

Avadh Sugar & Energy Limited

Sustainable Progress

**Annual
Report | 2021**

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

Mr. Anand Ashvin Dalal, Chairperson
Mr. Pradip Kumar Bishnoi
Mr. Gaurav Swarup
Mr. Devendra Kumar Sharma

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
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. Anand Sharma, Company Secretary

AUDITORS

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

ADVOCATES & SOLICITORS

Khaitan & Co. LLP

BANKERS

State Bank of India
ICICI Bank Limited
DCB Bank Limited
Lakshmi Vilas Bank Limited
The South Indian 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 33 40049728/ Fax: 91 33 40731698
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.)

FORWARD LOOKING STATEMENT

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

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Chairperson's Insight



Dear Shareholders,

On behalf of Avadh Sugar & Energy Limited, it is my honour to address you all on the closure of financial year 2020-21 of your company. India has shown immense potential towards fighting the pandemic and Indian economy witnessed a strong recovery during the second half of current fiscal.

Fiscal 2020-21 has been challenging for the world economies as there were uncertainties caused by pandemic. However, the first half of the fiscal faced immense challenges for many businesses to survive against the dampened demand but there was a swift recovery of business activities during the second half. The leading economic indicators also guided towards economic and demand revival. The Government of India's support through various measures in Union Budget and Reserve Bank of India's liquidity support to Indian businesses aided for the survival of many businesses in the country. The country's vaccination drive will thrust towards reaching normalcy. The International Monetary Fund in its recent forecast have mentioned Indian GDP to grow at 11.5 percent in 2021 embarking India towards one

of the fastest growing economy in the emerging markets followed by China.

Industry Insight

During SS 2019/20 the sugar industry experienced lower output after a prolonged glut in the previous seasons, meanwhile sugar production in SS 2020/21 is likely to witness a marginal increase in the production at 30.7 mn tonnes. Uttar Pradesh the largest sugar producing state is, witnessing a lower production because of lower yields and crop disease whereas Maharashtra and Karnataka will report higher production during SS 2020/21. The government, to support the sugar industry, had devised various measures including export MEAQ and Minimum Support Price (MSP) to support the sugar prices. The domestic sugar prices remain subdued hovering towards the MSP price because of reduction in sugar consumption that saw an uptick towards 33.04 per kg in July 2020 with marginal correction to 31.80 per kg in December 2020 as the second half of the fiscal saw demand pick-up from industries as well as individuals. The sugar millers continue to divert major part of the juice and the molasses towards ethanol as the realizations were better than sugar. Going forward GOI is targeting the ethanol blending to reach 20% by 2025 that encourages many sugar companies to invest in distillery capacities. Going forward with the strong vaccination drive the growth is envisaged to grip and the Indian sugar industry will be able to capitalize on the same.

Business Performance

The company continued to face headwinds during the first half of the fiscal, overall performance for the year experienced pressure on operating margins affected by lower realizations of co-generation segment. Sugar realizations recovered during the second half of the fiscal along with improved ethanol realization; but the unexpected pandemic had a material impact on the performance during the end of this fiscal. However, sugar being the essential commodity for consumption we expect the performance to improve going forward.

During FY21 our total income stood at Rs. 2710.52 crores against Rs. 2559.40 crores in FY20, PBT stood at Rs. 101.36 crore in FY21 against Rs. 106.16 crore in FY20 and Profit After Tax was at Rs. 77.58 crore in FY21 as against Rs. 88.61 crore in the same period last year.

Our Core Strategies

Avadh Sugar and Energy Limited with its wide experience in the industry and a strong balance sheet has always been ahead of the curve towards capitalizing the positive structural changes in the sector. To reap the benefits of changing market dynamics of ethanol industry the company has announced capex of Rs. 135.51 crores for debottlenecking & other efficiency improvement measures and expansion of distillery capacity to 320 KLPD. The progress of the capex is in line with the expectations and shall aid towards margin enhancement once operational. The company is well poised to capitalize on the opportunities and further capex will advance the operational performance going forward.

Way forward

Avadh Sugar and Energy Limited with its potential and proficient team will be able to withstand the storm and up-rise strong towards the success. The company's strong roots will enable it to re-gain the momentum and shine towards the growth path.

Warm regards,

Nandini Nopany

Chairperson

Directors' Report

Dear Members,

Your Directors present herewith the 7th Annual Report on the business & operations of the Company along with the Audited Statement of Accounts for the financial year ended 31st March, 2021.

1. Financial Results

(Rs. in lakhs)

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Revenue from Operations (Gross)		2,71,052.01	
Profit before Finance Costs, Tax, Depreciation and Amortization		26,569.31		26,707.82
Less: Depreciation & Amortization Expenses	4,830.93		4,487.00	
Finance Costs	11,601.90		11,604.53	
Profit/(Loss) Before Tax		10,136.48		10,616.29
Less: Provision for Tax		2,378.10	1,754.75	1,754.75
Profit/(Loss) After Tax		7,758.38		8,861.54

2. Operating Performance

During the year under review your Company continued to registered top line growth despite depressed market sentiments in first half of the fiscal and a fall in sugar prices even after putting in place the quota sales system as well as MSP (minimum sale price) concept by the Govt., prima-facie due to over production and aggressive sales. A detailed analysis of the Company's operations, future expectations and business environment has been given in the Management Discussion & Analysis Report which is made an integral part of this Report and marked as "Annexure A".

3. FINANCIAL PERFORMANCE 2020-21

The Company recorded Total Revenue of Rs. 2,71,692.16 lakhs (including other income aggregating to Rs. 640.15 Lakhs during the financial year ended 31st March, 2021. The Revenue from Operations (Gross) of the Company for the year 2020-21 stood at Rs. 2,71,052.01 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at Rs. 26,569.31 lakhs representing 9.78% 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 2021 and date of this report.

4. DIVIDEND

Your Company had adopted a dividend distribution policy that balances the dual objectives of appropriately rewarding Members through dividends and retaining capital, in order to maintain a healthy capital adequacy ratio to support long term growth of your Company. There has been no change in this policy during the year under review.

The Company does not intend to carry any amount to Reserves.

Consistent with this policy, your Board has recommended a dividend of Rs. 4/- on Equity Shares (40%) for the financial year 2020-21 to the Members of your Company. The proposal is subject to the approval of the Members at the 7th Annual General Meeting (AGM) of your Company scheduled to be held on August 23, 2021. The dividend will entail a cash outflow of Rs. 800.74 lakhs (previous year Rs. 800.74 lakhs).

5. DELISTING FROM THE CALCUTTA EXCHANGE LIMITED (CSE)

The Company had applied for voluntary delisting of equity shares of the Company pursuant to the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations 2009. The same was approved and the Company is delisted w.e.f February 19, 2021.

6. 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 2020-21.

7. SHARE CAPITAL

The Authorized Share Capital of the Company stood at Rs.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 Rs. 10/- (Rupees ten) each; 8,00,00,000 (Eight crore) Preference Shares of Rs.10/- and 34,00,000 (Thirty-four lacs) Preference Shares of Rs.100/- each and there is no change in the authorised capital.

The Issued and Subscribed Share Capital of your Company, as on 31st March, 2021, stood at ₹ 20,01,84,200/- divided into 2,00,18,420 Equity Shares of ₹ 10/- each.

8. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

The Company does not have any subsidiary company or any associate company or any joint venture with any person. However, the Company has in place a policy for determining material subsidiaries in line with the requirement of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") as amended from time to time. The said Policy is being disclosed on the Company's website at the weblink <http://birla-sugar.com/Assets/Avadh/Avadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>

9. CREDIT RATING

CARE Ratings Limited - a Credit Rating Agency, vide its letter dated 30 March 2019, has revised the Credit Rating of the Company to "CARE A-" with respect to long-term bank facilities whereas short-term bank facilities rating was revised at "CARE A2+ ".

10. HUMAN RESOURCES

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

11. DIRECTORS

The Board of Directors comprises of 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.

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.

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

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 2020-21. Nomination and Remuneration Committee evaluated the performance of the individual Director.

The Independent Directors in their separate meeting held on 19th March, 2021 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.

12. KEY MANAGERIAL PERSONNEL

In pursuance of the provisions of Section 2(51) and 203 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the following persons are the Key Managerial Personnel of the Company

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

During the year under review, there was no change in the Key Managerial Personnel.

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct 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.

13. 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/ASEL-Familiarisation-Programme.pdf>

14. 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.

15. 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 Hargaoan, 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 J" to this Report.

For the purpose of Section 135 of the Companies Act, 2013, the amount equivalent to 2% of the average net profits of the Company made during the immediately preceding three financial years works out to Rs. 258.80 lakhs. As against this, the Company had spent Rs. 261.19 lakhs on CSR projects / programs during the Financial Year 2020-21.

16. 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 2021, 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.

17. 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.

18. 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.

19. 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.

20. RISK MANAGEMENT

In line with the regulatory requirements, the Company has formally framed Risk Management Policy to identify and assess the key risk areas, monitor and report the compliance and effectiveness of the same. A Risk Management Committee, though not mandatory, has been constituted voluntarily comprising of an Independent Director, Whole time Director, Chief Financial Officer and the Group President to oversee the risk management process in the Company with an objective to review the major risks which effect the Company from both the external and the internal environment perspective. Appropriate actions have been initiated to either mitigate, partially mitigate, transfer or accept the risk (if need be) and monitor the risks on a regular basis. The details of the terms of reference, number and date of meeting, attendance of director and remuneration paid to them are separately provided in the Corporate Governance Report.

21. 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, 2021, 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.

22. WHISTLE BLOWER / VIGIL MECHANISM

The Company has established a vigil mechanism and adopted whistle blower policy, pursuant to which whistle blowers can report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct policy. During the year under review, there has been no change in this 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>

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.

23. CORPORATE GOVERNANCE & ANNUAL RETURN

Your Directors strive to maintain highest standards of Corporate Governance. The Corporate Governance Report for the Financial Year 2020-21 is attached as “**Annexure B**” to this Report. The declaration of the Whole-time Director confirming compliance with the ‘Code of Conduct’ of the Company is enclosed as “**Annexure C**” to this Report and Auditor’s Certificate confirming compliance with the conditions of Corporate Governance is enclosed as “**Annexure D**” to this Report

The extract of the Annual Return of the Company is attached as “**Annexure G**” to this Report.

24. 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.

25. AUDITORS, AUDIT QUALIFICATIONS AND BOARD’S EXPLANATIONS

Statutory Auditors

The shareholders of the Company, at the AGM held on July 31, 2017, had appointed Messrs B S R & Co LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022), as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the Third AGM of the Company held on July 31, 2017 till the conclusion of Eighth 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 2021-22. As required under the Companies Act, 2013, your Directors are seeking ratification from the members of the Company for the remuneration payable to Mr Somnath Mukherjee, Cost Accountant.

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 2020-21. 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.

26. 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.

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

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

28. 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 I**” to this Report and forms an integral part of this Report.

29. 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, 2021, 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, 2021 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.

30. BUSINESS RESPONSIBILITY REPORT

In pursuance of the provisions of the Listing Regulations, the Business Responsibility Report for the financial year 2020-21 describing the initiatives taken by the Company from environmental, social and governance perspective forms part of the Annual Report.

31. 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.

32. 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

Kolkata

Date : 12th May, 2021

Chandra Shekhar Nopany

Co-Chairperson

Annexure A

Management Discussion and Analysis

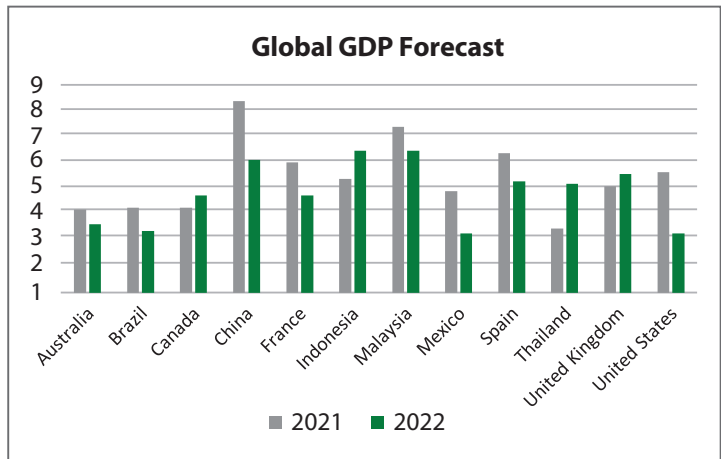
Cautionary Statement

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

Global Economy

World economy is witnessing early signs of recovery from the covid-19 pandemic; multiple vaccine approvals and the launch of vaccination in some countries in December have raised hopes of an eventual end to the pandemic. Despite the high and rising human toll of the pandemic, economic activity appears to be adapting to subdued contact-intensive activity with the passage of time.

According to IMF the global economy is projected to grow 5.5 percent in 2021 and 4.2 percent in 2022. The estimate for 2020 is 0.9 percent. Reflecting stronger than- expected recovery on average across regions in the second half of the year. The 2021 growth forecast is revised upwards reflecting additional policy support in a few large economies and expectations of a vaccine-powered strengthening of activity later in the year, which outweigh the drag on near-term momentum due to rising infections. The upgrade is particularly large for the advanced economy group, reflecting additional fiscal support mostly in the United States and Japan together with expectations of earlier widespread vaccine availability compared to the emerging market and developing economy group. These developments indicate a stronger starting point for the 2021–22 global outlook.



Source: IMF

Indian Economy

Indian economy along with other economies around the world witnessed disruption amid Covid-19 pandemic. However, the Indian economy witnessed a stronger than expected recovery compared to other emerging markets. According to IMF the Indian economy is expected to grow at 11.5 percent in 2021. Agriculture sector outperformed other sectors by witnessing growth throughout the fiscal. During the second half of the fiscal the leading economic indicators highlighted swift recovery of the economy; the Consumer Price Index (CPI) fell to 4.06% (As per January 2021) and the Purchasing Managers Index (PMI) stood at 57.7 (As per January 2021) against 27.4 in April 2020 during the imposed restrictions. The Government of India’s vaccination drive will aid the economy and human life’s to return to normalcy and again explore the plethora of opportunities lying ahead in front of India enabling the Indian economy to once again be fastest growing economy in years to come.

Global Sugar Economy:

World production continued to experience deficit in 2020/21 with projected production of 169.04 mn tonnes. The sugar production influenced largely because of lower European beet sugar and lower output from Iran, Pakistan and Thailand. The COVID-19 pandemic has continued to affect the global sugar balance for current sugar season. During the first half the world sugar production as well as consumption was impacted amid covid-19 pandemic restrictions which witnessed a gradual recovery during the second half when world started to experience gradual recovery from pandemic. The global closing stock will end in deficit in SS 2020/21 and will decrease the ending stocks/consumption ratio to 53.33%, from 57.32% at the end of SS 2019/20. In addition, the global ethanol demand decreased because of halt in economic activities and reduced crude demand, which saw recovery in the second half of the fiscal. Many countries diverted its sugar production towards manufacturing of ethanol.

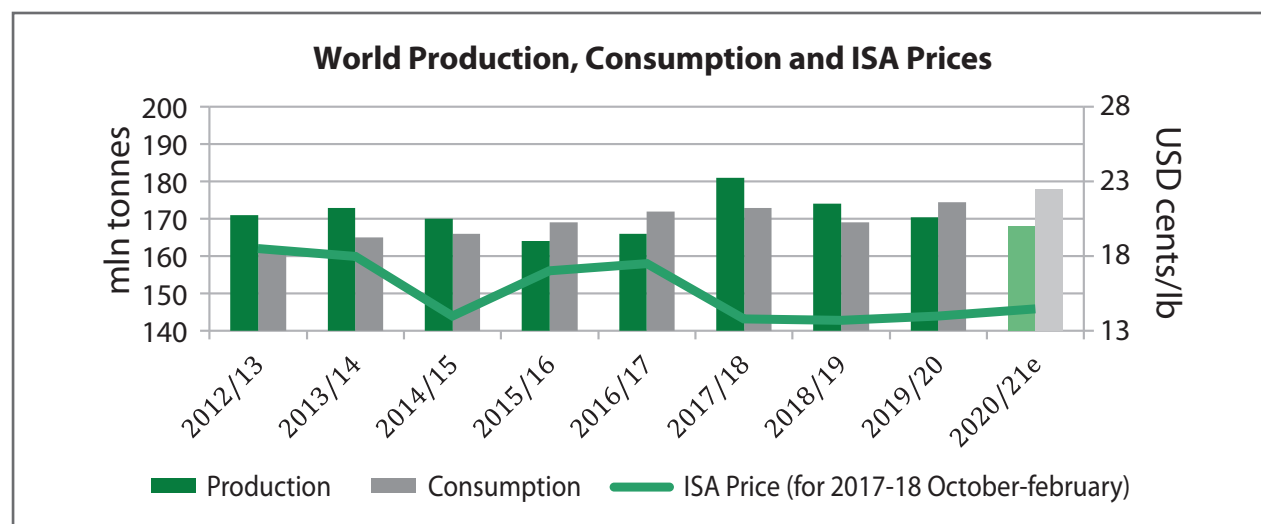
However, the speedy initiatives by the government's world over towards rollout of vaccine is likely to bring world towards normalcy.

Particulars	World Sugar Balance Sheet (mn tons)			
	(October/September)		Change	
	2020/21 (Projected)	2019/20 (Actuals)	in mn tonnes	in %
Production	169.04	171.16	-2.12	-1.24
Consumption	173.82	170.27	3.55	2.08
Surplus/Deficit	-4.78	0.88	-	-
Import demand	62.13	66.55	-4.41	-6.63
Export availability	62.18	66.55	-4.37	-6.57
End Stocks	92.69	97.61	-4.92	-5.04
Stocks/Consumption ratio in %	53.33	57.32	-	-

Source: International Sugar Organisation

Global Sugar Production:

According to International Sugar Organization (ISO) world output is expected at 169.04 mn tonnes in SS 2020/21 to reduce by 1.24% compared to previous sugar season. Brazil and India continue as the biggest producers and expected to produce 67.5 mn tonnes of sugar with total share of 40% of global sugar production. Production of Brazil, Russia and EU is expected to fall by 3.27 mn tonnes, 2.78 mn tonnes and 1.44 mn tonnes respectively and India, USA and Mexico experienced rise in production by 3.85 mn tonnes, 0.84 mn tonnes, 0.78 mn tonnes respectively. Exports from net-importing countries are expected to fall to 6.87 mn tonnes from 8.71 mn tonnes compared to last season. The fall in exports from Thailand followed by Russia and India will be partly offset by increased production in Brazil.



Source: International Sugar Organisation

Production Falls and Rises in 2020/21 (October / September)

Falls	Changes from 2018/19 in mn tonnes	Rises	Changes from 2018/19 in mn tonnes
Brazil	-3.27	India	+3.58
Russia	-2.77	USA	+0.84
EU	-1.44	Mexico	+0.78

Source: Indian Sugar Organisation

World production in 2020/21 – 169.04 mn tonnes

World production in 2019/20 – 171.16 mn tonnes

Global Price Scenario

The world sugar prices experienced a steady recovery compared to low of USD 225 /tonne in April. The sugar prices witnessed a rise of 8% between November 2020 to January 2021. Despite rising production in Brazil and India, the world sugar prices have been supported by lower output in Thailand and Europe and also higher imports from China.

Domestic price changes in LCU and USD in Selected Countries

Particulars		Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	3-month change (Nov-Jan*)
ISA DP	USD/tonne	288.8	281.8	302.7	311.7	310.4	335.3	8%
Brazil	BRL/tonne	1,628.8	1,730.6	1,875.0	2,123.8	2,175.6	2,126.2	0%
	USD/tonne	298.3	320.5	333.0	392.0	423.3	396.9	1%
China	CNY/tonne	5,115.9	5,210.7	5,278.4	5,116.5	5,091.0	5,242.0	2%
	USD/tonne	738.3	765.1	787.5	774.6	778.2	810.4	5%
EU	EUR/tonne	378.0	376.0	381.0	379.0	379.0	-	0%
	USD/tonne	447.1	443.2	448.6	448.4	460.4	-	3%
India	INR/tonne	33,795.2	33,651.8	33,111.0	32,814.7	33,285.7	32,230.6	-2%
	USD/tonne	444.6	436.9	424.4	415.3	416.0	397.8	-4%
Mexico	MXN/tonne	16,197.3	15,637.5	15,325.4	15,998.1	16,092.1	15,748.5	-2%
	USD/tonne	729.6	721.5	720.7	785.6	804.6	790.5	1%
Russia	RUB/tonne	31,776.8	38,199.6	45,634.7	43,597.0	41,538.3	41,553.4	-5%
	USD/tonne	430.5	502.8	587.9	567.7	558.3	558.6	-2%
US	USD/tonne	970.0	970.0	804.7	804.7	804.7	804.7	0%

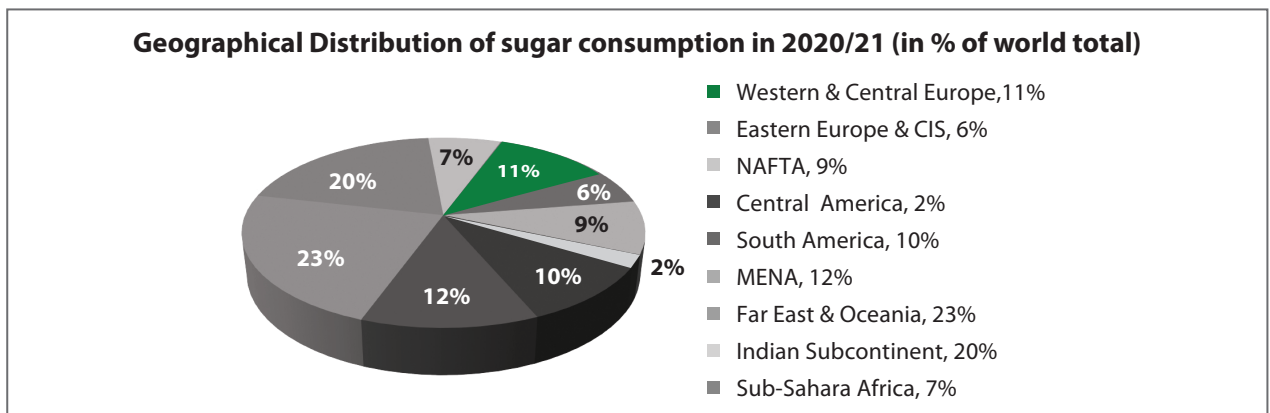
* EU Nov-Dec 2020 (Source: International Sugar Organisation)

Global Demand Outlook

The current outlook for world demand in 2020/21 is projected to clock at 173.82 mn tonnes. The demand for the fiscal was impacted by the unprecedented lockdown amid covid-19 pandemic. During the third quarter of the current fiscal there was a swift revival of demand amid high volume up-tick from corporates as well as individuals. The countries largely dependent on tourism like Thailand witnessed major impact amid travel curbs. The recent vaccination drive is expected to revive the demand going forward.

Consumption Outlook

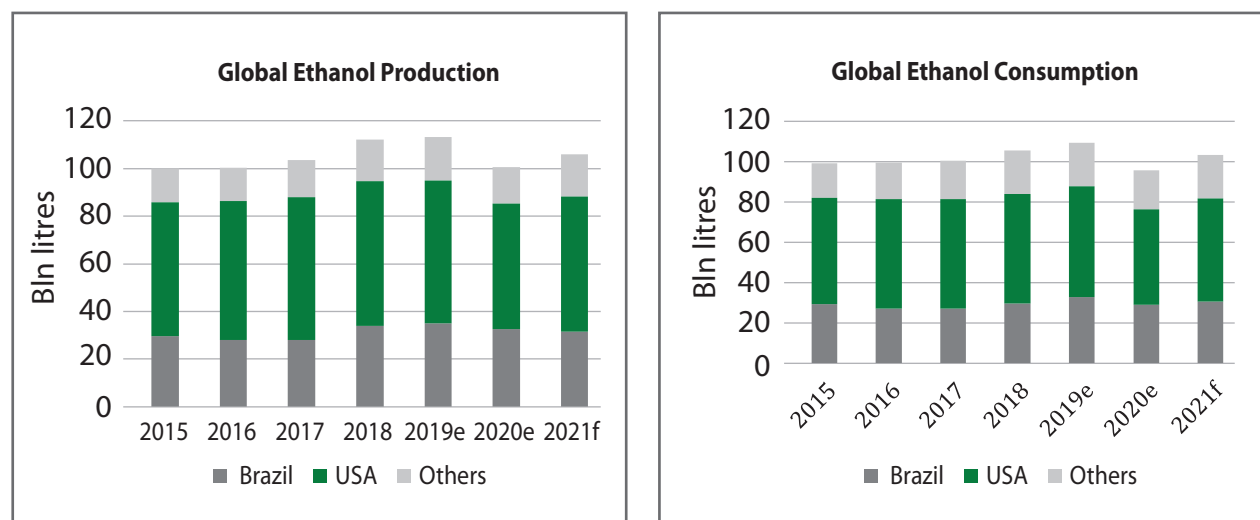
As per ISO world sugar consumption is estimated at 173.82 mn tonnes for SS 2020/21. The consumption was subdued largely on account of on-going Covid 19 pandemic during the first half of the sugar season, however, a strong rebound of consumption expected from the processed food segment and other segments during the end of SS 2020/21. Thailand, one of the busiest holiday destination, witnessed a drop in consumption because of travel restrictions. China's consumption was impacted because of un-cleared port stocks. Meanwhile other regions of Indian Subcontinent, Middle East and North Africa, USA, Europe will perceive a strong rebound in consumption.



Source: Indian Sugar Organisation

Global Ethanol

The global ethanol production is expected to be subdued towards the end of the fiscal 2021 impacted by the coronavirus pandemic; the world ethanol output is projected at 100.7 bn litres down by 12.5 bn litres compared to 2019 according to ISO estimates. The major ethanol producing countries saw decline in ethanol outputs with a combine loss of 9.7 bn litres in USA and Brazil. USA production stagnated on lower motor gasoline demand while in Brazil, mills have focused on producing sugar rather than ethanol. Meanwhile the all the countries globally witnessed demand disruption this year the ethanol consumption has also declined by 13.5 bn litres. However, as per ISO the year 2021 the ethanol production is expected to marginally rise to 106 bn litres but to remain below the pre-pandemic levels. With the hope of vaccination and pick-up in normalcy will again push the ethanol demand going forward.



Source: International Sugar Organisation

Domestic Sugar Industry

According to ISMA sugar production in India is likely to grow by 10 to 12 percent compared to previous season to 30.5 million tonnes in the SS 2020/21. The pan-India sugarcane area is expected to be at 5.23 million hectares for 2020-21, about 7 percent higher than the previous year's cropped area of 4.87 million hectares. Uttar Pradesh India's largest sugar producing state is likely to experience a marginal decline in production on account of lower cane yields and sugar recoveries, higher diversion of B heavy molasses and sugarcane juice for ethanol production; also the resumption in normal services of gur and khandari businesses will have an impact on sugar production in Uttar Pradesh. However, the situation is likely to improve in coming seasons as farmers are fast replacing existing sugarcane varieties with high yielding and highly resistant varieties. Maharashtra and Karnataka have driven the production growth as the states have experienced better monsoon and increased area under cultivation followed by moderate increase in cultivation in Gujarat. The previous sugar season had witnessed declined on account of various reasons like irregular monsoons damaged crops in few states, etc. the India's opening stock for the 2020-21 season is 25 per cent lower than the previous season on account of lower stock and strong export sales in the 2019-20 season.

Particulars (mn tonnes)	SS 2020-21 (E)
Opening balance (as on 1st Oct, 2020)	10.74
Estimated sugar production	30.50
Sugar availability during the season	41.24
Estimated sugar consumption	26.00
Estimated exports	5.50
Closing balance (as on 30th Sept, 2021)	9.74

Source: ISMA

Demand Supply Scenario

At the beginning of the sugar year SS2020-21 India is expected to produce 30 mn tonnes of sugar with the sugar inventory of 10.9 mn tonnes. Annual consumption is on the lower end at 25.6 mn tonne. Closing inventory of sugar is expected to remain high at 10mn tonnes at end-of-

season, in September 2021, despite considering sugar exports of 5mn tonnes, and diversion of 2mn tonnes of sugar equivalents for ethanol production. In recent past the sector witnessed fluctuations on supply side as attractive FRP resulted into higher sugar production and the demand disruption on account of Covid-19 pandemic during this fiscal.

Domestic Sugar Price Scenario

Regional Overview

According to ISMA India's largest sugar producing state Uttar Pradesh is estimated to produce less sugar as compared to last season due to reportedly lower cane yields and lower sugar recoveries in the State, much higher diversion to gur/khandsari units and higher diversion of sugar for production of ethanol by way of diversion of B heavy molasses and sugar cane juice. The production of Uttar Pradesh is projected to decline to 10.50 mn tonnes compared to 12.64 mn tonnes in SS 2019/20. The production in Uttar Pradesh is likely to come in-line with production output of Maharashtra that is expected to reach 10.70 mn tonnes in SS 2020/21.

SS 2020/21 State wise Sugar Production

State	SS 2019/20	SS 2020/21 E
UttarPradesh	12.64	10.60
Maharashtra	6.17	10.70
Karnataka	3.49	4.40
Tamil Nadu	0.79	0.80
Gujarat	0.93	1.05
Andhra Pradesh	0.42	0.35
Uttarakhand	0.46	0.40
Bihar	0.73	0.55
Punjab	0.54	0.46
Haryana	0.74	0.61
M.P. & Chattisgarh	0.46	0.53
Others	0.04	0.05
All India	27.41	30.50

Source: ISMA

Domestic Ethanol

As per ISMA India's production is expected to clock at 2.7 bn litres compared to 2.0 bn litres in 2020 the increase in production is largely on account of increase in production capacity, sufficient feedstock availability and improved prices. In India the major cane producing states are expected to significantly increase ethanol production in SS 2020/21. In Uttar Pradesh, mills are expected to divert 0.67 mn tonnes of sugar for production of ethanol compared to 0.37 mn tonnes in 2019/20. Maharashtra mills are projected to divert 0.66 mn tonnes of sugar compared to 0.14 mn tonnes in 2019/20 towards ethanol production. The top three states will account for 93% of 2.10 mn tonnes of sugar to be diverted towards ethanol production. On account of Covid-19 pandemic the demand for petrol is lower than expected. The National Bio-fuel Policy has set a target to achieve 20 per cent by 2025. During the current Ethanol Supply Year 2020-21, the OMCs have contracted for about 297 crore litres of ethanol of which approximately 262 crore litre is with sugar mills.

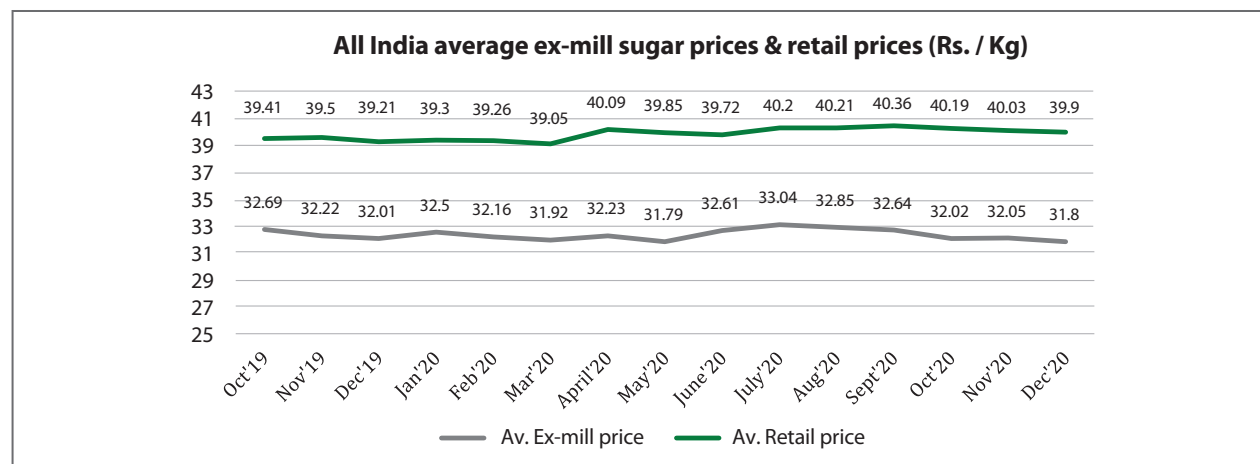
Capacity Enhancement in Distilleries

To support capacity addition in distillery, the government has announced interest rate subsidy of up to 6% for five years and faster environment clearance. Out of total 368 proposals for financial assistance, so far 76 have been sanctioned and only 31 are completed. The distillery capacity required for the B-heavy route is twice that of the C-Heavy molasses route and it is 7 to 8x higher in case of direct cane juice to ethanol. Hence, the incremental production of ethanol is expected from B-heavy molasses and directly from juice.

Domestic Sugar Price

The Indian sugar prices were subdued on account mills facing abundant supplies and weak demand domestically amid covid-19 pandemic. The wholesale sugar prices declined from Rs. 32.81 per kg in November 2020 to Rs. 32.23 per kg in January 2021. Furthermore, amid covid-19 pandemic the exports of sugar due to issues of container availability thus compelling sugar millers to sell sugar below the MSP price of Rs. 31

per kg. The food ministry set a 1.7 mn tonne domestic sales quota for February 2021, 0.3 mn tonnes lower than the January 2021 and February 2020 quotas. Also, the sector is awaiting for government to announce rise in MSP which will aid the millers to improve their cash flows ahead.



Source: Indian Sugar Organisation

Co-Generation

According to the Central Electricity Authority (CEA) the Indian bagasse based co-generation stood at 1,987 GWh grew 7% year on year and bought aggregate co-generation in 2020/21 to 3,425 GWh up by 15% over last sugar season.

Company Overview

Avadh Sugar & Energy Limited is a part of the prestigious K. K. Birla Group of Sugar Companies. Established since 1932, the Group is in sugar business over 7 decades and consequent upon various schemes of merger and demerger, this Company was formed in 2015. Avadh Sugar & Energy Limited (Avadh) is an integrated sugar player dealing in sugar, spirits & ethanol, cogeneration, sanitizer and other by-products. Avadh has four sugar mills at Uttar Pradesh and a combined crushing capacity of 31,800 TCD. Avadh has two distilleries with a total capacity of 200 KLPD (annual capacity 660 lac KL). Cogeneration facilities with capacity of 74 MW. Avadh is strategically located in Uttar Pradesh, a major State in manufacturing for sugar and best recovery pan India, since last two years.

Enhancing capacity to continue growth momentum

Avadh Sugar & Energy Limited have announced capex of Rs. 135.51 crores towards a distillery of 80 KLPD at Hargaon and Seohara. The said expansion will enable the company to increase the total ethanol production from current 240 KLPD to 320 KLPD post expansion. Currently Indian sugar sector is witnessing a structural change in ethanol segment, the GOIs target of 20% ethanol blending by 2025 has widened the scope of ethanol manufacturing for integrated sugar millers. Ethanol being the by-product will enable the company to improve its operational margins and profitability going forward. The distillery will commence its production from 2022-23 and henceforth further aid towards the company's growth path.

Avadh Sugar Business Segments

Sugar Segment

Sugar has remained the largest revenue generator for Avadh Sugar & Energy Limited. Over the years, the Company has been investing in enhancing the of energy efficiency process, which has thereby helped in generating better quality sugar and saving energy cost.

Sugar Production

Particulars	Sugar Season 2020-21				Sugar Season 2019-20			
	Hargaon	Seohara	Hata	Rosa	Hargaon	Seohara	Hata	Rosa
Sugarcane Crushed (lacs quintal)	205.83	225.80	65.59	81.12	207.22	199.39	123.19	70.48
Recovery (%)	10.29	10.83	10.97	11.14	11.01	11.42	11.87	12.01
Sugarcane produced (lacs quintal)	21.25	24.52	7.37	9.04	22.80	22.84	14.52	8.46
Crushing days	194	222	97	179	205	200	178	162

Distillery Segment

Avadh has capacity of 200 KLPD distillery capacities to produce industrial alcohol and ethanol and is among the few in India to invest in a distillery capacity capable of consuming its entire molasses output captively, reducing its dependence on external sources. The Company has ability to convert ethanol from molasses, enabling it to service OMC contracts.

Alcohol Production (including Ethanol)

Particulars	Financial Year 2020-21		Financial Year 2019-20	
	Hargaon	Seohara	Hargaon	Seohara
Alcohol Produced (per litre) _ C Heavy	103.93	170.10	180.87	165.07
Alcohol Produced (per litre) _ B Heavy	226.64	146.98	128.35	105.43
Recovery (%)_ C Heavy	21.30	21.87	22.94	23.26
Recovery (%)_ B Heavy	30.38	31.01	30.99	30.98
No. of days Distillery was operational	298	295	302	269

Power Segment

Avadh has 74 MW of bagasse-based power capacity of which surplus power is sold to the Uttar Pradesh Power Corporation Limited. The foray into bagasse-based power generation has helped it to access seamless supply of power for its critical sugar operations on one hand and generate additional revenues through sale on the other.

Power Generated, Consumer and Sold

Particulars	Financial Year 2020-21			Financial Year 2019-20		
	Hargaon	Seohara	Hata	Hargaon	Seohara	Hata
Power generated	654.96	992.21	333.82	681.79	924.15	642.65
Power Sold to grid (units in lac)	506.46	634.40	335.12	445.31	568.51	740.79
No. of days worked	197	228	97	209	206	178

Human Resources management and Industrial relations

The Company aspires to act as a catalyst for transforming its human capital necessary for a sustained business outperformance. The human resource makes the heart and soul of the organisation. The Company is committed to encourage and inspire its employees to realise their maximum potential thereby adding value to the organisation. Regular training and development sessions are conducted to upgrade its employees' and keep them abreast of latest industry trends. Health and safety are paramount for the Company's employees. All manufacturing facilities are closely monitored in terms of safety of operations of machinery. We are proud of our talent pool. We encourage healthy conversations for employees with their supervisors and leaders to maintain transparency. The Company believes in offering equal opportunity to everyone in the organisation. The Company does not distinguish between people on basis of caste, creed, gender and physical abilities. The current strength of management staff in 2020-21 is 197 and non-management staff is 1652.

Corporate Social Responsibility

We demonstrate environmental and social responsibility at every step. We aim to benefit the communities around us – workforce, public and environment. We organise regular medical camps, give free medicines and also any emergency medical equipment required by the deprived. We are sowing the seeds for a budding nation by providing education to the underprivileged children and giving them access to free books. We also run an inter-level college for the students. We consider ourselves responsible for the environment around us and consciously take efforts for its upliftment. 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.

Internal Control Systems

Avadh Sugar & Energy has a vigorous internal control system in place. The internal control system is designed to maintain efficiency measurability and verifiability, reliability of accounting and management information. Internal audit is conducted for all the processes to identify risks and verify whether all systems and processes are commensurate with the business size and structure. Usage of SAP has increased the operational efficiency significantly. Adequate internal control systems safeguard the assets of the company with timely identification and intervention to alleviate risks. The internal controls are verified by the members of Audit Committee to keep a check on the existing systems and take corrective action to further enhance the control measures.

Risk Management

The risk committee comprises members of the Board of Directors. The committee has prepared a complete Risk Management policy that is imbibed at the operations level to curb internal and external risk challenges. The committee also spreads awareness among employees about various risks associated with the market. An enterprise-wide risk identification, management and reduction programme helps Avadh Sugar & Energy take risk-eliminating actions more proactively and in advance.

The Committee implements measures to counter all risks. Structural risks like sugar price volatility, low sugar recovery, State Advised Price fixation by Government and other industry risks are mitigated through R&D, organising seminars to educate farmers about efficient harvesting practices and adopting operational efficiency at the facilities. These help increase cane yields, improve sugar recovery and help the Company navigate various industry risks and challenges.

Disclosures under Regulation 34(3) read with Schedule V of the clause B of SEBI (LODR) Regulations, 2015

SI No.	RATIO	FY 2020-21	FY 2019-20
1	Debtor Turnover	11.96	20.55
2	Inventory Turnover	1.5	1.39
3	Interest Coverage Ratio	2.29	2.30
4	Current Ratio	1.04	1.08
5	Debt Equity Ratio	2.06	2.70
6	Operating Profit Margin (%)	8.09%	8.79%
7	Net Profit Margin (%)	2.86%	3.45%
8	Return on Networth	11.65%	14.97%

Annexure B

Report on Corporate Governance

1. Company's Philosophy

Avadh Sugar & Energy Limited (ASEL), a part of K K Birla Group of Sugar of 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 of them are Promoter Directors and 1 Wholtime Director. The composition of the Board is in conformity with 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 or pecuniary relationship or transaction with the Company, its promoters, promoter group, its directors, management, subsidiaries or associates.

- iv. All the Independent Directors have requisite knowledge of business, in addition to the expertise in their area of specialization. The Company has received declaration from each of the Independent Directors of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013, rules framed thereunder and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI (LODR) Regulations, 2015"). 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 Annual General Meeting scheduled to be held on August 23, 2021 and is eligible and has offered herself for re-appointment. The brief resume and other requisite details of the Director proposed to be re-appointed shall be given in the notice of ensuing AGM.
- x. The IDs met on 19th March, 2021 without the presence of the Chairperson, Wholetime Director, the Non-Executive Non-IDs and the Management Team. The meeting was attended by IDs through Video Conference 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 – 05198559)	✓	✓	✓
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/ASEL-Familiarisation-Programme.pdf>

Performance Evaluation

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

As per the Performance Evaluation Policy of the Company, the evaluation of performance of the Board as a whole, Committees of the Board of Directors, individual Directors and Chairperson/Co-chairperson of the Company was carried out for the Financial Year 2020-21. The Independent Directors in their separate meeting carried out the evaluation of the Board of Directors as a whole, Chairperson/Co-chairperson of the Company and Non-Independent Directors. The Independent Directors have briefed the Board of Directors about performance evaluation by Independent Directors of the Company.

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

Board Diversity Policy

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

Board meetings

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

During the period under review six Board Meetings were held on 6th May, 2020, 22nd June, 2020, 5th August, 2020, 10th November, 2020, 16th January, 2021 and 8th February, 2021 respectively

Details of Board meetings attended by Directors, attendance at the last Annual General Meeting, number of other Directorships/ Committee membership (viz. only Audit Committee and Stakeholders Relationship Committee are considered as per Regulation 26(1) of SEBI (LODR) Regulations, 2015 held by them during the year 2020-21 are tabulated below:

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Public companies	No. of Chairmanship/ Membership of Board Committees in other Companies		Names of the Listed Companies and Category of Directorship		No. of Equity Shares held
					Chairman	Member	Name of the Company	Category	
Mrs. Nandini Nopany (DIN – 00051362)	P/C/ NED	6	No	8	-	-	<ul style="list-style-type: none"> ● Ganges Securities Ltd. ● Ronson Traders Ltd. 	NED	99,204*
Mr. Chandra Shekhar Nopany (DIN – 00014587)	P/CO/ NED	6	Yes	8	2	-	<ul style="list-style-type: none"> ● Magadh Sugar & Energy Ltd ● Chambal Fertilisers and Chemicals Ltd ● New India Retailing & Investment Ltd ● Sutlej Textiles and Industries Ltd ● SIL Investments Ltd ● Ronson Traders Ltd 	C NED NED EC NED NED	71,844**
Mr. Gaurav Swarup (DIN- 00374298)	NED/ ID	6	Yes	6	2	4	<ul style="list-style-type: none"> ● Graphite India Ltd ● Swadeshi Polytex Ltd ● KSB Ltd ● Industrial and Prudential Investment Company Ltd ● TIL Ltd 	ID NED NED ED ID	NIL
Mr. Anand Ashvin Dalal (DIN – 0353555)	NED/ ID	6	Yes	1	-	-	<ul style="list-style-type: none"> ● The Jamshri Realty Ltd 	NED	NIL
Mr. Pradip Kumar Bishnoi (DIN- 00732640)	NED/ ID	6	Yes	2	1	3	<ul style="list-style-type: none"> ● Rane (Madras) Ltd ● Rane Holdings Ltd 	ID	NIL

Name of the Director	Category of the Director	No. of Board meetings attended	Attendance at last AGM	No. of Directorships in other Public companies	No. of Chairmanship/ Membership of Board Committees in other Companies		Names of the Listed Companies and Category of Directorship		No. of Equity Shares held
					Chairman	Member	Name of the Company	Category	
Mr. Kalpataru Tripathy (DIN – 00865794)	NED/ ID	6	Yes	5	1	1	<ul style="list-style-type: none"> ● JK Tyre & Industries Ltd ● Texmaco Infrastructure & Holdings Ltd 	ID	NIL
Mrs. Kausalya Madhavan (DIN – 05198559)	NED/ ID	6	Yes	-	-	-	-	-	NIL
Mr. Devendra Kumar Sharma (DIN – 06498196)	WTD	6	Yes	-	-	-	-	-	NIL

P – Promoter	C – Chairperson / CO – Co-Chairperson	ID – Independent Director/ NED - Non-executive Director	WTD – Whole-time Director EC - Executive Chairperson
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* includes 31846 equity shares held as Trustee of Chandra Shekhar Charity Trust

** includes 3668 equity shares held jointly with Mrs Shalini Nopany

Note:

- (i) 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.
- (ii) 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.

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 SEBI (LODR) 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 SEBI (LODR) 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 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, 2021, comprises of Mr Anand Ashvin Dalal, Mr Pradip Kumar Bishnoi, Mr Kalpataru Tripathy, Mrs Kausalya Madhavan, IDs 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 2020-21 on 22nd June, 2020, 5th August, 2020, 10th November, 2020 and 8th February, 2021 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by SEBI (LODR) Regulations, 2015, was present in all the meetings of the Audit Committee held during the year.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	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	Whole-time Director	4

4. Stakeholders' Relationship Committee

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

(i) Terms of Reference:

The 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:

The composition of the Stakeholders’ Relationship Committee as on 31st March, 2021 is as follows:

- a. Mr Anand Ashvin Dalal
- b. Mr Gaurav Swarup
- c. Mr Pradip Kumar Bishnoi
- d. Mr Devendra Kumar Sharma

During the period under review the Committee met five times on 22nd June, 2020, 5th August, 2020, 24th August, 2020, 10th November, 2020 and 8th February, 2021. The Committee is headed by Mr Anand Ashvin Dalal, 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
Mr Anand Ashvin Dalal	Chairperson	Independent Director	5
Mr Gaurav Swarup	Member	Independent Director	5
Mr Pradip Kumar Bishnoi	Member	Independent Director	5
Mr Devendra Kumar Sharma	Member	Whole-time Director	5

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, 2021, the Company had received 3 (three) complaints which had been resolved and no complaints were pending as on 31st March, 2021.

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

5. Nomination and Remuneration Committee

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

i. Objectives:

The Committee evaluates the composition and organization of the Board and its Committees in light of requirements established by any regulatory body or any other applicable statutes, rules and regulations which the Committee deems relevant, makes recommendations to the Board of Directors in respect to the appointment, re-appointment and resignation of Independent, Executive and Non-Executive Directors of the Company, identifies the persons who are qualified to become Directors and who may be appointed in senior management 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 SEBI (LODR) 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, 2021

- 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 twice on 22nd June, 2020 and 10th November, 2020.

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	2
Mr Anand Ashvin Dalal	Member	Independent Director	2
Mr Kalpataru Tripathy	Member	Independent Director	2
Mrs Kausalya Madhavan	Member	Independent Director	2

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 SEBI (LODR) Regulations, 2015. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Whole-time Director and payment of sitting fee & commission to the non-executive directors.

i. Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2020-21:

a. Whole-time Director (₹ in lakhs)

Name of the Director	Salary	Perquisites	Retirement Benefits *	Total
Mr Devendra Kumar Sharma	98.57	7.95	7.02	113.54

* 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 Rs.40,000/- and Rs.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, at the Extra-Ordinary General Meeting held on March 1, 2017, had approved payment of commission to non-executive directors for a period of 5 years with effect from the financial year 2017-18 subject to the aggregate annual limit of one percent of the net profits of the Company determined in accordance with the terms and provisions of Section 198 of the Companies Act, 2013. However, the Board of Directors of the Company within the aforesaid limit has further put forth a ceiling of maximum Rs.6 lakhs to be paid to each Non-Executive Directors. In pursuance of the approval of the shareholders, the Board of Directors determined the commission payable to individual Directors for the Financial Year 2020-21 based on the time devoted and the contribution made by individual directors in the affairs of the Company.

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

Sl. No.	Name of the Director	Sitting Fee Paid (Rs)	Commission payable for the Financial Year 2020-21 (Rs.)
1	Mrs Nandini Nopany	3,40,000	6,00,000
2	Mr Chandra Shekhar Nopany	2,80,000	6,00,000
3	Mr Anand Ashvin Dalal	4,60,000	6,00,000
4	Mr Gaurav Swarup	4,20,000	6,00,000
5	Mr Pradip Kumar Bishnoi	4,80,000	6,00,000
6	Mr Kalpataru Tripathy	3,60,000	6,00,000
7	Mrs Kausalya Madhavan	3,60,000	6,00,000

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 SEBI (LODR) 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. Mr Anand Sharma, 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 thrice on 6th May, 2020, 22nd June, 2020 and 8th February, 2021.

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-Independent Director	3
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 voluntarily on 23rd May, 2017 in line with the provisions of SEBI (LODR) Regulations, 2015. The Committee comprises of Mr Pradip Kumar Bishnoi, Independent Director, 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.

One meeting of the Risk Management Committee of the Company was held during the year on 30th March, 2021. 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	1
Mr Chand Bihari Patodia	Member	Group President	1
Mr Dilip Patodia	Member	Chief Financial Officer	1
Mr Devendra Kumar Sharma	Member	Executive Director	1

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. Mr Anand Sharma, Company Secretary of the Company acts as the Secretary to the Committee and Mr Dilip Patodia, CFO 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.

Two meetings of the Finance & Corporate Affairs Committee of Directors of the Company were held during the year on 21st October, 2020 and 24th December, 2020. 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	2
Mr Chandra Shekhar Nopany	Member	Non-Executive Director	2
Mr Gaurav Swarup	Member	Independent Director	2
Mr Devendra Kumar Sharma	Member	Executive Director	2

9. Subsidiary Companies

The Company does not have any subsidiary, associate or 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 SEBI (LODR) 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 SEBI (LODR) Regulations, 2015 during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Suitable disclosure as required by the Indian Accounting Standards (IND AS) have been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which is modified in line with amended provisions of Companies Act, 2013 read with SEBI (LODR) 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 2020-21, 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 2020-21.

13. General Body Meetings

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

Financial Year	Date	Time	Location
2019-20	21.09.2020	11.00 A.M.	through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM")
2018-19	02.09.2019	01:00 P.M.	Registered Office: P.O. Hargaon, Dist. Sitapur Uttar Pradesh - 261 121
2017-18	24.09.2018	02:00 P.M.	

The last Annual General Meeting was held on 21st September, 2020, which was chaired by Mr Chandra Shekhar Nopany. No Special Resolution was passed in the previous three Annual General Meetings.

ii. Postal Ballot

During the year 2020-21, the Company had not sought Shareholders' approval by way of special resolution through postal ballots. No special resolution requiring postal ballot is being proposed for at the ensuing AGM.

14. Means of Communication

- The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 days from the close of the financial year as per the requirements of SEBI (LODR) Regulations 2015. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard', in English and 'Business Standard' in Hindi in Lucknow edition.
- 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.
- 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.
- The Company also displays official press releases as and when released on the above website.
- Email id earmarked for redressing Investor queries is avadhinvestors@birla-sugar.com.
- 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

- 7th Annual General Meeting
 - Day : Monday
 - Date : 23rd August, 2021
 - Time : 11:00 A.M.
 - Venue : 7th AGM 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, District Sitapur, Uttar Pradesh – 261 121

ii. Financial Year : April to March

iii. Tentative Financial Calendar

Event	Date
Approval of Audited Annual Results (2020-21)	12th May, 2021
First Quarter Results	On or before 14th August, 2021
Second Quarter Results	On or before 14th November, 2021
Third Quarter Results	On or before 14th January, 2021
Audited Annual Results (2021-22)	On or before 30th May, 2022

iv. Book Closure

The Register of Members and Share Transfer Books of the Company will remain closed from August 17, 2021 (Tuesday) to August 23, 2021 (Monday) (both days inclusive)

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

vi. 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 Calcutta Stock Exchange Ltd. (CSE) 7, Lyons Range, Kolkata 700 001#	11160	

The Company's shares were voluntarily delisted from The Calcutta Stock Exchange Ltd w.e.f. 19th February, 2021.

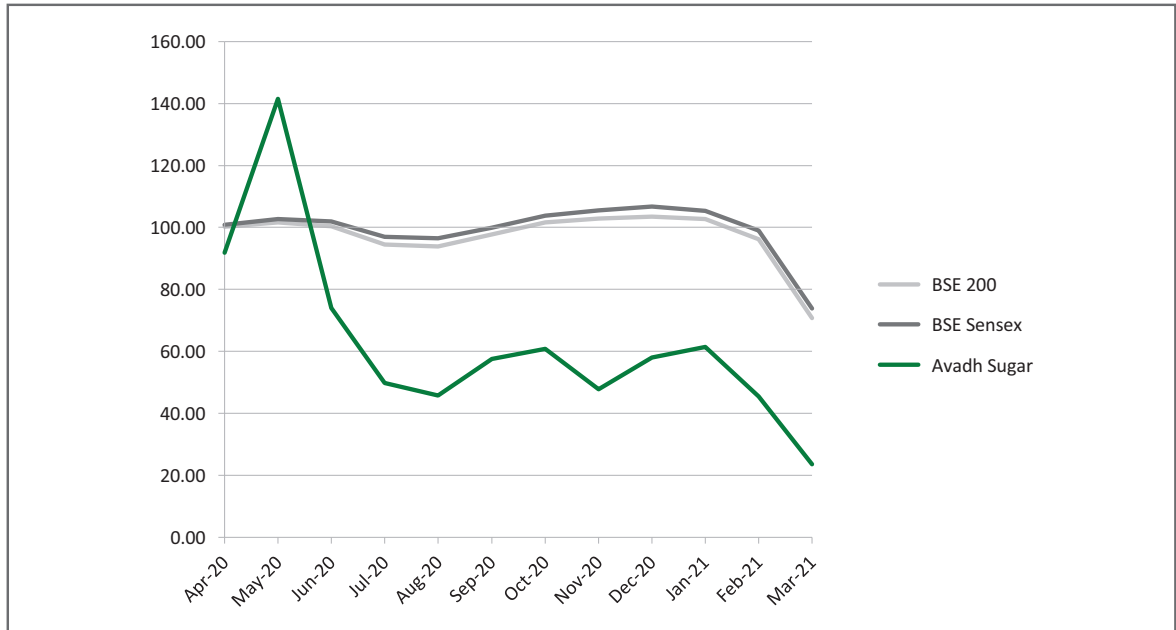
The Company has paid annual listing fees for the Financial Year 2021-22 to the above Stock Exchanges.

vii. Market Price data

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

Month	BSE Ltd.		National Stock Exchange of India Ltd.	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April, 2020	158.85	124.00	158.20	118.15
May, 2020	149.00	117.65	148.55	119.35
June, 2020	208.00	141.10	208.80	140.50
July, 2020	197.10	165.00	197.30	164.30
August, 2020	210.30	160.50	210.40	160.50
September, 2020	204.00	155.00	204.00	170.95
October, 2020	196.00	165.70	196.45	167.00
November, 2020	211.50	172.50	210.00	166.95
December, 2020	244.50	187.85	244.45	188.00
January, 2021	225.10	191.95	225.65	192.20
February, 2021	205.05	172.70	205.00	177.00
March, 2021	223.35	176.00	223.70	179.45

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



The shares of the company were never suspended.

ix. 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

x. 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 494 Equity Shares were transferred/transmitted.

xi. Distribution of Shareholding

a. Equity Share Capital History

The Paid up Capital of the Company consists of 2,00,18,420 Equity shares of Rs.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, 2021 was as follows:

No of Equity Shares	No.of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	17882	90.89	1662378	8.30
501 to 1000	887	4.51	679279	3.39
1001 to 2000	470	2.39	691711	3.46
2001 to 3000	139	0.71	353081	1.76
3001 to 4000	79	0.40	278674	1.39
4001 to 5000	47	0.24	214115	1.07
5001 to 10000	77	0.39	552822	2.76
10001 to above	93	0.47	15586360	77.86
Total	19674	100.00	20018420	100.00

c. Detail of Shareholding pattern of the Company as on 31st March, 2021 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	1,20,81,672	60.35
Financial Institutions/Banks/Mutual Funds/Insurance Cos, NBFCs	63,897	0.32
Indian Public :		
Bodies Corporate	13,98,489	6.99
Individuals /HUF/Trust	62,88,435	31.41
Stock Exchange Clearing Members/Market Maker	61,822	0.31
N R I/ Foreign Nationals	1,24,105	0.62
Total	2,00,18,420	100.00

xii. Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd and The National Stock Exchange of India Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 1,98,53,330 Equity Shares viz. 99.18% of the Equity Share Capital of the Company have already been dematerialized.

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

xiv. Commodities price risk or foreign exchange risk and hedging : Not Applicable

xv. 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

xvi. 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, 5th Floor, Vaishno Chambers
5th Floor, Birla Building	6, Brabourne Road,
Kolkata - 700 001, India	Kolkata - 700 001, India
Tel: 91 - 033 - 2243 0497/8	Tel : 91-033-4004 9728
Fax: 91 - 033 - 2248 6369	Fax : 91-033-4073 1698
e-mail: avadhinvestors@birla-sugar.com	e-mail: kolkata@linkintime.co.in

xvii 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.

xviii. Credit Ratings

The details of the Credit Rating assigned to the Company as on 31st March 2021 is as under:

Particulars	Amount Rs in Crore	Agency	Assigned Rating
Long-term Bank facilities	870.42	CARE Ratings Limited	CARE A-
Short-term Bank facilities	20.00		CARE A2+

xix. Transfer of shares in Unclaimed Suspense Account

Pursuant to Regulation 39 of the Listing Regulations, the Company has issued three reminders for the unclaimed equity shares which were issued in physical form. 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, 2020	-	-
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2020-21	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2020-21	-	-
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on March 31, 2021 \$	779	63992

\$ The Company is in the process of transferring the equity shares into one folio in the name of Unclaimed Suspense Account and dematerialisation of these shares thereafter

The voting rights on the shares outstanding in the Unclaimed Suspense Account shall remain frozen till the rightful owner of such shares claims the shares.

16. CEO and CFO Certification

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of SEBI (LODR) Regulations, 2015 inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2021, 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 SEBI (LODR) Regulations, 2015, listed entity shall use any of the electronic modes of payment facility approved by the Reserve Bank of India (RBI) in the manner specified in Schedule I of SEBI Listing Regulations, 2015, for making payments of dividend, interest, redemption or repayment amounts etc. However, where it is not possible to use electronic mode of payment, 'payable at-par' warrants or cheques may be issued. Further, where the amounts payable as dividend exceeds Rs.1,500 (Rupees One Thousand and Five Hundred), the 'payable at- par' warrants or cheques shall be sent by speed post.

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

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

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

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

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

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

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 & Co., 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, 2021 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 & Co, 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.birla-sugar.com.

25. Disclosures

- i. There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 45 of the Accounts in the Annual Report.
- ii. No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.
- iii. 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.
- iv. The Company has in place the Whistle Blower Policy and no personnel has been denied access to the Audit Committee.
- v. The Company has complied with all the applicable mandatory requirements.
- vi. In the preparation of the financial statements, the Company has followed Standards of Accounting notified under Sec 133 of the Companies Act, 2013, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- vii. 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 Rs. 67.00 Lacs.

- viii. During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of SEBI (LODR) Regulations, 2015, as amended from time to time.
- ix. All the recommendations/ suggestions made by the Committees of Board of Directors which is mandatorily required during the financial year 2020-21 were accepted by the Board of Directors.

26. Discretionary Requirements

- a. **Chairperson's Office:** Chairman's Office is maintained by the Company and expenses towards performance of the Chairman's duties are borne by the Company / reimbursed to her.
- b. **Shareholder rights:** The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website. The Annual Report of the Company for the financial year 2020-21 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. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.
The Company communicates with shareholders through e-mail, telephone etc.
- c. **Audit Opinion:** It is always the Company's endeavour to present unmodified audit opinion on the financial statements. There is no audit modified audit opinion on the Company's financial statements for the year ended on 31st March, 2021.
- d. **Reporting of Internal Auditor:** The Internal Auditor may report directly to the Audit Committee. The Internal Auditor of the Company is a permanent invitee to the Audit Committee Meetings and regularly attends the Meetings for reporting audit findings to the Audit Committee.

27. Web links to Company policies and programmes

The Company's policies and programmes as prescribed under the SEBI (LODR) Regulations are available at:

- a. **Code For Fair Disclosure Of Unpublished Price Sensitive Information:**
<http://www.birla-sugar.com/Assets/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/ASEL-Familiarisation-Programme.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 2020-21.

Place: Kolkata
Date: 12th May, 2021

Devendra Kumar Sharma
Whole-time Director

Annexure D

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

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

1. This certificate is issued in accordance with the terms of our engagement letter dated 20 October 2020 and addendum to the engagement letter dated 20 October 2020
2. We have examined the compliance of conditions of Corporate Governance by Avadh Sugar & Energy Limited ("the Company"), for the year ended 31 March 2021, as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and paragraphs C, D and E of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ("Listing Regulations") pursuant to the Listing Agreement of the Company with Stock Exchanges.

Management's Responsibility

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

Auditors' Responsibility

4. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. Pursuant to the requirements of the Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31 March 2021.
6. We conducted our examination of the above corporate governance compliance by the Company in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) and Guidance Note on Certification of Corporate Governance both issued by the Institute of the Chartered Accountants of India (the "ICAI"), in so far as applicable for the purpose of this certificate. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
9. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction on use

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

Place: Kolkata
Date: 12th May, 2021

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022
Jayanta Mukhopadhyay
Partner
Membership no: 055757
UDIN: 21055757AAAABJ1588

Annexure E

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
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, 2021 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 is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Atul Kumar Labh

Membership No. : FCS 4848

CP No. : 3238

PRCN : 1038/2020

UIN : S1999WB026800

UDIN : F004848C000285876

Place: Kolkata

Date: 12th May, 2021

Annexure F

Secretarial Audit Report

Form No. MR-3

Secretarial Audit Report

For the Financial Year Ended on March 31, 2021

[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
P.O. Hargaon, Dist.- Sitapur,
Uttar Pradesh – 261 121

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Avadh Sugar & Energy Limited** [hereinafter called '**the Company**'] for the year ended March 31, 2021 [**"Period under Review"**] in terms of Audit Engagement Letter dated 23rd June, 2020. 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 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 Sugar Cess Act, 1982;
 - d. The Food Safety and Standards Act, 2006 and Rules;
 - e. Food Safety and Standards Regulations;

- f. The Essential Commodities Act, 1955;
- g. Legal Metrology Act, 2009;
- h. Petroleum Act, 1934 And Rules;
- i. Electricity Act, 2003 and Rules;
- j. The Uttar Pradesh Sheera Niyamtran Adhinyam, 1964;
- k. 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.

Recommendations as a matter of best practice:

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

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

We further report that:

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

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

Resolutions have been approved by majority while the dissenting members' views 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, standards, etc., except as follows:

1. Delisting of Equity Shares from the Calcutta Stock Exchange with effect from 19th February, 2021.

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

Munmi Phukon

Partner
Membership No.: A60355
CP No.: 22846
UDIN: A060355C000282511
Peer Review Certificate No.: 781/2020

Place: Kolkata
Date: 12th May 2021

ANNEXURE - I**ANNEXURE TO SECRETARIAL AUDIT REPORT (UNQUALIFIED)**

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 also relied upon electronic versions of such books and records, as provided to us through online communication. Wherever for the purposes of our Audit, there was a need for physical access to any of the places of business of the Company, the same was not possible due to the lockdowns and travel restrictions imposed by Central and State Governments respectively. We have conducted online verification & examination of records, as facilitated by the Company, due to Covid 19 and subsequent lockdown situation for the purpose of issuing this Report.
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.

For **M/s Vinod Kothari & Company**

Practicing Company Secretaries
Unique Code: P1996WB042300

Munmi Phukon

Partner

Membership No.: A60355

CP No.: 22846

UDIN: A060355C000282511

Peer Review Certificate No.: 781/2020

Place: Kolkata

Date: 12th May 2021

ANNEXURE - II

List of Documents

1. Minutes of the following meetings (final draft of minutes provided through electronic mode on account of lockdown due to COVID 19)
 - a. Board Meeting;
 - b. Audit Committee;
 - c. Nomination and Remuneration Committee;
 - d. Stakeholders Relationship Committee;
 - e. Corporate Social Responsibility Committee;
 - f. Finance & Corporate Affairs Committee;
2. Annual Report 2019-20;
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. Policies framed under Act, 2013 and Listing Regulations;
7. Forms and returns filed with the ROC;
8. Compliance Report obtained by the Company from Internal Auditor for ascertaining the compliance with the specific laws, on a sample basis;
9. Disclosures under SEBI (Prohibition of Insider Trading) Regulations, 2015 as available on the stock exchange website
10. Disclosures under SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011 as available on the stock exchange website.

Annexure G

Form No. MGT-9

Extract of Annual Return as on the financial year ended on 31st March, 2021

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

I. Registration and Other Details

CIN	L15122UP2015PLC069635
Registration Date	19-03-2015
Name of the Company	AVADH SUGAR & ENERGY LIMITED
Category / Sub-Category of the Company	Company having Share Capital
Address of the Registered office and contact details	P O Hargaon Dist Sitapur Uttar Pradesh 261 121, Tel No : 05862 256220
Whether listed company, Yes / No	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Private 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

II. Principal Business Activities of the Company

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Sugar	1072	82.92%

III. Particulars of Holding, Subsidiary and Associate Companies

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

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

i) Category-wise Shareholding

Sl. No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	181030	-	181030	0.9043	181030	-	181030	0.9043	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
i) Category-wise Shareholding (Contd)

Sl. No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group (Contd)									
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Promoter Trust	500400	-	500400	2.4997	500400	-	500400	2.4997	-
	Bodies Corporate	11400242	-	11400242	56.9488	11400242	-	11400242	56.9488	-
	Sub Total (A)(1)	12081672	-	12081672	60.3528	12081672	-	12081672	60.3528	-
[2]	Foreign	-	-	-	-	-	-	-	-	-
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	12081672	-	12081672	60.3528	12081672	-	12081672	60.3528	-
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	-	2116	2116	0.0106	-	2116	2116	0.0106	-
(b)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-	-	-	-	-	-
(d)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(e)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(f)	Financial Institutions / Banks	31824	522	32346	0.1616	1548	522	2070	0.0103	-0.1513
(g)	Insurance Companies	59705	6	59711	0.2983	59705	6	59711	0.2983	-
(h)	Provident Funds/ Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Sub Total (B)(1)	91529	2644	94173	0.4704	61253	2644	63897	0.3192	0.1512
[2]	Central Government/ State Government(s)/ President of India	-	-	-	-	-	-	-	-	-
	Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	3469279	126092	3595371	17.9603	3619008	124732	3743740	18.7015	0.7412
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	2066719	19800	2086519	10.4230	2109410	19800	2129210	10.6363	0.2133
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories (holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-
(c)	Any Other (Specify)									
	Trusts	312	-	312	0.0016	312	-	312	0.0016	-
	Foreign Nationals	-	494	494	0.0025	-	-	-	-	-0.0025
	Hindu Undivided Family	365407	2	365409	1.8254	415171	2	415173	2.0740	0.2486
	Non Resident Indians (Non Repat)	26083	-	26083	0.1303	41206	-	41206	0.2058	0.0755

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

i) Category-wise Shareholding (Contd)

Sl. No	Category of Shareholders	Shareholding at the beginning of the year - 2020				Shareholding at the end of the year - 2021				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(B)	Public Shareholding (Contd.)									
	Non Resident Indians (Repat)	89135	4	89139	0.4453	82895	4	82899	0.4141	-0.0312
	Clearing Member	54708	2	54710	0.2733	61820	2	61822	0.3088	0.0355
	Market Maker	372	-	372	0.0019	-	-	-	-	-0.0019
	Bodies Corporate	1606260	17906	1624166	8.1134	1380583	17906	1398489	6.9860	-1.1274
	Sub Total (B)(3)	7678275	164300	7842575	39.1768	7710405	162446	7872851	39.3280	0.1512
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	7769804	166944	7936748	39.6472	7771658	165090	7936748	39.6472	-
	Total (A)+(B)	19851476	166944	20018420	100.0000	19853330	165090	20018420	100.0000	-
(C)	Non Promoter - Non Public									
	(C1) Shares Underlying DRs									
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
	C2) Shares Held By Employee Trust									
[2]	Employee Benefit Trust [under SEBI (Share based Employee Benefit) Regulations, 2014]	-	-	-	-	-	-	-	-	-
	Total (A)+(B)+(C)	19851476	166944	20018420	100.0000	19853330	165090	20018420	100.0000	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021		
		No of shares held	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No of shares held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares
1	NEW INDIA RETAILING AND INVESTMENT LTD.	1945304	9.72		1945304	9.72	
2	SCM INVESTMENT & TRADING CO. LTD.	1499890	7.49		1499890	7.49	
3	UTTAR PRADESH TRADING CO. LTD	1478624	7.39		1478624	7.39	
4	RTM INVESTMENT AND TRADING CO. LTD.	1345192	6.72		1345192	6.72	
5	SIL INVESTMENTS LIMITED	1134480	5.67		1134480	5.67	
6	YASHOVARDHAN INVESTMENT & TRADING CO. LTD.	763384	3.81		763384	3.81	
7	DEEPSHIKHA TRADING CO PVT LTD.	664310	3.32		664310	3.32	
8	RONSON TRADERS LIMITED.	558692	2.79		558692	2.79	
9	CHANDRA SHEKHAR NOPANY	500200	2.50		500200	2.50	
10	HARGAON INVESTMENT & TRADING CO. LTD.	482510	2.41		482510	2.41	
11	SIDH ENTERPRISES LTD.	429996	2.15		429996	2.15	
12	SONALI COMMERCIAL LTD.	298100	1.49		298100	1.49	
13	CHAMPARAN MARKETING CO. LTD.	191284	0.96		191284	0.96	
14	OSM INVESTMENT & TRADING CO. LTD.	172254	0.86		172254	0.86	
15	UTTAM COMMERCIAL LTD.	137190	0.69		137190	0.69	

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 2020			Shareholding at the end of the year - 2021		
		No of shares held	% of total shares of the Company	% of Shares Pledged/ encumbered to total shares	No of shares held	% of total Shares of the Company	% of Shares Pledged/ encumbered to total shares
16	NILGIRI PLANTATIONS LIMITED	101200	0.51			101200	0.51
17	NANDINI NOPANY	99204	0.50			99204	0.50
18	NARKATIAGANJ FARMS LIMITED	74610	0.37			74610	0.37
19	CHANDRA SHEKHAR NOPANY	71844	0.36			71844	0.36
20	RAJPUR FARMS LIMITED	66618	0.33			66618	0.33
21	SHREE VIHAR PROPERTIES LTD.	23126	0.12			23126	0.12
22	LA MONDE TRADING & INVESTMENTS PRIVATE LTD.	18466	0.09			18466	0.09
23	PALASH SECURITIES LIMITED.	13614	0.07			13614	0.07
24	URVI MITTAL	9982	0.05			9982	0.05
25	PAVAPURI TRADING AND INVESTMENT COMPANY LTD.	848	0.00			848	0.00
26	THE OUDH TRADING CO. (P) LTD..	550	0.00			550	0.00
27	CHANDRA SHEKHAR NOPANY ##	200	0.00			200	0.00

As trustee of Shekhar Family Trust

As trustee of Shruti Family Trust

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

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
NO CHANGE DURING THE YEAR							

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
1	ANIL KUMAR GOEL	1075611	5.3731			1075611	5.3731
	Transfer			26 Jun 2020	15000	1090611	5.4480
	Transfer			30 Sep 2020	389	1091000	5.4500
	AT THE END OF THE YEAR					1091000	5.4500
2	NAVJEEWAN MEDICAL INSTITUTE	550388	2.7494			550388	2.7494
	AT THE END OF THE YEAR					550388	2.7494
3	THE HINDUSTAN TIMES LIMITED	-	-			-	-
	Transfer			31 Dec 2020	214412	214412	1.0711
	AT THE END OF THE YEAR					214412	1.0711
4	SEEMA GOEL	135000	0.6744			135000	0.6744
	AT THE END OF THE YEAR					135000	0.6744
5	MANU GOPALDAS CHHABRIA	110884	0.5539			110884	0.5539
	Transfer			03 Apr 2020	(432)	110452	0.5518
	Transfer			22 May 2020	(6963)	103489	0.5170
	Transfer			10 Jul 2020	(1645)	101844	0.5088
	Transfer			17 Jul 2020	(4339)	97505	0.4871
	Transfer			24 Jul 2020	(20000)	77505	0.3872
	Transfer			21 Aug 2020	28808	106313	0.5311
	Transfer			04 Sep 2020	4139	110452	0.5518
	AT THE END OF THE YEAR					110884	0.5539
6	YUSUF KASAM	19081	0.0953			19081	0.0953
	Transfer			08 May 2020	1000	20081	0.1003
	Transfer			05 Jun 2020	16500	36581	0.1827
	Transfer			19 Jun 2020	11439	48020	0.2399
	Transfer			06 Nov 2020	(36926)	11094	0.0554
	Transfer			20 Nov 2020	(1403)	9691	0.0484
	Transfer			11 Dec 2020	(110)	9581	0.0479
	Transfer			29 Jan 2021	18000	27581	0.1378
	Transfer			12 Feb 2021	1225	28806	0.1439
	Transfer			05 Mar 2021	(19255)	9551	0.0477
	Transfer			12 Mar 2021	8436	17987	0.0899
	Transfer			19 Mar 2021	50173	68160	0.3405
	Transfer			26 Mar 2021	1000	69160	0.3455
	AT THE END OF THE YEAR					69160	0.3455
7	NEXOME REALTY LLP	65000	0.3247			65000	0.3247
	AT THE END OF THE YEAR					65000	0.3247

IV. Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity) (Contd.)
iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
8	NITIN KAPIL TANDON	-	-			-	-
	Transfer			30 Oct 2020	56500	56500	0.2822
	AT THE END OF THE YEAR					56500	0.2822
9	THE NEW INDIA ASSURANCE COMPANY LIMITED	53855	0.2690			53855	0.2690
	AT THE END OF THE YEAR					53855	0.2690
10	LOK PRAKASHAN LTD	-	-			-	-
	Transfer			19 Mar 2021	50000	50000	0.2498
	AT THE END OF THE YEAR					50000	0.2498
11	VISHANJI SHAMJI DEDHIA	72000	0.3597			72000	0.3597
	Transfer			12 Feb 2021	(5242)	66758	0.3335
	Transfer			19 Feb 2021	(26758)	40000	0.1998
	AT THE END OF THE YEAR					40000	0.1998
12	NIRMAL BANG SECURITIES PRIVATE LIMITED	50908	0.2543			50908	0.2543
	Transfer			03 Apr 2020	108	51016	0.2548
	Transfer			10 Apr 2020	265	51281	0.2562
	Transfer			17 Apr 2020	(216)	51065	0.2551
	Transfer			24 Apr 2020	(3276)	47789	0.2387
	Transfer			01 May 2020	1898	49687	0.2482
	Transfer			08 May 2020	3785	53472	0.2671
	Transfer			15 May 2020	(50470)	3002	0.0150
	Transfer			22 May 2020	228	3230	0.0161
	Transfer			29 May 2020	1476	4706	0.0235
	Transfer			05 Jun 2020	(1939)	2767	0.0138
	Transfer			12 Jun 2020	(49)	2718	0.0136
	Transfer			19 Jun 2020	423	3141	0.0157
	Transfer			26 Jun 2020	59	3200	0.0160
	Transfer			30 Jun 2020	326	3526	0.0176
	Transfer			03 Jul 2020	(111)	3415	0.0171
	Transfer			10 Jul 2020	(119)	3296	0.0165
	Transfer			17 Jul 2020	137	3433	0.0171
	Transfer			24 Jul 2020	(96)	3337	0.0167
	Transfer			31 Jul 2020	7074	10411	0.0520
	Transfer			07 Aug 2020	(5430)	4981	0.0249
	Transfer			14 Aug 2020	11783	16764	0.0837
	Transfer			21 Aug 2020	(1315)	15449	0.0772
	Transfer			28 Aug 2020	858	16307	0.0815
	Transfer			04 Sep 2020	(15742)	565	0.0028
	Transfer			11 Sep 2020	(487)	78	0.0004
	Transfer			18 Sep 2020	1072	1150	0.0057
	Transfer			25 Sep 2020	(453)	697	0.0035
	Transfer			30 Sep 2020	(597)	100	0.0005
	Transfer			02 Oct 2020	25	125	0.0006
	Transfer			09 Oct 2020	196	321	0.0016
	Transfer			16 Oct 2020	185	506	0.0025
	Transfer			23 Oct 2020	1042	1548	0.0077
	Transfer			30 Oct 2020	(1194)	354	0.0018
	Transfer			06 Nov 2020	141	495	0.0025

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

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2020		Transactions during the year		Cumulative Shareholding at the end of the year - 2021	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No of Shares Held	% of Total Shares of the Company
12	NIRMAL BANG SECURITIES PRIVATE LIMITED (Contd.)						
	Transfer			13 Nov 2020	(159)	336	0.0017
	Transfer			20 Nov 2020	(145)	191	0.0010
	Transfer			27 Nov 2020	5289	5480	0.0274
	Transfer			04 Dec 2020	(4521)	959	0.0048
	Transfer			11 Dec 2020	944	1903	0.0095
	Transfer			18 Dec 2020	(1617)	286	0.0014
	Transfer			25 Dec 2020	4997	5283	0.0264
	Transfer			31 Dec 2020	119	5402	0.0270
	Transfer			01 Jan 2021	100	5502	0.0275
	Transfer			08 Jan 2021	(3069)	2433	0.0122
	Transfer			15 Jan 2021	(2019)	414	0.0021
	Transfer			22 Jan 2021	168	582	0.0029
	Transfer			29 Jan 2021	(353)	229	0.0011
	Transfer			05 Feb 2021	141	370	0.0018
	Transfer			12 Feb 2021	83	453	0.0023
	Transfer			19 Feb 2021	4845	5298	0.0265
	Transfer			26 Feb 2021	(3632)	1666	0.0083
	Transfer			05 Mar 2021	3818	5484	0.0274
	Transfer			12 Mar 2021	(4534)	950	0.0047
	Transfer			19 Mar 2021	218	1168	0.0058
	Transfer			26 Mar 2021	(940)	228	0.0011
	Transfer			31 Mar 2021	3	231	0.0012
	AT THE END OF THE YEAR					231	0.0012
13	EARTHSTONE HOLDING (TWO) PRIVATE LIMITED	214412	1.0711			214412	1.0711
	Transfer			25 Dec 2020	(214412)	-	-
	AT THE END OF THE YEAR					-	-
14	UDAY SHRIKRISHNA TAMBE	66140	0.3304			66140	0.3304
	Transfer			22 May 2020	(750)	65390	0.3266
	Transfer			19 Jun 2020	(27500)	37890	0.1893
	Transfer			26 Jun 2020	(37890)	-	-
	AT THE END OF THE YEAR					-	-

v) Shareholding of Directors and Key Managerial Personnel:

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No of Shares	% of total shares of the Company ⁽¹⁾	No of Shares	% of total shares of the Company ⁽²⁾
Mrs. Nandini Nopany, Chairperson				
At the beginning of the year	99204	0.50		
At the end of the year			99204*	0.50
Mr. Chandra Shekhar Nopany, Co-Chairperson				
At the beginning of the year	71844	0.36		
At the end of the year			71844**	0.36

* includes 31846 equity shares held as Trustee of Chandra Shekhar Charity Trust

** includes 3668 equity shares held jointly with Mrs Shalini Nopany

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

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

The following directors and KMP did not hold any shares during the year :

● Mr Anand Ashvin Dalal, Independent Director	● Mr Gaurav Swarup, Independent Director
● Mr Pradip Kumar Bishnoi, Independent Director	● Mr Kalpataru Tripathy, Independent Director
● Mrs Kausalya Madhavan, Independent Director	● Mr Devendra Kumar Sharma, Whole-time Director
● Mr Dilip Patodia, Chief Financial Officer	● Mr Anand Sharma, Company Secretary & Compliance Officer

V. Indebtedness

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

(₹ in Lakhs)

	Secured Loans excluding deposits & Pref shares	Unsecured Loans	Deposits	WORKING CAPITAL	Total Indebted- ness
Indebtness at the beginning of the financial year					
i) Principal Amount	80,850.51	-	-	78,725.90	159,576.41
ii) Interest due but not paid	-				
iii) Interest accrued but not due	-	-	-	658.27	658.27
Total (i+ii+iii)	80,850.51	-	-	79,384.17	160,234.68
Change in Indebtedness during the financial year					
Additions(NET)					
Reduction	(8,556.21)	-	-	(14,020.92)	(22,577.13)
Net Change	(8,556.21)			(14,020.92)	(22,577.13)
Indebtedness at the end of the financial year					
i) Principal Amount	72,294.30	-	-	64,961.86	137,256.16
ii) Interest due but not paid	-				
iii) Interest accrued but not due			-	401.39	401.39
Total (i+ii+iii)	72,294.30	-	-	65,363.25	137,657.55

VI. Remuneration of Directors and Key Managerial Personnel

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

Sl. No.	Particulars of Remuneration	Mr Devendra Kumar Sharma, Whole-time Director (₹)	Total Amount (₹)
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	98,57,365	98,57,365
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	7,94,922	7,94,922
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Options	-	-
3	Sweat Equity	-	-
4	Commission	-	-
	- As % of profit	-	-
	- As others specify	-	-
5	Others please specify	-	-
	Total (A)	1,06,52,287	1,06,52,287

VI. Remuneration of Directors and Key Managerial Personnel (Contd.)
B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Director							Total Amount (₹)
		Mrs Nandini Nopany (₹)	Mr Chandra Shekhar Nopany (₹)	Mr Anand Ashvin Dalal (₹)	Mr Pradip Kumar Bishnoi (₹)	Mr Kalpataru Tripathy (₹)	Mr Gaurav Swarup (₹)	Mrs Kausalya Madhavan (₹)	
1	Independent Directors								
	Fee for attending Board/Committee Meetings	-	-	4,60,000	4,80,000	3,60,000	4,20,000	3,60,000	20,80,000
	Commission	-	-	6,00,000	6,00,000	6,00,000	6,00,000	6,00,000	30,00,000
	Others, please specify	-	-	-	-	-	-	-	-
	Total B (1)	-	-	10,60,000	10,80,000	9,60,000	10,20,000	9,60,000	50,80,000
2	Independent Directors								
	Fee for attending Board/Committee Meetings	3,40,000	2,80,000	-	-	-	-	-	6,20,000
	Commission	6,00,000	6,00,000	-	-	-	-	-	12,00,000
	Others, please specify	-	-	-	-	-	-	-	-
	Total B (2)	9,40,000	8,80,000	-	-	-	-	-	18,20,000
	Total B (1+2)	9,40,000	8,80,000	10,60,000	10,80,000	9,60,000	10,20,000	9,60,000	69,00,000

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

Sl No.	Particulars of Remuneration	Mr Dilip Patodia, Chief Financial Officer (₹)	Mr. Anand Sharma, Company Secretary (₹)	Total Amount (₹)
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	94,87,500	55,58,500	1,50,46,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	28,85,230	14,53,322	43,38,552
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Options	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of profit	-	-	-
	- As others specify	-	-	-
5	Others please specify	-	-	-
	Total (A)	1,23,72,730	70,11,822	1,93,84,552

VII. Penalties / Punishment/ Compounding of Offences:

During the financial year 2020-21, there were no penalties / punishment / compounding of offences under the Companies Act, 2013 against the Company, its Directors or other officers in default.

Annexure H

Particulars of conversation 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, 2021

(A) Conservation of Energy

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

The Company continues to take following initiatives to conserve energy during the year 2020-21:

- a) Various machineries and equipment installed during earlier years besides increasing generation of steam tend to reduce consumption of steam and fuel.
- b) Auto control combustion system fitted with all the boilers reduces the consumption of bagasse.
- c) The modified system of heating sugarcane juices and bleeding of vapors for pan boiling is working satisfactorily in the form of considerably reducing consumption of steam and fuel.

The above measures have reduced the consumption of fuel and power substantially and consequently the cost of production.

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

- a) Use of DG sets for generating electricity has been kept to bare minimum.
- b) Electricity is generated in Co-Generation Power Plant using Bagasse as fuel which is a renewable source of energy. Captive requirement of electricity is met out of this generation and the balance power is sold to the State Grid.

iii. The capital investment on energy conservation equipments

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

(B) Technology Absorption

(i) the efforts made towards technology absorption

Continuous efforts are made to absorb the new technology for which Research and Development work is also undertaken in the following areas

1) 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.

2) Encouragement for sowing Cane through Trench Method

Farmers are being encouraged to sow the seeds of Cane through Trench method of sowing so as to increase the yield.

3) 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.

(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 Rs. 576.08 Lakhs.

(C) Foreign Exchange Earnings and Outgo:

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

Annexure I

Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The percentage increase in remuneration of each Director, Wholetime Director, Chief Financial Officer and Company Secretary in the financial year 2020-21 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2020-21:

Name	Designation	Remuneration for the year ended 31.03.2021 (₹ in lakhs)	% age increase in remuneration in the FY 2020-21 as compared to Previous year 2019-20	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mrs. Nandini Nopany	Chairperson	9.40	20.51	3.35
Mr Chandra Shekhar Nopany	Co-Chairperson	8.80	7.32	3.14
Mr Anand Ashvin Dalal	Independent Director	10.60	1.92	3.78
Mr Gaurav Swarup	Independent Director	10.20	6.25	3.64
Mr Pradip Kumar Bishnoi	Independent Director	10.80	17.39	3.85
Mr Kalpataru Tripathy	Independent Director	9.60	No Change	3.42
Mrs Kausalya Madhavan	Independent Director	9.60	2.13	3.42
Mr Devendra Kumar Sharma	Wholetime Director	113.54	19.52	40.49
Mr Dilip Patodia	Chief Financial Officer	135.68	6.23	Not Applicable
Mr Anand Sharma	Company Secretary	76.86	2.10	Not Applicable

- ii. The percentage increase in the median remuneration of employees in the financial year 2020-21: **7.05%**
- iii. The number of permanent employees on the rolls of the Company: **815**
- 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 2020-21 is 2.90%. Details of percentage increase in the remuneration of managerial personnel is given in the table above.
- v. It is hereby affirmed that the remuneration is as per the remuneration policy of the Company.

Particulars of Employees pursuant to Section 134(3)(q) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. (Contd.)

Details of Top Ten Employees in Terms of Remuneration Drawn During the Financial Year 2020-21

Sl. No.	Name of the Employee	Designation	Qualification	Age (years)	Experience (Years)	Date of Commencement of Employment	Remuneration Received	Last employment	Equity Shares held
1	Mr Chand Bihari Patodia	Group President	Intermediate	72	53	01/02/1990	2,30,57,487.00	The Oudh Sugar Mills Ltd.	-
2	Mr Dilip Patodia	Chief Financial Officer	B.Com, CA, CS	55	30	01/07/2011	1,35,68,253.00	The Oudh Sugar Mills Ltd.	-
3	Mr C.Venugopal	President (Business)	MBA (Marketing & Finance)	52	28	16/03/2019	1,24,71,228.00	Umang Dairy	-
4	Mr Devendra Kumar Sharma	Executive President-Hargaon	M.Com, AICWA	53	30	01/07/2014	1,13,54,287.00	The Oudh Sugar Mills Ltd	-
5	Mr Sukhveer Singh	Executive President-Seohara	BSC.	60	27	01/09/2008	1,09,11,102.00	Bajaj Hindusthan Ltd., Noida	-
6	Mr Anand Sharma	Company Secretary	B.Com, FCS, LLB	49	25	01/07/2014	76,85,936.00	The Oudh Sugar Mills Ltd	-
7	Mr Mahesh Agarwal	Finance Controller	B.Com. (Hon.), FCA	60	28	01/07/1995	60,29,687.00	Upper Ganges Sugar & Ind. Ltd.	-
8	Mr Karan Singh	Executive President-Hata	B.Sc. (Hons) Agriculture	59	35	19/06/2018	58,03,463.00	West Keny ScI, Kenya	-
9	Mr Praveen Agarwal	Technical Advisor	Diploma In Engineering	58	34	01/09/2015	52,41,425.00	The Oudh Sugar Mills Ltd.	-
10	Mr Manoj Goel	Executive Vice President	B.Sc., ANSI	54	30	06/09/2019	48,87,223.00	Dangote Sugar Refinery, Lagos, Nigeria	-

Notes :

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

For and on behalf of the Board

Place: Kolkata
Date: 12th May, 2021

Chandra Shekhar Nopany
Co-Chairperson

Annexure J

Annual Report on CSR Activities to be included in the Board's Report

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.																																	
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Name of Director</th> <th>Designation/ Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Mrs Nandini Nopany</td> <td>Chairperson</td> <td>3</td> <td>3</td> </tr> <tr> <td>2.</td> <td>Mr Pradip Kumar Bishnoi</td> <td>Independent Director</td> <td>3</td> <td>3</td> </tr> <tr> <td>3.</td> <td>Mr Devendra Kumar Sharma</td> <td>Whole-time Director</td> <td>3</td> <td>3</td> </tr> </tbody> </table>	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	3	3	2.	Mr Pradip Kumar Bishnoi	Independent Director	3	3	3.	Mr Devendra Kumar Sharma	Whole-time Director	3	3													
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	3	3																														
2.	Mr Pradip Kumar Bishnoi	Independent Director	3	3																														
3.	Mr Devendra Kumar Sharma	Whole-time Director	3	3																														
3.	Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.	The CSR policy is available on the website of the Company viz. 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																																
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Financial Year</th> <th>Amount available for set-off from preceding financial years (in Rs.)</th> <th>Amount required to be set-off for the financial year, if any (in Rs.)</th> </tr> </thead> <tbody> <tr> <td>5.</td> <td>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</td> <td colspan="2">Not applicable</td> </tr> <tr> <td>6.</td> <td>Average net profit of the Company as per section 135(5)</td> <td colspan="2">Rs 12872.45 lakhs</td> </tr> <tr> <td>7.</td> <td>a. Two percent of average net profit of the company as per section 135(5)</td> <td colspan="2">Rs 258.80 lakhs</td> </tr> <tr> <td></td> <td>b. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.</td> <td colspan="2">Nil</td> </tr> <tr> <td></td> <td>c. Amount required to be set off for the financial year, if any</td> <td colspan="2">Nil</td> </tr> <tr> <td></td> <td>d. Total CSR obligation for the financial year (7a+7b-7c)</td> <td colspan="2">Rs 258.80 lakhs</td> </tr> <tr> <td>8.</td> <td>(a) CSR amount spent or unspent for the financial year:</td> <td colspan="2">NIL</td> </tr> </tbody> </table>	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)	5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Not applicable		6.	Average net profit of the Company as per section 135(5)	Rs 12872.45 lakhs		7.	a. Two percent of average net profit of the company as per section 135(5)	Rs 258.80 lakhs			b. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil			c. Amount required to be set off for the financial year, if any	Nil			d. Total CSR obligation for the financial year (7a+7b-7c)	Rs 258.80 lakhs		8.	(a) CSR amount spent or unspent for the financial year:	NIL		
Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in Rs.)	Amount required to be set-off for the financial year, if any (in Rs.)																															
5.	Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any	Not applicable																																
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	b. Surplus arising out of the CSR Projects or programmes or activities of the previous financial years.	Nil																																
	c. Amount required to be set off for the financial year, if any	Nil																																
	d. Total CSR obligation for the financial year (7a+7b-7c)	Rs 258.80 lakhs																																
8.	(a) CSR amount spent or unspent for the financial year:	NIL																																

Total Amount Spent for the Financial Year (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
261.19 lakhs	Not applicable		Not applicable		

8.	(b)	Details of CSR amount spent against on-going projects for the financial year :							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Sl No	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/ No)	Location of the Project	Project Duration	Amount allotted for the project (in Rs.)	Amount spent in the current financial year (in Rs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.)	Mode of Implementation – Director (Yes/No)
				State	District				
Not Applicable									

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

SI No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation - Direct (Yes/ No)	Mode of implementation - through implementing agency	
				State	District			Name	CSR registration number
1	Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Sitapur	4,31,169.00	Yes	N/A	N/A
2	Water Cooler & Portable Ro For Safe Water Drinking	(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	81,965.00	Yes	N/A	N/A
3	Sanitary Napkin Vending 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	59,000.00	Yes	N/A	N/A
4	Nopany Education Trust	(ii) promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	West Bengal	Kolkata	1,62,00,000.00	Yes	N/A	N/A
5	Manav Vikash 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.	Yes	Jharkhand	Ranchi	50,00,000.00	Yes	N/A	N/A
6	Construction In Birla Vidya Mandir 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	3,81,575.00	Yes	N/A	N/A
7	Birla Girls Inter College (Teachers Recruitment)	(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	9,75,000.00	Yes	N/A	N/A
8	The United Orphanage For The Disabled-Support	(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	No	Tamil Nadu	Coimbatore	2,50,000.00	Yes	N/A	N/A

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

SI No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
9	Googles For Cane Labours	(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Uttar Pradesh	Sitapur	42,500.00	Yes	N/A	N/A
10	Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Kushinagar	67,500.00	Yes	N/A	N/A
11	Portable Ro For Safe Water Drinking	(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	Kushinagar	13,475.00	Yes	N/A	N/A
12	Sanitary Napkin Vending 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	Kushinagar	59,000.00	Yes	N/A	N/A
13	Googles For Cane Labours	(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Uttar Pradesh	Kushinagar	44,995.00	Yes	N/A	N/A
14	Medical Camp, Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Shahjahanpur	4,37,062.00	Yes	N/A	N/A
15	Portable Ro For Safe Water Drinking	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	24,255.00	Yes	N/A	N/A

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

SI No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
16	Sanitary Napkin Vending 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	Shahjahanpur	1,06,200.00	Yes	N/A	N/A
17	Sanitizers, Masks, Thermometer & Handwash For Fighting With Covid_19 Pandemic	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Uttar Pradesh	Bijnor	13,68,996.38	Yes	N/A	N/A
18	Portable Ro For Safe Water Drinking	(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	48,510.00	Yes	N/A	N/A
19	Sanitary Napkin Vending 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	82,600.00	Yes	N/A	N/A
20	Googles For Cane Labours	(iii) promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.	Yes	Uttar Pradesh	Bijnor	1,05,009.00	Yes	N/A	N/A
21	Toilet And Sheet At Ganga Bairaj	(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	2,90,280.00	Yes	N/A	N/A
22	Green Care & Paradise Nursery	(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	49,800.00	Yes	N/A	N/A

8.	(d)	Amount spent in Administrative Overheads		NIL				
	(e)	Amount spent on Impact Assessment, if applicable		NIL				
	(f)	Total amount spent for the Financial Year (8b+8c+8d+8e)		Rs 261.19 Lakhs				
	(g)	Excess amount for set off, if any		NIL				
SI No	Particulars			Amount (in Rs.)				
(i)	Two percent of average net profit of the company as per section 135(5)			258.80 lakhs				
(ii)	Total amount spent for the Financial Year			2.39 lakhs				
(iii)	Excess amount spent for the financial year [(ii)-(i)]			2.39 lakhs				
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any			-				
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]			2.39 lakhs				
9.	(a)	Details of Unspent CSR amount for the preceding three financial years :						
SI No	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135(6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.)	Amount transferred to any fund specified under Schedule VII as per Section 135(6), if any.			Amount remaining to be spent in succeeding financial years (in Rs.)	
				Name of the Fund	Amount (in Rs.)	Date of transfer		
Not applicable								
9	(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 Rs.)	Amount spent on the project in the reporting Financial Year (in Rs.)	Cumulative amount spent at the end of reporting Financial Year (in Rs.)	Status of the Project – Completed / On-going
Not applicable								
10.	In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).							
	(a)	Date of creation or acquisition of the capital asset(s).					Not applicable	
	(b)	Amount of CSR spent for creation or acquisition of capital asset.					Not applicable	
	(c)	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.					Not applicable	
	(d)	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).					Not applicable	
11.	Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)						Not applicable	

Place : Kolkata
Date : 12th May 2021

Devendra Kumar Sharma
Whole-time Director

Nandini Nopany
Chairperson, CSR Committee

BUSINESS RESPONSIBILITY REPORT

About this report

Securities Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 [SEBI (LODR) Regulations] prescribe that top 1000 companies based on market capitalisation as per NSE / BSE as on March 31 of every financial year, are required to have "Business Responsibility Report" (BRR) as part of their Annual Report. Your Company is amongst the top 1000 listed entities as per the market capitalisation at NSE/ BSE as on March 31, 2021. The report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations.

About the Company

Avadh Sugar & Energy Limited, one of the leading player in sugar and is one of the oldest companies in India and one of the top five sugar producers in the country having four sugar plants strategically spread across in the State of Uttar Pradesh, India. The integrated sugar units have been designed as such to achieve optimization in process efficiencies, increase sugarcane recovery and increase energy efficiency as well as to reduce steam and power consumption. The Company continues to be one of the leading producers of quality sugar, through its innovative process and farmer centric practices.

Section A: General Information About The Company

1.	Corporate Identity Number (CIN) of the Company		L15122UP2015PLC069635	
2.	Name of the Company		Avadh Sugar & Energy Limited	
3.	Registered address		P.O. Hargaon, Dist: Sitapur 261 121, Uttar Pradesh	
4.	Website		www.avadhsugar.com	
5.	E-mail id		avadhsugar@birlasugar.org	
6.	Financial Year reported		31st March, 2021	
7.	Sector(s) that the Company is engaged in (industrial activity code-wise):	SI No.	Description	NIC Code
		1.	Sugar	10721
		2.	Distillery	1101
		3.	Co-generation	35106
8.	List three key products/services that the Company manufactures/provides (as in balance sheet):		Sugar, Industrial Alcohol (Ethanol) and Power (Co-generation).	
9.	Total number of locations where business activity is undertaken by the Company			
	(a)	Number of International Locations	The Company carries out its operations through its Registered Office in Hargaon (Uttar Pradesh), offices in New Delhi and Kolkata and 4 Manufacturing Facilities located across within the State of Uttar Pradesh at Hargaon, Seohara, Hata and Rosa.	
(b)	Number of National Locations			
10.	Markets served by the Company – Local/State/ National/ International		The Company is predominantly in Sugar business and serves the Indian market apart from fulfilling mandatory export obligation, if any, prescribed by the Central Govt.	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital(INR)	20,01,84,200/-
2.	Total Turnover(INR)	2,71,692.16 lakhs
3.	Total profit after taxes(INR)	7,758.38 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax(%)	2% approx.
5.	List of activities in which expenditure in 4 above has been incurred	Details of the projects undertaken are furnished in Annual Report on CSR activities enclosed as Annexure "J"

SECTION C: OTHER DETAILS

1.	Does the Company have any Subsidiary Company/Companies	NONE
2.	Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Not Applicable
3.	Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]	We do not mandate that our suppliers and partners participate in the Company's BR initiatives. However, they are encouraged to do so.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

(a) Details of the Director/Director responsible for implementation of the BR policy/policies

Sl. No.	Particulars	Details
1.	DIN Number	06498196
2.	Name	Mr Devendra Kumar Sharma
3.	Designation	Wholetime Director
4.	Telephone No	(05862) 256220
5.	Email id	dksharma@birla-sugar.com

(b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number	N.A.
2.	Name	Mr C B Patodia
3.	Designation	Group President
4.	Telephone No	011 – 23321656
5.	Email id	cbpatodia@birla-sugar.com

2. Principle-wise (as per NVGs) BR Policy/policies:

As per Regulation 34 of the SEBI (LODR) Regulations read with SEBI Circular No CIR/CFD/CMD/10/2015 dated 4th November 2015, the nine areas of Business Responsibilities are as follows:

- P1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
- P2 Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
- P3 Businesses should promote the well-being of all employees.
- P4 Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 Businesses should respect and promote human rights.

P6 Businesses should respect, protect, and make efforts to restore the environment.

P7 Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 Businesses should support inclusive growth and equitable development.

P9 Businesses should engage with and provide value to their customers and consumers in a responsible manner.

(a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words) (refer Note)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	www.avadhsugar.com								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/ policies.	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	N	N	N	N	N	N	N	N	N

(*) Note: a. The Code of Conduct and Whistle Blower Policy of the Company conforms to the requirement of SEBI (LODR) Regulations, 2015 and CA 2013, as amended from time to time.

b. The concerned policies conform to the applicable labour and employment laws.

c. Corporate Social Responsibility Policy conforms to the requirements of CA 2013 and rules framed thereunder.

d. The policies as required are available on the website of the Company

e. All the policies are signed by the Director. All the policies in the Company are based on its guiding principles and core values. These policies are mapped to each principle hereunder as:

Principle	Name of the Principle	Name of the Policy
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	i) Code of Conduct and Ethics
		ii) Whistle Blower Policy
		iii) Supplier's Code of Conduct
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	i) Product Responsibility Policy
		ii) Sustainability Policy
Principle 3	Businesses should promote the wellbeing of all employees	Human Resource and Employee Relations Policy
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	i) Stakeholder Engagement and Advocacy Policy
		ii) Corporate Social Responsibility Policy
Principle 5	Businesses should respect and promote human rights	i) Stakeholder Engagement and Advocacy Policy
		ii) Health, Safety, Security, Environment & Quality Policy
		iii) Supplier's Code of Conduct
Principle 6	Business should respect, protect, and make efforts to restore the environment	i) Health, Safety, Security, Environment & Quality Policy
		ii) Sustainability Policy
		iii) Supplier's Code of Conduct
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Stakeholder Engagement and Advocacy Policy
Principle 8	Businesses should support inclusive growth and equitable development	i) Stakeholder Engagement and Advocacy Policy
		ii) Sustainability Policy
		iii) Corporate Social Responsibility Policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Product Responsibility Policy

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2options)

No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8
1	The company has not understood the Principles	NOT APPLICABLE							
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles								
3	The company does not have financial or manpower resources available for the task								
4	It is planned to be done within next 6 Months								
5	It is planned to be done within the next 1 year								
6	Any other reason (please specify)								

3. Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The BR performance revolves around a number of policies which is assessed by the BR Head periodically based upon its importance and impact on the Company's operations and activities.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published? Business Responsibility Report of the Company forms part of the Company's Annual Report for FY 2020-21. The same can also be accessed at: www.avadhsugar.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1 Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

The Company lays strong emphasis on ethics and establishment of good governance culture. The Company believes that since organisation employ societal and environmental resources, governance processes must ensure that they are utilised efficiently to meet the aspirations and expectations of all stake holders. The Company believes in high standards of governance and adheres to good corporate practices and is constantly striving for improvement and adoption of best practices. Adherence to business ethics, transparency in dealings with all stakeholders, adequate and timely disclosure of information and commitment to corporate social responsibility are the basic elements of the governance policy of the company.

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/ Contractors/ NGOs/Others?

The Company's Code of Conduct ("the Code") is applicable to all directors and employees of the Company. The directors and employees of the Company are expected to uphold the standards mentioned thereunder in their day-to-day activities and comply with all applicable laws, rules and regulations. The Company has a Whistle blower Policy which aims to deter and detect actual or suspected misconduct. It has been established to ensure that genuine concerns of misconduct/ unlawful conduct, which an individual believes may be taking place within the organisation, are raised at an early stage in a responsible and confidential manner. This mechanism also provides for adequate safeguards against victimisation of employees who avail of the mechanism. Any employee can report such incident without fear to the ombudsman. The Company, follows five core principles of Integrity, Passion, Quality, Respect and Responsibility, remain consistently vigilant and ensure ethical conduct of its operations. All internal and external stakeholders of the Company are expected to work within the framework of these principles.

There is no group structure or joint venture of the Company. The Company does not have any subsidiary. The Company is gradually encouraging stakeholders associated with it like vendors, suppliers, contractors, etc., to follow the principles envisaged in the Policy.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There was no complaint received during the year under the Whistle Blower Policy of the Company.

Principle 2. Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

Sustainability is a part of the Company's DNA. The Company has business line of Sugar manufacturing and is governed by the principle of Sustainability - Enshrined in the tenets of conserving, preserving, enhancing and creating each business in sync with nature. The Company has Environmental and Safety Accreditations across some of its Units, to drive business sustainability.

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

(a) **Sugar** - Sugarcane is a water-intensive crop. Several collaborative initiatives are in place along with leading organizations for measuring carbon and water foot print and optimize the use of water in the Company's command area of operation. Pressmud, a by-product of sugarcane, is used as organic manure after converting it in Bio-Compost in sugarcane fields which contains essential nutrients and organic carbon to improve and sustain the soil quality.

(b) **Distillery Products** - Molasses, a by-product of sugarcane, is used to manufacture Ethanol and is being blended with gasoline by the Oil Marketing Companies for use in automobiles. This helps in reduction of greenhouse gases as against fossil fuels.

(c) **Power - Bagasse**, a by-product of sugarcane, is used as bio- fuel to generate power and export to grid as a green product. The ash generated is used as a filler during manure production. Bagasse is a CO₂ neutral renewable energy source and it qualifies for Clean Development Mechanism certification.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

- i. **Sugar** – For crushing of sugarcane, the resources required are water, steam and power. The Company has progressively invested in optimum use of resources. The core cane crushing operation generates molasses (as by-product) and bagasse (as waste); molasses is utilized to manufacture ethanol (a green fuel) while bagasse is being utilized to generate green power. All four sugar units are now equipped with the latest effluent treatment plants (ETP) coupled with buffer storage reservoirs to avoid shock dosing of the ETP.
- ii. **Distillery Products** – The best fermentation and distillation efficiencies are achieved with overall efficiency at 89% to 90% as against the norm of 86% in case of Industrial Alcohol.
- iii. **Power** – The Industry norm of steam to fuel ratio is 2.0 to 2.2 whereas all factories operate between 2.2 to 2.3.

(b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Industrial Alcohol producing units are running on Zero Liquid Discharge (ZLD) technology and therefore does not have any adverse impact on the environment.

- 3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

Yes, the Company deploys sustainable procurement practice. All the plants of the Company are situated close to cane growing area. Entire raw material is procured sustainably. Since the inputs are procured from sources close to the units, it also helps in minimizing transportation costs. Cane is also supplied by small and medium farmers through bullock driven carts. The materials required by Distillery and Co-gen plants are mostly internally sourced through pipelines and conveyor belts. This significantly reduces the environmental impact of transportation of raw materials.

- 4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors.**

The Company is predominantly engaged in the business of manufacture of sugar and sugarcane is the primary raw material for its operations. The Company procures 100% of its raw materials i.e. sugarcane from farmers who are located within its local command area and whose livelihood is directly dependent upon the Company. The Company has taken a number of initiatives to improve the yield through adoption of sustainable cultivation practices by the growers. The Company works closely with cane growers of the allotted areas to improve their productivity. In order to achieve this, the Company shares knowledge and expertise in sustainable agriculture practices with the farmers for cane cultivation. Besides this, the farmers are also guided on selection and use of right type of agri-inputs. These developmental activities help in improvement of quality and yield of cane thereby benefitting the Company as well as the farmers. Women farmer training programs and empowerment have brought women into the forefront of agriculture thus encompassing all genders in business chain management. The Company supports the communities around the place of work by seeking contractual arrangements for handling and transportation of its products and in-plant services.

- 5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

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 ZLD for the sugar operations.

Principle 3. Businesses should promote the wellbeing of all employees

The Company ensures a work environment that promotes well-being of all its employees. Focusing on health, safety and preventing discrimination are part of the Company's guiding principles on Employees' well-being. The Company provides equal employment opportunities to all irrespective of their caste, creed, gender, race, religion, disability etc., The Company respects the right of employees to freedom of association, participation, and collective bargaining and provides access to appropriate grievance redressal mechanisms. The Company is committed to provide a work environment which ensures that every woman employee is treated with dignity, respect and equality. The

Company has instituted processes and mechanisms to ensure that issues relating to sexual harassment are effectively addressed. In terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, Internal Complaints Committees have been constituted in all units. These Committees are intended to facilitate open and structured discussions on sexual harassment complaints, and to ensure their resolution in a fair and just manner. The Company has strengthened its performance-driven orientation through robust competence mapping, gap identification, training and development. The Company also enhances employee engagement through various initiatives on an ongoing basis. The Company is deeply committed to safety of its Employees at workplace and regularly organises planned and unplanned safety drills at all its locations.

1. Please indicate the total number of employees.

The total number of permanent Employees is 619 as on March 31, 2021. However, it does not include Badli workers, Seasonal, Retainers, Advisors, Trainees/Apprentices, etc.

2. Please indicate the total number of employees hired on temporary / contractual / casual basis.

Sugar Industry being a seasonal Industry (October- September), each Unit of the Company hires different number of employees on seasonal basis during the season and off – season. Considering the seasonal nature of Industry, the total number of employees hired on temporary / contractual / casual basis is 1943 as on March 31, 2021.

3. Please indicate the number of permanent women employees

The total number of Women Employees is 1 as on March 31, 2021.

4. Please indicate the Number of permanent employees with disabilities

The number of permanent employees with disabilities is Nil as on March 31, 2021.

5. Do you have an employee association that is recognized by management?

Yes. We have employees' associations for Non-Management Employees which are recognised by the Management.

6. What percentage of your permanent employees is members of this recognized employee association?

The Company has 4 different Units located in the State of Uttar Pradesh. Factory wise Percentage varies of Permanent employees in recognised employees association from NIL to 2% as on March 31, 2021.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

At the outset it is stated that the Company as a matter of Policy does not engage or employ any Child Labour. However, the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year are as follows:

SI No	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the previous year?

- (a) Permanent Employees: 100%
- (b) Permanent Women Employees : 100%
- (c) Casual/Temporary/Contractual Employees : 100%
- (d) Employees with Disabilities : 100%

Principle 4. Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

The Company considers its employees, business associates (network of farmers, suppliers, stockists and dealers), customers, shareholders/ investors and communities surrounding its operations and regulatory authorities as its key stakeholders. The Company is responsive to the requirements of all its Stakeholders. The Company continues its engagement with them through various mechanisms such as consultations with local communities, small farmer training, women empowerment in agriculture, supplier/vendor meets, customer/employee satisfaction surveys, investor forums, etc. The Company's website www.avadhsugar.com, contains comprehensive information for the stakeholders about the Company. The Company also has designated an exclusive email- id for investor services – avadhinvestors@birla-sugar.com. The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

1. Has the company mapped its internal and external stakeholders ? Yes/No

Yes. The Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

The Company identifies underprivileged communities/marginal growers with very small land holdings around its business locations as disadvantaged, vulnerable and marginalised stakeholders and continuously engages with all such stakeholders identifying their needs and priorities so as to serve/ provide solutions on these needs accordingly.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company has always engaged itself in special initiatives with the disadvantaged, vulnerable and marginalized stakeholders. Developmental activities are carried out by the Company by providing necessary guidance to the small and marginalized cane growers towards selection of right variety of seed and agri-inputs, etc. The Company also supports the deserving farmers by supplying at subsidized rates the seeds and agri-inputs.

Principle 5. Businesses should respect and promote human rights

The Company respects the rights and dignity of all individuals and upholds the principles of human rights. The Company's commitment to human rights and fair treatment is set out in its code of conduct. The policy provides conduct of operations with honesty, integrity and openness with respect for human rights and interests of employees. The Company believes that a sustainable organisation rests on a foundation of ethics and respect for human rights.

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

Respecting human rights is fundamental to the Company's policies and business dealings and the Company is equally focussed on building awareness around promotion of human rights with every associate and supply chain partners. All directors and employees are required to respect the human rights of fellow workers and communities where the Company operates. The Company does not employ child labour and does not permit any occurrence of forced or compulsory labour, conducts proper checks and audits to ensure that its contractors follow the same. The Company's business relationship with its Vendors / contractors encourages its vendors to comply with relevant laws safeguarding labour rights and human rights. There is no group structure or joint venture of the Company. The Company doesn't have any subsidiary.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The Company has not received any Complaints pertaining to violation of Human rights during the financial year 2020-21.

Principle 6. Business should respect, protect and make efforts to restore the environment

The Company places its highest priority in ensuring that best practices and procedures are followed relating to environment protection. To enrich soil the by-products after process are efficiently recycled as pressmud or enriched compost to implement the concept of waste to

wealth creation. These value added by-products ensure soil health through increase in soil organic matter. Bagasse is used as fuel in boilers which does not emit any obnoxious gases like SO₂. Bagasse is a CO₂ neutral fuel and is a source of renewable energy.

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

Sustainability is built into Company's business processes. The Company's policies on Respecting, Promoting and Restoring the Environment and in relation to Environment, Health & Safety (EHS) are applicable to all directors and employees of the Company. There is no group structure or joint venture of the Company. The Company doesn't have any subsidiary. As on date, the Company is encouraging all its external stakeholders to adhere to safety and restoration of the environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for web page etc.

Global environment issues such as climate change, global warming, GHG emissions pose challenges to all. The Company is totally committed to reduce their impact. At the captive power plants, Bagasses (waste generated) is used as fuel for generating power. Out of the two Distilleries, one is having incineration boiler in which Spent Wash (effluent generated) is mixed with Bagasse and used as fuel in boilers to generate clean energy with minimal carbon footprint by incineration process and in other Distillery Spent Wash is being used for manufacturing of bio-compost with mixing of Press Mud.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, the Company has a mechanism to identify and assess potential environmental risks in its plants, projects and operations. Environmental risk identification and mitigation is ingrained in the Company's risk management system.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

NO. However, the Company uses Bagasse as the primary fuel to generate electric energy requirements of the plant.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company has undertaken several initiatives on clean technology, energy efficiency, renewable energy, etc. The Company has achieved spectacular results in utilization of hazardous and pollutant industrial waste namely Spent Wash. This waste is used as a fuel at the incineration boilers of the Company for generating clean energy. The Distilleries of the Company are ZLD compliant and the solid recovered from the effluents are recycled as manure. Further details relating to conservation of energy can be found in Annexure "H" forming part of the Board's Report.

6. Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

All the emissions / waste generated by the Company during the financial year 2020-21 are generally within the permissible limits given by CPCB / SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

There were no pending or unresolved show cause notices/legal notices from CPCB/SPCB as the end of FY 2020-21.

Principle 7. Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

The Company believes that being in an industry, which is one the most regulated sectors, significant improvement can be achieved, if the Company works together with the Government, legislators, trade bodies and regulators to create positive policies affecting the industry especially cane pricing and sustainable growth affecting millions of farmers. The Company has always been at the forefront and strived to create a positive impact in the business eco-system and communities by practicing proactive advocacy not for securing certain benefits for

industry, but also advocating certain best practices for the benefit of the community at large who are affected by its business. The Company engages with a number of industry bodies and associations to persuade public and regulatory policy in a responsible manner.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

The Company is a member of various trade and chamber associations. The Indian Sugar Mills Association (ISMA) and UP Sugar Mills Association (UPSMA) are the prime bodies that represent the interests of the private sugar mills and is the interface between the industry and Government on policy matters relating to sugar industry. The Company do participates in the functioning of ISMA and UPSMA in the matter of advancing the cause of the Industry and policy matter concerning the industry as well as vital issues concerning the industry.

Besides, the Company is a member of the following Associations.

- a) CII (Confederation of Indian Industry)
- b) FICCI (Federation of Indian Chamber of Commerce and Industry)
- c) ASSOCHAM (Associated Chambers of Commerce and Industry of India)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The Company through ISMA, UPSMA and various other industry associations, participates in matters for advancement of the industry's interest and public good. It supports various initiatives of the Government which include farmers welfare, environment, customer information and education. However, it does not practice lobbying on any specific issue.

Principle 8. Businesses should support inclusive growth and equitable development

The Company is part of K K Birla Group of Sugar Companies and is known for its tradition of philanthropy and community service. The Group's philosophy is to reach out to the community by establishing service-oriented philanthropic institutions in the field of education and healthcare which has been identified as the core focus areas. The Company believes that social responsibility is not just a corporate obligation that has to be carried out but it is one's dharma. The Company has been carrying out Corporate Social Responsibility (CSR) activities for a long time through an autonomous charitable trust, in the field of education and healthcare, while also pursuing CSR activities for the benefit of local communities around the factories in the States of Uttar Pradesh, Bihar, West Bengal, Tamil Nadu, Jharkhand etc.

The Company has always believed to ensure protection of interests of all its stakeholders in tandem with its growth. The Company believes not only in value-added business, but also in discharging its responsibilities to various sections of society and in providing opportunities to learn, contribute, advance, recognize and reward initiative, innovativeness and creativity. It believes in not only making customers delighted, but the community around also, by establishing service-oriented philanthropic institutions in the field of Education and Medicare. The Company has leveraged its over 8 decades old experience in cane procurement and sugar manufacturing in satisfying the needs of its principal stake holders, the farmers and the consumers. The most important stakeholders of the Company are farmers and rural communities with whom the Company has forged long and enduring partnerships through crop development and procurement activities. Timely payment to farmers is not only one of the critical and most enduring practice practiced by the Company but it is the hallmark of its existence and operations. The stakeholder communities face the challenge of securing sustainable livelihoods, which is addressed through the Company's multi-pronged approach to address these issues at several levels and methods. Besides prompt payment, the Company helps the farmers in a number of ways to meet their crop protection needs, improvement of yield and recovery and adoption of best cultivation practices.

1. Does the Company have specified programmes/ initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.

Inclusive growth is at the core of the Company's community development strategy. As mandated by the Companies Act, 2013 and based on recommendation of the CSR Committee, the Board of Directors have adopted a CSR Policy. The CSR policy, inter- alia, deals with the

objectives of the Company's CSR initiatives, the guiding principles, the thrust areas of CSR, the responsibilities of the CSR Committee, the implementation plan and reporting framework:

The thrust areas of the Company's CSR activities are:

- Empowerment of the disadvantaged sections of the society through education, access to and awareness about financial services and the like;
- Provision of access to basic necessities like healthcare, drinking water & upliftment of underprivileged;
- Work towards eradicating hunger and poverty, through livelihood generation and skill development;
- Supporting environmental and ecological balance through afforestation, soil conservation, rain water harvesting, conservation of flora & fauna, and similar program; etc.

The details of programme/ initiative projects in pursuit of CSR policy are provided in the CSR Report as Annexure "J" forming part of Board's Report.

2. Are the programmes/ projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The Company undertakes CSR project/programs identified by the CSR Committee and approved by the Board of Directors, in line with the CSR Policy.

Thereafter the Company implements its CSR programs/projects:

- a) Through an implementation partner which can be a public charitable trust or a society registered under applicable Acts or a Company registered under Section 8 of the Companies Act, 2013 or
- b) On its own

3. Have you done any impact assessment of your initiative?

Yes, the CSR committee internally performs a review and an impact assessment of its initiatives at the end of each year to understand the effectiveness of the programme in terms of delivery of desired benefits to the community and to gain insights for improving the design and delivery of future initiatives.

4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

During the year 2020-21, the Company has spent an amount of Rs 261.19 Lakhs on CSR activities encompassing various projects. Details of the projects undertaken are given in Annual Report on CSR Activities enclosed as Annexure "J" to the Board's Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The CSR Committee of the Board of Directors identifies and implements all CSR projects/ programs and periodic reports are provided for review by the Committee. The Company has a well-defined, transparent monitoring and review mechanism to ensure that each CSR projects/ program has clear sustainable objectives developed out of the societal needs that may be determined through need assessment studies and research; clear targets, time lines and measurable indicators, wherever possible; and a progress monitoring and reporting framework that is aligned with the requirements of Section 135 of the Companies Act 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

Principle 9. Businesses should engage with and provide value to their customers and consumers in a responsible manner

The Company is committed to delivering Quantity products combined with Quality. This provides a value proposition to the customers and meet their expectations. The Company produces its products by working closely with the Customers and understanding their requirements. Being involved in the business of providing food products, it is of paramount importance to align products with stringent qualitative

and performance related parameters. The products of the Company undergo quality checks at different levels and well-defined SOP. Some of its Units are regularly audited by Customers to verify and validate to qualify to their required standards.

1. What percentage of customer complaints / consumer cases are pending as on the end of financial year.

The Company has addressed all the customer complaints received during the FY 2020-21 and there were no customer complaints pending with the Company as on March 31, 2021. Each of the received complaints was handled by respective Units and its expert teams meticulously. A robust system of handling customer complaint exists within the Company.

2. Does the company display product information on the product label, over and above what is mandated as per local laws?

Yes, the Company displays all the requisite product information, wherever it is sold in packed condition (i.e. Sugar), is displayed on the bags. Besides, the Company complies with the applicable regulations as provided in Legal Metrology Act, Bureau of Indian Standards Specifications, Food Safety and Standards Act and the relevant rules prescribed therein.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

The Company never indulges in any unfair trade practices, irresponsible advertising and/or anti-competitive behavior, however, based on a complaint, CCI has ordered investigation against the Oil Marketing Companies (OMCs), ISMA and various Sugar Mills (including the Company) for anti-competitive behavior in the tender floated by OMCs in 2012-13 for procurement of Ethanol under the Ethanol Blending with Petrol programme of the Government of India. The said allegation has been contested by the Company. In this regard, CCI has passed an Order (CCI Order), inter alia, imposing a penalty of Rs. 3.60 Crores on the Company. The CCI Order has been challenged by the Company before the Hon'ble NCLAT and the said Tribunal has stayed the CCI Order so far as it relates to the penalty amount subject to deposit of 10% of the penalty amount, which has been complied by the Company. The outcome the said appeal before the Hon'ble NCLAT is pending at the end of the financial year under report.

4. Did your company carry out any consumer survey/consumer satisfaction trends?

The Company does not sell its products directly to the consumers but markets it through whole sellers and distributors. The Marketing team is in constant touch with the customers to ensure the highest quality of service. Consequently brand loyalty is very high due to the reliability of quality and service of the Company. Further, the website of the Company has a specific section where customers can post their queries, grievances and feedback for the products of the Company.

Independent Auditor's Report

To the Members of

Avadh Sugar & Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Avadh Sugar & Energy Limited ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the 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 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

Key Audit Matters

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

Description of Key Audit Matter

Government grants

See note 3.14 and 46 to the financial statements

The key audit matter	How the matter was addressed in our audit
<p>The Company operates in the sugar industry and accordingly, it has to comply with the various applicable directives, notifications, orders, etc, issued by the relevant authorities from time to time.</p> <p>In order to determine the timing of recognition of grants, the Company evaluates the achievement of reasonable assurance in respect of:</p> <ul style="list-style-type: none"> - the Company complying with the conditions attaching to them and - the certainty that these grants will be received. <p>Significant judgement is involved in assessing such assurance.</p> <p>Due to the significant level of judgement as stated aforesaid and quantum of grants, we have identified recognition of government grants as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ● Evaluated the accounting policy of the government grants in terms of relevant accounting standard; ● Tested the design, implementation and operating effectiveness of key internal financial controls established by the Company for recognition of the grants ● Inspected, on a sample basis, documents relating to the grants given by various government authorities. We identified the specific conditions and approval requirements attached to the respective grants. In addition, we examined, on a sample basis, the terms of the underlying documentation and other correspondence with the government authorities, as applicable ● Assessed the basis of the Company's evaluation. This evaluation includes assurance with respect to fulfilment of conditions attached to the grants and receipt of grants in the future. This included the Company's evaluation of eligibility requirements stated in the relevant notifications; ● Tested the historical trends of receipts of the grant used by the Company in their evaluation.

Cost of sugar inventory

See note 3.7 and 8 to the financial statements

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

Recoverability of MAT credit entitlement (a component of deferred tax assets)

See note 2.4. 3.16 and 15 to the financial statements

The Key audit matter	How the matter was addressed in our audit
<p>The Company has recognised Minimum Alternate Tax (MAT) credit entitlement (a component of deferred tax assets) as at 31 March 2021. The utilisation of this asset will be through offsetting it when the Company pays normal corporate 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>The Company recognises MAT credit 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. This is based on profit earned during the current year and future profitability projections based on approved business plans.</p> <p>Significant estimation is involved in projecting future taxable profits and other assumptions affected by expected future market or economic conditions.</p> <p>Due to significant level of judgement as stated aforesaid we have identified recoverability of MAT credit entitlement as a key audit matter.</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others, to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> ● Evaluated the accounting policy of MAT credit entitlement in terms of relevant accounting standard; ● Tested the design, implementation and operating effectiveness of key controls regarding recoverability of MAT credit assets and budgeting procedures upon which the approved business plans are based; ● Assessed the profit forecast prepared by the Company by comparing it with the historical trends, current year performance and approved future business plans. Our assessment was based on our knowledge of the business and the observable data of the industry; ● Evaluated the Company's estimate regarding the period by which the MAT credit entitlement would be utilised. We compared the Company's assessment to business plans and projections of future taxable profits. We verified such estimate to be within the period prescribed under the Income Tax Act, 1961; ● Assessed the adequacy of related disclosures in the financial statements.

Other Information

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

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

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. (A) As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 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 financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its financial statements - Refer Note 39 to the financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended 31 March 2021.
- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

For **BSR & Co. LLP**

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

UDIN - 21055757AAAABH1066

Place: Kolkata

Date: 12 May 2021

Annexure – A to the Independent Auditor’s Report on the financial statements of Avadh Sugar & Energy Limited for the year ended 31 March 2021

Report on the matters specified in paragraphs 3 and 4 of Companies (Auditor’s Report) Order, 2016 to the aforesaid financial statements under Section 143(11) of the Companies Act, 2013

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

We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain fixed assets were physically verified during the year and no material discrepancies were noticed on such verification.
- (c) According to information and explanations given to us and on the basis of our examination of the records of the Company, title deeds of immovable properties amounting to Rs. 996.48 lakhs, included in Property, Plant and Equipment (refer note 42 to the Financial Statements) are not held in the name of the Company. As explained to us, steps are being taken to complete the transfer of the name in the title deeds in the name of the Company.
- (ii) The inventory, except goods in transit, have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For goods-in-transit, subsequent receipt of goods have been verified. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been adjusted in books of account.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans or provided any guarantee or security during the year that would attract provisions of section 185 and 186 of the Act. The provisions of section 186 of the Act in respect of investments made have been complied with by the Company.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Goods and Service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, there were no dues payable in respect of Value Added tax, Employees’ State Insurance, Sales tax, Service tax, duty of excise and duty of customs.
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Goods and Service tax, cess and other material statutory dues were in arrears as at 31 March 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of Sales tax, duty of excise, Entry tax and Value Added tax which have not been deposited with the appropriate authorities on account of any dispute, except the following:

Name of the Statute	Nature of the dues	Amount (Rs. in lakhs)	Amount paid (Rs. in lakhs)*	Period to which the amount relates	Forum where dispute is pending
UP Sales Tax Act, 1948	Discount on molasses	6.83	0.44	2006-07	Sales Tax Tribunal, Lucknow
Central Sales Tax Act, 1956	Taxability on alcohol sale and other goods	34.57	29.97	2012-13 and 2017-18	Appellate authority upto Commissioner's level
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
		136.89	20.73	1997-98, 2005-06, 2007-08 and 2008-09	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		69.38	29.25	1994-95, 2003- 04 to 2006-07	Appellate authority upto Commissioner's level
	Excise duty on waste and loss on storage of molasses etc.	15.27	-	1990-91	CESTAT, Allahabad
UP Excise Act, 1910	Duty on wastage on reprocessing of Alcohol	135.08	135.08	2018-19	Hlgh Court, Allahabad
		69.97	-	2019-20	Department of Excise, Uttar Pradesh, Civil Secretariat, Lucknow

* paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from financial institutions or banks. The Company did not have any outstanding loans or borrowings from government and there are no dues to debenture holders during the year.
- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has utilised the money raised by way of term loans during the year, for the purpose for which they were received.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, the provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, wherever applicable, and the details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of paragraph 3(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, the provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, the provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For **BSR & Co. LLP**

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

UDIN - 21055757AAAABH1066

Place: Kolkata

Date: 12 May 2021

Annexure – B to the Independent Auditors’ report on the financial statements of Avadh Sugar & Energy Limited for the year ended 31 March 2021

Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Opinion

We have audited the internal financial controls with reference to financial statements of Avadh Sugar & Energy Limited (“the Company”) as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2021, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the “Guidance Note”).

Management’s Responsibility for Internal Financial Controls

The Company’s management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 (hereinafter referred to as “the Act”).

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

A company’s internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial controls with reference to financial statements include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets

of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

Place: Kolkata
Date: 12 May 2021

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No.:101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
UDIN - 21055757AAAABH1066

Balance Sheet as at 31st March, 2021

(₹ in lakhs)

Particulars	Notes	As at 31st March, 2021	As at 31st March, 2020
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	1,08,435.82	96,586.16
(b) Capital Work-in-Progress	5	1,396.47	6,871.11
(c) Other Intangible Assets	6	52.10	63.95
(d) Financial Assets			
(i) Investments	7	1,518.89	989.52
(ii) Loans	13	35.08	36.33
(iii) Other Financial Assets	14	39.40	51.25
(e) Deferred Tax Assets (net)	24	-	279.71
(f) Non-current Tax Assets (net)	15	442.03	302.79
(g) Other Non-current Assets	16	257.83	1,164.82
Total Non-current Assets		1,12,177.62	1,06,345.64
2. Current Assets			
(a) Inventories	8	1,35,064.72	1,48,545.30
(b) Biological assets other than bearer plants	9	8.53	7.43
(c) Financial Assets			
(i) Trade Receivables	10	5,507.85	10,893.80
(ii) Cash and Cash Equivalents	11	489.29	537.81
(iii) Bank Balances other than (ii) above	12	204.82	201.53
(iv) Loans	13	48.90	115.85
(v) Other Financial Assets	14	622.73	763.92
(d) Other Current Assets	17	10,761.64	18,496.80
Total Current Assets		1,52,708.48	1,79,562.44
TOTAL ASSETS		2,64,886.10	2,85,908.08
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	18	2,001.84	2,001.84
(b) Other Equity	19	64,573.95	57,176.27
Total Equity		66,575.79	59,178.11
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	49,545.82	58,473.95
(ii) Other Financial Liabilities	22	304.81	323.56
(b) Provisions	23	401.33	319.78
(c) Deferred Tax Liabilities (net)	24	351.81	-
(d) Other Non-current Liabilities	25	584.35	1,192.66
Total Non-current Liabilities		51,188.12	60,309.95
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	20	71,961.86	89,725.90
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises; and	21	410.09	388.86
(B) total outstanding dues of creditors other than micro enterprises and small enterprises.	21	53,538.79	59,518.99
(iii) Other Financial Liabilities	22	17,692.34	14,021.08
(b) Other Current Liabilities	26	2,421.94	1,898.62
(c) Provisions	23	610.83	680.65
(d) Current Tax Liabilities (net)	27	486.34	185.92
Total Current Liabilities		1,47,122.19	1,66,420.02
Total Liabilities		1,98,310.31	2,26,729.97
TOTAL EQUITY AND LIABILITIES		2,64,886.10	2,85,908.08
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 **B S R & Co. LLP**

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

Jayanta Mukhopadhyay

Partner
Membership No.: 055757

Place: Kolkata
Date: 12th May, 2021

Devendra Kumar Sharma

Whole-time Director
DIN: 06498196

Anand Sharma

Company Secretary

Chandra Shekhar Nopany

Co-Chairperson
DIN: 00014587

Dilip Patodia

Chief Financial Officer

Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Notes	Year ended 31st March, 2021	Year ended 31st March, 2020
I. Revenue from Operations	28	2,71,052.01	2,55,939.71
II. Other Income	29	640.15	564.87
III. Total Income (I + II)		2,71,692.16	2,56,504.58
IV. Expenses			
Cost of Materials Consumed	30	1,97,121.62	2,01,200.43
Purchases of Stock-in-Trade		1,479.05	1,311.05
Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress	31	14,170.98	(5,102.83)
Employee benefits expense	32	9,727.07	9,182.93
Finance costs	33	11,601.90	11,604.53
Depreciation and amortization expense	34	4,830.93	4,487.00
Other expenses	35	22,624.13	23,205.18
Total Expenses		2,61,555.68	2,45,888.29
V. Profit before tax (III - IV)		10,136.48	10,616.29
VI. Tax expense			
Current tax	36	1,744.48	1,887.82
Provision for tax related to earlier years	36	0.22	0.16
Deferred tax	36	633.40	(133.23)
Total Tax expenses		2,378.10	1,754.75
VII. Profit for the year (V-VI)		7,758.38	8,861.54
VIII. Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
(a) Remeasurement of defined benefit liability / (asset)		(33.19)	(120.01)
(b) Equity investments through other comprehensive income - net change in fair value		529.37	(236.70)
(c) Income taxes relating to items that will not be reclassified to profit or loss		1.88	146.48
Other comprehensive income for the year, net of income tax		498.06	(210.23)
IX. Total comprehensive income for the year (VII+VIII)		8,256.44	8,651.31
X. Earnings per equity share [Nominal value per equity share ₹ 10 (₹10)]			
(a) Basic (₹)	37	38.76	44.27
(b) Diluted (₹)	37	38.76	44.27
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 **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 12th May, 2021

Devendra Kumar Sharma
Whole-time Director
DIN: 06498196
Place: Hargaon

Anand Sharma
Company Secretary

Chandra Shekhar Nopany
Co-Chairperson
DIN: 00014587
Place: USA

Dilip Patodia
Chief Financial Officer

Statement of Changes in Equity for the year ended 31st March, 2021

A. Equity Share Capital

Particulars	Notes	As at 31st March, 2021		As at 31st March, 2020	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	18	2,00,18,420	2,001.84	1,00,09,210	1,000.92
Change in equity share capital during the year	18	-	-	1,00,09,210	1,000.92
Balance at the end of the year	18	2,00,18,420	2,001.84	2,00,18,420	2,001.84

B. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus				Items of OCI Equity instruments through OCI	Total
	Capital Reserve	Capital Redemption Reserve	Molasses Storage and Maintenance Reserve	Retained Earnings		
Balance at 1st April, 2019	25,761.69	6,570.00	149.88	16,150.10	1,218.95	49,850.62
Total comprehensive income for the year						
- Profit for the year	-	-	-	8,861.54	-	8,861.54
- Remeasurement of defined benefit liability / (asset)	-	-	-	(41.66)	-	(41.66)
- Net change in fair value of Equity investments	-	-	-	-	(168.57)	(168.57)
Total comprehensive income	-	-	-	8,819.88	(168.57)	8,651.31
Provided during the year	-	-	37.26	-	-	37.26
Utilised for Bonus shares issued during the year	-	(1,000.92)	-	-	-	(1,000.92)
Dividend (including dividend distribution tax) on equity shares [Note 19]	-	-	-	(362.00)	-	(362.00)
Balance at 31st March, 2020	25,761.69	5,569.08	187.14	24,607.98	1,050.38	57,176.27
Total comprehensive income for the year						
- Profit for the year	-	-	-	7,758.38	-	7,758.38
- Remeasurement of defined benefit liability / (asset)	-	-	-	(24.84)	-	(24.84)
- Net change in fair value of Equity investments	-	-	-	-	522.90	522.90
Total comprehensive income	-	-	-	7,733.54	522.90	8,256.44
Provided during the year	-	-	45.81	-	-	45.81
Utilised during the year	-	-	(103.83)	-	-	(103.83)
Dividend on equity shares [Note 19]	-	-	-	(800.74)	-	(800.74)
Balance at 31st March, 2021	25,761.69	5,569.08	129.12	31,540.78	1,573.28	64,573.95

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.

(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.

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 **B S R & Co. LLP**

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

Jayanta Mukhopadhyay

Partner
Membership No.: 055757

Place: Kolkata
Date: 12th May, 2021

Devendra Kumar Sharma

Whole-time Director
DIN: 06498196

Anand Sharma

Company Secretary

Chandra Shekhar Nopany

Co-Chairperson
DIN: 00014587

Dilip Patodia

Chief Financial Officer

Cash Flow Statement for the year ended 31st March, 2021

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	10,136.48	10,616.29
Adjustments for:		
Depreciation and amortisation expense	4,830.93	4,487.00
Depreciation in relation to Biological Assets other than bearer plants	4.31	4.09
Finance Costs	11,601.90	11,604.53
Provision for bad and doubtful debts / advances	0.10	66.32
Bad debts, irrecoverable claims and advances written off	-	0.01
Loss on sale / discard of Property, Plant and Equipment (net)	34.16	43.17
Molasses storage and maintenance fund	45.81	37.26
Interest income	(16.23)	(21.88)
Dividend income	(59.45)	(21.23)
Income from investments in co-operative farming societies	(139.78)	(95.63)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(206.60)	(369.94)
	26,231.63	26,349.99
Working capital adjustments:		
Decrease / (Increase) in Inventories	13,480.58	(5,881.28)
(Increase) in Biological assets other than bearer plants	(1.10)	(3.10)
Decrease in Trade Receivables and Loans	5,454.15	148.48
Decrease in Other Financial Assets	142.51	774.30
Decrease / (Increase) in Other Assets	7,756.82	(13,326.94)
(Decrease) / Increase in Trade Payables	(5,752.37)	12,754.18
Increase / (Decrease) in Other Financial Liabilities	131.32	(43.68)
(Decrease) / Increase in Provisions	(21.46)	24.01
Increase in Other Liabilities	709.37	270.51
Cash generation from Operations	48,131.45	21,066.47
Income tax paid (net of refund received)	(1,583.52)	(2,581.38)
Net Cash generated from Operating Activities	46,547.93	18,485.09
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, Plant and Equipment	60.32	27.45
Acquisition of Property, Plant and Equipment	(11,090.38)	(9,961.57)
Acquisition of Other Intangible Assets	(2.11)	(28.40)
Payment for purchase of Investments	-	(0.50)
Interest received	14.91	21.40
Dividend received	59.45	21.23
Income from Investments in co-operative farming societies received	139.78	95.63
Proceeds from Bank deposits / (Bank deposits made) (net)	18.37	(13.69)
Net Cash used in Investing Activities	(10,799.66)	(9,838.45)
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-current Borrowings	(14,800.96)	(10,308.00)
Proceeds from Non-current Borrowings	9,500.00	22,127.00
Redemption of Preference Shares	-	(2,435.00)
Repayment of Current Borrowings (net)	(17,764.04)	(5,701.95)
Repayment of Lease liabilities	(22.66)	(4.49)
Interest on lease liabilities paid	(26.43)	(20.51)
Other interest paid	(11,881.96)	(11,230.33)
Dividend on Preference Shares including tax thereon paid	-	(488.13)
Dividend on Equity Shares including tax thereon paid, if any	(800.74)	(362.00)
Net Cash used in Financing Activities	(35,796.79)	(8,423.41)
Net Changes in Cash and Cash Equivalents (A + B + C)	(48.52)	223.23
Cash and Cash Equivalents at the beginning of the year	537.81	314.58
Cash and Cash Equivalents at the end of the year	489.29	537.81

Change in Liability arising from financing activities

(₹ in lakhs)

Particulars	As on 1st April, 2020	Cash Flow	Fair Value Change	As on 31st March, 2021
Non-current Borrowings [Note 20]	69,850.51	(5,300.96)	744.75	65,294.30
Current Borrowings [Note 20]	89,725.90	(17,764.04)	-	71,961.86

Particulars	As on 1st April, 2019	Cash Flow	Fair Value Change	As on 31st March, 2020
Non-current Borrowings [Note 20]	57,120.96	11,819.00	910.55	69,850.51
Current Borrowings [Note 20]	95,427.85	(5,701.95)	-	89,725.90

Refer Note 43 for movement in lease liabilities.

As per our report of even date attached.

For and on behalf of the Board of Directors

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm's Registration No.: 101248W/W-100022

Devendra Kumar Sharma
Whole-time Director
DIN: 06498196

Chandra Shekhar Nopany
Co-Chairperson
DIN: 00014587

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
Place: Kolkata
Date: 12th May, 2021

Anand Sharma
Company Secretary

Dilip Patodia
Chief Financial Officer

Notes to Financial Statements for the year ended 31st March, 2021

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). During the year, its equity shares were delisted on Calcutta Stock Exchange (CSE) w.e.f. 19th February, 2021.

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') and other relevant provisions of the Act.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 12th May, 2021.

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 other intangible assets;
- **Note 9** - Determining the fair values of biological assets other than bearer plants on the basis of significant unobservable inputs;
- **Note 23** - Measurement of defined benefit obligations: key actuarial assumptions;
- **Note 24** - 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;

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

- **Note 39** - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- **Note 47** - 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 43** - Determination of ROU assets and liabilities; incremental borrowing rate and lease term.

2.5 Measurement of fair value

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

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

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

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

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

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

3. Summary of Significant accounting policies

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

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

Assets

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

- (i) it is expected to be realised in or intended for sale or consumption in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is expected to be realised within twelve months after the reporting date; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

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

All other assets are classified as non-current.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

Liabilities

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

- (i) it is expected to be settled in the Company's normal operating cycle;
- (ii) it is held primarily for the purpose of being traded;
- (iii) it is due to be settled within twelve months after the reporting date; or
- (iv) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities

All other liabilities are classified as non-current.

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

Operating cycle

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

3.2 Foreign currency transactions

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

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

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

3.3 Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

(i) Financial assets

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

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

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

(ii) Financial assets at amortised cost

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

- a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

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

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The asset's contractual cash flows represent SPPI.

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

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

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

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

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

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

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

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

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

(v) **Financial assets: Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in Statement of Profit and Loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method (EIR). The amortised cost is reduced by impairment losses, if any. Interest income, foreign exchange gains and losses and impairment are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is recognised in Statement of Profit and Loss.
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.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

(vi) **Financial liabilities: Classification, subsequent measurement and gains and losses**

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

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

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

(viii) **Financial liabilities at amortised cost**

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

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

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

Derecognition

(i) **Financial assets**

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

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

(ii) **Financial liabilities**

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

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

Offsetting

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

3.4 Property, plant and equipment [PPE]

(i) **Recognition and measurement**

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

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

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

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

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

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

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

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

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.

Individual assets costing below ₹ 5,000 are fully depreciated in the year of purchase as these assets have no significant useful life.

(iv) 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 5 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.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

3.6 Biological assets other than bearer plants

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

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

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

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

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

3.7 Inventories

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

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

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

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

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

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

3.8 Impairment

Impairment of financial instruments: financial assets

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

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

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

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

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

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

(i) Measurement of expected credit losses

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

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

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

(iii) Write-off

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

Impairment of non-financial assets

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

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

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

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

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

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

3.9 Employee benefits

Short-term employee benefits

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

Defined contribution plans

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

- a) Provident / Pension funds;
- b) Superannuation fund.

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

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

Defined benefit plans

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

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

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

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

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

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

Compensated absences

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

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

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

3.10 Provisions (other than for employee benefits)

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

3.11 Contingent liabilities and contingent assets

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

3.12 Revenue from contract with customer

Sale of goods and rendering of services

Revenue from sale of product is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the product. The normal credit term is 0 to 45 days upon delivery.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

At contract inception, the Company assess the goods or services promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods or services are transferred to customers and the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold. Revenue from the sale of goods / services is measured at the fair value of the consideration received or receivables, net of returns and allowances, trade discounts and volume rebates.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the Government. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specific of each arrangement.

Revenue from certain services is recognised at a point in time when the performance obligation is satisfied, and the customer obtains the control of goods or services.

Sale of Power

The Company's derives its power revenue from the production and sale of electricity based on long-term Power Purchase Agreements. Revenue is recognised upon delivery of electricity produced to the electricity grid based on the agreed tariff rate (net of discounts for prompt payment of bills). Delivery is deemed complete when all the risks and rewards associated with ownership have been transferred to the grid as contractually agreed, compensation has been contractually established and collection of the resulting receivable is probable.

Income from Renewable Energy Certificates (RECs)

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

Interest income

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

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

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

Interest is recognised on time proportion basis.

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

Dividend Income

Dividend income is recognised when the Company's right to receive the dividend is established i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

Insurance claims

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

3.13 Expenses

All expenses are accounted for on accrual basis.

3.14 Government grants

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

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

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

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

3.15 Leases

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

As a lessee

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

(i) Right-of-use assets

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

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

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

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

(ii) Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Lease liabilities are included in Other financial liabilities (see Note 22).

Short-term lease and lease of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of twelve months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of offices, godowns, equipment, etc. that are of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

As a lessor

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

3.16 Income tax

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

Current tax

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

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

Deferred tax

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

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

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

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

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

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

Minimum Alternative Tax (MAT) Credit

In case of tax payable as Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961, the credit available under the Act in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as a deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

3.17 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 44 for segment information presented.

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

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

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

3.18 Borrowing costs

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

3.19 Cash and cash equivalents

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

3.20 Cash flow statement

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

3.21 Earnings per share

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

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

3.22 Determination of fair values

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

i) Financial assets

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

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

ii) Trade and other receivables

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

iii) Financial liabilities

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

3.23 Recent accounting pronouncement

On 24th March, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III are applicable from financial year commencing from 1st April, 2021. Key amendments

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities to be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If any deviation in utilisation of borrowed fund from banks and financial institutions for the specific purpose, the disclosure to be made.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the financial statements.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

4. Property, Plant and Equipment

(₹ in lakhs)

Particulars	Free hold Land (Note 42)	Lease hold Land	Buildings	Plant and Equipments	Computer and Data Processing Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Right-to-use assets (Note 43)	Total
Reconciliation of carrying amount										
Gross carrying amount										
Balance at 1st April, 2019	25,535.77	17.30	16,017.38	68,206.94	121.95	204.53	388.16	109.29	-	1,10,601.32
Additions during the year	-	-	1,410.28	1,867.19	26.65	53.07	85.38	30.51	270.67 *	3,743.75
Disposal / deduction during the year	-	-	81.41	40.53	0.34	1.46	3.94	0.35	-	128.03
Balance at 31st March, 2020	25,535.77	17.30	17,346.25	70,033.60	148.26	256.14	469.60	139.45	270.67	1,14,217.04
Additions during the year	54.12	-	1,743.71	14,832.10 (b)	56.48	41.91	18.28	18.82	-	16,765.42
Disposal / deduction during the year	-	-	0.36	251.86	30.21	1.84	12.50	16.57	-	313.34
Balance at 31st March, 2021	25,589.89	17.30	19,089.60	84,613.84	174.53	296.21	475.38	141.70	270.67	1,30,669.12
Accumulated depreciation										
Balance at 1st April, 2019	-	2.35	1,952.87	10,986.14	73.61	44.69	111.86	35.37	-	13,206.89
Depreciation for the year (a)	-	0.75	610.71	3,738.70	25.18	24.45	48.39	19.44	13.78	4,481.40
Disposal / deduction during the year	-	-	33.43	18.83	0.33	1.23	3.38	0.21	-	57.41
Balance at 31st March, 2020	-	3.10	2,530.15	14,706.01	98.46	67.91	156.87	54.60	13.78	17,630.88
Depreciation for the year (a)	-	0.74	648.60	4,000.57	29.19	29.97	52.90	24.56	35.09	4,821.62
Disposal / deduction during the year	-	-	0.10	165.87	27.33	1.48	9.55	14.87	-	219.20
Balance at 31st March, 2021	-	3.84	3,178.65	18,540.71	100.32	96.40	200.22	64.29	48.87	22,233.30
Carrying amount (net)										
At 31st March, 2020	25,535.77	14.20	14,816.10	55,327.59	49.80	188.23	312.73	84.85	256.89	96,586.16
At 31st March, 2021	25,589.89	13.46	15,910.95	66,073.13	74.21	199.81	275.16	77.41	221.80	1,08,435.82

* Includes ₹ 206.79 lakhs recognised on account of adoption of Ind AS 116 as at 1st April, 2019.

(a) Includes ₹ **4.31 lakhs** (31st March, 2020 ₹ 4.09 lakhs) in relation to biological assets other than bearer plants.

(b) After adjusting ₹ **103.83 lakhs** being the amount utilised out of Molasses Storage and Maintenance Reserve [Note 19].

(c) Entire Property, Plant and Equipment, unless stated otherwise elsewhere, given as security for borrowings [Note 20].

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

5. Capital Work-in-Progress

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Reconciliation of carrying amount		
Balance at the beginning of the year	6,871.11	439.54
Add: Additions during the year *	10,861.32	9,422.73
Less: Transfer to Property, Plant and Equipment	16,335.96	2,991.16
Balance at the end of the year	1,396.47	6,871.11

* Including borrowing cost of ₹ 452.76 lakhs (31st March, 2020: ₹ 164.00 lakhs) capitalised at interest rate in the range of 8.70% to 9.85% p.a. (pre-subvention) (31st March, 2020: 9.85% p.a.) during the year.

6. Other Intangible Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Computer Software		
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year	134.25	105.85
Additions during the year	2.11	28.40
Disposal / discard during the year	0.54	-
Balance at the end of the year	135.82	134.25
Accumulated depreciation		
Balance at the beginning of the year	70.30	60.61
Amortisation for the year	13.62	9.69
Disposal / discard during the year	0.20	-
Balance at the end of the year	83.72	70.30
Carrying amount (net)	52.10	63.95

7. Investments

A. Non-current Investments

(₹ in lakhs)

Particulars	Face Value of Share / Unit (₹)	As at 31st March, 2021	As at 31st March, 2020
Investment in Equity instruments carried at FVOCI - quoted (fully paid)			
14,86,154 equity shares of Magadh Sugar & Energy Ltd.	10.00	1,516.62	987.25
		1,516.62	987.25
Investment in Co-operative farming societies carried at amortised cost - unquoted (fully paid)			
5 units of Krishna Sahakari Kheti Samiti Ltd.	100.00	0.01	0.01
1 unit of Kuri Sanyukta Sahakari Kheti Samiti Ltd.*	100.00	-	-
1 unit of Keshopur Sanyukta Sahakari Kheti Samiti Ltd.*	100.00	-	-
1 unit of Pandia Sanyukta Sahakari Kheti Samiti Ltd.*	100.00	-	-
1 unit of Seohara Co-operative Cane Development Union Ltd.*	100.00	-	-
1 unit of Najibabad Co-operative Cane Development Union Ltd.*	10.00	-	-
1 unit of Nagina Co-operative Cane Development Union Ltd.*	10.00	-	-
1 unit of Moradabad Co-operative Cane Development Union Ltd.*	10.00	-	-
		0.01	0.01

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

7. Investments (Contd.)

A. Non-current Investments (Contd.)

(₹ in lakhs)

Particulars	Face Value of Share / Unit (₹)	As at 31st March, 2021	As at 31st March, 2020
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		2.17	2.17
		2.26	2.26
		1,518.89	989.52
Aggregate amount of quoted investments and market value thereof		1,516.62	987.25
Aggregate amount of unquoted investments		2.27	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.

B. 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.

(₹ in lakhs)

Particulars	Fair value at 31st March, 2021	Dividend income recognised during 2020-21	Fair value at 31st March, 2020	Dividend income recognised during 2019-20	Fair value at 1st April, 2019
Investment in Magadh Sugar & Energy Limited	1,516.62	59.45	987.25	21.23	1,223.95
	1,516.62	59.45	987.25	21.23	1,223.95

No strategic investment was disposed off during 2020-21 and there were no transfer of any cumulative gain or loss within equity relating to these investment.

8. Inventories

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<i>(Valued at lower of cost and net realisable value)</i>		
Raw materials	2,238.25	1,897.59
Work-in-progress	1,463.78	2,018.61
Finished goods*	1,21,439.53	1,37,963.40
Stock-in-trade	17.08	19.80
Stores, chemicals and spare parts*	2,588.67	2,238.93
Power - Banked	22.66	71.16
<i>(Valued at estimated net realisable value)</i>		
By-Products	7,216.72	4,261.73
Scrap	78.03	74.08
	1,35,064.72	1,48,545.30
* includes stock in transit:		
Finished goods	1,568.85	1,669.32
Stores, chemicals and spare parts	23.33	44.99

a) ₹ 527.88 lakhs (31st March, 2020: ₹ Nil) are recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress [Note 31].

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

c) Finished goods includes ₹ Nil (31st March, 2020: ₹ 29,954.24 lakhs) as Buffer Stock maintained by the Company as per directions of the Government of India [Note 46(c)].

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

9. Biological assets other than bearer plants

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Reconciliation of carrying amount		
Balance at the beginning of the year	7.43	4.33
Expenditure incurred during the year	27.79	24.34
Change in fair value	(5.83)	1.64
New Crop Plantations	8.53	7.43
Decrease due to harvested sugarcane transferred to inventories [including captive consumption of ₹ 14.02 lakhs (31st March, 2020: ₹ 23.79 lakhs)]	(29.39)	(30.31)
Balance at the end of the year	8.53	7.43

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.

10. Trade Receivables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current		
Considered good - Unsecured	5,507.85	10,893.80
Considered doubtful - Unsecured	66.09	66.09
	5,573.94	10,959.89
Less: Provision for loss allowance	66.09	66.09
	5,507.85	10,893.80

- (a) No debt are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Further, no debt are 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 47(C)(i).
- (c) Trade receivable are hypothecated against borrowings [Note 20].

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Cash on hand	23.09	29.76
Balances with banks		
- Current accounts	466.20	508.05
	489.29	537.81

12. Other bank balances

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Bank deposits having maturity of three months or less of original maturities*	44.26	29.88
Bank deposits due to mature after three months of original maturities but within twelve months of the reporting date*	143.95	164.85
Earmarked balances with bank for unpaid dividend accounts	16.32	6.51
In Post office Saving bank account *	0.29	0.29
	204.82	201.53

* Pledged / lodged with various Government Authorities and Banks as security / earmarked / margin money and under court order.

13. Loans

(₹ in lakhs)

Particulars	Non-current		Current	
	As at 31st March, 2021	As at 31st March, 2020	As at 31st March, 2021	As at 31st March, 2020
<i>(Considered good - Unsecured)</i>				
Security and other deposits	35.08	36.33	23.01	94.26
Loans to employees	-	-	25.89	21.59
	35.08	36.33	48.90	115.85

14. Other Financial Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Bank deposits due to mature after twelve months of the reporting date*	39.40	51.25
	39.40	51.25
Current (Considered good - Unsecured)		
Unbilled Revenue	607.12	749.63
Renewable Energy Certificates Entitlement	0.03	0.03
Interest accrued on Loans, deposits, investments, etc.	15.58	14.26
	622.73	763.92

* Pledged / lodged with various Government Authorities.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

15. Non-Current Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance tax and tax deducted / collected at sources	8,372.29	6,345.23
Less: Provision for taxation	7,930.26	6,042.44
	442.03	302.79

16. Other Non-current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
<i>(Considered good - Unsecured)</i>		
Capital Advances	0.77	886.00
Advances other than Capital Advances		
Other advances		
- Deposits against demand under appeal and / or under dispute	245.80	253.54
- Prepaid Expenses	11.26	25.28
	257.06	278.82
	257.83	1,164.82

17. Other Current Assets

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances other than Capital Advances		
Advances to suppliers		
- Considered good - Unsecured	923.65	676.20
- Considered doubtful - Unsecured	10.15	10.05
	933.80	686.25
Less: Provision for loss allowance	10.15	10.05
	923.65	676.20
Other advances (considered good - unsecured)		
- Claims / refunds receivable	9,494.67	16,964.93
- Balance with Excise and other Government Authorities	276.37	580.36
- Prepaid Expenses	66.95	275.31
	9,837.99	17,820.60
	10,761.64	18,496.80

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

18. Share Capital

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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:

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
At the beginning of the year	2,00,18,420	2,001.84	1,00,09,210	1,000.92
Bonus shares issued during the year	-	-	1,00,09,210	1,000.92
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.

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

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

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	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	9.72%	19,45,304	9.72%
SCM Investment & Trading Company Limited	14,99,890	7.49%	14,99,890	7.49%
Uttar Pradesh Trading Company Limited	14,78,624	7.39%	14,78,624	7.39%
RTM Investment & Trading Company Limited	13,45,192	6.72%	13,45,192	6.72%
SIL Investments Limited	11,34,480	5.67%	11,34,480	5.67%
Mr. Anil Kumar Goel	10,91,000	5.45%	10,75,611	5.37%

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

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020	Year ended 31st March, 2019	Year ended 31st March, 2018	Year ended 31st March, 2017
Equity shares of ₹ 10 each fully paid-up issued as bonus shares	-	1,00,09,210	-	-	-
<i>Issued pursuant to the scheme of arrangement:</i>					
Equity shares of ₹ 10 each allotted as fully paid-up	-	-	-	-	1,00,09,210
Preference shares of ₹ 100 each allotted as fully paid-up (redeemed)	-	-	-	-	17,00,000
Preference shares of ₹ 10 each allotted as fully paid-up (redeemed)	-	-	-	-	4,87,00,000

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

19. Other Equity

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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 of the year	5,569.08	6,570.00
Less : Utilised for Bonus shares issued during the year	-	(1,000.92)
Balance at the end of the year	5,569.08	5,569.08
Molasses Storage and Maintenance Reserve		
Balance at the beginning of the year	187.14	149.88
Provided during the year	45.81	37.26
Utilised during the year [Note 4]	(103.83)	-
Balance at the end of the year	129.12	187.14
Retained Earnings		
Balance at the beginning of the year	24,607.98	16,150.10
Profit for the year	7,758.38	8,861.54
Remeasurement of defined benefit liability / (asset) (net of tax)	(24.84)	(41.66)
Dividend (including dividend distribution tax, if any) on equity shares [refer Note (a) below]	(800.74)	(362.00)
Balance at the end of the year	31,540.78	24,607.98
Equity Instruments through OCI		
Balance at the beginning of the year	1,050.38	1,218.95
Net change in fair value (net of tax)	522.90	(168.57)
Balance at the end of the year	1,573.28	1,050.38
	64,573.95	57,176.27

(a) Dividend (including dividend distribution tax, if any) on equity shares

The following dividends were declared and paid by the Company:

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
₹ 4 per equity share (31st March, 2020: ₹ 3 per equity share pre-bonus share) as final dividend	800.74	300.28
Dividend distribution tax on final dividend to equity shareholders	-	61.72
	800.74	362.00

After the reporting date, the following dividends were proposed by the Board of Directors, subject to the approval at the annual general meeting; the dividends have not been recognised as liabilities.

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Proposed dividend for the year ended 31st March, 2021 ₹ 4 per equity share (31st March, 2020: ₹ 4 per equity share)	800.74	800.74
	800.74	800.74

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

20. Borrowings

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current Borrowings		
Term Loans (secured)		
From banks -		
Term loan	-	443.63
Rupee term loans	20,105.93	27,379.25
Under financial assistance scheme (SOFT 2015 - Central)	83.02	138.26
Under financial assistance scheme (SEFASU 2018 - State)	15,519.77	19,867.69
Under financial assistance scheme (SOFT 2019 - Central)	20,219.04	22,021.68
Under financial assistance scheme (SEFASM 2018 - Central)	9,366.54	-
	65,294.30	69,850.51
Less: Current portion of Non-current borrowings [Note 22]	15,748.48	11,376.56
	49,545.82	58,473.95
Current Borrowings		
Secured		
From banks (repayable on demand)		
Cash credit including working capital demand loan	64,961.86	78,725.90
Short term loan from a bank	7,000.00	11,000.00
	71,961.86	89,725.90

Information about the Company's exposure to interest and liquidity risk is included in Note 47(C).

A. Nature of Securities and Terms of repayment

(i) Term Loans

- Rupee Term Loan from banks carry interest in the range of 9.20% to 11.65% p.a. and are repayable in 14/28 quarterly installments by March 2026. These Loans are secured by first mortgage / charge created on entire property, plant and equipment (fixed assets), present and future, of the Company, ranking pari passu amongst the various lenders.
- Term loan from a bank under Financial Assistance Scheme of the Government of India (Central - SOFT Loan 2015), carry interest of 10.55% p.a. and repayable in 20 equal quarterly installments by 1st July, 2022. The above loan is secured by first charge created on all the fixed assets, both present and future, of the Company's Sugar & Co-generation Units at Hargaon, Seohara, Dhadha Bujurg (Hata) and Sugar Unit at Rosa, ranking pari-passu amongst the various lenders.
- Term loan from a bank under Scheme of the Government of Uttar Pradesh for Extending Financial Assistance to Sugar Undertakings 2018 (State - SEFASU 2018), carry interest @ 5% p.a. and is repayable in 60 equal monthly installments by June 2024. The above loan is secured by first charge created on all the immovable and movable property, plant and equipment (fixed assets), both present and future, of the Company, ranking pari-passu amongst the various lenders.
- Term loan from a bank under Financial Assistance Scheme of the Government of India (Central - SOFT Loan 2019), carry interest @ 8.95% p.a. and repayable in 14 quarterly installments commencing from December 2020 and ending by March, 2024. The Company is entitled to interest subvention from the Government of India upto 7% p.a. for the first year as per terms of the Scheme. The above loan is secured by first charge created on all the property, plant and equipment (fixed assets) of the company, both present and future, ranking pari-passu amongst the various lenders and further secured by second charge on current assets of the sugar units of the company.
- Term loan from a bank under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity (SEFASM 2018 - Central), carry interest in the range of 8.70% p.a. to 9.85% p.a. and repayable in 16 quarterly

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

20. Borrowings (Contd.)

installments commencing from October 2021. The Company is entitled to interest subvention from the Government of India upto 6% p.a. or 50% of rate of interest charged by banks as per terms of the scheme. The above loan is secured by first charge created / to be created on all the property, plant and equipment (fixed assets) of the Company, both present and future, ranking pari-passu amongst the various lenders and further secured by second charge on current assets of the sugar units of the Company.

(ii) Cash credit including working capital demand loan

- (a) Cash credit from banks, other than from District Co-operative Banks, is secured by hypothecation of current assets of Sugar Units of the Company ranking pari passu amongst the various lenders and also by way of third charge created / to be created on the property, plant and equipment (fixed assets) of the Company, both present and future.

Further, cash credit other than from District Co-operative Bank is also secured by pledge of 28,79,682 equity shares of the Company held by promoter companies, ranking pari-passu amongst the various lenders.

- (b) Cash credit of ₹ **26,484.95 lakhs** (31st March, 2020: ₹ 35,679.19 lakhs) from District Co-operative Banks carry interest rate @ 9.50% p.a. and is secured by pledge of the stock of sugar pertaining to Sugar Units at Seohara, Hargaon and Rosa.
- (c) Cash Credit borrowings including Working Capital Demand Loan (WC DL) carry interest in the range of 7.60% p.a. to 11.25% p.a.
- (d) Short Term loan (Secured) from a bank carry interest @ 7.80% p.a. and is repayable in 3 equal monthly installments from December 2021 to February 2022 and is secured by subservient charge over by way of hypothecation of the Company's entire inventories and book debts, both present and future.

21. Trade Payables

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total outstanding dues of micro enterprises and small enterprises	410.09	388.86
Total outstanding dues of creditors other than micro enterprises and small enterprises	53,538.79	59,518.99
	53,948.88	59,907.85

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 47(C).

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	403.31	382.68
Interest due on above	-	-
Total	403.31	382.68
(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.	449.13	1,008.14
(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.	2.02	23.73
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	6.78	6.18
(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.	4.32	5.84

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

22. Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-current		
Trade and other deposits	107.44	106.47
Lease liabilities [Note 43]	197.37	217.09
	304.81	323.56
Current		
Current portion of Non-current borrowings [Note 20]	15,748.48	11,376.56
Interest accrued but not due	401.39	658.27
Lease liabilities [Note 43]	46.15	49.09
Payable to employees	1,038.46	909.15
Liability for capital goods	424.44	1,005.44
Unclaimed dividend *	16.32	6.51
Other payables	17.10	16.06
	17,692.34	14,021.08

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

Information about the Company's exposure to liquidity risks related to the above financial liabilities is disclosed in Note 47(C).

23. Provisions

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for employee benefits		
Net defined benefit liability - Gratuity	671.92	699.07
Liability for compensated absences	340.24	301.36
	1,012.16	1,000.43
Non-current	401.33	319.78
Current	610.83	680.65
	1,012.16	1,000.43

Defined benefits - Gratuity Plan

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

Net defined benefit liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of defined benefit obligations	2,270.98	2,219.72
Fair value of plan assets	1,599.06	1,520.65
Net defined benefit liabilities	671.92	699.07

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

The Company expects to contribute ₹ 298.36 lakhs to Gratuity Fund in the next year.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

23. Provisions (Contd.)

Inherent risk

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

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

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	2,219.72	1,980.55
(b) Service cost	142.92	135.18
(c) Interest cost	147.61	150.92
(d) Benefits paid	(265.78)	(157.01)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	18.06	133.24
- due to experience changes	8.45	(23.16)
Balance at the end of the year	2,270.98	2,219.72
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	1,520.65	1,390.69
(b) Actual return on plan assets	94.44	96.04
(c) Contributions by the employer	249.75	190.93
(d) Benefits paid	(265.78)	(157.01)
Balance at the end of the year	1,599.06	1,520.65
(iii) Actuarial gain / (loss) on plan assets		
(a) Expected Interest Income	101.12	105.97
(b) Actual return on plan assets	94.44	96.04
Actuarial gain / (loss) on plan assets	(6.68)	(9.93)
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	142.92	135.18
(b) Interest cost	147.61	150.92
(c) Interest income	(101.12)	(105.97)
Amount charged to Employee benefits expenses	189.41	180.13
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial gain / (loss) on defined benefit obligations	(26.51)	(110.08)
(b) Actuarial gain / (loss) on plan assets	(6.68)	(9.93)
Amount recognised in Other Comprehensive Income	(33.19)	(120.01)
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(vii) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	6.53%	6.65%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	Less than 40 Years - 4.2%	
	40 Years and above - 1.8%	

Assumptions regarding future mortality experience are set in accordance with the published rates under Indian Assured Lives Mortality (2012-14).

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

23. Provisions (Contd.)

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

(viii) Sensitivity analysis

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

(₹ in lakhs)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Increase	Decrease	Increase	Decrease
a) Discount rate (0.50% movement)	73.67	(77.94)	70.49	(74.62)
b) Future salary growth (1% movement)	(155.34)	141.13	(148.70)	135.24
c) Withdrawal assumption (4% movement)	(49.85)	39.18	(52.45)	42.03

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.

(ix) The following undiscounted payments are expected contributions to the defined benefit plan in future years:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Within the next 12 months	270.59	379.29
Between 1 and 2 years	59.77	55.66
Between 2 and 3 years	197.48	155.45
Between 3 and 4 years	197.09	186.13
Between 4 and 5 years	232.12	186.23
Between 5 and 6 years	265.14	218.35
Beyond 6 years	2,564.58	2,536.73
Total expected payments	3,786.77	3,717.84

24. Deferred Tax Liabilities / (Assets) (net)

(₹ in lakhs)

Particulars	As at 31st March, 2020	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2021
Deferred tax liabilities				
Property, plant and equipment including intangible assets	15,937.59	(632.84)	-	15,304.75
	15,937.59	(632.84)	-	15,304.75
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	2,902.58	(2,885.66)	-	16.92
MAT credit entitlement	12,546.44	1,346.07	-	13,892.51
Investments	68.13	-	(6.47)	61.66
Provisions - employee benefits	251.79	(6.72)	8.35	253.42
Provisions - others	19.16	0.03	-	19.19
Deduction of disallowances allowed on payment / other basis	429.20	280.04	-	709.24
	16,217.30	(1,266.24)	1.88	14,952.94
Net deferred tax liabilities / (assets)	(279.71)	633.40	(1.88)	351.81

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

(₹ in lakhs)

Particulars	As at 31st March, 2019	Recognised in profit or loss	Recognised in OCI	As at 31st March, 2020
Deferred tax liabilities				
Property, plant and equipment including intangible assets	18,955.46	(3,017.87)	-	15,937.59
	18,955.46	(3,017.87)	-	15,937.59
Deferred tax assets				
Carried forward tax losses / unabsorbed depreciation	7,695.91	(4,793.33)	-	2,902.58
MAT credit entitlement	10,658.61	1,887.83	-	12,546.44
Investments	40.56	-	27.57	68.13
Provisions - employee benefits	299.26	(58.97)	11.50	251.79
Provisions - others	3.43	15.73	-	19.16
Deduction of disallowances allowed on payment / other basis	359.80	69.40	-	429.20
	19,057.57	(2,879.34)	39.07	16,217.30
Less: Deferred tax assets not recognised*	102.11	5.30	(107.41)	-
	18,955.46	(2,884.64)	146.48	16,217.30
Net deferred tax liabilities / (assets)	-	(133.23)	(146.48)	(279.71)

* Deferred tax assets have been recognised to the extent of Deferred tax liabilities till 31st March, 2019.

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)

Particulars	As at 31st March, 2021	As at 31st March, 2020
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 2019-2020 [Financial Year 2018-2019]-Lapsed	-	113.35
Assessment Year 2026-2027 [Financial Year 2025-2026]	177.01	177.01
Assessment Year 2027-2028 [Financial Year 2026-2027]	4,325.82	4,325.82
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]	1,459.42	-
	13,892.51	12,546.44

25. Other Non-Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Deferred Income on Government Grant [Note 46(d)]	584.35	1,192.66
	584.35	1,192.66

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

26. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance from customers	1,020.11	379.11
Statutory dues payable	793.52	725.15
Deferred Income on Government Grant [Note 46(d)]	608.31	794.36
	2,421.94	1,898.62

27. Current Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Provision for taxation	1,744.48	1,887.82
Less: Advance tax and tax deducted / collected at sources	1,258.14	1,701.90
	486.34	185.92

28. Revenue from Operations

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of Goods		
Finished goods	2,54,221.51	2,27,084.01
Stock-in-trade	1,519.78	1,353.34
Power	4,438.22	5,160.18
By products	4,698.55	5,133.23
Others	126.52	102.44
	2,65,004.58	2,38,833.20
Sale of Services	-	3,056.99
Total Sale of Goods / Services (A)	2,65,004.58	2,41,890.19
Other operating revenue (B)		
Subsidy towards Export Quota	5,708.66	13,495.27
Buffer Stock Subsidy towards Insurance and Storage Charges	157.30	365.08
Scrap Sales	181.47	189.17
	6,047.43	14,049.52
Total revenue from operations (A +B)	2,71,052.01	2,55,939.71

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

28. Revenue from Operations (Contd.)

Disaggregated revenue information

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

(₹ in lakhs)

Segment	Year ended 31st March, 2021				
	Sugar	Distillery	Co-generation	Others	Total
Type of Goods / Services:					
Finished goods					
- Sugar	2,19,754.62	-	-	-	2,19,754.62
- Spirits	-	34,466.89	-	-	34,466.89
	2,19,754.62	34,466.89	-	-	2,54,221.51
Stock-in-trade					
- Diesel	-	-	-	1,512.01	1,512.01
- Oil and Lubricants	-	-	-	7.77	7.77
	-	-	-	1,519.78	1,519.78
Power	-	-	4,438.22	-	4,438.22
By products					
- Molasses	1,407.15	-	-	-	1,407.15
- Bagasse	3,015.99	-	-	-	3,015.99
- Press-mud	275.41	-	-	-	275.41
	4,698.55	-	-	-	4,698.55
Others	-	117.84	8.68	-	126.52
Total revenue from contracts with customers	2,24,453.17	34,584.73	4,446.90	1,519.78	2,65,004.58
Revenue by Customers:					
- Government entities (including PSUs)	-	33,697.03	4,438.22	-	38,135.25
- Export through third parties	25,100.18	-	-	-	25,100.18
- Others	1,99,352.99	887.70	8.68	1,519.78	2,01,769.15
Total revenue from contracts with customers	2,24,453.17	34,584.73	4,446.90	1,519.78	2,65,004.58

Segment	Year ended 31st March, 2020				
	Sugar	Distillery	Co-generation	Others	Total
Type of Goods:					
Finished goods					
- Sugar	2,03,624.35	-	-	-	2,03,624.35
- Spirits	-	23,459.66	-	-	23,459.66
	2,03,624.35	23,459.66	-	-	2,27,084.01
Stock-in-trade					
- Diesel	-	-	-	1,351.35	1,351.35
- Oil and Lubricants	-	-	-	1.99	1.99
	-	-	-	1,353.34	1,353.34
Power	-	-	5,160.18	-	5,160.18
By products					
- Molasses	1,058.33	-	-	-	1,058.33
- Bagasse	3,783.71	-	-	-	3,783.71
- Press-mud	291.19	-	-	-	291.19
	5,133.23	-	-	-	5,133.23
Others	-	102.44	-	-	102.44
Sale of Services					
- Service charges on export on behalf of third party	3,056.99	-	-	-	3,056.99
Total revenue from contracts with customers	2,11,814.57	23,562.10	5,160.18	1,353.34	2,41,890.19
Revenue by Customers:					
- Government entities (including PSUs)	-	22,238.69	5,160.18	-	27,398.87
- Export through third parties	34,059.75	-	-	-	34,059.75
- Others	1,77,754.82	1,323.41	-	1,353.34	1,80,431.57
Total revenue from contracts with customers	2,11,814.57	23,562.10	5,160.18	1,353.34	2,41,890.19

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

28. Revenue from Operations (Contd.)

The reconciliation of the revenue from contracts with customers and other operating revenue with amount disclosed in the segment information [Note 44]:

(₹ in lakhs)

Segment	Year ended 31st March, 2021				
	Sugar	Distillery	Co-generation	Others	Total
Sale of Goods / Services					
- External customers	2,24,453.17	34,584.73	4,446.90	1,519.78	2,65,004.58
- Inter-segment	25,783.29	66.64	11,222.19	-	37,072.12
Other Operating Revenue	6,022.04	25.39	-	-	6,047.43
	2,56,258.50	34,676.76	15,669.09	1,519.78	3,08,124.13
Less: Inter-segment elimination	25,783.29	66.64	11,222.19	-	37,072.12
Less: Other Operating Revenue	6,022.04	25.39	-	-	6,047.43
Total revenue from contracts with customers	2,24,453.17	34,584.73	4,446.90	1,519.78	2,65,004.58

Segment	Year ended 31st March, 2020				
	Sugar	Distillery	Co-generation	Others	Total
Sale of Goods / Services					
- External customers	2,11,814.57	23,562.10	5,160.18	1,353.34	2,41,890.19
- Inter-segment	23,355.14	55.86	10,395.22	-	33,806.22
Other Operating Revenue	14,043.63	5.89	-	-	14,049.52
	2,49,213.34	23,623.85	15,555.40	1,353.34	2,89,745.93
Less: Inter-segment elimination	23,355.14	55.86	10,395.22	-	33,806.22
Less: Other Operating Revenue	14,043.63	5.89	-	-	14,049.52
Total revenue from contracts with customers	2,11,814.57	23,562.10	5,160.18	1,353.34	2,41,890.19

- a) The Company presented disaggregated revenue based on the type of goods / services 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 or services 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) The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.

29. Other Income

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on:		
- Loans and deposits	16.23	21.88
Dividend income on investment in equity instruments	59.45	21.23
Insurance and other claims	190.03	6.78
Unspent liabilities, Provisions no longer required and Unclaimed balances written back*	206.60	369.94
Income from investments in co-operative farming societies	139.78	95.63
Change in fair value of biological assets other than bearer plants [Note 9]	-	1.64
Miscellaneous receipts	28.06	47.77
	640.15	564.87

* in case of current year, includes ₹ 155.81 lakhs towards amount written back in respect of interest under section 234B and 234C of the Income Tax Act, 1961 paid / provided in earlier years, now determined as refundable under Vivad Se Viswas Act, 2020.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

30. Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Inventory of materials at the beginning of the year	1,897.59	844.30
Add: Purchases and procurement expenses *	1,97,462.28	2,02,253.72
	1,99,359.87	2,03,098.02
Less: Inventory of materials at the end of the year	2,238.25	1,897.59
	1,97,121.62	2,01,200.43

* Net of Government grants [Note 46].

31. Changes in inventories of Finished Goods, Stock-in-Trade and Work-in-progress

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Inventories at the end of the year		
Finished goods	1,21,439.53	1,37,963.40
Stock-in-trade	17.08	19.80
Power - Banked	22.66	71.16
By Products	7,216.72	4,261.73
Work-in-progress	1,463.78	2,018.61
Scrap	78.03	74.08
	1,30,237.80	1,44,408.78
Inventories at the beginning of the year		
Finished goods	1,37,963.40	1,35,747.60
Stock-in-trade	19.80	23.87
Power - Banked	71.16	127.57
By Products	4,261.73	1,172.37
Work-in-progress	2,018.61	2,158.81
Scrap	74.08	75.73
	1,44,408.78	1,39,305.95
	14,170.98	(5,102.83)

32. Employee benefits expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, wages, bonus etc.	8,674.72	8,177.09
Contribution to provident and other funds	665.01	629.34
Expenses related to post-employment defined benefit plans [Note 23]	189.41	180.13
Staff welfare expenses	197.93	196.37
	9,727.07	9,182.93

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

32. Employee benefits expense (Contd.)

Defined contribution plans

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Contribution to Provident / Pension Funds	645.55	610.24
Contribution to Superannuation Fund	19.46	19.10
	665.01	629.34

33. Finance costs

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest expense on financial liabilities measured at amortised cost *	11,545.04	11,319.54
Dividend on Redeemable Preference Shares (redeemed during 2019-20) (including related dividend distribution tax)	-	240.22
Interest on lease liabilities [Note 43]	26.43	20.51
Interest on income tax	30.43	24.26
	11,601.90	11,604.53

* Net of Government grants [Note 46].

34. Depreciation and amortization expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation of property, plant and equipment * [Note 4]	4,817.31	4,477.31
Amortisation of intangible assets [Note 6]	13.62	9.69
	4,830.93	4,487.00

* Excluding ₹ 4.31 lakhs (31st March, 2020: ₹ 4.09 lakhs) in relation to biological assets other than bearer plants.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

35. Other expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Consumption of stores and spares	2,532.59	2,150.79
Packing materials	2,211.78	2,221.15
Power and fuel	272.21	634.73
Repairs to:		
- Machinery	4,964.17	5,262.91
- Buildings	749.66	780.78
- Others	160.93	179.38
Rent [Note 43]	340.94	703.98
Rates and taxes	280.35	324.19
Insurance	453.60	248.28
Payment to auditors [refer Note (a) below]	71.17	66.82
Payment to cost auditors	1.88	1.75
Commission on sales	681.63	732.38
Freight and forwarding charges	7,454.40	6,609.74
Charity and donations *	100.54	240.95
Provision for bad and doubtful advances	0.10	66.32
Bad debts, irrecoverable claims and advances written off	-	0.01
Change in fair value of biological assets other than bearer plants [Note 9]	5.83	-
Loss on sale / discard of Property, Plant and Equipment (net)	34.16	43.17
Molasses storage and maintenance fund	45.81	37.26
Contribution towards Corporate Social Responsibility expenses [refer Note (b) below]	261.19	359.64
Director's commission	42.00	42.00
Director's sitting fees	27.00	22.20
Miscellaneous expenses	1,932.19	2,476.75
	22,624.13	23,205.18

* Includes contribution of ₹ Nil (31st March, 2020: ₹ 240.00 lakhs) to an Electoral trust company.

(a) Payment to auditors

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
As Auditors		
- Statutory audit	35.00	32.00
- Limited review of quarterly results	21.00	19.50
In other capacity		
- Tax audit	9.00	9.00
- For certificates and other services	2.50	1.50
Reimbursement of expenses	3.67	4.82
	71.17	66.82

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

35. Other expenses (Contd.)

(b) Contribution towards Corporate Social Responsibility expenses

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(A) Gross amount required to be spent by the Company during the year	257.45	356.79
(B) Amount spent during the year on:		
(i) Construction / acquisition of any asset		
- In Cash	-	-
- Yet to be paid in cash	-	-
Total	-	-
(ii) On purpose other than (i) above		
- In Cash	261.19	359.64
- Yet to be paid in cash	-	-
Total	261.19	359.64

36. Tax expense

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current tax	1,744.48	1,887.82
Provision for tax related to earlier years	0.22	0.16
Deferred tax		
Attributable to origination and reversal of temporary differences	633.40	(133.23)
Total tax expense for the year	2,378.10	1,754.75

Reconciliation of effective tax rate

Particulars	Year ended 31st March, 2021		Year ended 31st March, 2020	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
Profit before tax		10,136.48		10,616.29
Tax using the Company's domestic tax rate	34.944%	3,542.09	34.944%	3,709.76
Tax effect of:				
- MAT Credit Entitlement recognised through deferred tax asset lapsed	1.118%	113.35	-	-
- Reversal of deferred tax liabilities (net) due to re-measurement of deferred tax assets / liabilities as per Ind-AS 12 "Income Taxes"	-13.230%	(1,341.08)	-21.444%	(2,276.54)
- Interest expense on Preference shares classified as liability not deductible for tax purposes	-	-	0.791%	83.94
- Amount related to earlier years	0.002%	0.22	0.144%	15.31
- Other permanent differences	0.627%	63.52	2.094%	222.28
Effective tax rate	23.461%	2,378.10	16.529%	1,754.75

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

37. Earnings per equity share (EPS)

Basic and Diluted earnings per share

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

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
(i) Profit attributable to equity shareholders (₹ in lakhs)	7,758.38	8,861.54
(ii) Weighted average number of equity shares for the year including bonus shares issued 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 (₹)	38.76	44.27

There is no dilutive potential equity share.

38. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) ₹ **164.96 lakhs** (31st March, 2020: ₹ 5,464.70 lakhs).

39. Contingent Liabilities

(to the extent not provided for)

(a) Claims against the Company not acknowledged as debt

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
(i) Excise duty and service tax	768.65	781.02
(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	41.40	41.40
(iv) Duty under state acts	211.50	141.53
(v) Others	543.30	545.22
Total *	5,527.47	5,471.79

* 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.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

- 40.** The possible impacts of COVID-19, if any, have been considered in these financial statements, including internal and external factors known upto the date of approval of these financial statements, to assess the carrying amount of assets and liabilities of the Company. Accordingly as on date, no material impact is anticipated in the aforesaid carrying amounts. However, the impact of COVID-19 may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes in future economic conditions.
- 41.** Uttar Pradesh Electricity Regulatory Commission through tariff order effective from 1st April, 2019, has reduced the rates per unit of power, at which power supplied to Uttar Pradesh Power Corporation Limited. Consequent to the same, realisation / turnover are lower by ₹ 2,875.03 lakhs and ₹ 6,500.17 lakhs for the current year and upto 31st March, 2021 respectively. The said tariff order has been challenged before the appropriate court and the matter is sub-judice.
- 42.** Title deeds of land of ₹ 996.48 lakhs (31st March, 2020: ₹ 996.48 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.

43. 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	Building	Land License - Railways Site	Total
Balance as at 1st April, 2019	-	-	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	206.75	-	206.75
Additions during the year	-	63.92	63.92
Depreciation for the year	13.78	-	13.78
Balance as at 31st March, 2020	192.97	63.92	256.89
Depreciation for the year	13.78	21.31	35.09
Balance as at 31st March, 2021	179.19	42.61	221.80

The carrying amount of lease liabilities included in Note 22 and its movements during the year are as under:

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	266.18	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	-	206.75
Additions during the year	-	63.92
Finance cost accrued during the year	26.43	20.51
Payment of lease liabilities for the year	(49.09)	(25.00)
Balance at the end of the year	243.52	266.18
Lease liabilities - Non-current (refer Note 22)	197.37	217.09
Lease liabilities - Current (refer Note 22)	46.15	49.09
	243.52	266.18

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

43. Lease (Contd.)

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Less than one year	46.15	49.09
One to two years	52.58	50.78
Two to five years	77.50	102.58
More than five years	265.88	288.75
Total	442.11	491.20

Lease liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e. 10% p.a.

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest on lease liabilities [Note 33]	26.43	20.51
Depreciation on right-of-use assets [Note 4]	35.09	13.78
Expenses relating to short-term and low-value leases [Note 35]	340.94	703.98
Total	402.46	738.27

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.

44. 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), fusel oil and bio-compost
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.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

44. Operating Segments (Contd.)

B. Information about reportable segments (Contd.)

(₹ in lakhs)

Particulars	Reportable segments			Others	Total
	Sugar	Distillery	Co-generation		
Year ended 31st March, 2021					
Revenue:					
Segment revenue	2,56,258.50	34,676.76	15,669.09	1,519.78	3,08,124.13
Less: Inter-segment revenue	25,783.29	66.64	11,222.19	-	37,072.12
Total revenue from operations	2,30,475.21	34,610.12	4,446.90	1,519.78	2,71,052.01
Segment profit before income tax	9,271.17	12,683.88	1,152.72	39.43	23,147.20
Finance costs					11,601.90
Unallocable expenses (net of unallocable income)					1,408.82
Profit before tax					10,136.48
As at 31st March, 2021					
Segment assets	2,00,164.48	21,027.67	38,432.51	53.25	2,59,677.91
Unallocated assets					5,208.19
Total assets					2,64,886.10
Segment liabilities	57,990.59	1,041.29	551.96	0.05	59,583.89
Unallocated liabilities					1,38,726.42
Total liabilities					1,98,310.31
Year ended 31st March, 2021					
Other segment information					
Capital expenditure					
- Property, Plant and Equipment	1,198.65	1,647.20	8,444.93	-	11,290.78
- Intangible assets	2.11	-	-	-	2.11
Depreciation	3,051.09	827.94	938.28	-	4,817.31
Amortization	13.62	-	-	-	13.62
Non-cash expenses	45.81	-	-	-	45.81
Year ended 31st March, 2020					
Revenue:					
Segment revenue	2,49,213.34	23,623.85	15,555.40	1,353.34	2,89,745.93
Less: Inter-segment revenue	23,355.14	55.86	10,395.22	-	33,806.22
Total revenue from operations	2,25,858.20	23,567.99	5,160.18	1,353.34	2,55,939.71
Segment profit before income tax	12,102.44	10,790.55	1,129.79	38.43	24,061.21
Finance costs					11,604.53
Unallocable expenses (net of unallocable income)					1,840.39
Profit before tax					10,616.29
As at 31st March, 2020					
Segment assets	2,25,207.16	26,716.39	27,487.88	21.51	2,79,432.94
Unallocated assets					6,475.14
Total assets					2,85,908.08
Segment liabilities					
Unallocated liabilities	64,836.16	1,339.05	111.53	0.06	66,286.80
Total liabilities					1,60,443.17
					2,26,729.97
Year ended 31st March, 2020					
Other segment information					
Capital expenditure					
- Property, Plant and Equipment	4,418.07	5,682.57	74.68	-	10,175.32
- Intangible assets	28.40	-	-	-	28.40
Depreciation	2,946.86	839.10	691.35	-	4,477.31
Amortization	9.69	-	-	-	9.69
Non-cash expenses	37.26	-	-	-	37.26

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

44. Operating Segments (Contd.)

C. Geographical information

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

(₹ in lakhs)

Particulars	Year ended 31st March, 2021			Year ended 31st March, 2020		
	Reportable segments		Total	Reportable segments		Total
	Indian	Overseas*		Indian	Overseas*	
Revenue:						
Sales (including other operating revenue) to external customers	2,45,951.83	25,100.18	2,71,052.01	2,21,879.96	34,059.75	2,55,939.71
Segment assets	2,59,677.91	-	2,59,677.91	2,79,432.94	-	2,79,432.94
Segment liabilities	59,583.89	-	59,583.89	66,286.80	-	66,286.80

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

* through third parties.

D. Major customer

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2021 and 31st March, 2020.

45. Related Party Disclosures

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

A. Names of related parties and related party relationship

Related parties with whom transactions have taken place during the year

Key management personnel	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. Anand Sharma	- Company Secretary

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

45. Related Party Disclosures (Contd.)

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

a. Dividend paid / Director's sitting fees / commission

(₹ in lakhs)

Particulars	Year ended 31st March	Dividend on Equity Shares	Director's sitting fees	Director's commission	Amount owed to related parties
Mrs. Nandini Nopany	2021	2.69	3.40	6.00	5.55
	2020	8.99	1.80	6.00	5.40
Mr. Chandra Shekhar Nopany	2021	2.87	2.80	6.00	5.55
	2020	1.02	2.20	6.00	5.40
Mr. Anand Ashvin Dalal	2021	-	4.60	6.00	5.55
	2020	-	4.40	6.00	5.40
Mr. Gaurav Swarup	2021	-	4.20	6.00	5.55
	2020	-	3.40	6.00	5.40
Mr. Pradip Kumar Bishnoi	2021	-	4.80	6.00	5.55
	2020	-	3.20	6.00	5.40
Mr. Kalpataru Tripathy	2021	-	3.60	6.00	5.55
	2020	-	3.80	6.00	5.40
Mrs. Kausalya Madhavan	2021	-	3.60	6.00	5.55
	2020	-	3.40	6.00	5.40

b. Remuneration to key managerial personnel

(i) Short term employee benefits

Particulars	Year ended 31st March	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. Devendra Kumar Sharma *	2021	105.59	-	3.18
	2020	95.00	-	4.09
Mr. Dilip Patodia	2021	135.68	-	0.03
	2020	127.73	-	1.29
Mr. Anand Sharma	2021	76.86	-	2.17
	2020	75.28	-	1.99

* Excluding ₹ 7.95 lakhs (31st March, 2020: ₹ 7.16 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

(ii) Post employment benefits

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

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

- The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2021 or year ended 31st March, 2020.
- 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

- The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.
- The amounts outstanding are unsecured and will be settled in cash and cash equivalent. No guarantees have been given or received.
- For the year ended 31st March, 2021, 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.
- 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, 2021 (Contd.)

46. Government Grants

The Company is eligible to receive various government grants by way of production subsidy, export subsidy, reimbursement of carrying cost towards maintenance of buffer stock, 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 31st March, 2021	Year ended 31st March, 2020
Revenue related Government Grants:				
(i)	Production Subsidy / Export Subsidy [Note (a) below]	Shown as "Subsidy towards Export Quota" in Note 28	5,708.66	13,495.27
		Deducted from "Cost of Material Consumed" in Note 30	-	1,629.19
(ii)	Reimbursement of Carrying Cost towards maintenance of Buffer Stock [Note (b) below]	Shown as "Buffer Stock Subsidy towards Insurance and Storage Charges" in Note 28	157.30	365.08
		Deducted from "Finance costs" in Note 33	1,103.88	2,550.51
(iii)	Remission of Society Commission on Sugarcane purchased [Note (c) below]	Deducted from "Cost of Material Consumed" in Note 30	1,725.65	1,651.63
(iv)	Interest Subvention / grant on term loans [Note (d) below]	Deducted from "Finance costs" in Note 33	1,093.74	2,465.85
Deferred Government Grants:				
(i)	Interest grant on term loans [Note (d) below]	Shown as "Deferred income on Government Grant" in Note 25	584.35	1,192.66
		Shown as "Deferred income on Government Grant" in Note 26	608.31	794.36

- (a) The Central Government, pursuant to notification dated 29th December, 2020 issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for a lump sum financial assistance of ₹ 6,000 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 is subject to fulfilment of certain eligibility conditions as specified in the said notification. The Company has fulfilled the conditions as stipulated in the said scheme and accordingly, the subsidy of ₹ **5,708.66 lakhs** has been accounted for during the current year and disclosed as "Subsidy towards Export Quota" under the head Other Operating Revenue.

The Central Government, pursuant to notification dated 12th September, 2019 issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for a lump sum financial assistance of ₹ 10,448 per MT for expenses on export of sugar to the extent of Maximum Admissible Export Quantity (MAEQ) of sugar mills for the sugar season 2019-20. Such financial assistance is subject to fulfilment of certain eligibility conditions as specified in the said notification. The Company has fulfilled the conditions as stipulated in the said scheme and accordingly, the subsidy of ₹ 13,495.27 lakhs has been accounted for during the previous year and disclosed as "Subsidy towards Export Quota" under the head Other Operating Revenue.

The Central Government, pursuant to notification dated 5th October, 2018, issued by Ministry of Consumer Affairs, Food and Public Distribution, has notified a Scheme for financial assistance of ₹ 13.88 per quintal of actual sugarcane crushed during sugar season 2018-19 or the proportionate inter-se allocation of 3000 lakhs MT of sugarcane to be crushed (for sugar season 2018-19) on the basis of their average sugar production of last three sugar seasons, whichever is lower. The subsidy of ₹ 1,629.19 lakhs has been accounted for during the previous year by netting with "Cost of Material Consumed".

- (b) The Government of India vide its Notification No. 1(6)/2018-SP-I and 1(8)/2019-SP-I dated 15th June, 2018 and 31st July, 2019 respectively announced a financial assistance as reimbursement of carrying cost pertaining to interest and insurance including storage charges towards maintenance of buffer stock. The above subsidy related to interest cost has been netted with the Finance Cost and in respect of insurance including storage charges has been disclosed as "Buffer Stock Subsidy towards Insurance & Storage Charges" under the head Other Operating Revenue.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

46. Government Grants (Contd.)

- (c) 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 2019-20 and 2020-21 by ₹ 2.75 and ₹ 3.05 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.
- (d) 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, SOFT 2019 by the Central Government of India at subvention 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.

47. Financial instruments - fair values and risk management

A. Accounting classification and fair values

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

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31st March, 2021					
Financial assets measured at fair value					
Investment in equity instruments (Quoted)	-	1,516.62	-	1,516.62	1,516.62
	-	1,516.62	-	1,516.62	1,516.62
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	-	-	5,507.85	5,507.85	5,507.85
Cash and cash equivalents	-	-	489.29	489.29	489.29
Other bank balances	-	-	204.82	204.82	204.82
Loans	-	-	83.98	83.98	83.98
Other financial assets	-	-	662.13	662.13	662.13
	-	-	6,950.34	6,950.34	6,950.34
Financial liabilities not measured at fair value					
Borrowing	-	-	1,37,256.16	1,37,256.16	1,37,515.70
Trade payables	-	-	53,948.88	53,948.88	53,948.88
Other financial liabilities	-	-	2,248.67	2,248.67	2,248.67
	-	-	1,93,453.71	1,93,453.71	1,93,713.25
As at 31st March, 2020					
Financial assets measured at fair value					
Investment in equity instruments (Quoted)	-	987.25	-	987.25	987.25
	-	987.25	-	987.25	987.25

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

A. Accounting classification and fair values (Contd.)

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31st March, 2020					
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	-	-	10,893.80	10,893.80	10,893.80
Cash and cash equivalents	-	-	537.81	537.81	537.81
Other bank balances	-	-	201.53	201.53	201.53
Loans	-	-	152.18	152.18	152.18
Other financial assets	-	-	815.17	815.17	815.17
	-	-	12,602.76	12,602.76	12,602.76
Financial liabilities not measured at fair value					
Borrowing	-	-	1,59,576.41	1,59,576.41	1,59,786.34
Trade payables	-	-	59,907.85	59,907.85	59,907.85
Other financial liabilities	-	-	2,968.08	2,968.08	2,968.08
	-	-	2,22,452.34	2,22,452.34	2,22,662.27

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

The following methods and assumptions were used to estimate the fair values:

- The fair value of the quoted investments are based on market price at the respective reporting date.
- The fair value of the unquoted investments is determined using combination of different methodologies i.e. discounted cash flow method, comparable Companies method and net assets method with different weightage. The discount rate used is based on management estimates.

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.

The Company has established the following fair value hierarchy that categories the value into three levels.

Financial assets and liabilities measured at fair value - recurring fair value measurements as under:

Particulars	Note	Level 1	Level 2	Level 3	Total
As at 31st March, 2021					
Investment in equity instruments (Quoted)	7	1,516.62	-	-	1,516.62
As at 31st March, 2020					
Investment in equity instruments (Quoted)	7	987.25	-	-	987.25

Investments in quoted equity instruments, which are classified as FVOCI are based on market price at the respective reporting date.

C. Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

C. Financial risk management (Contd.)

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	Ageing analysis	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	Business diversification

(i) Credit risk

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

Trade receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience.

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.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

C. Financial risk management (Contd.)

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Government entities (including government undertakings)	5,483.75	7,345.32
Others	24.10	3,548.48
	5,507.85	10,893.80

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 life time expected credit loss model to assess the impairment loss or gain. The Company uses a provision matrix to compute the credit loss allowance for trade receivables.

Ageing of trade receivables are as under:

(₹ in lakhs)

Particulars	Not yet due	Less than 60 days	61- 180 days	181-365 days	More than 1 year	Total
As at 31st March, 2021	2,879.16	2,142.73	450.48	11.41	24.07	5,507.85
As at 31st March, 2020	2,442.17	3,328.39	3,120.77	1,969.53	32.94	10,893.80

During the year, the Company has made the provision of ₹ Nil (31st March, 2020: ₹ 66.09 lakhs) towards doubtful debts, not written off and the Company is exploring all means to recover the same. The Company's management also pursue all legal option for recovery of dues, wherever necessary based on its internal assessment.

(ii) Liquidity risk

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

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

Exposure to liquidity risks

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

(₹ in lakhs)

Particulars	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
As at 31st March, 2021						
Secured term loan from banks and others*	65,294.30	77,308.71	20,828.87	20,285.84	36,194.01	-
Cash credit including WCDL	64,961.86	64,961.86	64,961.86	-	-	-
Secured short term loan from a bank*	7,000.00	7,444.28	7,444.28	-	-	-
Trade payables	53,948.88	53,948.88	53,948.88	-	-	-
Other financial liabilities*	2,248.67	2,447.26	1,943.86	52.58	77.50	373.32
	1,93,453.71	2,06,110.99	1,49,127.75	20,338.42	36,271.51	373.32

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

C. Financial risk management (Contd.)

(ii) Liquidity risk (Contd.)

(₹ in lakhs)

Particulars	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
As at 31st March, 2020						
Secured term loan from banks and others*	69,850.51	89,036.54	17,674.83	20,113.47	45,698.67	5,549.57
Cash credit including WCDL	78,725.90	78,725.90	78,725.90	-	-	-
Secured short term loan from a bank*	11,000.00	11,898.64	11,898.64	-	-	-
Trade payables	59,907.85	59,907.85	59,907.85	-	-	-
Other financial liabilities*	2,968.08	3,193.10	2,644.52	50.78	102.58	395.22
	2,22,452.34	2,42,762.03	1,70,851.74	20,164.25	45,801.25	5,944.79

* including estimated interest.

(iii) Market risk

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

Foreign currency risks

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

Interest rate risk

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

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

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

Exposure to interest rate risks

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Fixed rate instruments		
Financial assets	227.61	245.98
Financial liabilities	15,870.73	20,191.25
Variable rate instruments		
Financial assets	-	-
Financial liabilities	1,21,736.39	1,39,708.72

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

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

C. Financial risk management (Contd.)

(iii) Market risk (Contd.)

Cash flow sensitivity analysis

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

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

(₹ in lakhs)

Particulars	Profit or Loss		Equity, net of tax	
	Strengthening	Weakening	Strengthening	Weakening
31st March, 2021				
Variable rate instruments	(608.68)	608.68	(395.98)	395.98
31st March, 2020				
Variable rate instruments	(698.54)	698.54	(454.44)	454.44

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.

(₹ in lakhs)

Particulars	Profit or Loss		Equity, net of tax	
	31st March, 2021	31st March, 2020	31st March, 2021	31st March, 2020
BSE / NSE - increase by 10%	151.66	98.73	133.99	87.23
BSE / NSE - decrease by 10%	(151.66)	(98.73)	(133.99)	(87.23)

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.

48. 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.

Notes to Financial Statements for the year ended 31st March, 2021 (Contd.)

48. Capital management (Contd.)

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

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

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

(₹ in lakhs)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total debt (Bank and other borrowings)	1,37,256.16	1,59,576.41
Total Equity	66,575.79	59,178.11
Debt to equity ratio	2.06 : 1	2.7 : 1

As per our report of even date attached.

For and on behalf of the Board of Directors

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

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Kolkata

Date: 12th May, 2021

Devendra Kumar Sharma

Whole-time Director

DIN: 06498196

Anand Sharma

Company Secretary

Chandra Shekhar Nopany

Co-Chairperson

DIN: 00014587

Dilip Patodia

Chief Financial Officer