Managerial Personnel of the Company.
4. None of the above employees himself/herself or alongwith his/her spouse and dependent children holds 2% or more equity shares of the Company
5. All appointments are on contractual basis.

Place: Kolkata

 Date : 8th May, 2023

For and on behalf of the Board of Directors
Chandra Shekhar Nopany
 Co-Chairperson

Annexure I

ANNUAL REPORT ON CSR ACTIVITIES

Sr. No	Particulars	Remarks
1.	A Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the weblink to the CSR policy and project or programs.	The Company's CSR policy focuses on practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with an intent to make a positive difference to society and to conduct the business in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.
2.	Composition of the CSR Committee.	
	Sl. No. Name of Director	Designation/ Nature of Directorship
		Number of meetings of CSR Committee held during the year
		Number meetings of CSR Committee attended during the year
	1. Mrs Nandini Nopany	Chairperson
	2. Mr Pradip Kumar Bishnoi	Independent Director
	3. Mr Devendra Kumar Sharma	Whole-time Director
3.	Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	The CSR policy is available on the website of the Company viz. http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)	NOT APPLICABLE
	Sl. No. Financial Year	Amount available for set-off from preceding financial years (in ₹)
		Amount required to be set-off for the financial year, if any (in ₹)
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	
6.	Average net profit of the Company as per section 135(5)	₹12766.92 lakhs
7.	(a) Two percent of average net profit of the company as per section 135(5)	₹255.34 lakhs
	(b) Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	-
	(c) Amount required to be set off for the financial year, if any	-
	(d) Total CSR obligation for the financial year (7a+7b-7c)	₹256.71 lakhs

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

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation-Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
1	Birla Girls Inter College	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Sitapur	1,50,705.00	Yes	N/A	N/A
2	Tree Plantation at nearby areas of mill & schools	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Uttar Pradesh	Sitapur	2,15,750.00	Yes	N/A	N/A
3	Drinking water Hand-pump	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	48,500.00	Yes	N/A	N/A
4	Medical Check up Camps, Sanitizer, ATM kit and Medicine distribution to patients	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	7,15,474.00	Yes	N/A	N/A
5	Distribution of blankets	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	45,000.00	Yes	N/A	N/A
6	Furniture for Primary School	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Sitapur	1,77,480.00	Yes	N/A	N/A

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation-Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
7	Cleaning of Pond adjacent to plant	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Uttar Pradesh	Sitapur	3,52,327.10	Yes	N/A	N/A
8	Contribution to Manav Vikas Vidyalaya Trust	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	West Bengal	Kolkata	1,50,00,000.00	Yes	Manav Vikas Vidyalaya Trust	CSR00046106
9	Animal Protection (Fodder in cow shelter)	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	24,495.00	Yes	N/A	N/A
10	Har Ghar Tiranga	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Sitapur	44,322.00	Yes	N/A	N/A
11	Medicine and Equipments for Primary Health Center like Health ATM Machine	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	4,12,160.00	Yes	N/A	N/A
12	T.B. Medical Aid	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	40,741.18	Yes	N/A	N/A

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation- Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
13	Birla Girls Inter College (Salary)	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Sitapur	12,00,000.00	Yes	N/A	N/A
14	Birla Girls Inter College	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Bijnor	1,98,198.00	Yes	N/A	N/A
15	Tree Plantation at nearby areas of mill & schools	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Uttar Pradesh	Bijnor	2,00,000.00	Yes	N/A	N/A
16	Portable RO for nearby Govt. School	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Bijnor	71,178.00	Yes	N/A	N/A
17	Medical Check up Camps,, Sanitizer, ATM kit and Medicine distribution to patients	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Bijnor	10,06,553.02	Yes	N/A	N/A
18	Distribution of blankets	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Bijnor	1,71,485.00	Yes	N/A	N/A

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation- Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
19	Cleaning of Pond adjacent to plant	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Uttar Pradesh	Bijnor	4,68,988.40	Yes	N/A	N/A
20	Training to promote rural sports	(vii) Training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports	Yes	Uttar Pradesh	Bijnor	1,20,657.00	Yes	N/A	N/A
21	Har Ghar Tiranga	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Bijnor	15,000.00	Yes	N/A	N/A
22	Medicine and Equipments for Primary Health Center like Health ATM Machine	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Bijnor	4,12,160.00	Yes	N/A	N/A
23	Medicine and equipment's for primary health center	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Kushi Nagar	1,84,974.00	Yes	N/A	N/A
24	Furniture for Primary School	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Kushi Nagar	2,43,306.00	Yes	N/A	N/A
25	Har Ghar Tiranga	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Kushi Nagar	10,000.00	Yes	N/A	N/A

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation- Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
26	Medicine and Equipments for Primary Health Center like Health ATM Machine	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Kushi Nagar	4,12,160.00	Yes	N/A	N/A
27	Ambulance for farmers & Local public	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Kushi Nagar	10,49,410.00	Yes	N/A	N/A
28	Ambulance Operation	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Kushi Nagar	63,760.00	Yes	N/A	N/A
29	Tree Plantation at nearby areas of mill & schools	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Uttar Pradesh	Shahjahanpur	1,15,430.00	Yes	N/A	N/A
30	Drinking water Hand-pump	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	1,70,000.00	Yes	N/A	N/A

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation- Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
31	Medical Check up Camps, Sanitizer, ATM kit and Medicine distribution to patients	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	6,46,131.00	Yes	N/A	N/A
32	Furniture for Primary School	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Shahjahanpur	1,00,952.00	Yes	N/A	N/A
33	Cleaning of Pond adjacent to plant	(iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Uttar Pradesh	Shahjahanpur	15,000.00	Yes	N/A	N/A
34	Har Ghar Tiranga	(ii) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Uttar Pradesh	Shahjahanpur	42,750.00	Yes	N/A	N/A
35	Medicine and Equipments for Primary Health Center like Health ATM Machine	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	4,12,160.00	Yes	N/A	N/A
36	T.B. Medical Aid	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	1,45,000.00	Yes	N/A	N/A

SL NO.	Name of the project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No.)	Location of the project		Amount spent for the project (in ₹)	Mode of Implementation- Direct (Yes/No.)	Mode of implementing agency	
				State	District			Name	CSR registration number
37	Ambulance for farmers & Local public	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	9,43,630.00	Yes	N/A	N/A
38	Ambulance Operation	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	24,780.00	Yes	N/A	N/A

(d) Amount spent in Administrative Overheads	NIL
(e) Amount spent on Impact Assessment, if applicable	NIL
(f) Total amount spent for the Financial Year (8b+8c+8d+8e)	₹256.71 Lakhs
(g) Excess amount for set off, if any	NIL

SI No	Particulars	Amount (in ₹ lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	255.34
(ii)	Total amount spent for the Financial Year	256.71
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.37
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	2.61
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	2.61

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

SI No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in ₹)
				Name of the Fund	Amount (in ₹)	Date of transfer	
1							
2							
3							
	Total						

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

SI No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year (in ₹)	Status of the Project – Completed / On-going
1								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).	
(b) Amount of CSR spent for creation or acquisition of capital asset.	Nil
(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	
(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).	
Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)	

Place : Kolkata
Date : 8th May, 2023

Devendra Kumar Sharma
Wholtime Director

Nandini Nopany
Chairperson, CSR Committee

Avadh Sugar & Energy Limited – Business Responsibility and Sustainability Reporting – FY 2022 -23

Section A – General Disclosure

I – Details of Listed Entities

1. Corporate Identity Number (CIN) of the Listed Entity – L15122UP2015PLC069635
2. Name of the Listed Entity – Avadh Sugar & Energy Limited
3. Year of incorporation – 2015
4. Registered office address – P O Hargaon Dist. Sitaput Uttar Pradesh 261 121
5. Corporate address – Birla Building, 5th floor, 9/1 R N Mukherjee Road Kolkata 700 001
6. E-mail – birlasugar@birla-sugar.com
7. Telephone – 05862 256 220
8. Website – www.birla-sugar.com
9. Financial year for which reporting is being done – 1st April 2022 to 31st March 2023
10. Name of the Stock Exchange(s) where shares are listed – BSE Limited & National Stock Exchange of India Limited
11. Paid-up Capital – ₹20,01,84,200
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report – Mr. Devendra Kumar Sharma, Wholetime Director
13. Reporting boundary – Standalone Basis

II – Products and Services

14. Details of Business Activities (Accounting for 90% of the turnover)

Sr. No	Description of Main Activity	Description of Business Activity	% of turnover of the entity
1	Sugar	Production and processing of sugar from sugarcane including extracting, clarifying, evaporating the juice to concentrate it, crystallizing the concentrated juice to form sugar crystals, and drying and packaging the sugar for distribution.	72.73
2	Distillery	Manufacture of spirits/ industrial alcohol from molasses or other sugarcane by products. The manufacturing process involves fermentation and distillation, followed by further processing and purification to produce a high-grade ethanol/ spirit.	20.00
3	Power	The bagasse generated from sugar production is used to generate power and supply to the electrical grid.	1.83

15. Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

Sr. No	Products	NIC Code	% of total turnover contributed
1	Sugar	10721	72.73
2	Industrial Alcohol	1101	20.00
3	Power	35106	1.83
4	Others		5.44

III – Operations

16. Number of locations where plants and/or operations/offices of the entity are situated.

Location	No. of Plants (Including R&D sites/ operations)	No. of Offices	Total
National	6	2	8
International	0	0	0

17. Markets served by the entity

a. No. of Locations

Locations	Numbers
National (No. of States)	4
International (No. of Countries)	-

b. What is the contribution of exports as a percentage of the total turnover of the entity

The sugar exports are 16.66 percentage of the total turnover.

c. A brief on types of customers

ASEL is primarily a sugar manufacturing company and has a wide range of customers. It deals with wholesalers and operates under B2B model. The sugar packets are of bulk quantity 50kgs. The company sells its product to trade and institutions through several channels including distributors, direct sale and digital marketing. The company also has two distilleries wherein it produces industrial alcohol/ ethanol/ rectified spirits. The ethanol produced is supplied to oil companies namely Indian Oil, Bharat Petroleum & Hindustan Petroleum. In addition, the company has co-generation power plants that supplies power to the electricity grid in Hargaon and Seohara, U.P. State.

IV – Employees

18. Details as at the end of Financial Year:

a. Employees and workers (including differently abled)*:

Sr. No	Particulars	Total	Male		Female	
			No.	%	No.	%
Employees						
1	Permanent	667	666	99.9%	1	0.10%
2	Other than Permanent	238	237	99.6%	1	0.40%
3	Total	905	903	99.9%	2	0.10%
Workers						
1	Permanent	754	754	100%	0	0%
2	Other than Permanent	426	426	100%	0	0%
3	Total	1180	1180	100%	0	0%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

b. Differently abled Employees and workers*:

Sr. No	Particulars	Total	Male		Female	
			No.	%	No.	%
Employees						
1	Permanent	0	0	0%	0	0%
2	Other than Permanent	0	0	0%	0	0%
3	Total	0	0	0%	0	0%
Workers						
1	Permanent	1	1	100%	0	0%
2	Other than Permanent	0	0	0%	0	0%
3	Total	1	1	100%	0	0%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

19. Participation/Inclusion/Representation of women

Particulars	Total	No. of Females	% of Females
Board of Directors	7	2	28.50%
Key Management Personnel (KMPs)	3	0	0%

20. Turnover rate for permanent employees and workers*

Particulars	FY 2022-23			FY 2021-22			FY 2020-21		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	19.59%	0%	19.59%	21.14%	0%	21.14%	18.70%	0%	18.70%
Permanent Workers	6.76%	0%	6.76%	8.69%	0%	8.69%	6.33%	0%	6.33%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

V – Holding, Subsidiary and Associate Companies (including joint ventures)

21. Names of holding/ subsidiary/ associate companies/ joint ventures - No

Do the entities indicated in above table, participate in the business responsibility initiatives of the listed entity? (Yes/No) - No

VI – CSR Details

22. Whether CSR is applicable as per Section 135 of the Companies Act, 2013:

Yes

a. Turnover (Lakhs, ₹) – ₹2,79,801.49

b. Net Worth (Lakhs, ₹) – ₹61,780.11

VI – Transparency and Disclosures Compliances

23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If Yes, then provide web-link for grievance redress policy)	FY 2022-23			FY 2021-22		Remarks
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	
Communities	No	0	0		0	0	
Investors other than Shareholders	No	0	0		0	0	
Shareholders	No	0	0		0	0	
Employees and Workers	Yes*	0	0		0	0	
Customers	Yes*	0	0		0	0	
Value Chain Partners	No	0	0		0	0	
Others (Please Specify)	No	0	0		0	0	

* Some of the policies guiding the Company's conduct with all its stakeholders, including grievance mechanisms are placed on the Company's website. The hyperlink is: <http://www.birla-sugar.com/Avadh-Shareholders-Info/Business-Responsibility-Policies-Avadh>

24. Overview of the entity's material responsible business conduct issues

S. No.	Material Issue Identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity.	In case of risk, approach to adapt or mitigate.	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1.	Cane Yield	Risk	The State of Uttar Pradesh is India's second largest sugarcane harvesting State. All plants of the company are in U.P. State. In this state, sugarcane is one of the most preferred and favoured crop amongst the farmers, especially in the sugarcane belt where the climatic condition supports the crop. There are registered cane development societies across the State, which work independently and are administered by the elected office bearers. Hence, procuring cane sugar is of utmost importance to the continuity and profitability for the company.	Structured procurement practices and transportation mechanisms are set in place to mitigate this risk.	If this identified risk is not managed in a structured way, it can lead to enormous negative financial implications.

Section B – Management and Process Disclosures

Disclosure Question	P – 1	P – 2	P – 3	P – 4	P – 5	P – 6	P – 7	P – 8	P – 9
Policy and Management Process									
1. A. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. B. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
1. C. Web Link of the Policies, if available	Note 1								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	NA								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The conventional sugarcane cultivation is seed, water, and space intensive. The issues in sugarcane farming relates to disease infestation, low yields, varietal degeneration, drought, and water logging. ASEL is committed to contributing towards addressing these issues by adopting and creating awareness around sustainable sugarcane initiative. Another important aspect towards sustainable sugarcane procurement is with respect to transportation as the masses of farmers have limited resources for transporting sugarcane to mills from distant places. Additionally, in order to limit the number of shipments involving transportation, the company has established cane procurement centres for the farmers located at distant places. The farmers dump their cane at cane centres. Logistics are arranged by ASEL for the transshipment of sugarcane from the cane centres to our company gate, thus limiting the need for multiple rounds of transport. We have set internal targets around sustainable sugarcane procurement and its transportation.								

Disclosure Question	P-1	P-2	P-3	P-4	P-5	P-6	P-7	P-8	P-9
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	We are working towards achieving the commitments set for the FY 2023.								
Governance, Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	The sugar industry is a critical part of the rural economy in India as over 50 million farmers are regular suppliers to this industry. The K. K Birla Group of sugar companies of which Avadh Sugar is a significant part of plays an important and constructive role in the social development and the general upliftment of the people in its command areas. Demonstration camps for better farming methodologies, technical seminars, subsidies for better quality seeds, research into high yielding and high sucrose varieties of sugarcane, loans to farmers are some of the ways in which the company tries to play its role in helping the society at large. This apart, we have also been instrumental in building schools where job-oriented education is provided at concessional fees and hospitals, temples, etc. These infrastructural developments for use by the society at large have been carried out by us in the neighbouring areas surrounding our plants. We already have a strong alignment of our mission and vision towards ESG principles. In-order to demonstrate increased commitment towards ESG aspects we are in the process of making our internal policies more comprehensive with respect to nine principles of NGRBCs. Moreover, we are vehemently working towards better utilisation of natural resources, contributing to the community thereby integrating the sustainability practices at the core of our operations.								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr Devendra Kumar Sharma, Wholetime Director is the highest authority responsible for implementation of Business Responsibility policies.								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details	The Whole-time director, Mr. Devender Kumar Sharma is responsible for overseeing the implementation of the policies.								

Note 1:

P1: <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Code-of-Conduct.pdf>; <http://www.birla-sugar.com/Assets/Avadh/5.-SUPPLIERS.pdf> and

P6: <http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Whistle-Blower-Policy.pdf>

P2: <http://www.birla-sugar.com/Assets/Avadh/3-PRODUCT.pdf>; and <http://www.birla-sugar.com/Assets/Avadh/6-SUSTAINABILITY.pdf>

P3: <http://www.birla-sugar.com/Assets/Avadh/2-HR-ER-POLICY.pdf>

P4: <http://www.birla-sugar.com/Assets/Avadh/4-STAKEHOLDER.pdf> and <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf>

P5: <http://www.birla-sugar.com/Assets/Avadh/4-STAKEHOLDER.pdf>; <http://www.birla-sugar.com/Assets/Avadh/5.-SUPPLIERS.pdf> and

P6: <http://www.birla-sugar.com/Assets/Avadh/1-HEALTH-POLICY.pdf>

P6: <http://www.birla-sugar.com/Assets/Avadh/1-HEALTH-POLICY.pdf>; <http://www.birla-sugar.com/Assets/Avadh/5.-SUPPLIERS.pdf> and

P6: <http://www.birla-sugar.com/Assets/Avadh/6-SUSTAINABILITY.pdf>

P7: <http://www.birla-sugar.com/Assets/Avadh/4-STAKEHOLDER.pdf>

P8: <http://www.birla-sugar.com/Assets/Avadh/4-STAKEHOLDER.pdf>; <http://www.birla-sugar.com/Assets/Avadh/6-SUSTAINABILITY.pdf> and

P6: <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-CSR-Policy.pdf>

P9: <http://www.birla-sugar.com/Assets/Avadh/3-PRODUCT.pdf>

10. Details of Review of NGRBCs by the Company

Subject for Review	Review of principles undertaken by and frequency
Performance against above policies and follow up action	ASEL is under progress to map performance against all specified policies and develop comprehensive improvement action plans
Compliance with statutory requirements of relevance to the principles and rectification of any non-compliances	All our policies comply with statutory requirements and no complaints of any non-compliance was identified

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.

No

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated: NA

Section C – Principle Wise Performance Disclosure

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	%age of persons in respective category covered by the awareness programmes
Board of Directors*	0	0	0
Key Managerial Personnel (KMPs)*	0	0	0
Employees other than BODs and KMPs	46	5S AWARENESS, Fire safety / health	88.05%
Workers	49	5S AWARENESS, Fire safety / health	96.35%

*ASEL is underway to implement training and awareness programs for Board of Directors and KMPs

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutes	Amount (₹)	Brief of the Case	Has an appeal been preferred (Yes/No)?
Penalty / Fine			Nil		
Settlement					
Compounding Fees					

Non - Monetary

	NGRBC Principle	Name of the Regulatory/ enforcement agencies/ judicial institutes	Amount (₹)	Brief of the Case	Has an appeal been preferred (Yes/No)?
Imprisonment			Nil		
Punishment					

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed: Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

ASEL has established the code of conduct policy that particularise honest, ethical, and fair conduct guidelines. All the employees including the directors, key managerial personnel and senior management personnel are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working for the Company. ASEL also has a Whistle Blower policy which is applicable to all the employees including the directors of the company. It specifies the unethical, improper practices and provides comprehensive guidelines on access to the Ombudsperson. It also details the mechanisms and possible remedies available to employees and directors around whistle blowing. Also, ASEL expects the Suppliers to conduct their business in ethical manner and comply with the applicable laws in this regard as per Supplier's code of conduct.

<http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Code-of-Conduct.pdf>

<http://www.birla-sugar.com/Assets/Avadh/Avadh-Sugar-Whistle-Blower-Policy.pdf>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY 2022 – 23	FY 2021 – 22
Directors	Nil	Nil
KMPs		
Employees		
Workers		

6. Details of complaints with regard to conflict of interest

	FY 2022 – 23		FY 2021 – 22	
	Number	Remarks	Number	Remarks
Number of Complaints received in relation to issues of Conflict of Interest of the Directors	Nil	No complaints with regard to conflict of interest is received for directors and KMPs	Nil	No complaints with regard to conflict of interest is received for directors and KMPs
Number of complaints received in relation to issues of conflict of interest of the KMPs				

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties / action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest: Not Applicable

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year

Total number of awareness programmes held	Topics / principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
2352	Training on new farming techniques, Cane supply and transportation, varietal replacement, fertilizer management, red rot management & other development activity	33.58%
2	Fire & Safety as per oil companies guidelines for tankers	0.68%
50	Farmers are imparted awareness on health and education where experts of respective field are invited as guest speakers	3.53%

2. Does the entity have processes in place to avoid/ manage conflict of interests involving members of the Board? (Yes/No) If Yes, provide details of the same.

Yes. The code of conduct policy specifically lays down the conflict-of-interest clause with specific reference to director and KMPs. The policy specifies that the directors or key managerial personnel or senior management personnel shall not engage in any activity or enter any relationship which might result in conflict of interest, either directly or indirectly. The policy also lists down common instances of conflict of interest which should be avoided.

PRINCIPLE 2: Businesses should provide goods and services in manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
Capex	₹5423.91 lakhs	-	<p>In-order to create a positive environmental impact ASEL made the following capital investments in energy saving equipments. This led to significant energy conservation across different plants.</p> <ul style="list-style-type: none"> Installed Falling film evaporator and VCP to reduce steam consumption. The steam consumption in cane consumption has reduced from 40% to 36%. Efforts are also on to further reduce the steam consumption to 34%. Old-designed turbines at mills have been replaced with AC electrical drives to improve milling. It resulted in reduction of bagasse pol to 1.40% and bagasse moisture to 49.70%. Installation of 15 MW back pressure turbine. It has reduced the consumption of steam from 10 tons to 7 tons per MW of power generated.

2. a. Does the entity have procedures in place for sustainable sourcing: Yes

b. If yes, what percentage of inputs were sourced sustainably?

Almost 100% of the raw materials are procured sustainability. Sugar Mill is proximate to the cane growing area. Since the raw materials are procured from sources close to the units, it enables the Company to minimize transportation costs. Some part of the sugarcane reaches the mill through bullock carts, which reduces the pollution.

3. Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The production of Sugar from Sugarcane is indeed an eco- friendly virtuous cycle. All joint and by products generated during the process of sugar manufacture are productively utilised viz. bagasse is utilised for power generation; molasses is utilised to produce distillery products and other wastes generated like press mud and ash generated from incineration boilers are utilised for manufacture of organic manure. The Company has laid down comprehensive guidelines on waste management for all its units, which cover hazardous as well as non-hazardous waste and monitoring of performance for each unit, is carried out on a regular basis. Thus, the by-products and waste generated out of manufacturing processes are mostly recycled. The Company is one of the few sugar factories to work towards achieving Zero Liquid Discharge (ZLD) for the sugar operations.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/ No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

EPR is applicable to ASEL under the CPCB guidelines. We are committed towards following the rules and regulations governing Extended Producer's Responsibility (EPR). Therefore, we are under the process to register ASEL and adopt practices as per CPCB requirements.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details.

No

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective/ Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

No

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)

Indicate input material	Recycled or re-used input material to total material	
	FY 2022 – 23	FY 2021 – 22
	0	0

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY 2022 – 23			FY 2021 – 22		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	0	0	0	0	0	0
E-waste	0	0	0	0	0	0
Hazardous waste	0	0	0.30	0	0	0.83
Other waste	0	0	2,198.38	0	0	4978.19

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	0

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

Essential Indicators

1. a. Details of measures for the well-being of employees*:

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity Benefit		Paternity Benefits		Day Care Facilities	
		No.	%	No.	% (C/A)	No.	%	No.	%	No.	%
Permanent employees											
Male	666	666	100%	666	100%	0	0%	0	0%	165	24.80%
Female	1	1	100%	1	100%	1	100%	0	0%	0	0%
Total	667	667	100%	667	100%	1	0.10%	0	0%	165	24.70%
Other than Permanent employees											
Male	237	237	100%	237	100%	0	0%	0	0%	89	37.60%
Female	1	1	100%	1	100%	1	100%	0	0%	0	0%
Total	238	238	100%	238	100%	1	0.40%	0	0%	89	37.40%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

b. Details of measures for the well-being of workers*:

Category	% of employees covered by										
	Total	Health Insurance		Accident Insurance		Maternity Benefit		Paternity Benefits		Day Care Facilities	
		No.	%	No.	% (C/A)	No.	%	No.	%	No.	%
Permanent Workers											
Male	754	718	95.2%	754	100%	0	0%	0	0%	91	12.10%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	754	718	95.2%	754	100%	0	0%	0	0%	91	12.10%
Other than Permanent Workers											
Male	426	426	100%	426	100%	0	0%	0	0%	215	50.50%
Female	0	0	0%	0	0%	0	0%	0	0%	0	0%
Total	426	426	100%	426	100%	0	0%	0	0%	215	50.50%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

2. Details of retirement benefits, for Current FY and Previous Financial Year*

Benefits	FY 2022 – 23			FY 2021 – 22		
	No. of employees covered as a % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employee	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	99.00%	99.00%	Yes	99.00%	100%	Yes
Gratuity	89.00%	91.44%	Yes	89.60%	91.25%	Yes
ESI	-	-	-	-	-	-
Others – Superannuation	-	-	-	-	-	-

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

3. Accessibility of workplaces: Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

Yes

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

ASEL believes that human resource is the backbone of an organisation and building a culture of mutual trust and respect with the principles of fairness and transparency plays a vital role in the success of organisation and well-being of employees. The company has therefore developed a Human Resource and Employee Relations Policy. Under this policy company categorically commits to provide and maintain equal opportunities at the time of recruitment as well as during the course of employment irrespective of caste, creed, gender, race, religion, disability or sexual orientation. Weblink- <http://www.birla-sugar.com/Assets/Avadh/2-HR-ER-POLICY.pdf>

5. Return to work and retention rates of permanent employees and workers that took parental leave*.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	No cases of parental leave		No cases of parental leave	
Female				
Total				

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes/No	(If Yes, then give details of the mechanism in brief)
Permanent Workers	Yes	The mechanism for receiving and redressing grievances may vary depending on the nature of the complaint. The company has HR department that is responsible for managing employee relations. Employees can approach the HR department to file a complaint or grievance. We have a robust Whistle Blower Policy wherein employees can report any ethical concerns, such as fraud or corruption, and confidentially report any wrongdoing without fear of retaliation. The employees are also members of the labour union, and the company supports such employee associations. Therefore, the employees can approach the union to file any complaint or grievance which is then carefully evaluated and addressed by the company. The company is very open and cautious about its employees and therefore adheres to all social regulations and compliances. The company takes a proactive approach to create a positive and inclusive workplace culture. Nonetheless, if any violation of regulations or policies occur, the company takes a prompt and appropriate action to address the issue and prevent it from happening again in the future.
Other than Permanent Workers	Yes	
Permanent Employees	Yes	
Other than Permanent Employees	Yes	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity*.

Benefits	FY 2022 – 23			FY 2021 – 22		
	Total employees/workers in respective category	No. of employees/workers in respective category, who are part of association(s) or Union	%	Total employees/workers in respective category	No. of employees/workers in respective category, who are part of association(s) or Union	%
Total	905	16	1.77%	923	16	1.70%
Permanent Employees						
- Male	903	16	1.77%	923	16	1.70%
- Female	2	0	0%	0	0	0%
Total Permanent Workers	1180	22	1.86%	1200	22	1.80%
- Male	1180	22	1.86%	1200	22	1.80%
- Female	0	0	0%	0	0	0

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

8. Details of training given to employees and workers*

	Total	FY 2022 – 23				Total	FY 2022 – 23			
		On health and Safety Measures		On Skill Upgradation			On health and Safety Measures		On Skill Upgradation	
		Nos.	%	Nos.	%		Nos.	%	Nos.	%
Employees										
Male	903	632	70.00%	685	75.86%	923	627	67.90%	667	72.30%
Female	2	1	50.00%	0	0%	0	0	0%	0	0%
Total	905	633	69.90%	685	75.86%	923	627	67.90%	667	72.30%
Workers										
Male	1180	773	65.50%	926	78.47%	1200	660	55.00%	875	72.90%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Total	1180	773	65.50%	926	78.47%	1200	660	55.00%	875	72.90%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

9. Details of performance and career development reviews of employees and worker*

Category	FY 2022 – 23			FY 2021 – 22		
	Total	Nos.	%	Total	Nos.	%
Employees						
Male	903	634	70.20%	923	630	68.30%
Female	2	1	50.00%	0	1	0%
Total	905	635	70.20%	923	631	68.30%
Workers						
Male	1180	774	65.60%	1200	766	63.83%
Female	0	0	0%	0	0	0%
Total	1180	774	65.60%	1200	766	63.83%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

10. Health and safety management system:

a. Whether an occupational health and safety management system has been implemented by the entity

ASEL is committed towards maintaining high standards of Health, Safety and Security processes while conducting all business operations. The company has a thorough health, safety, security, environment & quality (HSSEQ) policy. The policy details the ASEL's commitment towards making continuing efforts to minimize impact on Occupational Health & Safety and Pollution risks to all personnel working directly or indirectly with company or residing in surrounding areas. The policy covers adequate procedures and

controls thereby fixing responsibilities for employees, contractors, sub-contractors, transporters, visitors, other agencies entering the premises to ensure that HSSEQ management systems are not jeopardized at any time.

b. If yes, the coverage such system? What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

ASEL carries out regular audits to identify work-related hazards and assess risks as an important part of ensuring a safe and healthy workplace for employees. The audit process helps the company to identify potential hazards and risks in the workplace and provide recommendations for addressing these issues to prevent accidents or injuries. The hazard and risk assessment of the processes and services by internal and external experts are regularly conducted to continually enhance HSSEQ (Health, Safety, Security, Environmental & Quality) standards. The company takes prompt corrective and preventive measures in case of system deviations, workplace environmental upsets, incidents, accident and ill health by proper investigation and Root Cause Analysis. Further, the company integrates HSSEQ parameters in all decisions dealing with purchase of equipment, machinery, material as well as in the process of selection and placement of personnel and service providers.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

ASEL through its HSSEQ systems make continual efforts to create a pro-active and learning organization to enhance HSSEQ awareness and competence among employees, business associates and community through effective stakeholder engagement, communication, and training. Regular dialogue and engagement exercises are conducted with workers to understand if there are any work-related hazards being encountered and accordingly developing action plans.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes

11. Details of safety related incidents, in the following format*

Safety Incident/Number	Category	FY 2022 – 23	FY 2021– 22
		No. of hours worked in the reporting year	Employees
	Workers	2889078	3241947
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers		
Total recordable work-related injuries	Employees	0	0
	Workers	4	0
No. of fatalities	Employees	0	0
	Workers	0	0
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	0	0

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

ASEL has a very comprehensive policy on health, safety and security for employees and workers. The policy displays ASEL's fundamental commitment towards health and safety. Alongside the thorough policy the company also has robust safety implementation mechanisms to ensure healthy and safe workplace. ASEL conducts Safety Audit as per BIS-14489 & the Rule No. (10)(4) of Manufacture Storage and Import of Hazardous Chemicals Rules 1989. It is annually conducted by independent third-party auditor for all plants of ASEL. The company has a safety committee that steadily oversees the safety preparedness of all the plants. The committee also conducts frequent safety meetings especially with respect to boiler safety precautions to be maintained and followed in the operations of the plants. On-site Emergency plan is systematically prepared by an independent agency. These emergency plans include in-depth analysis of probable type of accidents, system elements or events that can lead to a major accident, potential hazards and safety related components present in the premises. All employees and workers including the security and contractual employees are provided with safety trainings detailing the assembly points in case of emergency, emergency shut down procedure, ways of clear communication and proper assessment of recommissioning etc. The company also conducts fire safety drills as part of rehearsal of emergency. It includes an elaborate step by step run through of the information to be provided to internal as well external officers viz. factory manager, police control room, pollution control board, medical authority. The run through also includes setting the alarm systems, control room and communication systems, reporting of key persons within the organisation, firefighting, first aid and medical management drills. Such through preparedness is performed to ensure all health and safety requirements are met and any untoward incidents are mitigated.

13. Number of Complaints on the following made by employees and workers

Benefits	FY 2022 – 23			FY 2021 – 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil	No complaints are filed or are pending	Nil	Nil	No complaints are filed or are pending
Health & Safety	Nil	Nil		Nil	Nil	

14. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Health and safety practices	50.00%
Working Conditions	50.00%

* Assessment is done for the plants only

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

On the basis of the recommendations of the safety committee meetings and the safety audit plant reports, several security actions are underway. In-case of emergency, more spacious assembly point is being considered and evaluated for employee gatherings. Better display of safety policy, safe operation process and fire prevention cautionary board at bagasses area is under consideration. ASEL also plans to undertake more comprehensive employee trainings on principles of accident prevention, plant housekeeping, safe handling of chemicals/ethanol and safe use of PPE among other safety related trainings. Enhanced display of single line diagrammed first aid charts with respect to electrical equipment handling inside MCC Rooms are under-progress. Many other initiatives with respect to electrical panelling, circuit breakers maintenance, improved material safety data display is underway. ASEL is committed to provide safe and healthy working conditions to its employees. Thus, it regularly keeps reviewing, revamping, and restoring its best-in-class health and safety practices.

Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)
- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners
- Provide the number of employees / workers having suffered high consequence work-related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment.*

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY 2022 – 23	FY 2021 – 22	FY 2022 – 23	FY 2021 – 22
Employees				
Workers				

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

No

5. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	0.10%
Working conditions	0.10%

6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.

No corrective action plan has been necessitated on the above-mentioned parameters.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

- Describe the processes for identifying key stakeholder groups of the entity.

ASEL believes that effective stakeholder engagement is necessary for achieving the goals of sustainability and inclusive growth. The first step in this systematic stakeholder engagement is the identification of key stakeholders. The sugar industry can be considered complex due to the multiple interactions that occur between diverse stakeholders viz. farmers, associations, sugarcane development societies and councils. In-order to understand the varied intricate perspective of different stakeholders, ASEL has a systematic qualitative process of identifying the stakeholders. The members of the company brainstorm to understand diverse individuals/entities that are affected by the presence of the organisation. Subsequently, ASEL conducts a stakeholder analysis, which involves evaluating stakeholders based on their level of power, legitimacy, and urgency. Thus, accordingly it classifies and prioritizes the stakeholders into disadvantaged, vulnerable, marginalised, or non-marginalised groups.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of Engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
1	Employees	No	E-mails, Meetings, Notice Board, town halls, goal setting and performance appraisal meetings / review, exit interviews, engagement survey	Regularly	To understand employee grievances, problems faced in the day-to-day workings; any suggestions or feedback for improvement in the on- going practices within the organisation.
2	Farmers	Yes	Focus group discussions with farmers' representatives	Regularly	The main stakeholders at the local level are the farmers who grow the sugar cane. The farmers are regularly engaged through farmer associations and representatives to understand their concerns with respect to yield, pricing etc.
4	Government	No	Advocacy meetings with local / state / national government and ministries, seminars, media releases, conferences, membership with industry bodies		Changes in regulatory frameworks, employment, environmental measures, policy advocacy, local infrastructure, proactive engagement
6	Customers	No	E-mails, Feedback forms, Online survey	Regularly	As the company is the B2B market it regularly requests for feedback from customers with respect to sugar quality viz. colour, moisture, fine grains, and pricing of the product.

Sr. No.	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication	Frequency of Engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
7	Shareholders	No	Quarterly reports, Annual Meetings, Annual Reports.	Quarterly	Purpose of engagement with shareholders is to apprise them about the financial performance of the company. ASEL Chairperson and Directors also address any queries that the shareholders may have with respect to firm's operations and performance.
8	Community	Yes	Meets (of community / local authority and town council / committee / location head), community visits and projects, partnership with local charities, volunteerism, seminars / conferences.	All year round	Local community surrounding the ASEL's plants are recognised as marginalised groups and the purpose of engagement is to understand their concerns. This helps the company to accordingly implement practices for their upliftment.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

NA

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

NA

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

NA

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity*

Category	FY 2022 – 23			FY 2021 – 22		
	Total	No. of employees/ workers covered	%	Total	No. of employees/ workers covered	%
Employees						
Permanent	667	163	24.44%	675	507	75.11%
Other than permanent	238	149	62.61%	248	151	60.88%
Total Employees	905	312	34.50%	923	658	71.30%
Workers						
Permanent	754	217	28.78%	775	681	87.90%
Other than permanent	426	211	49.53%	425	222	52.23%
Total Workers	1,180	428	36.27%	1,200	903	75.25%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

2. Details of minimum wages paid to employees and workers*

	Total	FY 2022 – 23				Total	FY 2022 – 23			
		Equal to Minimum Wage		More than Minimum Wage			Equal to Minimum Wage		More than Minimum Wage	
		Nos.	%	Nos.	%		Nos.	%	Nos.	%
Employees										
Permanent	667	164	24.59%	586	87.85%	675	157	23.25%	602	89.18%
Male	666	164	24.62%	585	87.84%	674	157	23.30%	601	89.17%
Female	1	0	0%	1	100%	1	0	0%	1	100%
Other than Permanent	238	90	37.80%	148	62.20%	248	98	39.50%	150	60.70%
Male	237	89	37.55%	148	62.50%	247	97	39.30%	150	60.70%
Female	1	1	100%	0	0%	1	1	100%	0	0%
Workers										
Permanent	754	296	39.26%	614	81.40%	771	285	36.96%	637	82.62%
Male	754	296	39.26%	614	81.40%	771	285	36.96%	637	82.62%
Female	0	0	0%	0	0%	0	0	0%	0	0%
Other than Permanent	426	334	78.40%	92	21.60%	429	330	76.90%	99	23.10%
Male	426	334	78.40%	92	21.60%	429	330	76.90%	99	23.10%
Female	0	0	0%	0	0%	0	0	0%	0	0%

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

3. Details of remuneration/salary/wages, in the following format

Median remuneration

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
BoDs	5	14.00	2	13.00
KMPs	3	150.31		
Employees other than BoDs and KMPs*	1043	3,76,210	1	4,98,650
Workers*	1212	3,51,725		

* Data for plant employees. Employees of the corporate offices of ASEL are not considered here as they are reported at a group level.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business.

Yes. At ASEL there are various human rights centric policies; Stakeholder Engagement Policy, Code of Conduct, Whistle Blower Policy, Supplier's Code of Conduct; that form the backbone to address human rights related to the organisational activities. As part of the stakeholder engagement policy, the company specifically itemises respecting human rights of all stakeholders including vulnerable and marginalized sections, not only limited to internal stakeholders but also extending and covering its entire business value chain. The company also has a detailed code of conduct and whistle blower policy for internal stakeholders viz. directors, employees, and workers. As part of code of conduct all employees internally would treat individuals in all aspects of employment solely on the basis of ability irrespective of race, caste, creed, religion, age, disability, gender, sexual orientation or marital status. The company is also committed to maintain a non-hostile work environment, free of harassment and discrimination of any kind for all its employees particularly the women employees. We have framed a policy to provide protection against sexual harassment of women at workplace. The company follows structured mechanisms to prevent and redress complaints of sexual harassment. Extending the adherence of human rights in its supply chain as well, ASEL as part of its supplier code of conduct ensures that labour and human rights are practiced and upheld in the supplier entity as well. The company recognises and respects that its suppliers are independent entities and expects suppliers to ensure non-deployment of child labour, forced labour or any form of involuntary labour, paid or unpaid. ASEL expects its suppliers to maintain a workplace free from any form or means of discrimination and treat their employees with fairness, dignity and respect. The suppliers are required to stringently follow these human rights principles in their operations, in-order for them to be associated with ASEL.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

ASEL has a Labour Welfare officer for each of its units. The officer ensures that no human rights are violated. The labour welfare officer is in-charge of redressing any grievances or complaints that the workers may face within the organisation, as expeditiously as possible. Internal safety committee, legal department and the audit committee formed under the Whistle Blower Protection allows all stakeholders to get any nature of grievances redressed. ASEL also has an open-door policy wherein the employees- permanent or temporary or contractual can walk in and discuss any issues with respect to human rights, ethics etc.

6. Number of Complaints on the following made by employees and workers

Category	FY 2022 – 23			FY 2021 – 22		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	Nil	Nil	No complaints received	Nil	Nil	No complaints received
Discrimination at workplace	Nil	Nil		Nil	Nil	
Child Labour	Nil	Nil		Nil	Nil	
Forced Labour/ Involuntary Labour	Nil	Nil		Nil	Nil	
Wages	Nil	Nil		Nil	Nil	
Other human rights related issues	Nil	Nil		Nil	Nil	

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

ASEL's culture supports respect and dignity for all employees. There are various mechanisms to protect the complainant, the most prominent one being maintaining confidentiality. So as to prevent any adverse impact to the complainant, the complainant's identity is kept confidential to the maximum extent possible. Whistle blower policy also details to conduct the inquiry in strict confidentiality and in a fair & unbiased manner to ensure complete fact finding. Correspondingly, the Ombudsman and the audit committee maintain confidentiality of the whistle blower and witnesses who provide information.

8. Do human rights requirements form part of your business agreements and contracts.

Yes, the company explicitly defines human rights in all external agreements. All supplier contracts include specific language that outlines the expectations for the protection of human rights. For example, supplier contracts require suppliers to respect human rights, including prohibiting forced labour, child labour, and discrimination. It further require suppliers to respect the right of freedom of association, participation and collective bargaining of its employees. These categorical requirements must be signed off by all suppliers before on-boarding the company. ASEL also has mechanisms in place to regularly monitor and oversee the adherence of these human rights requirements.

9. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)*
Child labour	66.67%
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

10. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 9 above.

The Company has stringent policy against child and forced labour. None of the plants of the company employ individuals below 18years of age. The company not only ensures non-deployment of child labour, but also safeguards no forced labour or any form of involuntary labour, paid or unpaid in any of its plants or offices. ASEL regularly monitors and audits compliance with policy and procedures to ensure that they are being followed. This includes regular site visits and audits of supplier facilities. Though no cases of human rights

violations have been noticed or reported at ASEL. However, as a good practise, the company is in process of developing mechanisms to conduct systematic risk assessments to identify areas of potential risk for child labour, forced labour, and human rights abuses. This would include thorough assessment of suppliers, subcontractors, and other third parties to ensure that they are also complying with these requirements. The company also plans to provide and formalise human rights training. These capacity building sessions are intended to cover employees, suppliers, and other stakeholders to help them understand and meet the requirements of the company's human rights policies and procedures.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.
2. Details of the scope and coverage of any Human rights' due diligence conducted
3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016
4. Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Child labour	0%
Forced/involuntary labour	
Sexual harassment Discrimination at workplace	
Wages	
Others – please specify	

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

Not Applicable (No major risk identified)

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameters	FY 2022 – 23 (GJ)	FY 2021 – 22 (GJ)
Total electricity consumption (A)	6,14,334.33	7,33,337.54
Total fuel consumption (B)	71,11,175.61	69,77,185.81
Energy consumption through other sources (C)	0	0
Total energy consumption (A+B+C)	77,25,509.94	77,10,523.35
Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees) GJ/ ₹ Million	276.11	281.03

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India

No. None of our sites comes under PAT scheme as Designated Consumers

3. Provide details of the following disclosures related to water, in the following format

Parameters	FY 2022 – 23 (GJ)	FY 2021 – 22 (GJ)
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	11,15,671.00	12,37,868.00
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
v) Others (Municipal)	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	11,15,671.00	12,37,868.00
Total volume of water consumption (in kilolitres)	11,15,671.00	12,37,868.00
Fresh Water intensity per rupee of turnover (Water consumed / turnover) KL/ ₹ Million	39.87	45.12

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. - No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

The Company is one of the few sugar factories to work towards achieving Zero Liquid Discharge (ZLD) for sugar. Currently, ASEL does not have a mechanism to implement ZLD but is in the process to develop a comprehensive procedure towards it.

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format

Parameters	Units	FY 2022 – 23	FY 2021 – 22
NOx		Not available	
SOx		Not available	
Particulate matter (PM)	mg/Nm ³	423.90	441.95
Persistent organic pollutants (POP)		Not available	
Volatile organic compounds (VOC)		Not available	
Hazardous air pollutants (HAP)		Not available	
Others – please specify		Not available	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency- No.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameters	Units	FY 2022-23	FY 2021-22
Total Scope 1 emissions (Break- up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	20,69,079.48	21,14,405.10
Total Scope 2 emissions (Break- up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	1,96,892.65	1,96,892.65
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT CO ₂ e Million	80.98	84.24
Total Scope 1 + 2 Emission Intensity	MT CO ₂ e/ ₹ Lakhs	8.1	8.4

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details

The Company currently does not have any active projects on reducing Green House Gas emission. However, the organisation is determined to reduce its emission and carbon footprint. It is working on developing systematic means and ways to ascertain, measure and inventorize GHG emissions and is particularly motivated to endeavour projects to mitigate its emissions.

8. Provide details related to waste management by the entity

Parameters	FY 2022 – 23 (GJ)	FY 2021 – 22 (GJ)
Total Waste generated (in metric tonnes)		
Plastic waste (A)	345.65	425.55
E-waste (B)	-	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other hazardous waste. Please specify, if any. (G)	3.20	3.55
Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e., by materials relevant to the sector)	25,686.62	79,707.18
Total (A+B + C + D + E + F + G + H)	26,035.47	80,136.28
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes) – All other wastes except hazardous waste (A+B + C + D + E + F + H)		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	0	0.54
Total	0	0.54
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes) – Hazardous Waste (G)		
Category of waste		
(i) Incineration	3.98	3.84
(ii) Landfilling	14,854.78	14,304.18
(iii) Other disposal operations (Co-processing or recycling)	473.79	837.99
Total	15,332.55	15,146.01

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

The production of Sugar from Sugarcane is indeed an eco- friendly virtuous cycle. All joint and by products generated during the process of sugar manufacture are productively utilised viz. bagasse is utilised for power generation; molasses is utilised to produce distillery products and other wastes generated like press mud and ash generated from incineration boilers are utilised for manufacture of organic manure. The Company has laid down comprehensive guidelines on waste management for all its units, which cover hazardous as well as non-hazardous waste and monitoring of performance for each unit, is carried out on a regular basis. Thus, the by-products and waste generated out of manufacturing processes are mostly recycled.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format.

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
1.	Ministry of Jal Shakti, Government of Uttar Pradesh	NOC for Ground Water Extraction from Existing Tube Well	Yes
2.	Uttar Pradesh Pollution Control Board	Hazardous & Other Wastes	Yes
3.	Uttar Pradesh Pollution Control Board	Air Consent	Yes
4.	Uttar Pradesh Pollution Control Board	Water Consent	Yes
5.	CPCB	Effluent treatment of plant	Yes
6.	NOC of UPGWD		Yes
7.	Consent to operate		Yes
8.	Environmental Clearance		Yes
9.	ASEL Distillery Unit	Consent to Operate under (Air) Act, 1981	Yes
10.	ASEL Distillery Unit	Consent to Operate under (Water) Act, 1974	Yes
11.	ASEL Distillery Unit	Hazardous Waste Management Rules, 2016	Yes
12.	ASEL Distillery Unit	U.P. Ground Water Withdrawal	Yes

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and Brief Detail of Project	EIA Notification Number	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Expansion of plant 100 KLPD to 160 KLPD	SO 1533 (E), dated 14.09.2006	29.04. 2021	Yes	Yes	parivesh.nic.in
Avadh Sugar & Energy Ltd; Sugar Unit- Hargaon, Sitapur (U.P)	SO 1533(E) Dated- 14.09.2006	30.11. 2020	Yes	Yes	parivesh.nic.in
Expansion of Distillery Unit from 55 KLPD to 100 KLPD by Avadh Sugar & Energy Limited, Unit: Seohara	SO 1533 (E)	14.09.2006	Yes	Yes	http://environmentclearance.nic.in

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the noncompliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
1	None	NA	NA	NA

ASEL complies with all applicable laws and legal regulations.

Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format.

Parameters	FY 2022 – 23 (GJ)	FY 2021 – 22 (GJ)
From renewable sources		
Total electricity consumption (A)	6,14,334.33	7,33,337.54
Total fuel consumption (B)	71,11,175.61	69,77,185.81
Energy consumption through other sources (C)	-	-
Total energy consumed from renewable sources (A+B+C)	77,25,509.94	77,10,523.35
From non-renewable sources		
Total electricity consumption (D)	-	-
Total fuel consumption (E)	-	-
Energy consumption through other sources (F)	-	-
Total energy consumed from non-renewable sources (D+E+F)	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Provide the following details related to water discharged:

Parameters	FY 2022-23	FY 2021-22
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	8,50,895.00	7,78,132.00
- Please specify level of treatment	BOD <30 PPM, COD <150 PPM	BOD <30 PPM, COD <150 PPM
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
- Please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties (CETP)		
- No treatment	-	-
- With treatment – please specify level of treatment (Primary Treatment)	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	8,50,895.00	7,78,132.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency – No

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameters	FY 2022-23	FY 2021-22
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	1,37,958.00	1,45,448.00
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres)	1,37,958.00	1,45,448.00
Total volume of water consumption (in kilolitres)	45,984.00	75,563.00
Water intensity per rupee of turnover (Water consumed / turnover) (KL/Million ₹)	1.64	2.75
Water discharge by destination and level of treatment (in kilolitres)		
(i) To Surface water		
- No treatment	-	-
- With treatment – please specify level of treatment	3,67,203.00	3,56,275.00
- Please specify level of treatment	BOD < 30 PPM, COD <150 PPM	BOD < 30 PPM, COD <150 PPM
(ii) To Groundwater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
- Please specify level of treatment	-	-
(iii) To Seawater		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others		
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	3,67,203.00	3,56,275.00

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency.

4. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameters	Units	FY 2022-23	FY 2021-22
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	-	-
Total Scope 3 emissions per rupee of turnover	MT CO ₂ e / ₹ Million	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency¹

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format.

Sr. No	Initiative undertaken	Details of the initiative (Web- link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Sodium & Mercury lights replaced with LED	<ul style="list-style-type: none"> ▪ Better illumination of areas compared to sodium vapour lighting thus reducing the number of lights required. ▪ LED lights have a more stable output even when the operating power supply fluctuates, reducing the energy consumption, and ▪ LED lights have reduced life-cycle costs, thus reducing the environmental impact. 	Saved 1,23,620 KWH Energy

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link.

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard

9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations: 5

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/ National)
1.	The Indian Sugar Mills Association	National
	UP Sugar Mills Association	State
2.	Confederation of Indian Industry	National
3.	Federation of Indian Chamber of Commerce and Industry	National
4.	Associated Chambers of Commerce and Industry of India	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

The company has no complaints or issues in progress regarding anti-competitive conduct. Hence, corrective actions on these issues are not applicable for ASEL.

Name of Authority	Brief of the Case	Corrective Action Taken
	NA	
	NA	

Leadership Indicators

1. Details of public policy positions advocated by the entity:

NA

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

ASEL has made extensive contribution on varied social responsibility activities viz. promoting sanitation, health care, education and making available safe drinking water, ensuring environmental sustainability, ecological balance, eradicating hunger, poverty and malnutrition. The company however does not fall in the purview of conducting Social Impact Assessment (SIA) under the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
-	-	-	-	-	-

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: Not Applicable

3. Describe the mechanisms to receive and redress grievances of the community:

The company regularly engages with the community in the form of conducting group meetings with panchayat representatives. This enables the company to understand any issues or concerns that the community may have. This also gives an opportunity to the community to redress any problems or complaints following informal communication methods with the company. ASEL also has a dedicated e-mail id through which any community concerns can also be directly and formally communicated to the company.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

Parameters	FY 2022-23	FY 2021-22
Directly sourced from MSMEs/ small producers	1.77%	2.28%
Sourced directly from within the district and neighbouring districts	77.82%	63.71%

Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above)

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.

Sr. No.	State	Aspirational District	Amount spent (In ₹)
1	Uttar Pradesh	Sant Kabir Nagar	34,12,500.00
2	Uttar Pradesh	Sitapur	17,68,870.00
3	Uttar Pradesh	Shahjahanpur	4,83,151.00
4	Uttar Pradesh	Bijnor	63,72,702.00
5	Uttar Pradesh	Kushinagar	34,12,500.00
6	West Bengal	Kolkata	90,00,000.00

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No)

(b) From which marginalized /vulnerable groups do you procure:

(c) What percentage of total procurement (by value) does it constitute:

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

6. Details of beneficiaries of CSR Projects

Sr. No.	CSR Projects	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized group
1.	NA		

PRINCIPLE9: Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The consumer can reach out to the company in multiple forms. For any complaints or feedback and suggestions consumer can directly contact the company telephonically or through e-mail. Any specific consumer issues can also be raised to the sales representative or channel partner with whom the customer is dealing and is in constant contact with. As part of ASEL product policy any matters raised by the customers through any mode of communication are tackled and addressed appropriately as swiftly as possible.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage of total turnover
Environmental and social parameters relevant to the product	100%
Safe and responsible usage	
Recycling and/ or safe disposal	

All necessary information as per regulatory requirements and FSSAI certification is disclosed on all our products. Note:

- Sugar bags carry information about the expiry and safe usage of the product.
- Ethanol tankers carry markings and warnings of being highly inflammable.
- The UPPCL transmission line contains "Danger" markings all over the power line.
- All the products carry reasonable precautionary narration.

3. Number of consumer complaints in respect of the following:

	FY 2022 – 23			FY 2021 – 22		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	Nil	Nil	No consumer complaints were received or pending	Nil	Nil	No consumer complaints were received or pending
Advertising	Nil	Nil		Nil	Nil	
Cyber-security	Nil	Nil		Nil	Nil	
Delivery of essential services	Nil	Nil		Nil	Nil	
Restrictive Trade Practices	Nil	Nil		Nil	Nil	
Unfair Trade Practices	Nil	Nil		Nil	Nil	
Other	Nil	Nil		Nil	Nil	

4. Details of instances of product recalls on account of safety issues

	Numbers	Reasons for Recall
Voluntary recalls	Nil	NA
Forced recalls	Nil	NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Currently, ASEL is in process of setting up a cyber security framework, starting with a data privacy policy.

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services

There are no issues with respect to advertising, data privacy or product re-calls. Hence, undertaking corrective actions on such parameters are not applicable.

Leadership Indicators

1. Channels/ platforms where information on products and services of the entity can be accessed (provide web link, if available)

<http://www.birla-sugar.com/Our-Products>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

NA

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

NA

4. Does the entity display product information on the product over and above what is mandated as per local laws (Yes/No/ Not Applicable) If yes, provide details in brief.

NA

Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole.

NA

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: NA
- b. Percentage of data breaches involving personally identifiable information of customer: NA

Independent Auditor's Report

To the Members of
Avadh Sugar and Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Avadh Sugar and Energy Limited ("the Company"), which comprise the Balance sheet as at March 31, 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of

Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Determination of Cost of Inventory of sugar (as described in Note 8 of the financial statements)</p> <p>As on 31st March 2023, the Company had inventory of sugar with the carrying value of ₹83,557.53 Lakhs. The inventory of sugar is valued at lower of cost and net realisable value.</p> <p>The amount of the inventory of sugar as on March 31, 2023 is significant to the financial statements and significant judgement is involved in determining the cost of inventory of sugar and its by-products because of seasonal factors such as recovery from sugarcane and allocation of cost to by-products based on net realisable value.</p> <p>Accordingly, determination of cost of sugar inventory was considered to be a key audit matter in our audit of the Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed and evaluated the accounting policy followed for valuation of inventory of sugar and its by-products and its appropriateness thereof with respect to relevant Indian Accounting Standards. Obtained an understanding and tested the design and operating effectiveness of controls as established by the management in determination of cost of inventory of sugar. Tested the method used by the Company for arriving at the cost of inventory of Sugar. Evaluated the reliability, accuracy and completeness of the data used by the management in computing the cost of conversion, net realisable value of by-products and tested the mathematical accuracy of the calculations used by the Company to determine the cost of inventory of Sugar. Assessed the adequacy of Company's disclosures in the financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Recoverability of Deferred Tax Asset pertaining to Minimum Alternate Tax (MAT) credit entitlement (as described in Note 25 of the financial statements)</p> <p>As on 31st March 2023, the Company has Deferred Tax Asset pertaining to Minimum Alternate Tax (MAT) credit entitlement amounting to ₹11,094.59 Lakhs.</p> <p>The utilization of this asset will be through offsetting it when the Company pays normal taxes under the provision of Income Tax Act, 1961. Therefore, the recoverability of MAT credit entitlement is dependent upon generation of sufficient future taxable profits within the stipulated period prescribed under the Income Tax Act, 1961.</p> <p>Significant estimation is involved in projecting future taxable profits and other assumptions affected by expected future market or economic conditions.</p> <p>Accordingly, recoverability of MAT credit entitlement was determined to be a key audit matter in our audit of the Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> Assessed and evaluated the accounting policy of MAT credit entitlement in terms of relevant Indian Accounting Standards in this respect. Obtained an understanding of the income tax computation process for normal tax and minimum alternate tax and reviewed controls around recognition and recoverability of MAT credit entitlement. Evaluated the design and tested the effectiveness of relevant controls in this regard. Evaluated whether convincing evidence is available that the Company will pay normal income tax during the period for which the MAT credit can be carried forward under the Income Tax Act, 1961. We also assessed the tax planning strategies, budgets and the plans prepared by the management and the relevant tax legislations. Evaluated the correspondences/returns submitted to the relevant tax authorities and compared these with the accounting records. Assessed the adequacy of Company's disclosures in the financial statements.

Other Information

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Business Responsibility & Sustainability Report and Report on Corporate Governance, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting

Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance

is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the financial year ended March 31, 2023, and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the Company for the year ended March 31, 2022, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on May 10, 2022.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
 - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with section 123 of the Act to the extent it applies to payment of dividend.
- As stated in note 18 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Membership Number: 060352

UDIN: 23060352BGWRFI2358

Place of Signature: Kolkata

Date: May 08, 2023

Annexure 1 referred to in paragraph 1 of the section on “Report on other legal and regulatory requirements” of our report of even date

To the Members of

Avadh Sugar and Energy Limited

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) All Property, Plant and Equipment has been physically verified by the management in the current year in accordance with a planned programme of verifying them once in three years which is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in note no. 4 to the financial statements are held in the name of the Company except few immovable properties as indicated in the below mentioned cases and as disclosed in note 20 and note 39 to the financial statements for which title deeds were not held in the name of the Company and hence we are unable to comment on the same.

Description of property	Gross carrying value (₹in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	2465.79	The erstwhile company	No	1st April, 2015	Refer Note 39 of the financial statements
Freehold Land	160.88	The erstwhile company	No	1st April, 2015	
Freehold Land	65.41	Shri Rajesh Sharma	Yes	1st April, 2015	
Freehold Land	43.77	Shri Chagan Lal Giria	No	1st April, 2015	
Freehold Land	12.80	Shri Bal Kishore	No	1st April, 2015	
Freehold Land	8.04	Shri Vinod Kumar Beria	Yes	1st April, 2015	
Freehold Land	4.64	Shri Yogendar Kumar Rakesh	No	1st April, 2015	
Freehold Land	0.08	Co-operative Farming Societies	No	1st April, 2015	
Leasehold Land	11.96	The erstwhile company	No	1st April, 2015	Refer Note 20 of the financial statements

Certain immovable properties are pledged with the lenders and hence, the title deeds are not available with the Company. The same has been confirmed through memorandum of understanding, entered into with the lenders/confirmations.

- (d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year except for inventories lying with third parties. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed in respect of such verifications.
- (b) As disclosed in note 19 to the financial statements, the Company has been sanctioned working capital limits in excess of ₹five crores in aggregate from banks during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such banks are not in agreement with the unaudited books of accounts of the Company and the details are as follows:

(In Lakhs)

Quarter ending	Value per books of account	Value per quarterly return/ statement	Amount of Difference	Remarks
Inventories				
June 30, 2022	95,174.23	93,439.67	1,734.56	Refer note no. 19 (iii) to the financial statements
September 30, 2022	45,233.60	42,311.37	2,922.23	
December 31, 2022	53,574.33	46,092.14	7,482.19	
March 31, 2023	1,08,503.06	1,01,200.01	7,303.05	

The Company do not have sanctioned working capital limits in excess of ₹five crores in aggregate from financial institutions during the year on the basis of security of current assets of the Company.

- (iii) a) During the year, the Company has provided loans to employees aggregating to ₹127.90 lakhs during the year and the balance outstanding as at 31 March 2023 aggregates to ₹52.31 lakhs. During the year the Company has not provided, advances in the nature of loans, stood guarantee or provided security to companies, firms, Limited Liability Partnerships.
- (b) During the year, the terms and conditions of the grant of all loans to employees are not prejudicial to the Company's interest. During the year the Company has not made investments, provided guarantees, provided security and granted advances in the nature of loans to companies, firms, Limited Liability Partnerships.
- (c) The Company has granted loans to employees where the schedule of repayment of principal has been stipulated and the receipts are regular. The Company has not granted advances in the nature of loans to companies, firms, Limited Liability Partnerships.
- (d) There are no amounts of loans granted to employees which are overdue for more than ninety days. The Company has not advances in the nature of loans to [companies, firms, Limited Liability Partnerships.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- (f) The Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties.
- There are no loans, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of sugar and sugar products, spirits & alcohol and Power, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.
- According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b)The dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows: -

Name of the statute	Nature of dues*	Amount (Net of amount paid under protest)	Period to which the amount relates	Forum where dispute is pending
UP Sales Tax Act, 1948	Discount on Molasses	6.39	2006-07	Sales Tax Tribunal, Lucknow
UP Sales Tax Act, 1948	Taxability on Extra Neutral Alcohol Sale	150.81	2017-18	High Court, Lucknow

Name of the statute	Nature of dues*	Amount (Net of amount paid under protest)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Taxability on alcohol sale and other goods	4.60	2012-13	Appellate authority upto Commissioner's level
The UP Sugarcane (Purchase Tax) Act, 1961	Tax on purchase of Sugarcane	217.90	2017-18	High Court, Allahabad (Lucknow bench)
UP Excise Act, 1916	Demand for duty on wastage due to accident of tanker	5.92	2009-10 & 2012-13	Supreme Court of India
Central Excise Act, 1944	Disallowance of Cenvat Credit on Certain inputs / capital items / input services and others	7.95	1977-78, 2003-04, 2004-05 & 2006-07	High Court, Allahabad and High Court Lucknow
Central Excise Act, 1944	Disallowance of Cenvat Credit on Certain inputs / capital items / input services and others	116.16	1977-78, 2005-06, 2007-08, 2008-09	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
Central Excise Act, 1944	Disallowance of Cenvat Credit on Certain inputs / capital items / input services and others	2.17	2008-09	Supreme Court of India
Central Excise Act, 1944	Disallowance of Cenvat Credit on Certain inputs / capital items / input services and others	8.65	1994-95, 2003-04 to 2006-07	Appellate authority upto Commissioner's level
Central Excise Act, 1944	Excise duty on waste and loss on storage of molasses, etc.	15.27	1990-91	CESTAT, Allahabad
U. P. Electricity Duty Act, 1952	Demand of Electricity Duty	6.45	1978-79 to 1983-84	State Electricity Regulatory Commission, Lucknow
UP Excise Act, 1916	Duty on wastage on reprocessing of Alcohol	1.46	2019-20	Department of Excise, Uttar Pradesh Civil Secretariat, Lucknow

* does not include show cause notice aggregating to Rs. 475.61 Lakhs (Refer note 37(a) to the financial statements).

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(e) of the Order is not applicable to the Company.
- (f) The Company does not have any subsidiary, associate or joint venture. Accordingly, the requirement to report on clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to

- report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) No fraud by the Company or no material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) The Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a), 3 (xii)(b) and 3(xii)(c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us..
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable to the Company.
- (d) According to the information and explanations provided to us, the Group has two Core Investment Companies as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note no. 45a to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 33 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 33 to the financial statements.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Membership Number: 060352

UDIN: 23060352BGWRFI2358

Place of Signature: Kolkata

Date: May 08, 2023

Annexure 2 to the independent auditor's report of even date on the financial statements of Avadh Sugar and Energy Limited

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

To the Members of
Avadh Sugar and Energy Limited

We have audited the internal financial controls with reference to financial statements of Avadh Sugar and Energy Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls

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

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

Meaning of Internal Financial Controls with Reference to these Financial Statements

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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per Sanjay Kumar Agarwal

Partner

Membership Number: 060352

UDIN: 23060352BGWRF12358

Place of Signature: Kolkata

Date: May 08, 2023

Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

	Notes	As at 31st March, 2023	As at 31st March, 2022
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	1,16,514.08	1,07,688.12
(b) Capital Work-in-Progress	5	1,322.85	860.96
(c) Intangible Assets	6	28.80	48.29
(d) Financial Assets			
(i) Investments	7	4,747.56	4,682.17
(ii) Other Financial Assets	14	173.49	149.08
(e) Non-Current Tax Assets (net)	15	352.12	211.15
(f) Other Non-current Assets	16	991.16	1,986.20
Total Non-current Assets		1,24,130.06	1,15,625.97
2. Current Assets			
(a) Inventories	8	1,08,503.06	1,16,973.02
(b) Biological assets other than bearer plants	9	16.96	1.03
(c) Financial Assets			
(i) Trade Receivables	10	7,264.72	8,568.62
(ii) Cash and Cash Equivalents	11	164.66	80.05
(iii) Bank Balances other than (ii) above	12	297.53	240.88
(iv) Loans	13	52.31	48.59
(v) Other Financial Assets	14	279.14	197.73
(d) Other Current Assets	16	1,120.71	1,310.44
Total Current Assets		1,17,699.09	1,27,420.36
TOTAL ASSETS		2,41,829.15	2,43,046.33
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	2,001.84	2,001.84
(b) Other Equity	18	87,113.79	79,037.91
Total Equity		89,115.63	81,039.75
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	30,632.37	40,302.70
(ii) Lease Liabilities	20	52.90	166.82
(iii) Other Financial Liabilities	22	105.79	105.49
(b) Provisions	24	209.77	173.37
(c) Deferred Tax Liabilities (net)	25	3,976.99	2,160.52
(d) Other Non-current Liabilities	23	5.63	181.58
Total Non-current Liabilities		34,983.45	43,090.48
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	76,084.91	80,977.67
(ii) Lease Liabilities	20	35.00	75.85
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises	21	334.93	443.01
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	21	36,118.63	30,597.45
(iv) Other Financial Liabilities	22	2,902.08	1,732.53
(b) Other Current Liabilities	23	1,540.43	4,361.12
(c) Provisions	24	714.09	728.47
Total Current Liabilities		1,17,730.07	1,18,916.10
Total Liabilities		1,52,713.52	1,62,006.58
TOTAL EQUITY AND LIABILITIES		2,41,829.15	2,43,046.33
Summary of significant accounting policies	3		

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

As per our report of even date attached.

For and on behalf of the Board of Directors

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

Devendra Kumar Sharma
Whole-time Director
DIN: 06498196

Chandra Shekhar Nopany
Co-Chairperson
DIN: 00014587

Sanjay Kumar Agarwal

Partner

Membership No.: 060352

Place: Kolkata

Date: 8th May, 2023

Devinder Kumar Jain
Company Secretary

Dilip Patodia
Chief Financial Officer

Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

	Notes	Year ended 31st March, 2023	Year ended 31st March, 2022
I. Revenue from Operations	26	2,79,801.49	2,74,365.91
II. Other Income	27	925.48	411.98
III. Total Income (I + II)		2,80,726.97	2,74,777.89
IV. Expenses			
Cost of Raw Materials Consumed	28	2,07,228.89	1,87,398.79
Purchases of Stock-in-Trade		2,430.31	2,055.79
Change in inventories of finished goods, work-in-progress and stock-in-trade	29	9,958.53	21,990.91
Employee benefits expense	30	12,043.40	10,011.78
Finance costs (net)	31	6,930.62	8,842.41
Depreciation and amortisation expense	32	5,111.96	5,128.49
Other expenses	33	22,663.34	22,627.53
Total Expenses		2,66,367.05	2,58,055.70
V. Profit before tax (III - IV)		14,359.92	16,722.19
VI. Tax expense	34		
Current tax		2,492.29	2,919.58
Deferred tax		1,843.69	1,361.68
Total Tax expenses		4,335.98	4,281.26
VII. Profit for the year (V - VI)		10,023.94	12,440.93
VIII. Other comprehensive income / (loss)			
Items that will not be reclassified to profit or loss			
(a) Remeasurement of defined benefit (asset) / liability		(80.71)	67.19
(b) Equity investments through other comprehensive income		63.90	3,163.28
(c) Income taxes relating to items that will not be reclassified to profit or loss		27.22	(447.03)
Other comprehensive income for the year, net of income tax		10.41	2,783.44
IX. Total comprehensive income for the year (VII + VIII)		10,034.35	15,224.37
X. Earnings per equity share	35		
[Nominal value per equity share ₹10 each]		50.07	62.15
Summary of significant accounting policies	3		
The accompanying notes are an integral part of the financial statements.			

As per our report of even date attached.

For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

Devendra Kumar Sharma

Whole-time Director

DIN: 06498196

Chandra Shekhar Nopany

Co-Chairperson

DIN: 00014587

Sanjay Kumar Agarwal

Partner

Membership No.: 060352

Place: Kolkata

Date: 8th May, 2023

Devinder Kumar Jain

Company Secretary

Dilip Patodia

Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2023

A. Equity Share Capital

(₹ in Lakhs)

	Notes	As at 31st March, 2023		As at 31st March, 2022	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	17	2,00,18,420	2,001.84	2,00,18,420	2,001.84
Change in equity share capital during the year		-		-	-
Balance at the end of the year	17	2,00,18,420	2,001.84	2,00,18,420	2,001.84

B. Other Equity

(₹ in Lakhs)

	Reserves and Surplus				Items of OCI	Total
	Capital Reserve	Capital Redemption Reserve	Molasses Storage and Maintenance Reserve	Retained Earnings	Equity instruments through OCI	
Balance at 1st April, 2022	25,761.69	5,569.08	169.45	43,231.25	4,306.44	79,037.91
Total comprehensive income for the year						
- Profit for the year	-	-	-	10,023.94	-	10,023.94
- Other Comprehensive income / (loss) (net of tax) for the year	-	-	-	(52.51)	62.92	10.41
Total comprehensive income	-	-	-	9,971.43	62.92	10,034.35
Provided during the year	-	-	43.37	-	-	43.37
Final dividend paid on equity shares [Note 18]	-	-	-	(2,001.84)	-	(2,001.84)
Balance at 31st March, 2023	25,761.69	5,569.08	212.82	51,200.84	4,369.36	87,113.79
Balance at 1st April, 2021	25,761.69	5,569.08	129.12	31,540.78	1,573.28	64,573.95
Total comprehensive income for the year						
- Profit for the year	-	-	-	12,440.93	-	12,440.93
- Other Comprehensive income (net of tax) for the year	-	-	-	50.28	2,733.16	2,783.44
Total comprehensive income	-	-	-	12,491.21	2,733.16	15,224.37
Provided during the year	-	-	47.06	-	-	47.06
Utilised during the year	-	-	(6.73)	-	-	(6.73)
Final dividend paid on equity shares [Note 18]	-	-	-	(800.74)	-	(800.74)
Balance at 31st March, 2022	25,761.69	5,569.08	169.45	43,231.25	4,306.44	79,037.91

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

(a) Capital Reserve

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

(b) Capital Redemption Reserve

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

Statement of Changes in Equity for the year ended 31st March, 2023

(c) Molasses Storage and Maintenance Reserve

Molasses Storage and Maintenance Reserve is a fund, which is required under Uttar Pradesh Sheera Niyamtran Adhiniyam, 1964 read with Uttar Pradesh Sheera Niyamtran Niyamavali, 1974. This fund may be utilised against the cost of construction / maintenance of molasses storage tanks under the requisite permission.

(d) Retained Earning

It comprise of accumulated profit of the Company after dividends or other distributions, if any, paid to shareholders.

(e) Equity instruments through OCI

This reserve represents the cumulative gains (net of losses) arising on revaluation of equity instruments measured at fair value through other comprehensive income.

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

As per our report of even date attached.

For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

Sanjay Kumar Agarwal

Partner

Membership No.: 060352

Place: Kolkata

Date: 8th May, 2023

Devendra Kumar Sharma

Whole-time Director

DIN: 06498196

Chandra Shekhar Nopany

Co-Chairperson

DIN: 00014587

Devinder Kumar Jain

Company Secretary

Dilip Patodia

Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	14,359.92	16,722.19
Adjustments for:		
Depreciation and amortisation expense	5,111.96	5,128.49
Depreciation in relation to farm assets	0.20	3.85
Finance Costs	6,930.62	8,842.41
Bad debts, irrecoverable claims and advances written off (net)	-	1.20
Gain on sale / discard of Property, Plant and Equipment / Intangible Assets (net)	(554.89)	(53.87)
Molasses storage and maintenance fund	43.37	47.06
Interest income	(23.17)	(46.01)
Dividend income	(96.60)	(59.45)
Gain on termination of lease	(26.43)	-
Income from investments in co-operative farming societies	(81.50)	(90.82)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(68.97)	(73.86)
	25,594.51	30,421.19
Working capital adjustments:		
Decrease in Inventories	8,469.96	18,091.70
(Increase) / Decrease in Biological assets other than bearer plants	(15.93)	7.50
Decrease / (Increase) in Trade Receivables and Loans	1,309.81	(2,476.35)
(Increase) in Other Financial Assets	(61.38)	(189.82)
Decrease in Other Assets	154.19	9,346.03
Increase / (Decrease) in Trade Payables	5,472.44	(22,834.56)
Increase in Other Financial Liabilities	722.99	80.96
(Decrease) in Provisions	(58.69)	(43.13)
(Decrease) / Increase in Other Liabilities	(2,593.87)	2,144.72
Cash generated from Operations	38,994.03	34,548.24
Income tax paid (net of refund received)	(2,633.26)	(3,175.04)
Net Cash generated from Operating Activities	36,360.77	31,373.20
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, Plant and Equipment	852.53	70.13
Acquisition of Property, Plant and Equipment	(13,349.16)	(5,539.45)
Acquisition of Intangible Assets	-	(9.93)
Proceeds from sale of Investments	0.51	-
Payment for purchase of Investments	(2.00)	-
Interest received	26.94	40.89
Dividend received	96.60	59.45
Income from Investments in co-operative farming societies received	81.50	90.82
Bank deposits made	(89.59)	(69.19)
Net Cash used in Investing Activities	(12,382.67)	(5,357.28)

Cash Flow Statement for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-current Borrowings	(12,451.38)	(31,154.03)
Proceeds from Non-current Borrowings	3,500.00	17,522.99
Repayment of Current Borrowings (net)	(6,059.22)	(2,872.55)
Repayment of Lease liabilities	(76.97)	(0.85)
Interest on Lease liabilities paid	(11.38)	(24.15)
Other interest paid	(6,792.70)	(9,095.83)
Final dividend paid on Equity shares	(2,001.84)	(800.74)
Net Cash used in Financing Activities	(23,893.49)	(26,425.16)
Net Changes in Cash and Cash Equivalents (A + B + C)	84.61	(409.24)
Cash and Cash Equivalents at the beginning of the year	80.05	489.29
Cash and Cash Equivalents at the end of the year [Note 11]	164.66	80.05

1. Change in Liability arising from financing activities

(₹ in Lakhs)

	As on 1st April, 2022	Change in Current portion of Non- current borrowings	Cash Flow	Fair Value / Non-Cash Change	As on 31st March, 2023
Non-current Borrowings [Note 19]	40,302.70	(1,166.46)	(8,951.38)	447.51	30,632.37
Current Borrowings [Note 19]	80,977.67	1,166.46	(6,059.22)	-	76,084.91
Lease Liabilities [Note 20]	242.67	-	(88.35)	(66.42)	87.90

(₹ in Lakhs)

	As on 1st April, 2021	Change in Current portion of Non- current borrowings	Cash Flow	Fair Value / Non-Cash Change	As on 31st March, 2022
Non-current Borrowings [Note 19]	49,545.82	3,860.12	(13,631.04)	527.80	40,302.70
Current Borrowings [Note 19]	87,710.34	(3,860.12)	(2,872.55)	-	80,977.67
Lease Liabilities [Note 20]	243.52	-	(25.00)	24.15	242.67

2. The Cash Flows Statement has been prepared under the 'Indirect Method' as set out in IND AS 7, 'Statement of Cash Flows'

As per our report of even date attached.

For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

Devendra Kumar Sharma

Whole-time Director

DIN: 06498196

Chandra Shekhar Nopany

Co-Chairperson

DIN: 00014587

Sanjay Kumar Agarwal

Partner

Membership No.: 060352

Place: Kolkata

Date: 8th May, 2023

Devinder Kumar Jain

Company Secretary

Dilip Patodia

Chief Financial Officer

Notes to Financial Statements for the year ended 31st March, 2023

1. Reporting entity

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

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

2. Basis of preparation

2.1 Statement of compliance

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

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held at Kolkata on 8th May, 2023.

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

2.2 Functional and presentation currency

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

2.3 Basis of measurement

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

Items	Measurement basis
(i) Certain financial assets and liabilities	Fair value
(ii) Biological assets other than bearer plants	Fair value less costs to sell
(iii) Employee's defined benefit plan	As per actuarial valuation (present value of defined benefit obligation less fair value of plan assets)

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

2.4 Use of judgments and estimates

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

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

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

- Note 4 and 6 - Useful life and residual value of property, plant and equipment and intangible assets;
- Note 9 - Determining the fair values of biological assets other than bearer plants on the basis of significant unobservable inputs;

Notes to Financial Statements for the year ended 31st March, 2023

- Note 24 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 25 - Recognition of deferred tax assets (including MAT credit entitlement): availability of future taxable profit and income tax liabilities thereon against which MAT credit entitlement and other tax losses can be used;
- Note 37 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 43 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.

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

- Note 7 - Determining the fair values of investments;
- Note 8 - Valuation of Inventories;
- Note 20 - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.

2.5 Measurement of fair value

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

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

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

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

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

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

3. Summary of significant accounting policies

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

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

Assets

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

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

Notes to Financial Statements for the year ended 31st March, 2023

- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

Current assets include current portion of non-current assets.

All other assets are classified as non-current.

Liabilities

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

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current liabilities.

All other liabilities are classified as non-current.

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

Operating cycle

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

3.2 Foreign currency transactions

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

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

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

3.3 Financial instruments

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

Notes to Financial Statements for the year ended 31st March, 2023

ii) Classification and subsequent measurement

a) Financial assets

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

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

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

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

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

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.

Notes to Financial Statements for the year ended 31st March, 2023

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

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

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

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.

b) 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 (EIR) method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss.

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

Interest bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the

Notes to Financial Statements for the year ended 31st March, 2023

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

a) 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.

b) Financial liabilities

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

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

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.

v) Impairment

a) 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 the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables on an individual case to case basis on the basis of its historical credit loss experience.

Notes to Financial Statements for the year ended 31st March, 2023

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.

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

Notes to Financial Statements for the year ended 31st March, 2023

3.4 Property, plant and equipment [PPE]

(i) Recognition and measurement

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

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

Freehold land is carried at historical cost less any accumulated impairment losses, if any.

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

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

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

(ii) 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.

(iii) Depreciation

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

The useful lives have been determined based on evaluation done by the management's expert and are in line with the useful life specified in Part C of Schedule II to the Companies Act, 2013, except for certain factory building, non-factory buildings and plant and equipment where prescribed rates per Companies Act 2023 are 30 years, 60 years and 15-40 years respectively, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

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

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

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

Depreciation on additions to or disposal of assets is provided on a pro-rata basis i.e. from (upto) the date on which asset is ready for use (disposed off). Leasehold land is being amortised over the period of lease tenure. Freehold land is not depreciated.

Notes to Financial Statements for the year ended 31st March, 2023

(iv) 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]

(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 / general borrowings for construction or acquisition of property, plant and equipment) incurred on project under implementation are treated as Pre-operative expenses pending allocation to the asset and are shown under CWIP.

3.5 Intangible assets

Intangible assets including Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Computer software is considered as five years.

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

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

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in the Statement of Profit and Loss when the asset is derecognised.

Transition to Ind AS

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

3.6 Biological assets other than bearer plants

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

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

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

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

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

3.7 Inventories

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

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

Notes to Financial Statements for the year ended 31st March, 2023

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

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

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

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

3.8 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

- a) Provident / Pension funds;
- b) Superannuation fund."

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

Defined benefit plans

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

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

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

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

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

Notes to Financial Statements for the year ended 31st March, 2023

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

Compensated absences

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

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

Non-accumulating compensated absences are recognised in the period in which the absences occur. Since the employee has unconditional right to avail the leave, the benefit is classified as current provisions.

3.9 Provisions (other than for employee benefits)

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

3.10 Contingent liabilities and contingent assets

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

3.11 Revenue from contract with customer

Sale of goods (excluding power)

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

At contract inception, the Company assess the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold i.e. the Company's performance obligation are satisfied on delivery of goods to customer. The timing of the transfer of control varies depending on individual terms of the sales agreements.

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

Sale of Power

The Company's derives its power revenue from the production and sale of electricity based on long-term Power Purchase Agreements. Revenue is recognised upon delivery of electricity produced to the electricity grid based on the agreed tariff rate (net of discounts for prompt payment of bills). Delivery is deemed complete when all the risks and rewards associated with ownership have been transferred to the grid as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

3.12 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.

Notes to Financial Statements for the year ended 31st March, 2023

3.13 Recognition of Dividend Income, Interest Income or expense, Insurance Claim

Dividend Income

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

Interest income

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

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

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

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

Interest is recognised on time proportion basis.

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

Insurance claims

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

3.14 Expenses

All expenses are accounted for on accrual basis.

3.15 Government grants

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

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

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

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

3.16 Leases

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

Notes to Financial Statements for the year ended 31st March, 2023

As a lessee

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

(i) Right-of-use assets

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

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

The right-of-use assets are also subject to impairment (refer to Note 3.3).

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

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

3.17 Income tax

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

Current tax

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

Notes to Financial Statements for the year ended 31st March, 2023

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

Deferred tax

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

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

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

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

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

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

Minimum Alternative Tax (MAT) Credit

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

3.18 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 40 for segment information presented.

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

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

3.19 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

Notes to Financial Statements for the year ended 31st March, 2023

their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.20 Cash and cash equivalents

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

3.21 Cash flow statement

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

3.22 Earnings per share

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

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

3.23 Determination of fair values

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

i) Financial assets

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

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

ii) Trade and other receivables

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

iii) Financial liabilities

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

Notes to Financial Statements for the year ended 31st March, 2023

3.24 Recent accounting pronouncement

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below. Other amendments included in the notification does not have any significant impact on the financial statements.

-Ind AS 1 Presentation of Financial Statements

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

-Ind AS 12 Income Taxes

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company does not expect this amendment to have any significant impact in its financial statements.

-Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

The Company does not expect this amendment to have any significant impact in its financial statements.

Notes to Financial Statements for the year ended 31st March, 2023

4. Property, Plant and Equipment

	Freehold Land [Note 39]	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right-to- use assets [Note 20]	Total
Reconciliation of carrying amount									(₹ in Lakhs)
Gross carrying amount									
Balance at 1st April, 2021	25,589.89	19,089.60	84,613.84	174.53	296.21	475.38	141.70	287.97	1,30,669.12
Additions during the year	55.86	178.44	4,001.65	29.38	23.03	78.89	19.91	-	4,387.16
Disposal / deductions during the year	-	(7.94)	(29.38)	(3.99)	(6.30)	(17.24)	(0.42)	-	(65.27)
Balance at 31st March, 2022	25,645.75	19,260.10	88,586.11	199.92	312.94	537.03	161.19	287.97	1,34,991.01
Balance at 1st April, 2022	25,645.75	19,260.10	88,586.11	199.92	312.94	537.03	161.19	287.97	1,34,991.01
Additions during the year	690.60	477.47	12,682.97	48.43	46.29	299.84	22.04	114.03	14,381.67
Disposal / deductions during the year	-	(2.70)	(664.37)	(7.15)	(1.56)	(23.82)	(1.07)	(206.75)	(907.42)
Balance at 31st March, 2023	26,336.35	19,734.87	1,00,604.71	241.20	357.67	813.05	182.16	195.25	1,48,465.26
Accumulated depreciation									
Balance at 1st April, 2021	-	3,178.65	18,540.71	100.32	96.40	200.22	64.29	52.71	22,233.30
Depreciation for the year (b)	-	685.92	4,246.54	39.10	31.77	53.01	26.47	35.84	5,118.65
Disposal / deductions during the year	-	(6.62)	(25.44)	(3.74)	(5.71)	(7.16)	(0.39)	-	(49.06)
Balance at 31st March, 2022	-	3,857.95	22,761.81	135.68	122.46	246.07	90.37	88.55	27,302.89
Balance at 1st April, 2022	-	3,857.95	22,761.81	135.68	122.46	246.07	90.37	88.55	27,302.89
Depreciation for the year (b)	-	685.36	4,195.37	32.71	34.91	65.20	27.48	51.64	5,092.67
Disposal / deductions during the year	-	(2.49)	(370.26)	(6.74)	(1.25)	(21.28)	(1.01)	(41.35)	(444.38)
Balance at 31st March, 2023	-	4,540.82	26,586.92	161.65	156.12	289.99	116.84	98.84	31,951.18
Carrying amount (net)									
At 31st March, 2022 (b)	25,645.75	15,402.15	65,824.30	64.24	190.48	290.96	70.82	199.42	1,07,688.12
At 31st March, 2023 (b)	26,336.35	15,194.05	74,017.79	79.55	201.55	523.06	65.32	96.41	1,16,514.08

(a) After adjusting ₹6.73 lakhs being the amount utilised out of Molasses Storage and Maintenance Reserve [Note 18].

(b) Includes ₹0.20 lakhs (31st March, 2022 ₹3.85 lakhs) in relation to farm assets.

(c) Property, Plant and Equipment (unless stated otherwise elsewhere) other than Right of use - assets given as security for borrowings [Note 19].

Notes to Financial Statements for the year ended 31st March, 2023

5. Capital Work-in-Progress

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Reconciliation of carrying amount		
Balance at the beginning of the year	860.96	1,396.47
Add: Additions during the year	13,375.74	3,232.80
Less: Transfer to Property, Plant and Equipment	12,913.85	3,768.31
Balance at the end of the year	1,322.85	860.96

a) The amount of borrowing costs capitalised during the year ₹239.57 lakhs (31st March, 2022: ₹33.44 lakhs). The annual rate i.e. the effective rate of interest used to determine the amount of general borrowing costs eligible for capitalisation is **8.60%** p.a. (31st March, 2022: 6.00% p.a.) and in the range of **5.75% p.a. to 8.10% p.a.** (31st March, 2022: Nil) for the specific borrowing.

b) Capital Work-in-Progress aging schedule:

(₹ in lakhs)

Capital Work-in-Progress (CWIP)	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31st March, 2023					
Projects in progress	1,322.85	-	-	-	1,322.85
Projects temporarily suspended	-	-	-	-	-
Total	1,322.85	-	-	-	1,322.85
As on 31st March, 2022					
Projects in progress	856.46	4.50	-	-	860.96
Projects temporarily suspended	-	-	-	-	-
Total	856.46	4.50	-	-	860.96

6. Other Intangible Assets

(₹ in lakhs)

Computer Software	As at 31st March, 2023	As at 31st March, 2022
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year	145.64	135.82
Additions during the year	-	9.93
Disposal / discard during the year	-	(0.11)
Balance at the end of the year	145.64	145.64
Accumulated depreciation		
Balance at the beginning of the year	97.35	83.72
Amortisation for the year	19.49	13.69
Disposal / discard during the year	-	(0.06)
Balance at the end of the year	116.84	97.35
Carrying amount (net)	28.80	48.29

Notes to Financial Statements for the year ended 31st March, 2023

7. Investments

(₹ in lakhs)

	No. of Share / Unit	Face Value of Share / Unit (₹)	As at 31st March, 2023	As at 31st March, 2022
Non-current Investments				
Investment in equity instruments carried at FVOCI - quoted (fully paid)				
Magadh Sugar & Energy Ltd.	14,86,154	10.00	4,743.80	4,679.90
			4,743.80	4,679.90
Investment in Co-operative farming societies carried at amortised cost - unquoted (fully paid)				
Krishna Sahakari Kheti Samiti Ltd.	5	100.00	0.01	0.01
Kuri Sanyukta Sahakari Kheti Samiti Ltd.*	1	100.00	-	-
Keshopur Sanyukta Sahakari Kheti Samiti Ltd.*	1	100.00	-	-
Pandia Sanyukta Sahakari Kheti Samiti Ltd.*	1	100.00	-	-
Seohara Co-operative Cane Development Union Ltd.*	1	100.00	-	-
Najibabad Co-operative Cane Development Union Ltd.*	1	10.00	-	-
Nagina Co-operative Cane Development Union Ltd.*	1	10.00	-	-
Moradabad Co-operative Cane Development Union Ltd.*	1	10.00	-	-
			0.01	0.01
Investment in Government securities carried at amortised cost - unquoted (fully paid)**				
12 Years National Savings Certificates			0.01	0.01
12 Years National Plan Savings Certificates			0.08	0.08
6 Years National Savings Certificates			3.66	2.17
			3.75	2.26
			4,747.56	4,682.17
Aggregate amount of quoted investments and market value thereof			4,743.80	4,679.90
Aggregate amount of unquoted investments			3.76	2.27
Aggregate amount of impairment in value of investments			-	-

* the figures, being less than ₹500, have been shown above as ₹"-.

** Deposited / pledged with various Government authorities.

Equity shares designated at FVOCI

The Company has designated the investments shown below as equity instruments at FVOCI because these equity instruments represent investments that the Company intends to hold on long-term basis for strategic purposes, which reflects the purpose of holding.

(₹ in lakhs)

	Fair value at 31st March, 2023	Dividend income recognised during 2022-23	Fair value at 31st March, 2022	Dividend income recognised during 2021-22	Fair value at 1st April, 2021
Investment in Magadh Sugar & Energy Limited	4,743.80	96.60	4,679.90	59.45	1,516.62
	4,743.80	96.60	4,679.90	59.45	1,516.62

No strategic investment was disposed off during 2022-23 and there were no transfer of any cumulative gain or loss within equity relating to these investment.

Notes to Financial Statements for the year ended 31st March, 2023

8. Inventories

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials *	7,935.72	6,142.42
Work-in-progress	1,932.51	1,756.67
Finished goods *	85,052.12	96,615.48
Stock-in-trade	22.60	24.24
Stores, chemicals and spare parts *	2,278.98	2,583.71
Power - Banked	29.18	33.16
<i>(Valued at estimated net realisable value)</i>		
By-Products	11,167.62	9,740.28
Scrap	84.33	77.06
	1,08,503.06	1,16,973.02
* includes stock in transit:		
Raw materials	46.71	49.15
Finished goods	-	917.33
Stores, chemicals and spare parts	33.26	32.99

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

9. Biological assets other than bearer plants

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Reconciliation of carrying amount		
Balance at the beginning of the year	1.03	8.53
Expenditure incurred during the year	21.89	29.70
Change in fair value less cost to sale	17.53	28.19
New Crop Plantations	13.88	1.03
Decrease due to harvested sugarcane transferred to inventories	(37.37)	(66.42)
[including captive consumption of ₹7.08 lakhs (31st March, 2022: ₹5.86 lakhs)]		
Balance at the end of the year	16.96	1.03

A. Measurement of fair values

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

B. Risk management strategy related to agricultural activities

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

i. Regulatory and environmental risks

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

ii. Supply and demand risk

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

iii. Climate and other risks

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

Notes to Financial Statements for the year ended 31st March, 2023

10. Trade receivables

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Current		
Trade Receivables considered good - Unsecured	7,264.72	8,568.62
Trade Receivables which have significant increase in credit risk	-	9.63
	7,264.72	8,578.25
Less: Loss allowance		
Trade Receivables which have significant increase in credit risk	-	9.63
	7,264.72	8,568.62

- (a) No debt is due from directors or other officers of the Company or any of them either severally or jointly with any other person or no debt due from firms including limited liability partnerships (LLPs) or private limited 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 43(C).
- (c) Trade receivable are hypothecated against borrowings [Note 19].

(d) Trade Receivables aging schedule:

(₹ in lakhs)

Particulars	Trade Receivables considered good - Unsecured			Trade Receivables which have significant increase in credit risk			Grand Total
	Undisputed	Disputed	Total	Undisputed	Disputed	Total	
As on 31st March, 2023							
Not due	4,107.73	-	4,107.73	-	-	-	4,107.73
Unbilled dues	975.61	-	975.61	-	-	-	975.61
Outstanding for following periods from due dates of payment							
- Less than 6 months	1,352.06	-	1,352.06	-	-	-	1,352.06
- 6 months - 1 year	479.44	-	479.44	-	-	-	479.44
- 1 - 2 years	277.97	-	277.97	-	-	-	277.97
- 2 - 3 years	60.56	-	60.56	-	-	-	60.56
- More than 3 years	11.35	-	11.35	-	-	-	11.35
	2,181.38	-	2,181.38	-	-	-	2,181.38
	7,264.72	-	7,264.72	-	-	-	7,264.72
Less: Loss allowance	-	-	-	-	-	-	-
	7,264.72	-	7,264.72	-	-	-	7,264.72
As on 31st March, 2022							
Not due	4,561.63	-	4,561.63	-	-	-	4,561.63
Unbilled dues	683.22	-	683.22	-	-	-	683.22
Outstanding for following periods from due dates of payment							
- Less than 6 months	2,299.44	-	2,299.44	-	-	-	2,299.44
- 6 months - 1 year	825.73	-	825.73	-	-	-	825.73
- 1 - 2 years	61.60	113.63	175.23	-	-	-	175.23
- 2 - 3 years	0.76	3.67	4.43	-	-	-	4.43
- More than 3 years	8.30	10.64	18.94	-	9.63	9.63	28.57
	3,195.83	127.94	3,323.77	-	9.63	9.63	3,333.40
	8,440.68	127.94	8,568.62	-	9.63	9.63	8,578.25
Less: Loss allowance	-	-	-	-	9.63	9.63	9.63
	8,440.68	127.94	8,568.62	-	-	-	8,568.62

Notes to Financial Statements for the year ended 31st March, 2023

11. Cash and cash equivalents

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Balances with banks		
- Current accounts	110.92	55.76
Cheques on hand	38.88	-
Cash on hand	14.86	24.29
	164.66	80.05

12. Bank balance other than cash and cash equivalents

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Bank deposits having maturity of three months or less of original maturities*	33.25	32.08
Bank deposits due to mature after three months of original maturities but within twelve months of the reporting date*	226.76	186.55
Earmarked balances with bank for unpaid dividend accounts	37.23	21.96
In Post office Saving bank account *	0.29	0.29
	297.53	240.88

* Pledged / lodged with various Government Authorities and Banks as security / earmarked / margin money and under court order.

13. Loans

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
<i>(Considered good - Unsecured)</i>		
Loans to employees	52.31	48.59
	52.31	48.59

14. Other Financial Assets

(₹ in lakhs)

	Non-current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<i>(Considered good - Unsecured, unless stated otherwise)</i>				
Security and other deposits	21.81	42.77	37.51	27.51
Bank deposits due to mature after twelve months of the reporting date*	126.38	78.17	-	-
Renewable Energy Certificates Entitlement	-	-	0.03	0.03
Interest accrued on investment, deposits etc.	5.30	8.14	11.63	12.56
Claims and Subsidies / Refunds receivable	20.00	20.00	64.64	117.24
Other receivables	-	-	165.33	40.39
	173.49	149.08	279.14	197.73

* Pledged / lodged with various Government Authorities and Banks as security / earmarked / margin money.

15. Non-Current Tax Assets (net)

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Advance tax and tax deducted / collected at sources	7,508.54	4,877.46
Less: Provision for taxation	7,156.42	4,666.31
	352.12	211.15

Notes to Financial Statements for the year ended 31st March, 2023

16. Other Assets

(₹ in lakhs)

	Non-current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
<i>(Considered good - Unsecured, unless stated otherwise)</i>				
Capital Advances	594.59	1,625.17	-	-
Advances other than Capital Advances				
Advances to suppliers				
-Considered good - Unsecured	-	-	795.41	949.17
-Considered doubtful - Unsecured	-	-	9.40	9.50
	-	-	804.81	958.67
Less: Loss allowance	-	-	9.40	9.50
	-	-	795.41	949.17
Other advances				
-Deposits against demand under appeal and / or under dispute	345.46	288.87	-	-
-Balance with Excise and other Government Authorities	-	-	233.04	265.89
	345.46	288.87	233.04	265.89
Prepaid Expenses	51.11	72.16	92.26	95.38
	991.16	1,986.20	1,120.71	1,310.44

17. Share Capital

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Authorised:		
5,60,50,000 equity shares of ₹10 each	5,605.00	5,605.00
34,00,000 preference shares of ₹100 each	3,400.00	3,400.00
8,00,00,000 preference shares of ₹10 each	8,000.00	8,000.00
	17,005.00	17,005.00
Issued, subscribed and fully paid-up:		
2,00,18,420 equity shares of ₹10 each	2,001.84	2,001.84
	2,001.84	2,001.84

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

	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity shares				
At the beginning and at the end of the year	2,00,18,420	2,001.84	2,00,18,420	2,001.84

(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.

Notes to Financial Statements for the year ended 31st March, 2023

17. Share Capital (Contd.)

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

	As at 31st March, 2023		As at 31st March, 2022	
	Number of shares	% of total shares in the class	Number of shares	% of total shares in the class
Equity shares of ₹10 each fully paid up held by				
New India Retailing & Investment Limited	19,45,304	9.7176%	19,45,304	9.7176%
SCM Investment & Trading Company Limited	14,99,890	7.4925%	14,99,890	7.4925%
Ganges Securities Limited	14,78,624	7.3863%	14,78,624	7.3863%
RTM Investment & Trading Company Limited	13,45,192	6.7198%	13,45,192	6.7198%
SIL Investments Limited	11,34,480	5.6672%	11,34,480	5.6672%
Mr. Anil Kumar Goel	11,25,000	5.6198%	11,25,000	5.6198%

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

	Year ended 31st March, 2023	Year ended 31st March, 2022	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019
Equity shares of ₹10 each fully paid-up issued as bonus shares	-	-	-	1,00,09,210	-

(e) Details of shares held by promoters:

Sr. No.	Name of promoters	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
As on 31st March, 2023						
Equity shares of ₹10 each fully paid up held by						
1	New India Retailing & Investment Limited	19,45,304	-	19,45,304	9.7176%	-
2	SCM Investment & Trading Company Limited	14,99,890	-	14,99,890	7.4925%	-
3	Ganges Securities Limited	14,78,624	-	14,78,624	7.3863%	-
4	RTM Investment & Trading Company Limited	13,45,192	-	13,45,192	6.7198%	-
5	SIL Investments Limited	11,34,480	-	11,34,480	5.6672%	-
6	Yashovardhan Investment & Trading Company Limited	7,63,384	-	7,63,384	3.8134%	-
7	Deepshikha Trading Company Private Limited	6,64,310	-	6,64,310	3.3185%	-
8	Ronson Traders Limited	5,58,692	-	5,58,692	2.7909%	-
9	Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]	5,07,700	-	5,07,700	2.5362%	-
10	Hargaon Investment & Trading Company Limited	4,82,510	-	4,82,510	2.4103%	-
11	Sidh Enterprises Limited	4,29,996	-	4,29,996	2.1480%	-
12	Sonali Commercial Limited	2,98,100	-	2,98,100	1.4891%	-
13	Champaran Marketing Company Limited	1,91,284	-	1,91,284	0.9555%	-
14	OSM Investment & Trading Company Limited	1,72,254	-	1,72,254	0.8605%	-
15	Uttam Commercial Limited	1,37,190	-	1,37,190	0.6853%	-
16	Nilgiri Plantations Limited	1,01,200	-	1,01,200	0.5055%	-
17	Mrs. Nandini Nopany	99,404	-	99,404	0.4966%	-

Notes to Financial Statements for the year ended 31st March, 2023

17. Share Capital (Contd.)

(e) Details of shares held by promoters:

Sr. No.	Name of promoters	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
18	Narkatiaganj Farms Limited	74,610	-	74,610	0.3727%	-
19	Mr. Chandra Shekhar Nopany	68,176	-	68,176	0.3406%	-
20	Rajpur Farms Limited	66,618	-	66,618	0.3328%	-
21	Shree Vihar Properties Limited	23,126	-	23,126	0.1155%	-
22	LA Monde Trading & Investments Private Limited	18,466	-	18,466	0.0922%	-
23	Palash Securities Limited	13,614	-	13,614	0.0680%	-
24	Mrs. Urvi Mittal	9,982	-	9,982	0.0499%	-
25	Mr. Arhant Vikram Nopany	3,668	-	3,668	0.0183%	-
26	Pavapuri Trading and Investment Company Limited	848	-	848	0.0042%	-
27	The Oudh Trading Company Private Limited	550	-	550	0.0027%	-
		1,20,89,172	-	1,20,89,172	60.3901%	-
As on 31st March, 2022						
Equity shares of ₹10 each fully paid up held by						
1	New India Retailing & Investment Limited	19,45,304	-	19,45,304	9.7176%	-
2	SCM Investment & Trading Company Limited	14,99,890	-	14,99,890	7.4925%	-
3	Ganges Securities Limited	14,78,624	-	14,78,624	7.3863%	-
4	RTM Investment & Trading Company Limited	13,45,192	-	13,45,192	6.7198%	-
5	SIL Investments Limited	11,34,480	-	11,34,480	5.6672%	-
6	Yashovardhan Investment & Trading Company Limited	7,63,384	-	7,63,384	3.8134%	-
7	Deepshikha Trading Company Private Limited	6,64,310	-	6,64,310	3.3185%	-
8	Ronson Traders Limited	5,58,692	-	5,58,692	2.7909%	-
9	"Mr. Chandra Shekhar Nopany [As Trustee of Shekhar Family Trust]"	5,00,200	7,500	5,07,700	2.5362%	0.0375%
10	Hargaon Investment & Trading Company Limited	4,82,510	-	4,82,510	2.4103%	-
11	Sidh Enterprises Limited	4,29,996	-	4,29,996	2.1480%	-
12	Sonali Commercial Limited	2,98,100	-	2,98,100	1.4891%	-
13	Champaran Marketing Company Limited	1,91,284	-	1,91,284	0.9555%	-
14	OSM Investment & Trading Company Limited	1,72,254	-	1,72,254	0.8605%	-
15	Uttam Commercial Limited	1,37,190	-	1,37,190	0.6853%	-
16	Nilgiri Plantations Limited	1,01,200	-	1,01,200	0.5055%	-
17	Mrs. Nandini Nopany	99,204	200	99,404	0.4966%	0.0010%
18	Narkatiaganj Farms Limited	74,610	-	74,610	0.3727%	-
19	Mr. Chandra Shekhar Nopany	71,844	(3,668)	68,176	0.3406%	(0.0183%)
20	Rajpur Farms Limited	66,618	-	66,618	0.3328%	-
21	Shree Vihar Properties Limited	23,126	-	23,126	0.1155%	-
22	LA Monde Trading & Investments Private Limited	18,466	-	18,466	0.0922%	-
23	Palash Securities Limited	13,614	-	13,614	0.0680%	-
24	Mrs. Urvi Mittal	9,982	-	9,982	0.0499%	-
25	Mr. Arhant Vikram Nopany	-	3,668	3,668	0.0183%	0.0183%
26	Pavapuri Trading and Investment Company Limited	848	-	848	0.0042%	-
27	The Oudh Trading Company Private Limited	550	-	550	0.0027%	-
28	Mr. Chandra Shekhar Nopany [As Trustee of Shruti Family Trust]	200	(200)	-	0.0000%	(0.0010%)
		1,20,81,672	7,500	1,20,89,172	60.3901%	0.0375%

Notes to Financial Statements for the year ended 31st March, 2023

18. Other Equity

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Capital Reserve		
Balance at the beginning and at the end of the year	25,761.69	25,761.69
Capital Redemption Reserve		
Balance at the beginning and at the end of the year	5,569.08	5,569.08
Molasses Storage and Maintenance Reserve		
Balance at the beginning of the year	169.45	129.12
Provided during the year [Note 33]	43.37	47.06
Utilised during the year [Note 4]	-	(6.73)
Balance at the end of the year	212.82	169.45
Retained Earnings		
Balance at the beginning of the year	43,231.25	31,540.78
Profit for the year	10,023.94	12,440.93
Remeasurement of defined benefit (assets) / liability (net of tax)	(52.51)	50.28
Final Dividend paid on equity shares	(2,001.84)	(800.74)
Balance at the end of the year	51,200.84	43,231.25
Equity Instruments through OCI		
Balance at the beginning of the year	4,306.44	1,573.28
Net change in fair value (net of tax)	62.92	2,733.16
Balance at the end of the year	4,369.36	4,306.44
	87,113.79	79,037.91

(a) Dividend on equity shares

The following dividends were declared and paid by the Company during the year:

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
₹10 per equity share (31st March, 2022: ₹4 per equity share) as final dividend	2,001.84	800.74

After the reporting date, the following dividends were proposed by the Board of Directors, subject to the approval of Shareholders at the ensuing annual general meeting; the dividends have not been recognised as liabilities.

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Proposed dividend for the year ended 31st March, 2023 ₹10 per equity share (31st March, 2022: ₹10 per equity share)	2,001.84	2,001.84
	2,001.84	2,001.84

Notes to Financial Statements for the year ended 31st March, 2023

19. Borrowings

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Non-current Borrowings		
Term Loans (secured)		
From banks -		
Rupee term loans	31,543.71	32,973.32
Under financial assistance scheme (SEFASU 2018 - State)	6,246.28	10,985.79
Under financial assistance scheme (SEFASM 2018 - Central)	5,897.20	8,231.95
	43,687.19	52,191.06
Current portion of Non-current borrowings disclosed in current borrowings stated below	13,054.82	11,888.36
	30,632.37	40,302.70
Current Borrowings		
Secured		
Current portion of Non-current borrowings	13,054.82	11,888.36
From banks (repayable on demand)		
Cash credit including working capital demand loan	61,030.09	58,089.31
Unsecured		
Working capital demand loan from a bank (repayable on demand)	2,000.00	-
Short term loan from a bank	-	11,000.00
	76,084.91	80,977.67

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

Nature of Securities and Terms of repayment

(i) Terms and repayment schedule

	Interest rate / range	Instalments	Instalments Starting from	Maturity	Carrying amount (₹ in lakhs)	
					As at 31st March, 2023	As at 31st March, 2022
Secured rupee term loan	8.25% p.a. to 9.40% p.a.	Quarterly	January, 2023	October, 2027	17,007.22	17,296.20
Secured rupee term loan	7.95% p.a. to 9.00% p.a.	Quarterly	December, 2018	September, 2025	4,185.83	5,644.35
Secured rupee term loan	8.60% p.a.	Quarterly	January, 2024	October, 2028	3,427.94	-
Secured rupee term loan	7.90% p.a.	Quarterly	March, 2019	October, 2025	3,043.20	3,876.89
Secured rupee term loan	8.25% p.a. to 10.15% p.a.	Quarterly	June, 2019	February, 2025	2,670.51	3,968.68
Secured rupee term loan	8.45% p.a. to 9.65% p.a.	Quarterly	June, 2019	March, 2026	1,209.01	1,462.98
Secured rupee term loan (fully repaid)	7.95% p.a.	Quarterly	March, 2019	June, 2022	-	724.22
Secured term loan under financial assistance scheme (SEFASU 2018 State)	5% p.a.	Monthly	July, 2019	June, 2024	6,246.28	10,985.79
Secured rupee term loan under financial assistance scheme (SEFASM 2018 Central)	7.95% p.a. to 9.00% p.a.	Quarterly	October, 2021	July, 2025	5,897.20	8,231.95
Secured cash credit including working capital demand loan	5.45% p.a. to 9.15% p.a.	Not applicable	Not applicable	On demand	61,030.09	58,089.31
Unsecured working capital demand loan	7.75% p.a.	Not applicable	Not applicable	On demand	2,000.00	-
Unsecured short term loan (fully repaid)	5.75% p.a. to 6.65% p.a.	Not applicable	Not applicable	On demand	-	11,000.00
					1,06,717.28	1,21,280.37

Notes to Financial Statements for the year ended 31st March, 2023

19. Borrowings (Contd.)

(ii) Nature of security

- (a) Term loan / Rupee term loans of ₹43,687.19 lakhs (31st March, 2022: ₹52,191.06 lakhs) are secured by first mortgage / charge created on all the property, plant and equipment of the Company, both present and future, ranking pari-passu amongst the various lenders.
- (b) Term loan of ₹5,897.20 lakhs (31st March, 2022: ₹8,231.95 lakhs) under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity (SEFASM 2018 - Central) is entitled for interest subvention from the Government of India upto 6% p.a. or 50% of rate of interest charged by banks as per terms of the scheme. [Note 42]
- (c) Cash credit borrowing including Working capital demand loan (WCDL) from banks are secured by hypothecation of all current assets of the Company ranking pari-passu amongst the various lenders and also by 3rd charge created / to be created on all the property, plant and equipment of the Company, both present and future.

- (iii) The Company is filing monthly stock statement to Banks for working capital facilities. The below is summary of reconciliation of quarterly statement filed to the banks and books of accounts :

Quarter ended on	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)
31st March, 2023	1,08,503.06	1,01,200.01	7,303.05
31st December, 2022	53,574.33	46,092.14	7,482.19
30th September, 2022	45,233.60	42,311.37	2,922.23
30th June, 2022	95,174.23	93,439.67	1,734.56
31st March, 2022	1,16,973.02	88,531.79	28,441.23
31st December, 2021	71,271.32	56,894.57	14,376.75
30th September, 2021	68,342.64	54,237.26	14,105.38
30th June, 2021	1,15,420.02	93,880.98	21,539.04

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

20. Lease

As Lessee

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

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

The carrying amount of right-of-use assets included in Note 4 and its movements during the year are as under: (₹ in lakhs)

Particulars	Land *	Building	Land License - Railways Site	Total
Balance as at 1st April, 2021	13.46	179.19	42.61	235.26
Depreciation for the year	(0.75)	(13.79)	(21.30)	(35.84)
Balance as at 31st March, 2022	12.71	165.40	21.31	199.42
Balance as at 1st April, 2022	12.71	165.40	21.31	199.42
Addition during the year	-	114.03	-	114.03
Deduction on termination of lease during the year	-	(165.40)	-	(165.40)
Depreciation for the year	(0.75)	(29.58)	(21.31)	(51.64)
Balance as at 31st March, 2023	11.96	84.45	-	96.41

* Agreement of leasehold land (held by the Company since 1st April, 2015) is in the name of the erstwhile company.

Notes to Financial Statements for the year ended 31st March, 2023

20. Lease (Contd.)

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. **8.50%** p.a. (31st March, 2022: 10% p.a.) Movement of the carrying amount of lease liabilities during the year are as under:

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Balance at the beginning of the year	242.67	243.52
Additions during the year	114.03	-
Deduction on termination of lease during the year	(191.83)	-
Finance cost accrued during the year	11.38	24.15
Payment of lease liabilities (including finance cost) for the year	(88.35)	(25.00)
Balance at the end of the year	87.90	242.67
Lease liabilities - Non-current	52.90	166.82
Lease liabilities - Current	35.00	75.85
	87.90	242.67

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

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Less than one year	35.00	78.36
One to two years	35.00	25.00
Two to five years	30.00	80.00
More than five years	-	233.75
Total	100.00	417.11

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

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Income:		
Gain on termination of lease [Note 27]	26.43	-
Expenses:		
Interest on lease liabilities [Note 31]	11.38	24.15
Depreciation on right-of-use assets [Note 4]	51.64	35.84
Expenses relating to short-term and low-value leases [Note 33]	25.17	78.00
Total	88.19	137.99

There is no liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

21. Trade Payables

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Total outstanding dues of micro enterprises and small enterprises *	334.93	443.01
Total outstanding dues of creditors other than micro enterprises and small enterprises	36,118.63	30,597.45
Total	36,453.56	31,040.46

* Not overdue in terms of Section 15 of MSMED Act,, 2006

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

Notes to Financial Statements for the year ended 31st March, 2023

21. Trade Payables (Contd.)

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

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(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	-	-
Interest due on above	-	-
Total	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	150.28	235.83
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

(b) Trade payables aging schedule:

(₹ in lakhs)

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payment / date of transaction				Total
			Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31st March, 2023							
(i) MSME	-	334.93	-	-	-	-	334.93
(ii) Others	354.19	124.93	35,433.36	49.94	37.10	46.32	36,045.84
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	72.79	72.79
	354.19	459.86	35,433.36	49.94	37.10	119.11	36,453.56

(₹ in lakhs)

As on 31st March, 2022							
(i) MSME	-	443.01	-	-	-	-	443.01
(ii) Others	142.86	251.93	29,961.87	77.83	45.88	44.29	30,524.66
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	72.79	72.79
	142.86	694.94	29,961.87	77.83	45.88	117.08	31,040.46

Notes to Financial Statements for the year ended 31st March, 2023

22. Other Financial Liabilities

(₹ in lakhs)

	Non-current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Trade and other deposits	105.79	105.49	112.29	-
Interest accrued but not due	-	-	286.13	204.33
Payable to employees	-	-	1,729.20	1,107.00
Liability for capital goods	-	-	717.56	367.77
Unclaimed dividend *	-	-	37.23	21.96
Other payables	-	-	19.67	31.47
	105.79	105.49	2,902.08	1,732.53

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

The Company's exposure to liquidity risks related to the above financial liabilities is disclosed in Note 43(C).

23. Other Liabilities

(₹ in lakhs)

	Non-current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Advance from customers	-	-	472.61	2,317.66
Statutory dues payable	-	-	891.87	1,640.69
Deferred Income on Government Grant [Note 42]	5.63	181.58	175.95	402.77
	5.63	181.58	1,540.43	4,361.12

24. Provisions

(₹ in lakhs)

	Non-current		Current	
	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits				
Net defined benefit liability - Gratuity	209.77	173.37	358.74	388.74
Provision for compensated absences	-	-	355.35	339.73
	209.77	173.37	714.09	728.47

Defined benefits - Gratuity Plan

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

Net defined benefit liabilities

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Present value of defined benefit obligations	2,607.78	2,380.50
Fair value of plan assets	2,039.27	1,818.39
Net defined benefit liabilities	568.51	562.11

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

Notes to Financial Statements for the year ended 31st March, 2023

24. Provisions (Contd.)

The Company expects to contribute ₹358.74 lakhs to Gratuity Fund in the next year.

Inherent risk

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

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

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

(₹ in lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	2,380.50	2,270.98
(b) Service cost	159.11	149.40
(c) Interest cost	164.73	148.30
(d) Benefits paid	(181.03)	(132.71)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	(66.46)	(58.77)
- due to experience changes	150.93	3.30
Balance at the end of the year	2,607.78	2,380.50
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	1,818.39	1,599.06
(b) Actual return on plan assets	129.59	116.14
(c) Contributions by the employer	272.32	235.90
(d) Benefits paid	(181.03)	(132.71)
Balance at the end of the year	2,039.27	1,818.39
(iii) Actuarial gain on plan assets		
(a) Expected Interest Income	125.83	104.42
(b) Actual return on plan assets	129.59	116.14
Actuarial gain on plan assets	3.76	11.72
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	159.11	149.40
(b) Interest cost	164.73	148.30
(c) Interest income	(125.83)	(104.42)
Amount charged to Employee benefits expenses	198.01	193.28
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligations	(84.47)	55.47
(b) Actuarial gain / (loss) on plan assets	3.76	11.72
Amount recognised in Other Comprehensive Income	(80.71)	67.19
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%

Notes to Financial Statements for the year ended 31st March, 2023

24. Provisions (Contd.)

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

(₹ in lakhs)

Particulars	As at 31st March, 2023		As at 31st March, 2022	
(vii) Actuarial assumptions				
Principal actuarial assumptions at the reporting date (expressed as weighted averages)				
(a) Discount rate		7.35%		6.92%
(b) Future salary growth		5.00%		5.00%
(c) Attrition rates		Less than 40 Years -4.20%		
		40 Years and above -1.80%		
(d) Weighted average duration of defined benefit obligation		7 Years		8 Years

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

(viii) Method of determining defined benefit obligation

Project Unit Credit (PUC)

(ix) Sensitivity analysis

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

(₹ in lakhs)

	As at 31st March, 2023		As at 31st March, 2022	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (0.50% movement)	(73.58)	77.57	(71.76)	75.81
(b) Future salary growth (1% movement)	158.42	(144.93)	153.08	(139.77)
(c) Withdrawal assumption (4% movement)	73.59	(56.37)	59.63	(47.03)

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

(x) The following undiscounted payments are expected contributions to the defined benefit plan in future years:

(₹ in lakhs)

	As at 31st March, 2023		As at 31st March, 2022	
Within the next 12 months		358.74		388.74
Between 1 and 2 years		150.13		60.90
Between 2 and 3 years		270.20		189.59
Between 3 and 4 years		323.39		235.97
Between 4 and 5 years		270.09		282.87
Between 5 and 6 years		250.98		238.00
Beyond 6 years		2,715.63		2,555.01
Total expected payments		4,339.16		3,951.08

Notes to Financial Statements for the year ended 31st March, 2023

25. Deferred Tax Liabilities (net)

(₹ in lakhs)

	As at 31st March, 2021	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2022	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2023
Deferred tax liabilities							
PPE including intangible assets	15,304.75	(95.10)	-	15,209.65	279.77	-	15,489.42
Investments	-	-	368.46	368.46	-	0.98	369.44
	15,304.75	(95.10)	368.46	15,578.11	279.77	0.98	15,858.86
Deferred tax assets							
Carried forward tax losses	16.92	-	-	16.92	-	-	16.92
MAT credit entitlement	13,892.51	(1,287.37)	-	12,605.14	(1,510.55)	-	11,094.59
Investments	61.66	-	(61.66)	-	-	-	-
Provisions - employee benefits	253.42	(9.36)	(16.91)	227.15	67.49	28.20	322.84
Provisions - others	19.19	(14.37)	-	4.82	(1.54)	-	3.28
Deduction of disallowances allowed on payment / other basis	709.24	(145.68)	-	563.56	(119.32)	-	444.24
	14,952.94	(1,456.78)	(78.57)	13,417.59	(1,563.92)	28.20	11,881.87
Net deferred tax liabilities / (assets)	351.81	1,361.68	447.03	2,160.52	1,843.69	(27.22)	3,976.99

MAT credit entitlement is the amount which is available for set off in subsequent years against income tax liabilities as per the provisions of the Income Tax Act, 1961. The MAT credit entitlement recognised will expire as follows:

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
Year of expiry, based on the last day of the financial year for which MAT credit is available for use as per prevailing tax laws as at the reporting date:		
Assessment Year 2027-2028 [Financial Year 2026-2027]	1,419.85	2,930.40
Assessment Year 2033-2034 [Financial Year 2032-2033]	2,590.03	2,590.03
Assessment Year 2034-2035 [Financial Year 2033-2034]	3,452.41	3,452.41
Assessment Year 2035-2036 [Financial Year 2034-2035]	1,887.82	1,887.82
Assessment Year 2036-2037 [Financial Year 2035-2036]	1,744.48	1,744.48
	11,094.59	12,605.14

26. Revenue from Operations

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Sale of Goods		
Finished goods	2,59,408.83	2,59,592.51
Stock-in-trade	2,483.91	2,092.25
Power	5,133.20	4,155.36
By products	11,535.36	6,044.71
Others	475.74	110.25
	2,79,037.04	2,71,995.08
Other operating revenue		
Subsidy towards Export Quota [Note 42]	-	1,934.02
Income from Carbon Emission Reduction (CER)	47.74	-
Scrap Sales	716.71	436.81
	764.45	2,370.83
Total revenue from operations	2,79,801.49	2,74,365.91

Notes to Financial Statements for the year ended 31st March, 2023

26. Revenue from Operations (Contd.)

Disaggregated revenue information

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

(₹ in lakhs)

	Segment				Total
	Sugar	Distillery	Co-generation	Others	
Year ended 31st March, 2023					
Revenue based on the type of goods sold to customers:					
<i>Finished goods</i>					
- Sugar	2,03,463.64	-	-	-	2,03,463.64
- Spirits	-	55,945.19	-	-	55,945.19
	2,03,463.64	55,945.19	-	-	2,59,408.83
<i>Stock-in-trade</i>					
- Diesel	-	-	-	2,135.89	2,135.89
- Oil and Lubricants	-	-	-	348.02	348.02
	-	-	-	2,483.91	2,483.91
<i>Power</i>	-	-	5,133.20	-	5,133.20
<i>By products</i>					
- Molasses	1,083.33	-	-	-	1,083.33
- Bagasse	9,735.74	-	-	-	9,735.74
- Press-mud	716.29	-	-	-	716.29
	11,535.36	-	-	-	11,535.36
<i>Others</i>	-	-	475.74	-	475.74
	2,14,999.00	55,945.19	5,608.94	2,483.91	2,79,037.04
Revenue based on the type of customers:					
- Government entities (including PSUs)	-	55,767.02	5,133.20	-	60,900.22
- Export including through third parties	46,614.54	-	-	-	46,614.54
- Others	1,68,384.46	178.17	475.74	2,483.91	1,71,522.28
	2,14,999.00	55,945.19	5,608.94	2,483.91	2,79,037.04
Year ended 31st March, 2022					
Revenue based on the type of goods sold to customers:					
<i>Finished goods</i>					
- Sugar	2,11,202.43	-	-	-	2,11,202.43
- Spirits	-	48,390.08	-	-	48,390.08
	2,11,202.43	48,390.08	-	-	2,59,592.51
<i>Stock-in-trade</i>					
- Diesel	-	-	-	1,965.41	1,965.41
- Oil and Lubricants	-	-	-	126.84	126.84
	-	-	-	2,092.25	2,092.25
<i>Power</i>	-	-	4,155.36	-	4,155.36
<i>By products</i>					
- Molasses	709.13	-	-	-	709.13
- Bagasse	5,036.22	-	-	-	5,036.22
- Press-mud	299.36	-	-	-	299.36
	6,044.71	-	-	-	6,044.71
<i>Others</i>	-	18.62	91.63	-	110.25
	2,17,247.14	48,408.70	4,246.99	2,092.25	2,71,995.08

Notes to Financial Statements for the year ended 31st March, 2023

26. Revenue from Operations (Contd.)

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

(₹ in lakhs)

	Segment				Total
	Sugar	Distillery	Co-generation	Others	
Revenue based on the type of customers:					
- Government entities (including PSUs)	-	48,243.33	4,155.36	-	52,398.69
- Export through third parties	43,582.88	-	-	-	43,582.88
- Others	1,73,664.26	165.37	91.63	2,092.25	1,76,013.51
	2,17,247.14	48,408.70	4,246.99	2,092.25	2,71,995.08

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

(₹ in lakhs)

	Segment				Total
	Sugar	Distillery	Co-generation	Others	
Year ended 31st March, 2023					
Sale of Goods					
- External customers	2,14,999.00	55,945.19	5,608.94	2,483.91	2,79,037.04
- Inter-segment	55,633.23	-	15,174.91	-	70,808.14
Other Operating Revenue	688.47	28.24	47.74	-	764.45
	2,71,320.70	55,973.43	20,831.59	2,483.91	3,50,609.63
Less: Inter-segment elimination	55,633.23	-	15,174.91	-	70,808.14
Less: Other Operating Revenue	688.47	28.24	47.74	-	764.45
	2,14,999.00	55,945.19	5,608.94	2,483.91	2,79,037.04
Year ended 31st March, 2022					
Sale of Goods					
- External customers	2,17,247.14	48,408.70	4,246.99	2,092.25	2,71,995.08
- Inter-segment	41,099.01	7.72	12,569.65	-	53,676.38
Other Operating Revenue	2,350.52	20.31	-	-	2,370.83
	2,60,696.67	48,436.73	16,816.64	2,092.25	3,28,042.29
Less: Inter-segment elimination	41,099.01	7.72	12,569.65	-	53,676.38
Less: Other Operating Revenue	2,350.52	20.31	-	-	2,370.83
	2,17,247.14	48,408.70	4,246.99	2,092.25	2,71,995.08

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

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

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

- b) For Contract balances i.e. trade receivables [Note 10] and advance from customers [Note 23].
- c) The amount of ₹2,317.66 lakhs included in contract liabilities [Note 23] at 31st March, 2022 has been recognised as revenue during the year ended 31st March, 2023 (31st March, 2022: ₹1,020.11 lakhs).
- d) The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.

Notes to Financial Statements for the year ended 31st March, 2023

27. Other Income

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest income on:		
- Loans and deposits	23.17	17.87
- Refund from income tax department	-	28.14
Dividend income from investment in equity instruments	96.60	59.45
Insurance and other claims	22.52	3.27
Gain on Sale / Discard of Property, Plant & Equipment / Intangible Assets (net)	554.89	53.87
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	68.97	73.86
Income from investments in co-operative farming societies	81.50	90.82
Change in fair value of biological assets other than bearer plants [Note 9]	17.53	28.19
Gain on termination of lease [Note 20]	26.43	-
Forex Fluctuation Gain (net)	0.12	-
Miscellaneous income	33.75	56.51
	925.48	411.98

28. Cost of Raw Materials Consumed

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Inventory of materials at the beginning of the year	6,142.42	2,238.25
Add: Purchases and procurement expenses *	2,09,022.19	1,91,302.96
	2,15,164.61	1,93,541.21
Less: Inventory of materials at the end of the year	7,935.72	6,142.42
	2,07,228.89	1,87,398.79

* Net of Government grants [Note 42].

29. Change in inventories of finished goods, work-in-progress and stock-in-trade

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Inventories at the end of the year		
Finished goods	85,052.12	96,615.48
Stock-in-trade	22.60	24.24
Power - Banked	29.18	33.16
By Products	11,167.62	9,740.28
Work-in-progress	1,932.51	1,756.67
Scrap	84.33	77.06
	98,288.36	1,08,246.89
Inventories at the beginning of the year		
Finished goods	96,615.48	1,21,439.53
Stock-in-trade	24.24	17.08
Power - Banked	33.16	22.66
By Products	9,740.28	7,216.72

Notes to Financial Statements for the year ended 31st March, 2023

29. Change in inventories of finished goods, work-in-progress and stock-in-trade (Contd.) (₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Work-in-progress	1,756.67	1,463.78
Scrap	77.06	78.03
	1,08,246.89	1,30,237.80
	9,958.53	21,990.91

30. Employee benefits expense (₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Salaries, wages, bonus etc.	10,828.03	8,925.21
Contribution to provident and other funds	799.68	672.78
Expenses related to post-employment defined benefit plans [Note 24]	198.01	193.28
Staff welfare expenses	217.68	220.51
	12,043.40	10,011.78

Note: Arrears of wages of ₹1,180.77 lakhs upto 31st March, 2022 payable towards revision of wages of workmen in sugar and distillery industries covered under wage board by the Government of Uttar Pradesh with retrospective effect from 1st October, 2018 and 1st September, 2016 respectively included in current year.

Defined contribution plans (₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Contribution to Provident / Pension Funds	775.94	655.64
Contribution to Superannuation Fund	23.74	17.14
	799.68	672.78

31. Finance costs (net) (₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on financial liabilities measured at amortised cost *	6,919.18	8,799.96
Interest on lease liabilities [Note 20]	11.38	24.15
Interest on income tax	0.06	18.30
	6,930.62	8,842.41

* Net of Government grants [Note 42] and interest capitalised [Note 5].

32. Depreciation and amortization expense (₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation of property, plant and equipment * [Note 4]	5,092.47	5,114.80
Amortisation of intangible assets [Note 6]	19.49	13.69
	5,111.96	5,128.49

* Excluding ₹0.20 lakhs (31st March, 2022: ₹3.85 lakhs) in relation to farm assets.

Notes to Financial Statements for the year ended 31st March, 2023

33. Other expenses

(₹ in lakhs)

		Year ended 31st March, 2023	Year ended 31st March, 2022
Consumption of stores and spares		3,515.96	3,045.42
Packing materials		2,042.81	2,156.72
Power and fuel		238.19	247.52
Repairs to:			
- Machinery		5,694.65	5,355.83
- Buildings		782.29	834.67
- Others		247.18	217.35
Rent [Note 20]		25.17	78.00
Rates and taxes		858.21	440.13
Insurance		442.50	377.78
Payment to auditors [refer Note (a) below]		62.56	70.54
Payment to cost auditors		1.93	2.00
Commission on sales		600.41	645.74
Freight and forwarding charges		5,398.15	6,428.63
Charity and donations *		101.03	350.45
Bad debts, irrecoverable claims and advances written off	0.10		58.31
Less: Adjusted against provisions	0.10	-	57.11
Molasses storage and maintenance fund [Note 18]		43.37	47.06
Corporate Social Responsibility expenses [refer Note (b) below]		256.71	248.65
Director's commission [Note 41]		70.00	70.00
Director's sitting fees [Note 41]		25.60	30.00
Miscellaneous expenses		2,256.62	1,979.84
		22,663.34	22,627.53

* Includes contribution of ₹ Nil (31st March, 2022: ₹350.00 lakhs) to an Electoral trust company.

(a) Payment to auditors

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
As Auditors		
- Statutory audit	35.00	35.00
- Tax audit	-	9.00
- Limited review of quarterly results	21.00	21.00
In other capacity		
- For certificates and other services	2.00	2.15
Reimbursement of expenses	4.56	3.39
	62.56	70.54

₹70.54 lakhs of previous year paid to erstwhile auditors.

Notes to Financial Statements for the year ended 31st March, 2023

33. Other expenses (Contd.)

(b) Corporate Social Responsibility expenses

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Gross amount required to be spent by the Company during the year	255.34	248.43
(ii) 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	256.71	248.65
- Yet to be paid in cash	-	-
Total	256.71	248.65
(iii) Surplus / (shortfall) at the end of the year	1.37	0.22
(iv) Total of previous years surplus / (shortfall)	2.61	2.39
(v) Reason for shortfall, if any	Not Applicable	
(vi) Nature of CSR Activities		
(A) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	69.75	15.10
(B) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	171.83	99.04
(C) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	15.13	51.35
(D) Disaster management including relief, rehabilitation and reconstruction activities.	-	83.16
	256.71	248.65
(vii) The Movements in the provision for CSR expenditure during the year		
Provision for CSR expenditure at the beginning and at the end of the year	-	-

Notes to Financial Statements for the year ended 31st March, 2023

34. Tax expense

(₹ in lakhs)

	Year ended 31st March, 2023		Year ended 31st March, 2022	
Current tax				
Provision of income tax for current year	2,490.11		2,921.83	
Adjustments for income tax related to earlier years	2.18	2,492.29	(2.25)	2,919.58
Deferred tax				
Attributable to origination and reversal of temporary differences / MAT credits		1,843.69		1,361.68
		4,335.98		4,281.26

Reconciliation of effective tax

	Year ended 31st March, 2023		Year ended 31st March, 2022	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
Profit before tax		14,359.92		16,722.19
Tax using the Company's domestic tax rate	34.944%	5,017.93	34.944%	5,843.40
Tax effect of:				
- Reversal of deferred tax liabilities (net) due to re-measurement of deferred tax assets / liabilities as per Ind-AS 12 "Income Taxes"		(497.68)		(1,623.90)
- Others (including permanent differences)		(184.27)		61.76
		4,335.98		4,281.26

35. Earnings per equity share (EPS)

Basic and Diluted earnings per share

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

	Year ended 31st March, 2023	Year ended 31st March, 2022
(i) Profit attributable to equity shareholders (₹ in lakhs)	10,023.94	12,440.93
(ii) Weighted average number of equity shares for the year		
At the beginning and at the end of the year	2,00,18,420	2,00,18,420
(iii) Earning per equity share [Nominal value of share ₹10] [(i)/(ii)]		
Basic and Diluted (₹)	50.07	62.15

There is no dilutive potential equity share.

36. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹**2,404.25 lakhs** (31st March, 2022: ₹6,672.86 lakhs) including ₹**2,013.82 lakhs** (31st March, 2022: ₹6,469.20 lakhs) related to Property, Plant and Equipment.

Notes to Financial Statements for the year ended 31st March, 2023

37. Contingent Liabilities

(to the extent not provided for)

(a) Claims against the Company not acknowledged as debt

(₹ in lakhs)

	As at 31st March, 2023	As at 31st March, 2022
(i) Excise duty and service tax	293.04	293.04
(ii) Sugarcane Society Commission pertaining to Sugar Season 2012-13, 2014-15 and partly for 2015-16	3,962.62	3,962.62
(iii) Sales tax	192.20	192.20
(iv) Duty under state acts	448.87	211.50
(v) Others	437.63	559.11
Total *	5,334.36	5,218.47

* Notes:

- Pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above as it is determinable only on receipt of judgments / decisions pending with various forums / authorities.
- The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position.
- In case of Excise duty and service tax, amount does not include ₹475.61 lakhs (31st March, 2022: ₹475.61 lakhs) in respect of Show Cause Notices pertaining to earlier years.

38. Regulatory fee @ ₹20 per quintals of molasses sales / inter-unit transfers imposed by the State Government of Uttar Pradesh w.e.f. 24th December, 2021 has been accounted for. The matter is sub-judice.

39. Title deeds of freehold land of ₹2,761.41 lakhs (31st March, 2022: ₹2,761.41 lakhs) are yet to be executed, pending for registration in favour of the Company. However, the said land is not being part of security offered to lenders, details of which are given below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter * / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the company
As on 31st March, 2023 and 31st March, 2022 both:						
PPE	Freehold Land	2,465.79	The erstwhile company ##	No	1st April, 2015	Refer Note given below
PPE	Freehold Land	160.88	The erstwhile company ##	No	1st April, 2015	The matter is sub-judice.
PPE	Freehold Land	65.41	Shri Rajesh Sharma	Yes**	1st April, 2015	Registration is pending.
PPE	Freehold Land	43.77	Shri Chagan Lal Giria	No	1st April, 2015	Registration is pending.
PPE	Freehold Land	12.80	Shri Bal Kishor	No	1st April, 2015	Registration is pending.
PPE	Freehold Land	8.04	Shri Vinod Kumar Beria	Yes**	1st April, 2015	Registration is pending.
PPE	Freehold Land	4.64	Shri Yogendar Kumar Rakesh	No	1st April, 2015	Registration is pending.
PPE	Freehold Land	0.08	Co-operative Farming Societies	No	1st April, 2015	The matter is sub-judice.
		2,761.41				

Note: Mutation in the name of the Company is pending.

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

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

Acquired pursuant to the Scheme of Arrangement approved by the NCLT on 2nd March, 2017.

** Pending formalities.

Notes to Financial Statements for the year ended 31st March, 2023

40. Operating Segments

A. Basis for segmentation

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

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

Reportable segments	Operations
Sugar	Manufacture and sale of sugar, molasses and bagasse
Distillery	Manufacture and sale of industrial spirits (including ethanol) and fusel oil
Co-generation	Generation and transmission of power
Others	Trading of petroleum products business comprising of less than 10% revenues.

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.

Particulars	Reportable segments			Others	Total
	Sugar	Distillery	Co-generation		
(₹ in lakhs)					
Year ended 31st March, 2023					
Revenue:					
Segment revenue	2,71,320.70	55,973.43	20,831.59	2,483.91	3,50,609.63
Less: Inter-segment revenue	55,633.23	-	15,174.91	-	70,808.14
Total revenue from operations	2,15,687.47	55,973.43	5,656.68	2,483.91	2,79,801.49
Segment profit before finance costs, tax and unallocable items	12,238.27	11,289.31	(202.59)	51.92	23,376.91
Finance costs					6,930.62
Unallocable expenses (net of unallocable income)					2,086.37
Profit before tax					14,359.92
As at 31st March, 2023					
Segment assets	1,69,087.42	31,335.51	34,593.31	58.74	2,35,074.98
Unallocated assets					6,754.17
Total assets					2,41,829.15
Segment liabilities	39,985.47	1,140.96	280.05	0.26	41,406.74
Unallocated liabilities					1,11,306.78
Total liabilities					1,52,713.52
Year ended 31st March, 2023					
Other segment information					
Capital expenditure					
- Property, Plant and Equipment	13,880.06	895.79	67.71	-	14,843.56
Depreciation	2,966.37	937.38	1,188.72	-	5,092.47
Amortization	19.49	-	-	-	19.49
Non-cash expenses	43.37	-	-	-	43.37

Notes to Financial Statements for the year ended 31st March, 2023

40. Operating Segments (Contd.)

Particulars	Reportable segments			Others	Total
	Sugar	Distillery	Co-generation		
(₹ in lakhs)					
Year ended 31st March, 2022					
Revenue:					
Segment revenue	2,60,696.67	48,436.73	16,816.64	2,092.25	3,28,042.29
Less: Inter-segment revenue	41,099.01	7.72	12,569.65	-	53,676.38
Total revenue from operations	2,19,597.66	48,429.01	4,246.99	2,092.25	2,74,365.91
Segment profit before finance costs, tax and unallocable items	12,815.46	14,672.69	157.24	48.19	27,693.58
Finance costs					8,842.41
Unallocable expenses (net of unallocable income)					2,128.98
Profit before tax					16,722.19
As at 31st March, 2022					
Segment assets	1,71,664.71	27,300.37	37,624.45	50.88	2,36,640.41
Unallocated assets					6,405.92
Total assets					2,43,046.33
Segment liabilities	36,608.82	1,245.81	292.14	0.34	38,147.11
Unallocated liabilities					1,23,859.47
Total liabilities					1,62,006.58
Year ended 31st March, 2022					
Other segment information					
Capital expenditure					
- Property, Plant and Equipment	1,867.97	1,697.46	286.22	-	3,851.65
- Intangible assets	9.93	-	-	-	9.93
Depreciation	3,013.45	914.56	1,186.79	-	5,114.80
Amortization	13.69	-	-	-	13.69
Non-cash expenses	47.06	-	-	-	47.06

C. Geographical information

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

Particulars	Year ended 31st March, 2023		Total	Year ended 31st March, 2022		Total
	Reportable segments			Reportable segments		
	Indian	Overseas*		Indian	Overseas*	
(₹ in lakhs)						
Revenue:						
Sales (including other operating revenue) to external customers	2,33,186.95	46,614.54	2,79,801.49	2,30,783.03	43,582.88	2,74,365.91
Segment assets	2,35,074.98	-	2,35,074.98	2,36,640.41	-	2,36,640.41
Segment liabilities	41,406.74	-	41,406.74	38,147.11	-	38,147.11

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

* including through third parties.

D. Major customer

One customer contributed **14.59%** (31st March 2022: 13.97%) of the total revenue of the Company.

Notes to Financial Statements for the year ended 31st March, 2023

41. Related Party Disclosures

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

A. Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Key management personnel	Mrs. Nandini Nopany	– Chairperson / Non-Executive Director
	Mr. Chandra Shekhar Nopany	– Co-Chairperson / Non-Executive Director
	Mr. Anand Ashvin Dalal	– Independent / Non-Executive Director
	Mr. Gaurav Swarup	– Independent / Non-Executive Director
	Mr. Pradip Kumar Bishnoi	– Independent / Non-Executive Director
	Mr. Kalpataru Tripathy	– Independent / Non-Executive Director
	Mrs. Kausalya Madhavan	– Independent / Non-Executive Director
	Mr. Devendra Kumar Sharma	– Whole-Time Director
	Mr. Dilip Patodia	– Chief Financial Officer
	Mr. Devinder Kumar Jain	– Company Secretary w.e.f. 1st September, 2021
	Mr. Anand Sharma	– Company Secretary upto 31st August, 2021

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

a. Dividend paid / Director's sitting fees / commission					(₹ in lakhs)
	Year ended 31st March	Final Dividend on Equity Shares	Director's sitting fees	Director's commission	Amount owed to related parties
Mrs. Nandini Nopany	2023	9.92	1.60	10.00	9.00
	2022	3.97	3.60	10.00	9.00
Mr. Chandra Shekhar Nopany	2023	7.18	2.60	10.00	9.00
	2022	2.87	3.40	10.00	9.00
Mr. Anand Ashvin Dalal	2023	-	4.60	10.00	9.00
	2022	-	5.20	10.00	9.00
Mr. Gaurav Swarup	2023	-	4.00	10.00	9.00
	2022	-	3.40	10.00	9.00
Mr. Pradip Kumar Bishnoi	2023	-	5.00	10.00	9.00
	2022	-	5.60	10.00	9.00
Mr. Kalpataru Tripathy	2023	-	3.60	10.00	9.00
	2022	-	4.00	10.00	9.00
Mrs. Kausalya Madhavan	2023	-	4.20	10.00	9.00
	2022	-	4.80	10.00	9.00

Notes to Financial Statements for the year ended 31st March, 2023

41. Related Party Disclosures (Contd.)

b. Remuneration to key managerial personnel

(i) Short term employee benefits					(₹ in lakhs)
	Year ended 31st March	Transaction during the year	Perquisites * for the year	Amount owed by related parties	Amount owed to related parties
Mr. Devendra Kumar Sharma	2023	137.12	13.19	-	4.09
	2022	120.26	9.64	-	4.48
Mr. Dilip Patodia	2023	167.59	4.71	-	-
	2022	159.67	3.56	-	-
Mr. Devinder Kumar Jain	2023	83.76	0.32	-	-
	2022	39.73	0.21	-	-
Mr. Anand Sharma	2023	-	-	-	-
	2022	54.29	1.04	-	-

* determined under the provisions of Income Tax Act, 1961.

(ii) Post employment benefits

Short term employee benefits as disclosed in point (i) above does not include the provisions made for gratuity and leave benefits of **₹34.94 lakhs** (31st March, 2022: ₹31.54 lakhs) and **₹28.94 lakhs** (31st March, 2022: ₹25.87 lakhs) respectively, 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

- (i) The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2023 or year ended 31st March, 2022.
- (ii) Particulars of investments as required under Section 186(4) of the Companies Act, 2013 have been disclosed in Note 7.

D. Terms and conditions of transactions with related parties

- (i) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- (ii) The amounts outstanding are unsecured and will be settled in cash and cash equivalent. Neither guarantees have been given nor received.
- (iii) For the year ended 31st March, 2023, the Company has not recorded any impairment of receivables relating to amounts owed by the related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- (iv) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to Financial Statements for the year ended 31st March, 2023

42. Government Grants

The Company is eligible to receive various government grants by way of export subsidy, remission of society commission and interest subvention / grant on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:

		(₹ in lakhs)		
Sr. No.	Particulars	Treatment in Financial Statements	Year ended	Year ended
			31st March, 2023	31st March, 2022
Revenue related Government Grants:				
(i)	Export Subsidy [Note (a) below]	Shown as "Subsidy towards Export Quota" in Note 26	-	1,934.02
(ii)	Remission of Society Commission on Sugarcane purchased [Note (b) below]	Deducted from "Cost of Raw Material Consumed" in Note 28	2,022.39	1,673.68
(iii)	Interest Subvention / grant on term loans * [Note (c) below]	Deducted from "Finance costs" in Note 31	684.26	991.09
Deferred Government Grants:				
(i)	Interest grant on term loans * [Note (c) below]	Shown as "Deferred income on Government Grant" in Note 23	5.63	181.58
			175.95	402.77

* in respect of term loan under financial assistance scheme (SEFASU 2018 State) [Note 19].

- (a) The Central Government, pursuant to notification dated 29th December, 2020 issued by Ministry of Consumer Affairs, Food and Public Distribution, had notified a Scheme for a lump sum financial assistance of ₹6,000 per MT for expenses on export of sugar to the extent of Maximum Admissible Export Quantity (MAEQ) of sugar mills for the sugar season 2020-21. Such financial assistance was subject to fulfilment of certain eligibility conditions as specified in the said notification. The Company had fulfilled the conditions as stipulated in the said scheme and accordingly, the subsidy of ₹1,934.02 lakhs had been accounted and received for during the year ended on 31st March, 2022 and disclosed as "Subsidy towards Export Quota" under the head Other Operating Revenue.
- (b) As per U.P. Sugarcane (Regulation on Supply and Purchase) Act, 1953 and its Rules 1954, society commission is payable on sugarcane purchased at the rate of three percent of Fair and Remunerative Price (F.R.P.) fixed by the Government of India. However, the same was reduced by the Government of Uttar Pradesh for the sugar season 2020-21, 2021-22 and 2022-23 by ₹3.05, ₹3.20 and ₹3.65 per quintal of sugarcane purchased respectively. The above reduction in society commission applicable on sugarcane purchased during the periods has been netted with the Cost of Material Consumed.
- (c) The Company has obtained certain term loans from banks under financial assistance schemes SEFASU 2018 by the State Government of Uttar Pradesh at below market rate of interest and SEFASM 2018 by the Central Government of India at subvention 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. Accordingly, deferred income on government grant recognised initially is being derecognised by netting with related finance cost systematically over the tenure of the respective loan under finance assistance scheme. The loan is subsequently measured as per accounting policy applicable to financial liabilities.

Notes to Financial Statements for the year ended 31st March, 2023

43. Financial instruments - fair values and risk management

A. Accounting classification and fair values

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

Particulars	Carrying amount				(₹ in lakhs)
	FVTPL	FVOCI	Amortised cost	Total carrying amount	Fair value
As at 31st March, 2023					
Financial assets measured at fair value					
Investment in equity instruments (Quoted) *	-	4,743.80	-	4,743.80	4,743.80
	-	4,743.80	-	4,743.80	4,743.80
Financial assets not measured at fair value					
Investment in Co-operative Farming Societies	-	-	0.01	0.01	0.01
Investment in Government Securities	-	-	3.75	3.75	3.75
Trade receivables	-	-	7,264.72	7,264.72	7,264.72
Cash and cash equivalents	-	-	164.66	164.66	164.66
Other bank balances	-	-	297.53	297.53	297.53
Loans	-	-	52.31	52.31	52.31
Other financial assets	-	-	452.63	452.63	452.63
	-	-	8,235.61	8,235.61	8,235.61
Financial liabilities not measured at fair value					
Borrowings *	-	-	1,06,717.28	1,06,717.28	1,06,717.28
Trade payables	-	-	36,453.56	36,453.56	36,453.56
Other financial liabilities	-	-	3,007.87	3,007.87	3,007.87
	-	-	1,46,178.71	1,46,178.71	1,46,178.71
As at 31st March, 2022					
Financial assets measured at fair value					
Investment in equity instruments (Quoted) *	-	4,679.90	-	4,679.90	4,679.90
	-	4,679.90	-	4,679.90	4,679.90
Financial assets not measured at fair value					
Investment in Co-operative Farming Societies	-	-	0.01	0.01	0.01
Investment in Government Securities	-	-	2.26	2.26	2.26
Trade receivables	-	-	8,568.62	8,568.62	8,568.62
Cash and cash equivalents	-	-	80.05	80.05	80.05
Other bank balances	-	-	240.88	240.88	240.88
Loans	-	-	48.59	48.59	48.59
Other financial assets	-	-	346.81	346.81	346.81
	-	-	9,287.22	9,287.22	9,287.22
Financial liabilities not measured at fair value					
Borrowings *	-	-	1,21,280.37	1,21,280.37	1,21,539.91
Trade payables	-	-	31,040.46	31,040.46	31,040.46
Other financial liabilities	-	-	1,838.02	1,838.02	1,838.02
	-	-	1,54,158.85	1,54,158.85	1,54,418.39

* Investment in equity instruments (Quoted) and Borrowings are measured at level 1 and level 2 respectively.

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

Notes to Financial Statements for the year ended 31st March, 2023

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

B. Measurement of fair values

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

Valuation technique

Level 1 - Investment in equity instruments (Quoted)

The fair value of the quoted investments are based on market price at the respective reporting date.

Investments in quoted equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

Level 2 - Borrowings

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

C. Financial risk management

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

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

Risk management framework

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

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

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

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

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

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

Risk	Exposure Arising from	Measurement	Management
Credit risk	Trade receivables	Case to case basis	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk			
Interest rate risk	Long term borrowings at variable rates	Sensitivity analysis Interest rate movements	Fund management
Equity risk	Investment in equity securities	Sensitivity analysis	Long term investment
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

Notes to Financial Statements for the year ended 31st March, 2023

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

(i) Credit risk

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

Trade receivables, Loans and Other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivables on case to case basis and has accordingly created loss allowance on trade receivables.

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to trade receivables as low, as the Company sugar sales are mostly on cash. Power and Ethanol are sold to Government entities, thereby the credit default risk is significantly mitigated.

The Company's exposure to credit risk for trade receivables, loans and other receivables and by type of counterparty and loss allowances are as follows.

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Amount	Loss allowance	Net Amount	Amount	Loss allowance	Net Amount
Trade Receivables						
Government concerns (including government undertakings)	7,237.71	-	7,237.71	8,547.86	-	8,547.86
Others	27.01	-	27.01	30.39	9.63	20.76
	7,264.72	-	7,264.72	8,578.25	9.63	8,568.62
Loans						
Government concerns (including government undertakings)	-	-	-	-	-	-
Others	52.31	-	52.31	48.59	-	48.59
	52.31	-	52.31	48.59	-	48.59
Other Receivables						
Government concerns (including government undertakings)	-	-	-	-	-	-
Others	165.33	-	165.33	40.39	-	40.39
	165.33	-	165.33	40.39	-	40.39

(₹ in lakhs)

Notes to Financial Statements for the year ended 31st March, 2023

43. Financial instruments - fair values and risk management

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

Movement of loss allowance in respect of trade receivables and loans:

(₹ in lakhs)

	Year ended 31st March, 2023	Year ended 31st March, 2022
Balance at the beginning of the year	9.63	66.09
Net remeasurement of loss allowance	9.63	56.46
Balance at the end of the year	-	9.63

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

(ii) Liquidity risk

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

As disclosed in Note 19, the Company has secured bank loans that contains covenant. Any future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. The covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

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

Exposure to liquidity risks

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

(₹ in lakhs)

	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
As at 31st March, 2023						
Secured term loan from banks and others*	43,687.19	51,673.61	16,077.32	12,725.85	22,006.29	864.15
Cash credit including WCDL	63,030.09	63,030.09	63,030.09	-	-	-
Lease liabilities*	87.90	100.00	35.00	35.00	30.00	-
Trade payables	36,453.56	36,453.56	36,453.56	-	-	-
Other financial liabilities	3,007.87	3,007.87	2,902.08	105.79	-	-
	1,46,266.61	1,54,265.13	1,18,498.05	12,866.64	22,036.29	864.15
As at 31st March, 2022						
Secured term loan from banks and others*	52,191.06	63,193.27	15,506.16	15,345.19	28,953.78	3,388.14
Cash credit including WCDL	58,089.31	58,089.31	58,089.31	-	-	-
Secured short term loan from a bank*	11,000.00	11,269.66	11,269.66	-	-	-
Lease liabilities*	242.67	417.11	78.36	25.00	80.00	233.75
Trade payables	31,040.46	31,040.46	31,040.46	-	-	-
Other financial liabilities	1,838.02	1,838.02	1,732.53	105.49	-	-
	1,54,401.52	1,65,847.83	1,17,716.48	15,475.68	29,033.78	3,621.89

* including estimated interest.

Notes to Financial Statements for the year ended 31st March, 2023

43. Financial instruments - fair values and risk management

(iii) Market risk

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

Foreign currency risks

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

Interest rate risk

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

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

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

Exposure to interest rate risks

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

Particulars	(₹ in lakhs)	
	As at 31st March, 2023	As at 31st March, 2022
Fixed rate instruments		
Financial assets	386.39	296.80
Financial liabilities	6,352.07	11,091.28
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,00,558.90	1,10,537.25

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:

Notes to Financial Statements for the year ended 31st March, 2023

43. Financial instruments - fair values and risk management

Particulars	Profit or loss before tax		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2023				
Variable rate instruments	(502.79)	502.79	(327.10)	327.10
31st March, 2022				
Variable rate instruments	(552.69)	552.69	(359.56)	359.56

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.

Sensitivity analysis

Investment in equity instruments of the Company are listed on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) in India. The table below summaries the impact of increase / decrease of the Nifty 50 index on the Company's equity and profit for the period. The analysis is based on the assumption that the BSE / NSE had increased / decreased by 10% with all other variables held constant, and that all the Company's equity instruments moved in line with the index.

Particulars	Profit or loss before tax		Equity, net of tax	
	31st March, 2023	31st March, 2022	31st March, 2023	31st March, 2022
	BSE / NSE - increase by 10%	474.38	467.99	419.12
BSE / NSE - decrease by 10%	(474.38)	(467.99)	(419.12)	(413.48)

Regulatory and Commodity price risk

Sugar industry, being cyclical in nature, is regulated by both Central Government as well as State Government policies. The Company is exposed to the risk of price fluctuations of its raw material (Sugarcane) as well as its finished goods (Sugar). To counter the raw material risk, the Company worked with development of various cane varieties with the objective to moderate the raw material cost and increase product functionality. The risk towards finished goods (Sugar) has been moderated through the various schemes of the Central Government including but not limited to introduction of Minimum Support Price (MSP), creation of buffer stock and export of excess inventory. The Company has further mitigated this risk by well integrated business model by diversifying into co-generation and distillation, thereby utilising its by-products.

44. Capital management

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

The Company's objective when managing capital are to:

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

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

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

The Company monitors capital using debt-equity ratio, which is disclosed in Note 45a.

Notes to Financial Statements for the year ended 31st March, 2023

45a. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31st March, 2023	As at 31st March, 2022	Change (%)
Current Ratio	Current Assets	Current Liabilities	1.00	1.07	(6.54%)
Debt-Equity Ratio	Total Debts	Shareholder's Equity	1.20	1.50	(20.00%)
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses / (income) + Interest	Debt service = Interest & Lease Payments + Principal Repayments	1.46	1.23	18.70%
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.12	0.17	(29.41%)
Inventory Turnover Ratio	Cost of goods sold	Average Inventory	2.13	1.77	[20.34% Explained in Note (a) below]
Trade Receivable Turnover Ratio	Total Sales	Average Trade Receivable	35.34	37.11	(4.77%)
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payable	6.19	4.50	37.56%
Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	-	32.03	(100.00%) [Explained in Note (b) below]
			[being negative ratio]		
Net Profit Ratio	Net Profits after taxes	Net Sales = Total Sales - Sales Return	0.04	0.05	(20.00%)
Return on Capital Employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debts + Deferred Tax Liability	0.11	0.12	(8.33%)
Return on Investment	Income from investments (before tax) = Dividend / Other Income + Change in Fair Value (measured FVOC)	Average InvestmentsW	0.05	1.07	(95.33%) [Explained in Note (c) below]

Notes:

- Change in Return on Equity Ratio is 29.41% as compared to the preceding year due to increase in average shareholder's equity and decrease in net profit for the year.
- Change in Trade Payable Turnover Ratio is 37.56% as compared to the preceding year due to higher cash generation resulting in early payments of trade payable.
- Change in Return on Investment Ratio is 95.33% as compared to the preceding year due to decrease in return on investment in on account of reduction in fair value gain on investment in equity shares.

45b. The previous year's figures have been regrouped / reclassified wherever necessary to conform to the current year's classification / disclosure.

Notes to Financial Statements for the year ended 31st March, 2023

46. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached.

For and on behalf of the Board of Directors

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

Chartered Accountants

ICAI Firm's Registration No.: 301003E/E300005

Devendra Kumar Sharma

Whole-time Director

DIN: 06498196

Chandra Shekhar Nopany

Co-Chairperson

DIN: 00014587

Sanjay Kumar Agarwal

Partner

Membership No.: 060352

Place: Kolkata

Date: 8th May, 2023

Devinder Kumar Jain

Company Secretary

Dilip Patodia

Chief Financial Officer



www.birla-sugar.com

