



Building around our
core



Annual Report 2025-26

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Forward-looking statement

This document contains statements about expected future events and financials of Magadh Sugar & Energy Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis of this Annual Report.



Online Annual report
www.magadhsugar.com

Corporate Information

Board of Directors

Mr. Chandra Shekhar Nopany,
Chairperson

Ms. Shalini Nopany,
Non-Executive Director

Mr. Padam Kumar Khaitan
Independent Director

Mr. Yashwant Kumar Daga
Independent Director

Mr. Ishwari Prosad Singh Roy
Independent Director

Mr. Raj Kumar Bagri
Independent Director

Ms. Shashi Sharma
Independent Director

Mr. Rajan Arvind Dalal
Non-Executive Director

Mr. Pankaj Singh
Whole-time Director

Committees of Directors

Audit Committee

Mr. Raj Kumar Bagri, *Chairperson*

Mr. Yashwant Kumar Daga

Mr. Ishwari Prosad Singh Roy

Ms. Shashi Sharma

Stakeholders' Relationship Committee

Mr. Rajan Arvind Dalal, *Chairperson*

Mr. Yashwant Kumar Daga

Mr. Padam Kumar Khaitan

Ms. Shalini Nopany

Nomination and Remuneration Committee

Mr. Yashwant Kumar Daga, *Chairperson*

Mr. Padam Kumar Khaitan

Mr. Ishwari Prosad Singh Roy

Mr. Raj Kumar Bagri

Risk Management Committee

Ms. Shashi Sharma, *Chairperson*

Mr. Rajan Arvind Dalal

Mr. Pankaj Singh

Corporate Social Responsibility Committee

Mr. Padam Kumar Khaitan, *Chairperson*

Ms. Shashi Sharma

Mr. Rajan Arvind Dalal

Mr. Pankaj Singh

Finance & Corporate Affairs Committee

Mr. Chandra Shekhar Nopany,
Chairperson

Mr. Yashwant Kumar Daga

Mr. Ishwari Prosad Singh Roy

Mr. Pankaj Singh

Executives

Mr. Ravindra Kumar Tewari

Executive President, Narkatiaganj

Mr. Vikas Chandra Tyagi

Executive President, Sidhwalia

Mr. Ashok Kumar Mittal

Executive President, Hasanpur

Mr. Aditya Baheti

Chief Financial Officer

Mr. S Subramanian

Company Secretary

Mr. Brij Mohan Agarwal

Vice President (Marketing)

Mr. Mainak Ranjan Chaki

Vice President (Human Resources)

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

HDFC Bank Limited

The South Indian Bank Limited

RBL Bank Limited

DCB Bank Limited

AXIS Bank Limited

Registrar and Share Transfer Agent

MUFG Intime India Private Limited

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Kolkata 700 001

Tel: 033 6906 6200

Email: kolkata@in.mpms.mufg.com

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Website : www.magadhsugar.com

CIN – L15122UP20152PLC069632

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Website : www.magadhsugar.com

Sugar Mills

Narkatiaganj, District West Champaran,
Bihar

Sidhwalia, District Gopalganj, Bihar

Hasanpur, District Samastipur, Bihar

Distilleries

Narkatiaganj, District West Champaran,
Bihar

Sidhwalia, District Gopalganj, Bihar

Co-generation Power Plant

Narkatiaganj, District West Champaran,
Bihar

Sidhwalia, District Gopalganj, Bihar

Hasanpur, District Samastipur, Bihar

Building around our core

core





At Magadh Sugar & Energy Limited, the journey towards long-term growth begins with strengthening the core. In an increasingly dynamic sugar and bio-energy environment, sustainable competitiveness is no longer determined by manufacturing capacity alone; it is shaped by the strength of farmer relationships, the resilience of the agricultural ecosystem, the efficiency of integrated operations and the ability to adapt ahead of industry transitions.

Investing in agricultural strength

During 2025–26, the Company remained focused on reinforcing these foundational strengths. Even as the operating environment was shaped by lower cane availability, recovery pressures and rising input costs, the Company continued to invest in areas that would enhance long-term stability and operational resilience. The emphasis remained on strengthening cane development programmes, accelerating varietal transition, improving farmer engagement, expanding integrated operations and advancing digital intervention across the value chain.

Strengthening integration and efficiency

The Company believes that enduring value creation in the sugar sector can only emerge from a future-ready core business. This philosophy shaped every strategic initiative undertaken during the year. Scientific farming practices, improved communication systems, operational discipline and calibrated capacity enhancement were all directed towards creating a stronger and more sustainable enterprise.

At the same time, the Company continued to deepen integration across sugar, ethanol and power operations, enabling improved resource utilisation and higher value generation from every Tonne of cane crushed. This integrated approach not only strengthens business resilience but also supports India's broader transition towards renewable energy and ethanol-led growth..

Building around long-term value

As the industry evolves, Magadh Sugar remains committed to building around its strongest foundations - its farmers, its operational capabilities, its integrated infrastructure and its long-term vision for sustainable growth.

Corporate snapshot

Magadh Sugar & Energy Limited.

The Company represents a strong proxy for the integrated sugar industry in Bihar.

The Company has expanded its presence across the sugar, ethanol and co-generation segments to accelerate growth and emerging as a well-rounded organisation.

This broadbasing has helped the Company transition from a conventional sugar-focused entity into a progressively biofuel-oriented business.

This transition is aligned with national priorities while supporting long-term growth and creating stakeholder value in a sustainable way.



Our journey

Magadh Sugar & Energy Limited, a part of the well-established K.K. Birla Group, holds a significant position within India's private sugar industry. The Company has built a strong operational footprint, supported by a combined cane crushing capacity of 21,500 Tonnes per day. Its operations are spread across 3 advanced manufacturing facilities located across Bihar. These facilities manufacture refined white crystal sugar with a range of by-products, reinforcing the Company's standing within the domestic sugar sector.



Our operations

Incorporated on 19th March, 2015, Magadh Sugar began operations with three Bihar units: Narkatiaganj in West Champaran, Sidhwalia in Gopalganj, and Hasanpur in West Champaran. Collectively, these units comprise a licensed crushing capacity of 21,500 TCD, distillery capacity of 155 KLPD, and co-generation capacity of 38 MW. The Company has grown its capabilities—adding distillery feedstock flexibility, expanding crushing throughput, and progressively reducing dependence on seasonal sugar.



Our market reach

A well-established wholesale network has enabled the Company to build distribution across five States. This ecosystem of brokers and sub-brokers has created a stable, asset-light route to market. Notably, all wholesale partners have been associated with the Company for over six years - a testament to the trust and reliability the brand has built in the trade. On the institutional side, long-term supply agreements with oil marketing companies (OMCs) underpin the distillery segment's revenue visibility.



Our sourcing network

The Company has cultivated enduring partnerships with sugarcane farmers across its three command areas. These relationships, many of which stretch across more than a decade, form the foundation of reliable cane supply. As of 31st March, 2026, the Company was associated with approximately 88,500 farmers, with a total cane procurement amounting to approximately ₹822.33 Crore. By ensuring prompt payment - within 14 days of procurement - the Company incentivised continued cane cultivation and farmer loyalty in a region where competition for agricultural labour and land is intensifying.



Our people

The Company's workforce brings deep operational expertise across sugar manufacturing, distillery, power and agronomy. As on 31st March, 2026, the employee base stood at 1,152, with approximately 58% of employees having been a part of the organisation since 2015 - a level of institutional continuity that materially supports operational quality and process discipline.



Our product portfolio

The Company's product range spans white crystal sugar, ethanol (B-Heavy and C-Heavy route), industrial spirits, surplus bagasse-based power, and various sugar manufacturing by-products including molasses and press mud. This diversified portfolio is not simply a revenue hedge - it reflects the Company's conviction that long-term value creation lies in full-spectrum utilisation of every unit of cane. Sugar remains the primary revenue contributor; ethanol and power generate cash flows with shorter receivable cycles and growing structural demand.



Our listing

The Company's equity shares are listed on the National Stock Exchange and the Bombay Stock Exchange. Its market capitalisation stood at ₹680.41 Crore as on 31st March, 2026.



Our credit profile

The Company's long-term rating was assigned as 'CARE A+/STABLE' and the short-term rating reaffirmed as 'CARE A1' by Care Ratings Limited, reflecting a stable credit profile and strong financial credibility.



Our locations

The Company operates three modern sugar mills in Bihar at Narkatiaganj, Sidhwalia and Hasanpur.

Capacity	Narkatiaganj	Sidhwalia	Hasanpur
Sugar crushing (TCD)	10,000	5,000	6,500
Distillery (KLPD)	80	75	-
Power plant (MW)	10	18	10

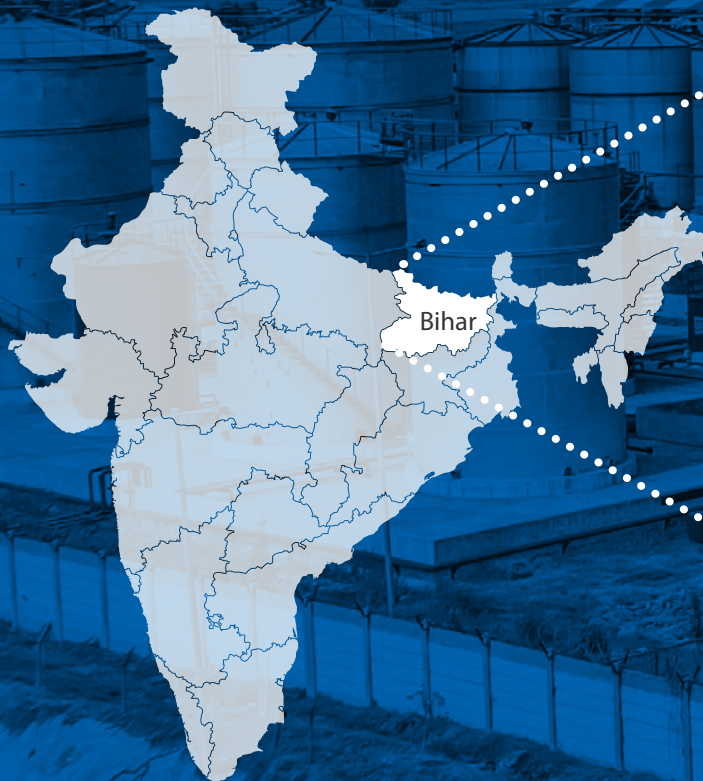


Revenue composition

Business segments	Revenue (₹ Crore)		PBIT (₹ Crore)	
	2024-25	2025-26	2024-25	2025-26
Sugar	1,191.20	1,091.05	114.19	84.68
Power	83.80	74.25	21.78	18.00
Distillery	295.82	297.92	60.04	33.98

Our presence

Our operational network

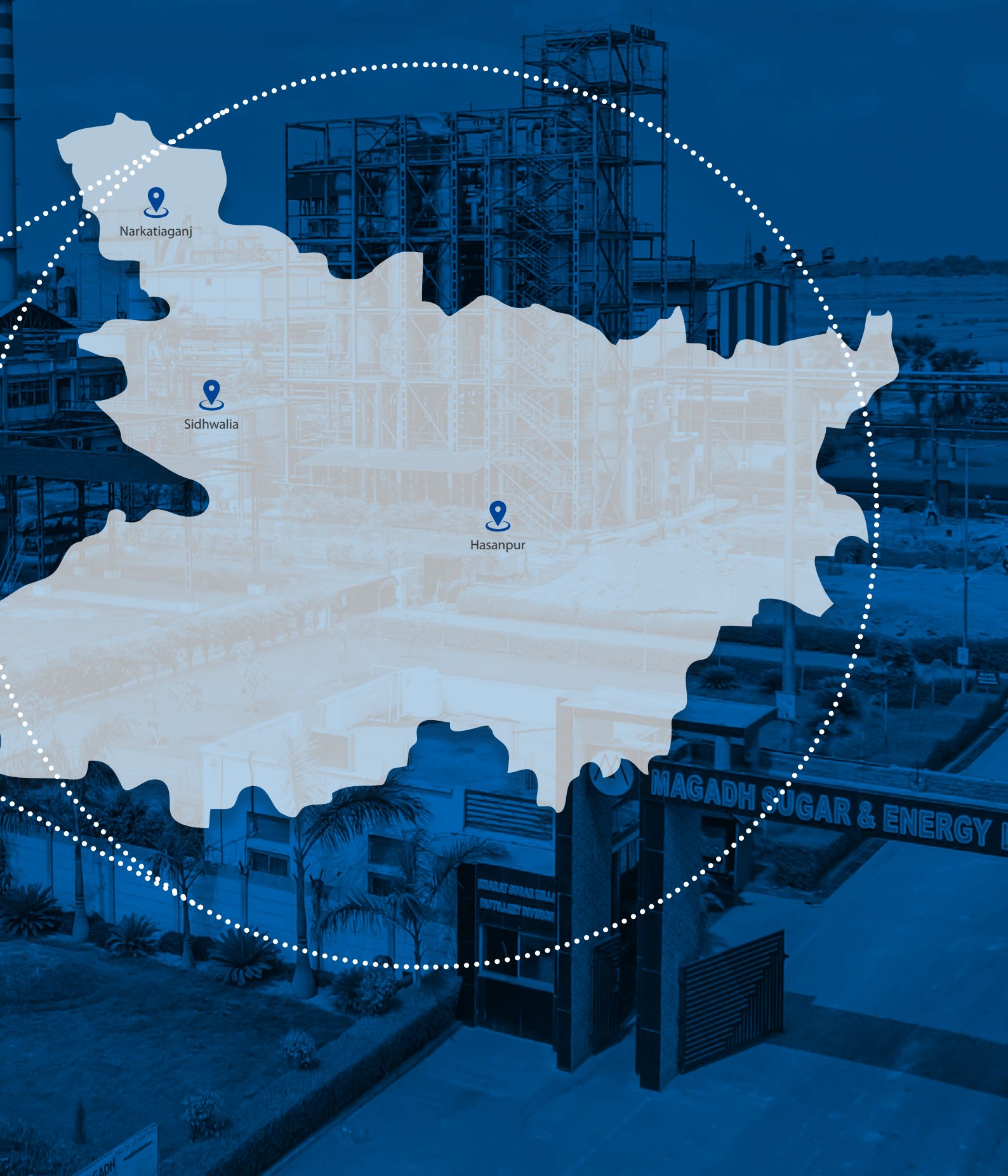


The Company operates three manufacturing units across Bihar.

Through its operations, the Company accounts for approximately 50% of Bihar's organised sugar sector.

All three facilities of the Company are situated within a radius of 125 km.

Their proximity has strengthened the Company's competitiveness, empowering a higher cane procurement leading to resource security and a long-term growth foundation.



Narkatiaganj

Sidhwalia

Hasanpur

MAGADH SUGAR & ENERGY

MAGADH SUGAR MILLS
DISTILLERY DIVISION

Our strategic framework

Sources of competitive strength

- Balanced capital structure with moderate leverage
- Presence across three integrated manufacturing facilities
- Extensive command area coverage
- Consistently reliable access to cane
- End-to-end integration spanning cane to downstream businesses



Approach to business expansion

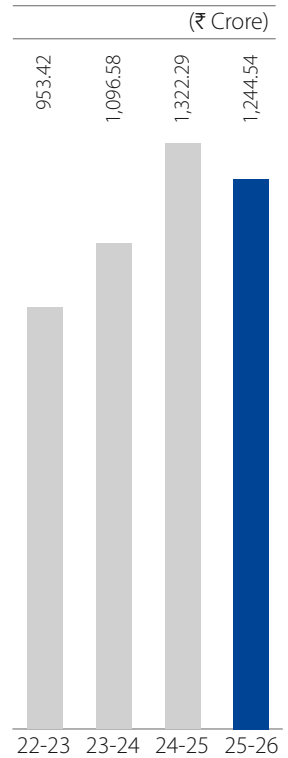
- Strengthening the ability of units to generate resources independently or within close proximity
- Continued emphasis on cane development initiatives
- Calibrated capacity additions across verticals
- Expansion into grain-based distillery operations
- Diversification of products cum resource base to reduce concentration risks

Expected outcomes

- Higher value realisation per unit of cane
- More diversified business mix
- Improved efficiency in resource utilisation
- Lower exposure to market fluctuations
- Gradual and phased capital deployment



How we built our momentum in the last few years



Revenue

Definition

Increase in sales revenue, net of applicable taxes.

Why this is measured

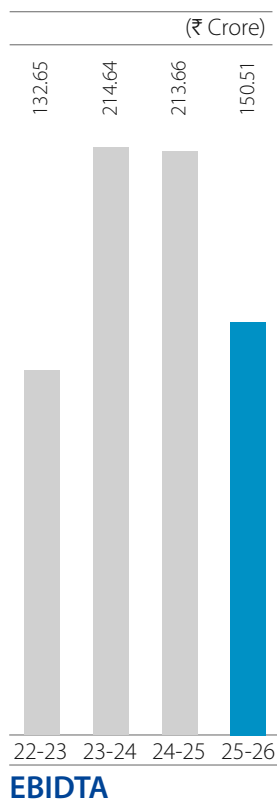
This metric reflects the Company's capacity to drive revenue growth and serves as a benchmark for evaluating performance relative to industry peers.

What this means

Despite a challenging economic environment, sales volumes remained steady, supporting the Company's presence and positioning within the industry.

Value impact

The Company recorded revenues of ₹1,244.54 Crore in 2025-26, a de-growth of 5.88 % compared to the previous year

**Definition**

Earnings generated prior to accounting for interest, depreciation, exceptional items and taxes.

Why this is measured

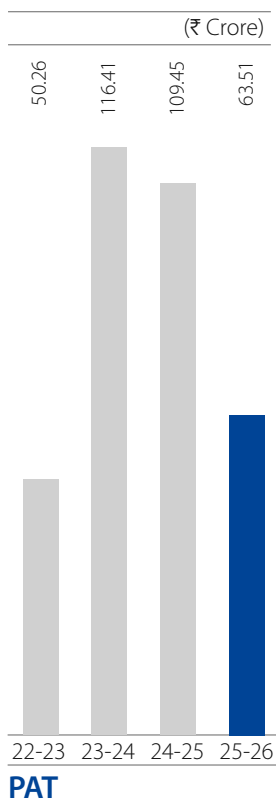
This indicator reflects the Company's efficiency in generating operating surplus after covering core expenses and serves as a comparative benchmark against industry peers.

What this means

Represents the strength of the operating model in creating surplus funds that can be reinvested in the business.

Value impact

EBIDTA declined by 29.56% compared to the previous financial year

**Definition**

Net profit generated during the year after accounting for all expenses and provisions.

Why is this measured?

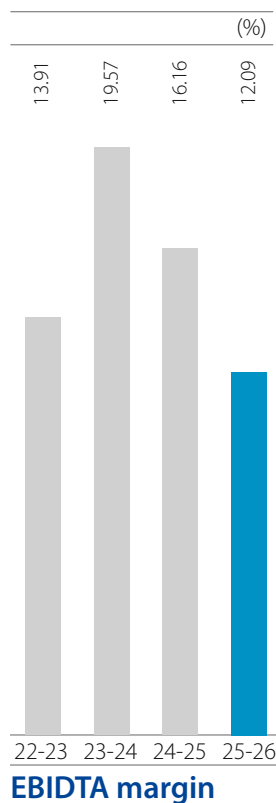
This metric reflects the effectiveness of the business model in creating value for shareholders.

What does it mean?

Indicates the availability of surplus earnings to support reinvestment and future growth initiatives.

Value impact

The Company reported a PAT of ₹63.51 Crore, a 41.97% decline compared to the previous financial year

**Definition**

EBIDTA margin is an indicator used to evaluate operating profitability and efficiency.

Why this is measured

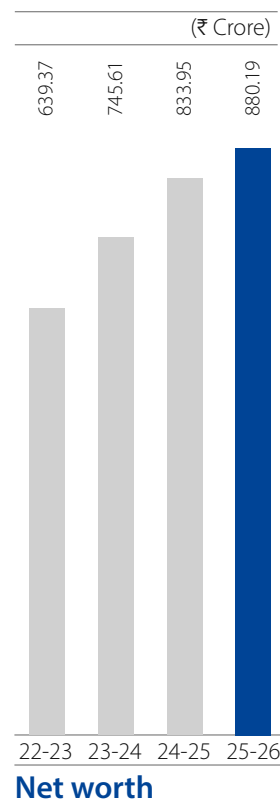
It reflects the proportion of earnings generated from each unit of revenue before accounting for interest and taxes.

What this means

This metric highlights the inherent operating cushion within the business, which can translate into a higher surplus as scale increases.

Value impact

The Company recorded a decline of approximately 400 basis points in EBIDTA margin during 2025-26

**Definition**

Net worth represents the cumulative value of funds contributed by shareholders along with retained earnings.

Why is this measured?

It serves as an indicator of the Company's financial strength and stability, with higher levels reflecting a stronger balance sheet.

What does it mean?

This metric reflects the pool of internal capital available to support business expansion and investments.

Value impact

The Company's net worth witnessed a notable increase during the year under review

Chairperson's perspective





Strengthening our prospects through near-term sector pressures

Dear Shareholders,

Overview: A year that tested institutional resilience

There are years in business that reward momentum, and there are years that test character. 2025–26 belonged decisively to the latter.

For the sugar industry in Bihar, the year unfolded against a backdrop of rising cane costs, lower availability of sugarcane, constrained sugar realisations and structural pressures that continued to distinguish the region from other sugar-producing states in India. The increase in the statutory cane price by ₹15 per quintal materially altered the economics of sugar manufacturing at a time when market conditions offered limited cushioning. Margins came under pressure, operating assumptions were tested and financial discipline became more important than ever before.

Yet, difficult years also serve another purpose: they reveal the intrinsic strength, discipline and resilience of institutions. At Magadh Sugar & Energy Limited, our response through the year was guided not by short-term reactions, but by a long-term commitment to operational stability, financial prudence and strategic transformation.

Even as the sector navigated immediate pressures, your Company continued to invest in strengthening its future - through capacity enhancement, distillery integration, varietal transition and a calibrated diversification strategy designed to create a more resilient and balanced enterprise over the medium term.

Industry environment: A challenging regional landscape

The Bihar sugar economy has historically operated under a more demanding cost structure than many other sugar-producing regions of India. Higher cane costs, logistical constraints and comparatively tighter operating economics have long shaped the realities of doing business in the region. During the year under review, these structural challenges became more pronounced.

The increase in cane prices substantially elevated input costs across the Company's operations. Simultaneously, sugar realisations remained largely range-bound due to demand-supply conditions in the domestic market. The result was a year marked

by compressed margins and reduced operating flexibility across the sector.

Certain units within the Magadh operations consequently faced profitability pressures during the year. These realities reinforced the importance of scale, operational efficiency and diversification as central to the Company's long-term strategy.

Operational performance: Navigating recovery and cane challenges

Operationally, the year was impacted by a pressure on sugar recovery rates. This recovery performance remained affected by a combination of climatic conditions and varietal limitations, reducing the quantum of saleable sugar generated from every Tonne of cane crushed.

The continued incidence of red rot disease, particularly impacting the widely cultivated Co 0238 cane variety, remained a matter of concern across several command areas. For over a decade, Co 0238 transformed sugarcane cultivation through its superior yield and recovery profile, significantly benefiting farmers and millers. However, agricultural cycles inevitably evolve, and the productive lifecycle of this variety now appears visibly under stress in certain regions.

Recognising this challenge early, your Company continued to intensify efforts towards varietal diversification and replacement. The transition towards more disease-resistant and agronomically sustainable cane varieties remained a strategic priority during the year. Extensive farmer engagement programmes, agronomic guidance and cane development initiatives were undertaken to facilitate this transition in a calibrated and sustainable manner.

The importance of this effort extends beyond immediate recovery improvement. Strong agricultural foundations ultimately determine the long-term sustainability of any sugar enterprise. In this regard, your Company remained committed to work closely with the farming community to strengthen cane productivity, crop resilience and long-term supply stability across its command areas.

Financial discipline: Preserving stability in a difficult cycle

In a year characterised by compressed profitability, financial discipline became one of the most important levers available to your Company.

Your Company maintained a strong focus on cost optimisation, liquidity management and working

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Operationally, the year was further impacted by pressure on sugar recovery rates. Recovery performance remained affected by a combination of climatic conditions and varietal limitations, reducing the quantum of saleable sugar generated from every Tonne of cane crushed.

capital efficiency throughout the year. Emphasis was placed on reducing cane outstandings owed to farmers. This initiative reflected not merely financial prudence, but a larger recognition that the long-term strength of the business is inseparable from the trust of the farming community.

Timely cane payments remained among the most important determinants of farmer commitment and future planting decisions. By reducing arrears and improving payment timelines, your Company sought to reinforce cane grower relationships and encourage sustained cane development in the seasons ahead.

Despite sectoral pressures, the Balance Sheet remained stable and prudently managed. Debt levels continued to remain within manageable limits relative to the cash-generating ability of the business. Liquidity was supported through disciplined inventory management and operating cash flows, while short-term obligations remained well within the Company's servicing capacity.

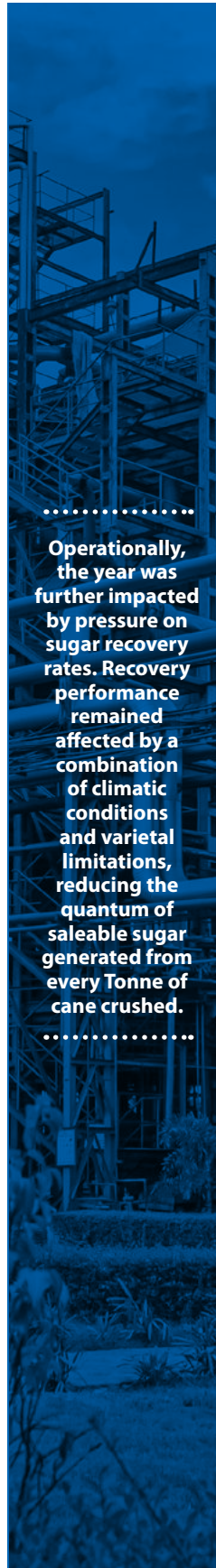
In cyclical industries such as sugar, Balance Sheet resilience often becomes the defining differentiator between temporary stress and structural vulnerability. Throughout the year, your Company remained firmly committed to preserve financial stability while continuing to invest selectively in long-term growth opportunities.

Strategic investments: Building a more integrated enterprise

Even amidst near-term pressures, your Company continued to advance a carefully conceived strategic agenda aimed at strengthening operational integration, improving asset utilisation and reducing a dependence on cyclical sugar revenues.

A key milestone last year was the expansion of crushing capacity at the Narkatiaganj unit from 7,500 TCD to 10,000 TCD. During the year, the Narkatiaganj plant was made fully efficient under the C boiling scheme through debottlenecking. This expansion was strategically significant for multiple reasons. Higher crushing throughput enhances internal molasses generation, reducing a dependence on externally procured molasses that often carries elevated logistics and procurement costs. A greater integration between sugar and distillery operations consequently improves the overall operational efficiency and downstream economics.

With the enhanced crushing capacity along with steam-saving measures at the Narkatiaganj unit





being fully operational, the Company is now installing a sugar refinery, which will significantly add value to our products and strengthen overall competitiveness and realisation.

Multi-feed distillery expansion

The Company continued to strengthen the transition of its distilleries towards multi-feed capability - a strategic shift that represents one of the most important structural transformations underway within the business.

A conventional molasses-based distillery typically operates for nearly 270 days annually due to seasonal feedstock limitations. By contrast, a multi-feed distillery capable of processing grain in addition to molasses can potentially operate for 330–340 days during a financial year. The resulting increase in asset utilisation materially enhances capital productivity, operational efficiency and return ratios.

Equally important, multi-feed flexibility reduces a dependence on the seasonal availability of molasses and allows your Company to respond more dynamically to changing ethanol demand patterns and pricing opportunities. In an evolving energy environment increasingly focused on ethanol blending, such flexibility is expected to emerge as a significant competitive advantage.

This diversification is important not merely from a revenue standpoint, but also from a financial perspective. Ethanol operations are characterised by comparatively shorter receivable cycles, particularly due to supplies to oil marketing companies. Improved cash conversion efficiency is therefore expected to strengthen liquidity and reduce dependence on short-term borrowings over time.

Outlook: Positioned for structural transformation

The long-term opportunity presented by India's ethanol blending programme remains one of the most significant structural growth drivers for the domestic sugar industry. Backed by the Government's focus on energy security, lower crude oil dependence and cleaner fuels, integrated players with multi-feed flexibility are well positioned to benefit from this transition.

At the same time, the near-term outlook remains closely linked to the 2026 Southwest Monsoon. With the IMD forecasting below-normal rainfall and the possibility of El Niño developing later in the year, concerns over cane availability, sugar recovery and production costs have increased. In this environment, timely policy support, including

a revision in the Minimum Selling Price (MSP), along with the Government's decision to restrict sugar exports until September 2026 to safeguard domestic availability, will be important for maintaining industry stability.

Against this backdrop, your Company continues to invest with a clear objective of building a more diversified, less cyclical and cash-efficient business model. While the industry may face near-term challenges as it absorbs elevated cane costs and transitions to improved cane varieties, the management continues to focus on efficiency and disciplined execution.

As varietal changes stabilise, distillery operational efficiencies improve, the Company expects progressive strengthening in revenues, margins and cash flows, reinforcing its ability to create sustainable long-term value for all stakeholders.

Closing reflections: Building for enduring value

At Magadh Sugar & Energy Limited, we remain conscious that our responsibilities extend beyond financial performance alone. Our commitment encompasses farmers who entrust us with their produce, employees whose dedication sustains our operations, shareholders who repose confidence in our vision and communities whose progress remains closely linked with our own.

The year under review reaffirmed an enduring principle: strong institutions are not defined solely during favourable cycles. They are ultimately shaped by the discipline, conviction and foresight with which they navigate periods of challenge.

Your Company enters the future with clarity of purpose, confidence in its strategy and an unwavering commitment to building enduring value responsibly and sustainably.

Yours sincerely,

Chandra Shekhar Nopany

Chairperson, Magadh Sugar & Energy Limited

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At Magadh Sugar & Energy Limited, we remain conscious that our responsibilities extend beyond financial performance alone. Our commitment encompasses farmers who entrust us with their produce, employees whose dedication sustains our operations, shareholders who repose confidence in our vision and communities whose progress remains closely linked with our own.

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Value-creation

Our integrated value creation approach

Overview

Value creation at Magadh Sugar is not a singular act - it is the cumulative result of deliberate choices made across the organisation every day. The Company pursues a strategy that maximises returns per unit of cane, extends asset utilisation across seasons, strengthens farmer and community bonds, and maintains a balance sheet capable of funding the next phase of growth. This integrated approach creates durable value across six stakeholder dimensions: employees, customers, distributors, shareholders, communities, and the Company as a responsible corporate citizen

Our strategy

Strategic area	2025-26 actions and priorities	Strategic area	2025-26 actions and priorities
Talent and innovation	- Job description dictionary expanded. 360-degree leadership survey completed. - Campus hiring and internal promotion pipeline strengthened. 1,152 employees as of 31st March, 2026.	Enhancing shareholder wealth	- Market capitalisation: ₹680.41 Crore as on 31st March, 2026. - Free cash balance: ₹30.42 Lakh. Disciplined capex freeze maintained pending policy clarity.
Customer and the core	- Consistent product quality maintained. - Customised sugar product offerings developed for institutional buyers. - Cane procurement and crushing continuity preserved.	Responsible corporate citizen	- No regulatory non-compliances reported. - Environmental compliance priorities advanced. - CPCB Charter II preparedness underway.
Distributor focus	- Wholesale network across five states consolidated. - Long-standing distributor relationships (6+ years) maintained. - Supply reliability reinforced.	Community support	- CSR expenditure: ₹2.73 Crore. - Focus areas: Education, healthcare, environmental stewardship, community engagement. - Women empowerment initiatives continued.

How we enhanced value for our stakeholders

Employee value

Year	2022-23	2023-24	2024-25	2025-26
Salaries and wages (₹ Crore)	61.71	62.71	66.92	69.41

The Company reinforced its position as a responsible employer through continued and forward-looking investments in employee compensation.

Shareholder value

Year	2022-23	2023-24	2024-25	2025-26
Market valuation (₹ Crore)	448.96	753.83	837.75	680.41

Shareholder value was strengthened through a balanced approach encompassing prudent strategic decisions, reinvestment of internal accruals, optimisation across the value chain and disciplined cost control.

Customer value

Year	2022-23	2023-24	2024-25	2025-26
Revenue per person (₹ Crore)	953.42	1,096.58	1,322.28	1,244.54

The Company recorded stronger revenue performance, indicating greater value delivered to customers, supported by a rise in average purchases per customer along with improved satisfaction levels and customer loyalty.

Community value

Year	2022-23	2023-24	2024-25	2025-26
CSR investment (₹ Crore)	1.51	1.31	2.13	2.73

The Company contributed to improving livelihoods across its operating regions through child nutrition initiatives along with a range of other community-oriented programmes.





Big picture

Strengthening our core cane business

Overview

Sugarcane has always occupied a unique position within India's rural and industrial economy. It is not merely an agricultural crop; it is the foundational raw material that sustains an entire integrated value chain spanning sugar, ethanol, renewable energy and rural livelihoods. As the Indian sugar sector progressively evolves into a broader bio-energy and ethanol-driven ecosystem, the importance of a stable, sustainable and high-quality cane supply has become even more critical.

At Magadh Sugar & Energy Limited, cane development is therefore viewed not as a transactional procurement activity, but as the strategic bedrock upon which

the Company's long-term sustainability rests. Without a resilient cane ecosystem, neither sugar manufacturing nor distillery operations nor co-generation facilities can operate at their full potential. The quality of cane ultimately shapes operational efficiency, recovery performance, feedstock availability and financial outcomes across the integrated business.

The Indian sugar industry is currently passing through a period of important structural transition. Climatic variability, rising cultivation costs, increasing competition from alternative crops, declining recovery rates and disease incidence in established cane

varieties are collectively reshaping the agricultural landscape. Simultaneously, the acceleration of India's ethanol blending programme has significantly elevated the importance of assured and diversified feedstock availability. In this changing environment, the long-term competitiveness of sugar companies will increasingly depend on the strength of their farmer relationships and their ability to create a productive, future-ready and economically sustainable cane ecosystem.

Against this backdrop, your Company continued to intensify its focus on cane development during 2025-26.

Close engagement

The Company worked closely with nearly 88,500 farmers across its three command areas, recognising that enduring agricultural progress can only be achieved through sustained engagement, mutual trust and shared prosperity. The year's procurement strategy was shaped by two clear priorities: stabilising cane availability following the disruptions experienced during the previous season, and accelerating the transition away from the disease-susceptible Co 0238 variety towards more resilient and sustainable alternatives.

For more than a decade, Co 0238 had transformed the economics of sugarcane cultivation in northern India through

its superior yield and recovery profile. However, the increasing incidence of red rot disease in this variety has emerged as a significant challenge across several cane-growing regions. The issue is not merely agricultural in nature; it carries important implications for farmer incomes, recovery rates and long-term cane sustainability.

Recognising the seriousness of this transition, the Company undertook extensive varietal replacement initiatives during the year. Disease-resistant and regionally suitable cane varieties were progressively promoted across command areas through seed distribution programmes, demonstration plots and

farmer awareness initiatives. The objective was not simply varietal substitution, but the creation of a more diversified and resilient agricultural base capable of sustaining productivity over the long term.

The Company continued to strengthen its field-level agronomic engagement with farmers. Teams remained actively involved in educating cultivators on scientific farming practices, soil health management, optimal irrigation methods and balanced nutrient application. Particular emphasis was placed on improving crop productivity while simultaneously reducing input inefficiencies and cultivation risks.

Building the momentum

Mechanisation remained another important area of focus. In an environment characterised by rising rural labour costs and changing labour availability patterns, agricultural mechanisation is increasingly becoming essential for sustaining cane economics. The Company therefore continued to encourage greater mechanised adoption across planting and harvesting activities wherever feasible, helping improve operational efficiency and reduce time-sensitive crop losses.

Equally important was the Company's continued emphasis on farmer confidence and relationship-building. Cane development cannot be sustained through agronomic interventions alone; it also depends fundamentally on financial trust and long-term partnership. During the year, the Company remained focused on improving payment timelines and reducing cane arrears, recognising that timely remuneration remains among the strongest incentives for sustained cane cultivation.

Digital interventions and data-led field monitoring also continued to gain importance within the Company's cane operations. Technology-enabled farmer mapping, survey systems and field-level monitoring mechanisms helped improve planning efficiency, procurement coordination and crop visibility across command areas. Over time, these initiatives are expected to strengthen forecasting accuracy and operational responsiveness.

Larger philosophy

The Company's approach to cane development is ultimately guided by a larger philosophy: that the long-term health of the sugar business is inseparable from the prosperity and sustainability of the farming community that supports it. Strong cane development programmes create a multiplier effect across the entire value chain - enhancing farm incomes, strengthening rural economies, improving operational efficiencies and

ensuring stable feedstock availability for sugar, ethanol and renewable energy production.

As India advances towards a more integrated and ethanol-oriented sugar economy, the strategic importance of cane development will only deepen further. In this evolving landscape, your Company remains committed to building a cane ecosystem that is more resilient,

more productive and better prepared for the opportunities and challenges of the future.

At Magadh Sugar & Energy Limited, we believe that enduring industrial progress in the sugar sector can only be built upon enduring agricultural partnerships. Our commitment to farmers therefore remains not merely operational, but foundational to the future we seek to create.

Addressing challenges through strategic interventions

- Replacing Co-0238 cane variety by Co-0118, Co-15023, CoS-13235 & CoLk-14201 in phased manner based on land topography.
- Taken-up the Mechanisation at large scale for various cane cultivation activities to address the challenge of availability of labourers.
- Continuous upgradation of machines and technologies are being adopted at plant level for energy efficiencies, extraction efficiency, sugar quality and safety.
- Structured people development programme has been initiated to upgrade the skills and develop talent pool for future.

Our key strengths

The strength of a sugar enterprise is ultimately determined not only by its manufacturing infrastructure, but by the depth of its agricultural ecosystem and the quality of the relationships that sustain it. In an industry where operational continuity depends on timely cane availability, varietal quality and farmer confidence, enduring competitiveness can only be built through sustained investment in people, processes and field capability.

At Magadh Sugar & Energy Limited, the Company's cane development framework has evolved steadily over the years into an integrated platform that combines farmer engagement, scientific agriculture, digital connectivity and operational efficiency. The objective extends beyond securing cane supply alone; it is to create a resilient and future-ready ecosystem capable of supporting long-term growth across sugar, ethanol and renewable energy operations.

The Company's strengths are therefore rooted not merely in physical infrastructure, but in a carefully nurtured

network of farmer partnerships, agronomic initiatives, technology adoption and regionally integrated operations that collectively strengthen productivity, responsiveness and sustainability across the value chain.

Farmer relationships: The Company maintains long-standing associations with nearly 88,500 farmers across its operational regions, with many partnerships extending beyond a decade, reflecting strong mutual trust.

Field capability: The Company strengthened cane development team, providing hands-on farmer support. Collaboration with IISR Lucknow for varietal trials and scientific field guidance.

Communication systems: An upgraded SMS-based platform ensures that critical advisories reach farmers promptly, improving awareness and connectivity.

Digital initiatives: As part of its digital-first approach, the Company adopted cloud-based systems and SMS advisory platform to ensure timely,

accurate information reaches farmers and introduced the 'Kisan' platform to enhance transparency and operational efficiency.

Procurement efficiency: A significant portion of cane procurement takes place at factory gates, enabling faster crushing cycles and improved sugar recovery.

Operational proximity: All three manufacturing units are within a 30 km radius of their command areas - ensuring faster cane movement, lower logistics cost, and better quality at the gate.

Agricultural development: Co-0118, Co-15023, CoS-13235, CoLk-14201 & CoP-9301 introduced as disease-resistant alternatives. Successful seed varieties distributed to farmers for commercial cultivation based on land topography and time of sowing.

Mechanisation: Subsidised access to equipment; boring pipes, harrows, cultivators, and electric motors - extended to farmers, reducing manual labour dependence and improving water management efficiency.



Farmer welfare and confidence continued to remain central to the Company's operating philosophy. During the year, farmers received payments within 14 days of cane procurement, helping strengthen liquidity at the farm level and encouraging sustained cane cultivation despite broader agricultural uncertainties.

Our operational highlights, 2025-26

2025–26 was a year that demanded adaptability, operational discipline and sustained engagement across every level of the Company's agricultural and manufacturing ecosystem. The season unfolded amid constrained cane availability, varietal challenges and rising input costs, reinforcing the increasingly complex operating environment confronting the sugar industry in Bihar. Against this backdrop, the Company remained focused on safeguarding operational continuity, strengthening farmer relationships and advancing long-term agricultural resilience.

During the year, Magadh Sugar & Energy Limited crushed a total of 19.11 Lakh Tonnes of cane, comprising 9.98 Lakh Tonnes at Narkatiaganj, 4.48 Lakh Tonnes at Sidhwalia and 4.68 Lakh Tonnes at Hasanpur. The aggregate crushing volume represented a decline of 13.88% over the previous year, reflecting lower cane availability across certain command areas. In addition, recovery performance remained under pressure during the season, with recovery levels increasing by 0.86 basis points.

The year also reaffirmed the importance of scientific intervention and institutional collaboration in strengthening the long-

term sustainability of cane development. The Company's continued association with the Indian Institute of Sugarcane Research played an important role in supporting the evaluation and development of improved cane varieties suited to evolving regional conditions. Regular field visits by scientific experts facilitated the dissemination of modern agronomic practices and strengthened farmer awareness regarding crop management, varietal diversification and disease mitigation.

Simultaneously, the Company accelerated the integration of digital systems within its cane operations. The cloud-based communication platform became fully operational during the season, enabling faster dissemination of advisories, improved farmer connectivity and more responsive field-level coordination. These initiatives reflect the Company's larger commitment to building a more transparent, technology-enabled and future-ready cane ecosystem.

Farmer welfare and confidence continued to remain central to the Company's operating philosophy. During the year, farmers received payments within 14 days of cane procurement, helping strengthen liquidity at the farm level and encouraging sustained cane cultivation despite

broader agricultural uncertainties. The Company also expanded support towards mechanisation through the distribution of subsidised agricultural equipment, reducing dependence on manual labour and supporting greater operational efficiency within the farming community.

The operating environment was further shaped by the Bihar Government's revision in the State Advised Price (SAP), which increased the average cane procurement cost by approximately ₹16 per quintal. This resulted in an additional procurement burden of nearly ₹30 Crore during the year. Despite the resulting pressure on operating margins, the Company remained committed to maintaining procurement discipline, timely farmer engagement and long-term agricultural investment.

The year under review reinforced an enduring reality of the sugar business: sustainable industrial performance can only emerge from a strong and resilient agricultural foundation. The Company's continued investments in varietal transition, scientific farming practices, digital integration and farmer partnerships are therefore not short-term interventions, but part of a larger strategic effort to build enduring operational stability and long-term competitiveness.



Deep-rooted
farmer
engagement

Digital
integration
across
operations

Focus on
varietal
development
and research

Key drivers of cane procurement at Magadh

Strengthened
outreach and
communication
systems

Proactive
disease
management
measures

Preparedness
for climate
and external
disruptions

Streamlined
logistics
supported by
mechanisation

The CO 0238 transition: A multi-year programme

For over a decade, Co-0238 was the defining cane variety across Bihar's sugarcane belt, delivering yields and recovery rates that transformed the economics of both farmers and millers. Its susceptibility to red rot under waterlogged conditions, which became apparent acutely in 2023-24, has triggered a structured transition programme.

The Company had initiated a phased replacement across all three command areas, prioritising higher-elevation upland regions for early transition and maintaining selective Co-0238 use in flood-safe areas where disease risk is low. Replacement varieties, particularly Co-0118, Co-15023, CoS-13235, CoLk-14201 & CoP-9301, had been identified as

promising alternatives, combining good recovery with improved disease resistance. This transition, once complete, is expected to reduce recovery volatility materially and provide a more stable base for both sugar and ethanol throughput planning.

Procurement highlights, 2025-26

Total cane crushed

19.11 LT

versus 22.19 LT
(2024-25)

Narkatiaganj crushed

9.98 LT

versus 10.18 LT (2024-25)

Sidhwalia crushed

4.45 LT

versus 5.30 LT (2024-25)

Hasanpur crushed

4.68 LT

versus 6.71 LT (2024-25)

Farmer payment days

14 days

versus 14 days (2024-25)

Cane cost increase (₹/q)

15

versus ₹10/q (2024-25)

Business segment review

Our sugar operations

1,091.05

₹ Crore, revenue from sugar business, 2025-26

74.57

%, share of the sugar business in total revenues, 2025-26



Overview

The sugar industry remains one of the most important agro-based sectors in India, supporting rural livelihoods, agricultural income, and industrial development at scale. Beyond its role in food production, the sector has evolved into an integrated value chain that supports ethanol manufacturing, renewable power generation, and multiple downstream industries. Sugar companies today play a critical role in strengthening the rural economy through farmer engagement, employment generation, and infrastructure development across cane-growing regions. In an increasingly integrated operating environment, operational efficiency, cane availability, recovery performance, and by-product utilisation have become key determinants of long-term competitiveness and profitability.

The sector continues to navigate a dynamic operating landscape shaped by regulated cane pricing, changing consumption trends, climatic variability, and evolving government policies around ethanol blending and renewable energy. At the same time, India's growing focus on energy security and sustainable fuels has enhanced the strategic relevance of integrated sugar businesses with strong distillery and co-generation capabilities. Companies with efficient operations, diversified revenue streams, and deep farmer linkages are therefore better positioned to create long-term value while maintaining resilience across market cycles.

The sugar business has been the Company's bedrock since inception and remains the largest single contributor to revenue. Three units, each serving a distinct command area in Bihar's

sugarcane belt, produce white crystal sugar of consistent quality. The Company's proximity to the raw material, its deep farmer network, and its ongoing investment in process efficiency have sustained a competitive position in what is inherently a commodity-driven market.

As on 31st March, 2026, the Company operated with an aggregate licensed cane crushing capacity of 21,500 TCD, alongside a distillery capacity of 155 KLPD and co-generation capacity of 38 MW. Proximity to a stable and abundant sugarcane-growing base has enabled consistent raw material availability, supporting integrated operations and efficiency-led growth.

During 2025-26, sugar continued to be the dominant contributor to revenue, accounting for 74.57% of total revenue.

Market environment 2025-26

The domestic sugar market in 2025-26 reflected a relatively balanced supply-demand environment after two consecutive years of constrained cane availability. Lean opening stocks supported domestic price stability, even as global sugar prices declined from approximately USD532/MT in early 2025 to nearly USD408/MT by February 2026, before recovering to around USD460/MT.

India's sugar production increased by 7.32% to 27.52 Million Tonnes as of April, 2026, compared to 25.64 Million Tonnes in the previous year, driven by higher output in Maharashtra and Karnataka. While Uttar Pradesh witnessed a marginal decline in production, the overall national supply outlook improved during the season.

For Bihar mills, the SAP increase of ₹15 per quintal for the 2025-26 season added to the cost structure, although the impact

remained relatively moderate compared to several other states.

Looking ahead, ISMA has projected India's sugar production at approximately 29.3 Million Tonnes for 2025-26 after ethanol diversion, compared to 26.12 Million Tonnes in 2024-25, supported by lower diversion of cane toward ethanol production.

Highlights, 2025-26

Cane crushed

19.11 LT

versus 22.19 LT (2024-25)

EBIT margin

7.76%

versus 9.59% (2024-25)

Sugar produced

2.03 LT

versus 2.17 LT (2024-25)

Closing inventory

1.38 LT

versus 1.57 LT (2024-25)

ICUMSA – Sidhwalia

< 45

versus < 45 (2024-25)

Narkatiaganj

Crushing capacity enhanced. Multi-feed distillery operational. Higher internal molasses availability reduces inter-unit procurement costs. Cane crushed: 9.98 LT.

Sidhwalia

Distillery converted to multi-feed. ICUMSA levels remain industry-leading, with consistent below-45 performance maintaining premium positioning. Cane crushed: 4.45 LT.

Hasanpur

Continued high-quality white sugar production. Grain-based distillery being evaluated for future development adjacent to the maize bowl of Bihar. Cane crushed: 4.68 LT.

Quality standards

ICUMSA levels ranged between 25 and 45 across units. Sidhwalia achieved levels below 45 - among the best in the industry nationally.

Advantageously located mills in Bihar's cane-rich belt

Industry-leading ICUMSA quality at Sidhwalia

Deep command-area cane relationships (10+ years)

Consistent product quality underpinning distributor loyalty

Our distinctive attributes

Capacity expansion at Narkatiaganj strengthening throughput

Intelligent manufacturing systems across all three units

Sophisticated process control and efficiency management

Strong focus on recovery optimisation through varietal management

Business segment review

Core distillery operations

297.92

₹ Crores, revenue from our ethanol business, 2025-26

20.36

%, share of our ethanol business in total revenues, 2025-26



Overview

The ethanol industry has emerged as a critical pillar of India's energy transition strategy, driven by the government's accelerated ethanol blending programme and the country's focus on reducing dependence on imported fossil fuels. Ethanol today is no longer viewed merely as a downstream by-product of sugar manufacturing, but as a strategic growth engine that strengthens energy security, supports environmental sustainability, and enhances the financial resilience of integrated sugar companies. The sector benefits from supportive policy frameworks, administered pricing mechanisms, and long-term demand visibility through blending targets set by the Government of India.

For integrated sugar companies, ethanol provides an important avenue for revenue diversification and improved profitability. Compared to conventional sugar operations, the ethanol business offers relatively stable pricing, faster receivable cycles, and stronger cash flow visibility, particularly through supplies to Oil Marketing Companies (OMCs).

Increasing adoption of multi-feed distilleries, capable of processing molasses, cane juice, syrup, and grain - has further transformed the economics of the sector by enabling year-round operations, greater feedstock flexibility, and improved asset utilisation. As India continues to scale its ethanol blending ambitions, companies with integrated and flexible distillery operations are expected to remain well positioned to capture long-term growth opportunities.

Ethanol has moved from a by-product opportunity to a strategic imperative at Magadh Sugar. The distillery segment converts molasses and now, with multi-feed capability, also cane syrup and grain into fuel-grade ethanol, industrial spirits, and related products. It is the fastest-growing part of the business, benefiting from government-backed pricing, shorter receivable cycles from Oil Marketing Companies, and an expanding national blending mandate.

As of 31st March, 2026, two distilleries at Narkatiaganj and Sidhwalia operated with a combined capacity of 155 KLPD. The conversion of both facilities to multi-feed configurations is a structural upgrade that extends annual operating days, diversifies feedstock exposure, and decouples operational continuity from the length of the crushing season.

Building resilience amid disruptions

During 2025-26, ethanol operations were impacted by lower offtake from oil marketing companies, leading to inventory accumulation. The Company responded by maintaining close and proactive coordination with these entities to streamline dispatches and gradually normalise inventory levels, ensuring continuity in operations.

At the same time, the broader sugar sector faced significant pressure due to reduced cane availability, driven by adverse weather conditions and the spread of red rot disease affecting the CO 0238 variety. Despite a lower cane output, higher ethanol production provided a partial mitigation against the impact on overall performance.

The situation was compounded by a sharp decline in cane production across

key States such as Maharashtra, Karnataka and Uttar Pradesh, resulting in lower crushing volumes industry-wide. Magadh Sugar also experienced reduced cane availability and lower recovery rates, which affected ethanol output.

To enhance operational resilience, a slop boiler installation at Narkatiaganj is expected to extend plant operations to around 330 days annually.

Outlook

With the multi-feed transition at Narkatiaganj and Sidhwalia now largely complete, the distillery segment enters 2026-27 with structurally improved operating economics. Full-year utilisation at both plants, combined with slop-boiler-driven extension at Narkatiaganj,

should increase total ethanol output materially. The Company is awaiting government policy clarity before committing the Hasanpur grain distillery capex once announced.

The goal remains clear: reduce sugar's share of total revenues from the current

~75% toward approximately 70%, with ethanol filling the gap through volume growth rather than pricing alone. Faster OMC receivable cycles from the distillery business will progressively reduce working capital requirements relative to the sugar inventory-dependent model.

Highlights, 2025-26

EBIT margin

11.40

%, versus 20.30% (FY25)

Ethanol supplied (Crore BL)

4.62 Cr BL

versus 4.63 Crore BL (2024-25)

Average realisation (₹/L)

₹59.53/L

versus ₹59.21/L (2024-25)

B-Heavy production

1.69 Cr L

versus 3.29 Crore L (2024-25)

C-Heavy production

1.99 Cr L

versus 1.39 Crore L (2024-25)

Utilisation

> 100%

versus > 100% (2024-25)

Route	2025-26 Production (Crore BL)	2024-25 Production (Crore BL)	2025-26 Realisation (₹/L)	2024-25 Realisation (₹/L)
B-Heavy Route	1.69	3.29	₹60.73	₹60.73
C-Heavy Route	1.99	1.39	₹58.00	₹56.42
Total	3.68	4.68		

Business segment review

Strengthening our core through power co-generation



Overview

The power co-generation business has become an integral component of India's integrated sugar industry, enabling companies to convert agricultural by-products into a reliable source of renewable energy. By utilising bagasse, the fibrous residue generated after cane crushing, sugar mills are able to produce steam and electricity for captive consumption while also exporting surplus power to state electricity grids. This integrated operating model enhances energy efficiency, reduces dependence on external power sources, and improves overall plant economics through additional revenue generation.

The sector also plays an important role in supporting India's renewable energy and decarbonisation objectives. Bagasse-based co-generation is recognised as a

clean and sustainable source of power that lowers fossil fuel dependence and improves resource utilisation within the sugar value chain. For integrated sugar companies, co-generation strengthens operational resilience by ensuring stable power availability during the crushing season while simultaneously improving cost competitiveness and environmental performance. As energy efficiency and sustainability become increasingly important business priorities, co-generation continues to emerge as a key strategic advantage for integrated sugar businesses.

Magadh Sugar's co-generation business converts bagasse, the fibrous residue from crushed cane, into steam and electricity, powering the Company's own manufacturing operations and exporting surplus power to the Bihar grid. This integrated captive model

ensures energy security for the mills while generating incremental revenue from excess generation. The business is a cost-efficiency tool and an environmental statement: every unit of bagasse-based power displaces grid electricity that would otherwise be generated from fossil fuels.

As of 31st March, 2026, the Company operated a bagasse-based co-generation capacity of 38 MW. During the year, 50% of surplus power was exported to the Bihar State Electricity Grid under a Power Purchase Agreement, contributing 5.07% to overall Company revenues.

The expansion of Narkatiaganj's crushing capacity from 7,500 to 10,000 TCD had a material downstream effect on the co-generation business: more cane crushed means more bagasse generated, which directly supports higher and

more consistent power production. This demonstrates the integrated value chain logic - capacity investments in one segment create operating benefits across all three.

The conversion of both distilleries to multi-feed operations improved internal molasses self-sufficiency, reducing the need for higher-cost inter-unit transfers. This not only lowered logistics cost but improved feedstock planning for

the distilleries - indirectly supporting more stable bagasse availability for co-generation through better synchronisation of crushing and distilling operations

Managing sectoral challenges

The co-generation business during 2025-26 operated in an environment shaped by lower cane availability, a challenge that continued from the 2024-25 season into the early part of the year. The reduced cane crush impacted

the availability of bagasse for power generation. Despite this, the Company ensured operational continuity through disciplined scheduling of crushing and co-generation activities, while prioritising internal power requirements and aligning export commitments with actual generation capacity.

Further strengthening the segment's stability, the Power Purchase Agreement with the Bihar State Electricity Grid, executed during 2024-25, established a structured offtake mechanism for surplus power, reducing commercial uncertainty and enabling more predictable revenue contribution from the business.

Consistent and dependable power supply for captive manufacturing

Bihar State Electricity Grid PPA providing offtake certainty

Internally generated bagasse - zero external fuel cost

Core strengths

Enhanced automation and process control across generation assets

Positive downstream effect from Narkatiaganj capacity expansion

Advanced emissions management systems

Operational performance, 2025-26

Total power generated

6.95 Cr units

versus 7.71 Crore units (2024-25)

Avg. realisation (₹/unit)

5.32

₹, versus ₹5.55 (2024-25)

Power exported

3.45 Cr units

versus 3.68 Crore units (2024-25)

EBIT margin

24.24

%, versus 26% (2024-25)

Big numbers

74.25

₹ Crore, revenue from power business in 2025-26

5.07

%, share of power business in total revenue in 2025-26

Human resource management

Shaping a values-driven, performance-focused and future-facing culture



Overview

Human resource management has evolved into a strategic business function that plays a critical role in driving organisational performance, operational resilience, and long-term value creation. In today's dynamic business environment, companies are increasingly recognising that sustainable growth depends not only on financial and operational strength, but also on the quality, capability, and engagement of their workforce. Effective

people management helps organisations build leadership depth, strengthen accountability, improve productivity, foster innovation, and create agile teams capable of responding to changing market realities.

Across industries, the focus of human resource has shifted from administrative oversight to building high-performance and people-centric organisations. Talent development, employee well-being,

workforce diversity, leadership capability, and cultural alignment have become central to maintaining competitiveness and ensuring long-term business continuity. As businesses undergo technological, operational, and strategic transformation, organisations that invest meaningfully in their people are better positioned to attract talent, strengthen retention, and build future-ready capabilities.

Enabling business excellence

At Magadh Sugar & Energy Ltd., people are not merely a support function; they are the operational foundation upon which the Company's performance, resilience, and long-term growth are built. From cane development officers working closely with farming communities to process engineers managing complex distillery operations, every individual contributes directly to creating value that is ultimately reflected in the Company's business outcomes and financial performance.

As our business continues to evolve, so does our approach to people. Now in its second year, the HR Transformation journey is focused on building a workforce that is future-ready, performance-driven, and aligned with the Company's strategic priorities. Through enhanced accountability, stronger capability development, improved employee support systems, and a renewed emphasis on leadership and culture, we are shaping an organisation that is better equipped to deliver sustainable growth in an increasingly dynamic business environment.

With a growing emphasis on employee well-being, diversity and workplace culture, human resource continues to be central to building agile, resilient and future-ready teams. During 2025-26, Magadh Sugar advanced its HR transformation journey, moving from a conventional framework to a more performance-oriented and people-centric model. This transition was supported by clearly defined roles, updated policies, leadership development initiatives and a strong foundation of shared values.

Rearticulating organisational values

In 2025-26, the Company undertook a collaborative exercise to redefine its core values of Integrity, Transparency and Excellence. Workshops conducted across multiple levels ensured active participation, embedding these values into everyday practices. This was further reinforced through structured training programmes and leadership coaching initiatives.

Evolving our people practices

As a part of our ongoing commitment to building a progressive and employee-centric workplace, several traditional HR policies and people practices were comprehensively reviewed and refined to ensure continued relevance, competitiveness, and alignment with evolving workforce expectations. Particular emphasis was placed on strengthening the employee experience through enhanced learning and development opportunities, career progression frameworks, performance management processes, employee

well-being initiatives, and recognition mechanisms. These interventions were benchmarked against leading practices across the sugar and broader industrial sectors to support a more engaging, inclusive, and growth-oriented work environment.

Further strengthening our focus on employee well-being, the Company introduced a subsidised annual health check-up programme for employees and their families in partnership with Corpfield. This initiative reflects our belief that the health and well-being of our people are fundamental to sustained performance and reinforces our



commitment to supporting employees and their families across all operating locations.

Driving performance through clarity and accountability

A landmark initiative was the development of a Job Description Dictionary covering more than 220 roles across sugar, ethanol, and power operations. Built with external consultants, this exercise brought long-overdue clarity to responsibilities at every level. Integrated with the existing KRA-KPI framework, it enables objective, structured performance evaluation - moving the Company decisively away from subjective assessments toward measurable outcomes. Multi-level accountability is now formally embedded in how performance is recognised and rewarded.

Developing a younger, future-ready workforce

Addressing the challenge of an aging workforce, with the average age around 46 years, the Company initiated targeted steps to infuse younger talent. Campus recruitment programmes were conducted, including the induction of 18 management trainees from NSI. A focused effort is underway to bring in professionals below 40 years of age across levels, while hiring fresh talent in entry-level roles to build a long-term leadership pipeline.

Strengthening internal leadership pipelines

An Internal Assessment and Development Centre framework was implemented to systematically identify and nurture leadership talent. Using Harrison psychometric tools alongside structured evaluation processes, employees were assessed and aligned with suitable roles. This led to multiple internal promotions, including key leadership positions such as deputy unit heads and department heads, ensuring continuity and growth opportunities.

To institutionalise leadership development, a 360-degree Leadership Survey was conducted in collaboration with Great Managers Institute. With participation from 144 leaders, the exercise provided insights across three dimensions: Connect, Inspire and Develop, forming the basis for future capability-building and succession planning initiatives.

Enhancing engagement and well-being

Employee engagement remained a key focus, with initiatives aimed at improving workplace experience, family satisfaction and overall well-being. Attrition levels remained under control at below 3% across most units. However, certain locations such as Hata experienced relatively higher attrition due to competitive pressures and infrastructure constraints, which are being addressed

through targeted interventions and facility enhancements.

Advancing diversity and inclusion

While diversity at plant locations continues to be constrained by geographical factors, efforts are being made to improve gender diversity, particularly in corporate roles. As policies evolve, diversity and inclusion will remain an area of continued focus.

Transformation and recognition

The Company's human resource transformation journey, spanning performance management, cultural alignment, workforce rejuvenation and leadership development, reflected a strong commitment to sustainability and long-term capability building. These efforts were recognised through multiple accolades during the year, including:

- 'Dream Companies to Work For – Rank 5' by World HRD Congress
- 'COO of the Year' recognition for the Company's COO
- Sales Excellence Award for the Company's Sales Head

As the organisation continues to build a dynamic, capable and engaged workforce, human resource management will remain central to shaping a culture that is value-driven, performance-focused and aligned with future growth priorities.

Ethics and value-based leadership at all levels

Multi-generational and diverse workforce development

Strengthened employee communication and feedback channels

Distinct organisational culture aligned with business values

Driving towards leadership excellence

Key talent management priorities

Structured career advancement and succession pathways

Strategic, campus-led talent acquisition for entry roles

Employee well-being, mental health and work-life balance

Continued DEI advancement, particularly in plant locations

Productivity and capability enhancement across the organisation

Employees

Year	FY24	FY25	FY26
Employees	1,174	1,331	1,152

Retention rate (%)

Year	FY24	FY25	FY26
People retention rate in %	96	94	95

Employee cost as a percentage of total revenue

Year	FY24	FY25	FY26
Employee cost as % of revenue	5.72	5.05	5.56

Profile of employees as per education

Year	FY24	FY25	FY26
Graduates	228	386	410
Masters	40	65	65
Engineers	77	67	76
MBAs	9	21	21
Chartered Accountants	4	1	2

Average age

Year	FY24	FY25	FY26
Average age (years)	47	46	46

Employees by age group

Year	FY24	FY25	FY26
Age group 22-35	190	273	224
Age group 36-45	279	319	276
Age group 46-60	705	682	648

Employees by tenure

Year	FY24	FY25	FY26
More than 5 years (as a % of the total)	63	79	58

Health and Safety incidents

Year	FY24	FY25	FY26
Incidents	Nil	Nil	Nil

Average remuneration

Year	FY24	FY25	FY26
Average remuneration (₹)	34,052	33,029	35,712

ESG at the core of our culture



Overview

An increasing number of progressive organisations are adopting responsible business practices, recognising the combined advantages of environmental care, economic efficiency and stronger brand credibility. By embedding Environmental, Social and Governance considerations into core operations, these

organisations go beyond regulatory compliance to address critical challenges such as resource depletion, water stress, pollution and process safety. This integrated approach positions ESG as a key pillar for sustainable growth and long-term business resilience.

Magadh Sugar and ESG

At Magadh Sugar, ESG principles are deeply embedded in the way the Company operates. The focus extends beyond intent to disciplined execution, ensuring that actions consistently align with responsible business conduct. The

Company follows a stakeholder-centric approach, seeking to create value across customers, employees, partners, investors and communities.

Building and sustaining trust remains central to this philosophy, as it strengthens relationships, enhances engagement and supports long-term value creation across the entire ecosystem.



Environmental priorities	Social priorities	Governance priorities
- Protection and preservation of biodiversity - Progress towards carbon neutrality - Responsible utilisation of natural resources - Commitment to high environmental standards - Adherence to regulatory requirements and assurance practices - Transparent reporting and disclosures	- Upholding and promoting human rights - Building an inclusive and diverse workplace - Strengthening talent capabilities and retention - Enabling continuous employee development - Ensuring health, safety and overall well-being - Active community participation and support - Promoting sustainable livelihood opportunities	- Robust corporate governance structure - Balanced and diverse Board composition - Strong independent oversight mechanisms - Ethical conduct and adherence to codes of practice - High standards of accountability and transparency

The integration of environmental, social and governance principles provides a strong foundation for long-term growth that is secure, scalable and sustainable.

Strengthening the environmental approach

Magadh Sugar continues to emphasise a low-carbon pathway as a critical element of sustainable growth. This approach supports multiple outcomes, including improved access to financing, stronger employee retention and enhanced profitability.

Robust internal systems: The Company maintains strong internal

control mechanisms to ensure effective environmental management. This includes structured due diligence processes, comprehensive disaster preparedness and response frameworks, and clearly defined governance oversight, with the Board providing strategic guidance and experienced teams managing execution.

Climate resilience: Efforts are underway to improve resilience against

climate-related risks by reducing energy intensity, lowering greenhouse gas emissions and transitioning towards cleaner fuels and processes.

Minimising environmental footprint:

The Company remains focused on reducing its impact on natural resources, achieving milestones such as zero waste to landfill, zero liquid discharge and lower water consumption intensity across operations.

Advancing the social framework

Employees: Employee development and well-being remain a priority, supported by ongoing investments in efficiency and sustainability initiatives. The Company continued to focus on hiring, retention and capability-

building programmes, while also strengthening workplace safety through training, awareness and infrastructure improvements.

Customers and partners:

Relationships with customers and vendors were further strengthened through closer collaboration and engagement,

contributing to a stable and mutually beneficial ecosystem.

Community: The Company actively engaged with communities around its operational locations, undertaking initiatives aimed at improving livelihoods and overall well-being, reflecting its commitment as a responsible corporate citizen.

Big numbers

Employee remuneration

69.41

₹ Crore, remuneration to employees in 2025-26

66.92

₹ Crore, remuneration to employees in 2024-25

Customers

1,244.54

₹ Crore, sales in 2025-26

1,322.28

₹ Crore, sales in 2024-25

Organisational fabric

Building a culture of responsible governance



Overview

Magadh Sugar has established a robust governance architecture anchored in ethical conduct, transparency and forward-looking leadership. Its single-tier Board, comprising seasoned and principled professionals, provides strong direction for responsible and sustainable growth.

Commitment to ethics and integrity

Governance at the Company is grounded in a clearly articulated ethical framework. A comprehensive Code of Conduct guides the actions of Directors, senior leadership, employees and associated stakeholders. Decision-making is consistently aligned with regulatory requirements, stakeholder expectations and broader societal responsibilities.

Responsible corporate approach

The Board extends its role beyond compliance by promoting responsible business practices. It remains committed to creating a positive impact in the regions where the Company operates, integrating social responsibility into its long-term vision for sustainable development.

Transparency and accountability

A strong emphasis is placed on transparent operations. The Company follows structured reporting practices, ensuring timely and comprehensive disclosure of both financial and non-financial information. Alignment with global disclosure standards has strengthened stakeholder confidence and reinforced accountability.

Board evaluation and remuneration practices

A formal evaluation mechanism has been embedded to assess the effectiveness of the Board, its Committees, individual Directors and the Chairman. This ongoing review process enables continuous improvement in governance practices and ensures responsiveness to emerging risks and industry developments.

Strategic guidance and oversight

The Board plays a central role in shaping strategy by reviewing key initiatives, monitoring operational performance and evaluating factors critical to both short-term outcomes and long-term sustainability. It also oversees management actions and encourages initiatives aligned with ESG priorities that go beyond regulatory requirements.

Independence in decision-making

Independent Directors form a significant part of the Board, ensuring objectivity and balanced judgement. Their presence strengthens oversight and helps protect stakeholder interests while maintaining governance integrity.

Diversity at the Board level

The Board reflects a diverse mix of expertise and perspectives, drawing from varied geographies, industries, functions, age groups and gender representation. This diversity fosters informed discussions, enhances decision quality and supports innovation.

Committee-led governance structure

Dedicated committees assist the Board in managing specific governance areas such as audit, risk and remuneration. Each committee functions within a defined mandate and operates under the supervision of the Board to ensure alignment with organisational objectives.

Depth of expertise

The Board brings together a wide range of capabilities, combining strategic insight with domain knowledge. Expertise spans sugar industry operations, finance, legal and regulatory matters, risk management, ESG, stakeholder engagement and negotiations, enabling the Company to effectively navigate a dynamic business environment.

Corporate social responsibility

Building stronger communities





Overview

Magadh Sugar's corporate social responsibility approach is guided by responsible business practices that actively involve stakeholders in both decision-making and execution. The Company is committed to operating with integrity, fairness and inclusivity, while embedding environmental consciousness and gender sensitivity into its policies to support sustainable and balanced development.

The overarching vision is to contribute towards a more inclusive and equitable society by enabling long-term social transformation and integration. In pursuit of this objective, the Company seeks to work in partnership with government bodies, non-governmental organisations and other aligned institutions to promote rural education and drive meaningful community impact.

To ensure structured governance of CSR initiatives, the Board has

established a dedicated CSR Committee comprising three members, including an Independent Director. This Committee is responsible for recommending CSR programmes to the Board on an annual basis, ensuring that initiatives are well-planned, effectively implemented and closely monitored. The Board, in turn, oversees the optimal utilisation of allocated CSR funds, ensuring efficiency and accountability in all related activities.

CSR initiatives in 2025–26

At Magadh Sugar, corporate social responsibility is embedded within our broader commitment to fostering inclusive and sustainable progress.

During the year, CSR initiatives were centred around four priority areas: education, healthcare, environmental stewardship and community engagement.

Education and youth development	Healthcare initiatives	Environmental stewardship	Community engagement and volunteering
Recognising the powerful role of education in driving long-term change, the Company undertook initiatives to support children from underserved backgrounds. This included the distribution of textbooks and learning resources, along with scholarships for meritorious students pursuing higher education. These efforts aim to nurture potential, promote academic achievement and contribute to sustained social advancement.	To improve access to essential healthcare services, medical camps were organised offering free consultations, medicines and basic emergency care. These initiatives were particularly beneficial in areas with limited healthcare infrastructure. The emphasis on preventive care and timely medical support reflects the Company's focus on enhancing overall community well-being.	The Company continued to advance its environmental agenda through initiatives such as tree plantation drives, community cleanliness campaigns and the adoption of sustainable practices. These measures demonstrate a commitment to reducing environmental impact while encouraging responsible behaviour within the communities it serves.	Magadh Sugar promotes active community participation by encouraging employees to engage in structured volunteering programmes. Through these efforts, employees contributed their time and expertise to support local initiatives, strengthening community ties while fostering a culture of shared responsibility and engagement.

CSR outlay

2.73

₹ in Crore CSR
spend in 2025-26

2.31

₹ in Crore CSR
spend in 2024-25

1.31

₹ in Crore CSR
spend in 2023-24

1.51

₹ in Crore CSR
spend in 2022-23

1.42

₹ in Crore CSR
spend in 2021-22

Directors' Report

Dear members

Your Directors take pleasure in presenting the 12th Annual Report on the business and operations of your Company, along with the financial statements for the financial year ended 31st March, 2026.

1. FINANCIAL RESULTS

(₹ in Lakhs)

	Year ended 31st March, 2026		Year ended 31st March, 2025	
Revenue from Operations (Gross)		1,24,453.71		1,32,228.50
Profit before Finance Costs, Tax, Depreciation and Amortization		15,050.62		21,366.49
Less: Depreciation & Amortization Expenses	2,975.38		2,742.09	
Finance Costs	3,551.98	6,527.36	3,846.39	6,588.48
Profit/(Loss) Before Tax		8,523.26		14,778.01
Less: Provision for Tax				
Current Tax	1,775.75		3,175.89	
Deferred Tax Charge	394.75	2,172.50	657.51	3,833.40
Profit/(Loss) After Tax		6,350.76		10,944.61

There have been no material changes and commitments affecting the financial position of the Company which have occurred between end of the financial year and the date of this report.

The Company has not transferred any amount to Reserves for the year ended 31st March, 2026.

2. OPERATING PERFORMANCE

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

3. FINANCIAL PERFORMANCE 2025-26

The Company recorded Total Revenue of ₹1,24,878.34 lakhs (including other income aggregating to ₹424.63 lakhs) during the financial year ended 31st March, 2026. The Revenue from Operations (Gross) of the Company for the year 2025-26 stood at ₹1,24,453.71 lakhs. The Profit before Finance Costs, Tax, Depreciation and Amortisation for the year under review stood at ₹15,052.62 lakhs representing 12.05% 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.

4. DIVIDEND

Your Board has recommended a dividend of ₹12.50 per equity share 125% (face value of Rs 10/- each) for the financial

year ended 31st March, 2026. The proposal is subject to the approval of the Members at the Twelfth Annual General Meeting (AGM) of your Company scheduled to be held on 29th July, 2026. The dividend will entail a cash outflow of ₹1,761.45 lakhs (previous year ₹1,761.45 lakhs).

5. PUBLIC DEPOSITS

During the year under review, the Company did not accept any deposit from the public under Chapter V of the Companies Act, 2013 ('the Act'). There was no public deposit outstanding as at the beginning and end of the Financial Year 2025-26.

6. SHARE CAPITAL

The Authorized Share Capital of the Company stood at ₹40,10,00,000/- (Rupees forty crore and ten lakhs) divided into 2,51,00,000 (Two crore fifty one lakhs) Equity Shares of ₹10/- (Rupees ten) each and 15,00,000 (Fifteen lakhs) Preference Shares of ₹100/-. The Issued and Subscribed Share Capital of your Company as on 31st March, 2026, stood at ₹14,09,16,300/- divided into 1,40,91,630 Equity Shares of ₹10/- each. There has been no change in share capital of your Company during the year.



7. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE

The Company does not have any subsidiary company or any associate company or any joint venture with any person. However, the Company has in place a policy for determining material subsidiaries in line with the requirement of SEBI (LODR) Regulations, 2015 ('Listing Regulations') as amended from time to time. The said Policy is being disclosed on the Company's website at the weblink

<https://magadhsugar.com/wp-content/uploads/2024/07/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>

8. CREDIT RATING

During the year, CARE Ratings assigned a long-term bank facilities rating of CARE A+/ Stable and reaffirmed the short-term bank facilities rating at CARE A1.

The details of such Credit Rating are given in the Corporate Governance Report forming a part of this Annual Report.

9. HUMAN RESOURCES

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

10. DIRECTORS

As on 31st March, 2026, the Board of Directors of your Company comprised of nine directors including a Whole-time Director and eight Non-Executive Directors, of which five are Independent Directors (including one woman independent director). Mr Chandra Shekhar Nopany is the Promoter Chairperson of the Company.

Mr. Chandra Mohan (DIN 07760264) resigned as Whole-time Director of the Company w.e.f. close of business hours on 14th May, 2025. The Board places on record its appreciation for valuable services and guidance provided by Mr Chandra Mohan during his tenure as Whole-time Director.

Based on the recommendation of the Nomination & Remuneration Committee (NRC), the Board of Directors, appointed Mr. Pankaj Singh (DIN: 11090613) as an Additional Director and Whole-time Director for a term of 3 consecutive years with effect from 14th May, 2025, subject to the approval of the Members of the Company. His appointment was regularised at the AGM held on 30th July, 2025.

Further, based on the recommendation of the NRC, the Board of Directors, appointed Ms Shalini Nopany (DIN 00077299) as an Additional Non-Executive Director of your Company w.e.f. 12th November, 2025. Members approved the above

appointment through a Resolution passed by Postal Ballot with requisite majority on 18th December, 2025.

In accordance with the provisions of Section 152 of the Act and the Company's Articles of Association, Mr Pankaj Singh (DIN 11090613) will retire by rotation at the ensuing 12th AGM and being eligible, offers himself for reappointment.

Necessary resolution seeking approval of the members for the proposed appointment/ re-appointment of Director, along with his brief profile and terms of reappointment, have been incorporated in the Notice of the ensuing AGM.

The Company has received necessary declaration from each Independent Director under Section 149(7) of the Act that they meet the criteria of independence laid down in Section 149(6) of the Act read with Regulation 25 of the Listing Regulations, 2015.

In terms of Section 150 of the Act 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 are included in the data bank maintained by the Indian Institute of Corporate Affairs.

Performance Evaluation

In pursuance of the provisions of the Act and according to Regulation 25(3) of the Listing Regulations, 2015, the Performance Evaluation Criteria has been laid down for effective evaluation of performance of the Board of Directors, the Committees thereof and individual Directors including the Chairperson of the Company. In accordance with the manner of evaluation specified by the NRC, the Board carried out annual performance evaluation of the Board, its Committees and Individual Directors. The Independent Directors carried out annual performance evaluation of the Chairman, the non-independent directors and the Board as a whole. The Chairman of the respective Committees shared the report on evaluation with the respective Committee members. The performance of each Committee was evaluated by the Board based on the report of evaluation received from the respective Committees.

The Independent Directors at their separate meeting held on 12th March, 2026 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.

Certificate of a Company Secretary in Practice confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of

Corporate Affairs or any such statutory authority, is enclosed as "Annexure E" to this Report.

11. KEY MANAGERIAL PERSONNEL

Mr. Chandra Mohan (DIN 07760264) resigned as Whole-time Director and Key Managerial Personnel ('KMP') of your Company w.e.f. close of business hours on 14th May, 2025. The Board places on record its appreciation for valuable services and guidance provided by Mr Chandra Mohan during his tenure as Whole-time Director.

Based on the recommendation of the NRC the Board of Directors, appointed Mr. Pankaj Singh (DIN: 11090613) as Whole-time Director and KMP with effect from 14th May, 2025.

Mr. Manoj Prasad ceased to be the Chief Financial Officer and Key Managerial Personnel of the Company from close of business hours on 5th August, 2025. On the recommendation of the NRC, the Board of Directors has appointed Mr. Aditya Baheti as Chief Financial Officer and Key Managerial Personnel of the Company with effect from 6th August, 2025.

The Key Managerial Personnel of the Company as on 31st March, 2026 are as under:

- a. Mr. Pankaj Singh, Whole time Director
- b. Mr. Aditya Baheti, Chief Financial Officer
- c. Mr. S Subramanian, Company Secretary

All Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to Directors & employees of the Company and a declaration to the said effect by the Whole-time Director is made part of Corporate Governance Report which forms part of this report. There has been no change in this policy during the year under review. The Code is available on the Company's website at the weblink <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-Code-of-Conduct.pdf> All Directors have confirmed compliance with the provisions of Section 164 of the Companies Act, 2013.

12. FAMILIARISATION PROGRAMME

Periodic presentations are made at the Board Meetings, business, performance updates & business strategy of the Company. The details of the familiarisation programme imparted to Independent Director are uploaded on the website of the Company and available at the weblink <https://magadhsugar.com/wp-content/uploads/2025/06/MSEL-Famprog24-25.pdf>

13. REMUNERATION POLICY

In pursuance of the provisions of Section 178 of the Act 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 <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-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, 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 Act, rules framed thereunder and the Listing Regulations. The Remuneration Policy also contains provisions about the payment of fixed & variable components of remuneration to the Whole-time Director and payment of sitting fee & commission to the non-executive directors.

14. CORPORATE SOCIAL RESPONSIBILITY POLICY

Your Company believes in long term strategy to contribute to the well-being and development of the society especially the rural population around its plants at Narkatiaganj, Sidhwalia and Hasanpur. As part of its Corporate Social Responsibility(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 obligation of your Company in terms of the applicable provisions of the Act and Rules made thereunder for the Financial Year 2025-26 is ₹258.16 lakhs. Your Company has spent ₹273.29 lakhs on various CSR projects / programs during the year under review.

The composition and terms of reference of Corporate Social Responsibility Committee are given in the Corporate Governance Report. The Corporate Social Responsibility Policy of the Company is available on the website of the Company at <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-CSR-Policy.pdf> There has been no change in this policy during the year under review.

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 Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as "Annexure I" to this Report.

15. BOARD MEETINGS

A calendar of Meeting is prepared and circulated in advance to the Directors. The Board evaluates all the decisions on a collective consensus basis amongst the Directors. During the financial year ended 31st March 2026, 4 (Four) 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 Act and the Listing Regulations.

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

16. COMMITTEES OF THE BOARD

The Committees of the Board focus on certain specific areas and make informed decisions in line with the delegated authority.

The following Committees constituted by the Board function according to their respective roles and defined scope:

- ❖ Audit Committee
- ❖ Nomination and Remuneration Committee
- ❖ Corporate Social Responsibility Committee
- ❖ Stakeholders' Relationship Committee
- ❖ Risk Management Committee
- ❖ Finance & Corporate Affairs Committee

Details of composition, terms of reference and number of meetings held in 2025-26 for the aforementioned committees are given in the Report on Corporate Governance, which forms a part of this Report. Further, during the year under review, all recommendations made by the various committees have been considered and accepted by the Board.

17. DISCLOSURES UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company is committed to providing a safe and conducive work environment to its employees as per the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

No complaint pertaining to sexual harassment has been received by the Company 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 Act 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 particulars of loans and guarantees given, security provided and investments made, if any, under Section 186 of the Act are provided in 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 Act in Form AOC-2 is not applicable.

The Policy on Related Party Transactions as approved by the Board can be accessed on the Company's website at following web-link <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-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, 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. The evaluations of these internal financial controls were done through the internal audit process and were also reviewed by the Statutory Auditors. Based on their view of these reported evaluations, the directors confirm that, for the preparation of financial statements for the financial year ended 31st March, 2026, 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 for Directors, employees and other stakeholders to report concerns about unethical behaviour, actual or suspected fraud, violation of the Company's "Code of Conduct and Ethics" or leak of Unpublished Price Sensitive Information of the Company. The mechanism provides adequate safeguards against victimisation of persons who use this mechanism. No personnel were denied access to the Audit Committee during the Financial Year 2025-26. The Whistle Blower Policy is available on the website of the Company at the weblink <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-Whistle-Blower-Policy.pdf>

23. CORPORATE GOVERNANCE & ANNUAL RETURN

The Company is committed to maintain the highest standards of governance. The Company has complied with the requirements of Corporate Governance as stipulated under the Listing Regulations, and accordingly, the Corporate Governance Report for the Financial Year 2025-26 is attached as "**Annexure B**" to this Report.

All the Directors of the Company and senior management personnel have confirmed compliance of the 'Code of Conduct' of the Company. The declaration of the Whole-time Director confirming compliance with the 'Code of Conduct' of the Company is enclosed as "**Annexure C**" to this Report and Auditor's Certificate confirming compliance with the conditions of Corporate Governance is enclosed as "**Annexure D**" to this Report.

A copy of annual return of the Company is available on the website of the Company on the weblink: <https://magadhsugar.com/annual-return/>

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

STATUTORY AUDITORS

The shareholders of the Company, at the AGM held on July 21, 2022, had appointed M/s B S R & Co LLP, Chartered Accountants, (Firm Registration No. 101248W/W-100022), as Auditors of the Company to hold office for a term of 5 (five) consecutive years from the conclusion of the Eighth AGM of the Company held on July 21, 2022 till the conclusion of the Thirteenth AGM of the Company.

The Notes to the Financial Statements read with the Auditor's Reports are self-explanatory and 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 Act read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its Sugar activity is required to be audited. Your Directors have, on the recommendation of the Audit Committee, appointed M/s D Radhakrishnan & Co., Cost Accountants (FRN: 000018) as the Cost Auditor to audit the cost accounts of the Company for the financial year 2026-27. As required under the Act and Rules framed thereunder, your Directors are seeking ratification from the members of the Company for the remuneration payable to M/s D Radhakrishnan & Co., Cost Accountants for the financial year 2026-27.

SECRETARIAL AUDITOR

The shareholders of the Company, at the AGM held on August 2, 2025, have appointed Messrs Vinod Kothari & Co., Practising Company Secretaries (Firm Registration Number P1996WB042300), as Secretarial Auditors of the Company for a period of five consecutive years commencing from financial year 2025-26 to 2029-30.

The Secretarial Audit Report for the Financial Year ended 31st March, 2026, issued by the Secretarial Auditor, does



not contain any qualification, reservation, adverse remark or disclaimer. The said Report is annexed to this Board's Report as **"Annexure F"**.

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

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

27. PARTICULARS OF EMPLOYEES

Your Company lays emphasis on the well-being and development of its human resource, recognizing them as a key driver of success and growth. The statement containing disclosures as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as **"Annexure H"** to this Report. Further, in terms of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the statement showing names and other particulars of top ten employees in terms of remuneration drawn, and of the employees drawing remuneration in excess of the limits set out in the said rules, forms part of this Report.

However, in terms of the second proviso to Section 136(1) of the Act, the Annual Report, excluding the said statement, is being sent to the members of the Company. Any member interested in obtaining the said information may write to the Company at magadhsugar@birlasugar.org. The information will also be available for inspection at the registered office of the Company on all working days (i.e. Monday to Friday) between 11:00 am to 01:00 pm up to the date of the ensuing Annual General Meeting.

28. INVESTOR EDUCATION AND PROTECTION FUND

The details of unclaimed dividend amount and Equity Shares transferred to IEPF Authority in the financial year 2025-26, pursuant to the provisions of Sections 124 and 125 of the Act and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") form part of the Corporate Governance 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 31st March, 2026, 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 31st March, 2026 and of the profit and 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 Act 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. CEO/CFO CERTIFICATION

Mr. Pankaj Singh, the Whole-time Director and Mr. Aditya Baheti, Chief Financial Officer have submitted certificates to the Board as contemplated under Regulation 17(8) of the Listing Regulations.

31. OTHER DISCLOSURES

During the year under review:

- ❖ no significant and material orders were passed by the regulators or courts or tribunals impacting the going concern status of the Company and / or its operations in future;
- ❖ no proceedings are made or pending under the Insolvency and Bankruptcy Code, 2016 and there is no instance of one-time settlement with any Bank or Financial Institution;

- ❖ no shares with differential voting rights and sweat equity shares have been issued;
- ❖ no instance of buyback of shares;
- ❖ the Company has complied with the provisions of Maternity Benefit Act, 1961;
- ❖ no agreements requiring disclosure under clause 5A of part A of para A of Schedule III, of the Listing Regulations, 2015 were entered;
- ❖ the auditors, the secretarial auditors and cost auditors have not reported any fraud under Section 143(12) of the Act and the Companies (Audit and Auditors) Rules, 2014.

operation extended by all the stakeholders, including the Central Government and Government of Bihar, Financial Institutions & Banks, investors and customers. The Board of Directors also convey its sincere appreciation for the commitment and dedication of the employees at all levels who have contributed significantly towards the Company's performance and for enhancing its inherent strength

For and on behalf of the Board

31. ACKNOWLEDGEMENT

Your Directors take this opportunity to acknowledge and express sincere appreciation for the support and co-

Place : Kolkata

Dated : 11th May, 2026

Chandra Shekhar Nopany

Chairperson

DIN – 00014587



Annexure - A

Management Discussion and Analysis

Global economy

Overview

The global economy grew marginally at 3.4% in 2025 compared to 3.3% in the previous year, influenced by the US tariff shock of April 2025. Despite being partially unwound through subsequent trade deals, it left effective tariff rates well above pre-2025 levels and heightened trade policy uncertainty.

Advanced economies witnessed a marginal growth from 1.8% in 2024 to 1.9% in 2025, while emerging market and developing economies demonstrated relative resilience, expanding by 4.4% in 2025 compared to 4.3% in 2024.

Global inflation continued its multi-year downward trend in 2025, declining to an estimated 4.1% from 5.8% in 2024.

Regional growth (%)	2025	2024
World output	3.4	3.3
Advanced economies	1.9	1.8
Emerging and developing economies	4.4	4.3

(Source: IMF, [un.org](https://www.imf.org))

Performance of the major economies, 2025

United States:

GDP growth of 2.1% in 2025 compared to 2.8% in 2024.

China:

GDP growth was 5.0% in 2025 compared to 5.0% in 2024..

United Kingdom:

GDP growth was 1.3% in 2025 compared to 1.1% in 2024.

Japan:

GDP growth was 1.2% in 2025 compared to (0.2)% in 2024.

Germany:

GDP growth was 0.2% in 2025 compared to a -0.5% in 2024.

(Source: IMF April 2026 Outlook, World Bank)

Outlook

Given the challenge of forming stable, real-time assumptions for projections, the IMF World Economic Outlook report adopted a 'reference forecast' instead of a conventional baseline, assuming the war remains contained in duration, intensity, and reach, with disruptions easing by mid-2026, in line with commodity futures as of March 10, 2026.

Under this reference view, global growth is projected at 3.1% in 2026 and 3.2% in 2027. Global inflation is expected to rise to 4.4% in 2026 before easing to 3.7% in 2027.

(Source: OECD Interim Economic Outlook, IMF, World Economic Forum, Federal Reserve, Bank of England, European Central Bank, Bank of Japan)

Indian economy

Overview

The Indian economy's real GDP grew at 7.7% in 2025-26 compared to 7.1% in 2024-25. This growth was driven by strong consumption and increasing investments, reaffirming India's position as the fastest-growing major economy.

India's Real GDP at constant prices was estimated at ₹323.12 Lakh Crore in 2025-26, compared with ₹299.89 Lakh Crore in 2024-25.

Growth of the Indian economy

	FY23	FY24	FY25	FY26
Real GDP growth (%)	7.0*	7.2	7.1	7.7

E: Estimated. Note: FY24 figure restated under new base year 2022–23. (Source: MoSPI)

* The FY23 figure (7.0%) is from the old base year series (2011–12) as the new series back-data for FY23 will only be available after December 2026.

Growth of the Indian economy quarter by quarter, FY 2025-26

	Q1FY26	Q2FY26	Q3FY26	Q4FY26
Real GDP growth (%)	6.7	8.4	7.8	7.8

Note: Q2 revised upward from 8.2% and Q3 from 7.35% under the new base year 2022–23 series released February 27, 2026. Q4 remains an estimate. (Source: MoSPI)

Inflation, policy and currency dynamics

Inflation remained benign through much of 2025-26, with full-year CPI estimated at an ex-ceptionally low 2.1%. This created room for 125 basis points of cumulative rate cuts, supporting consumption and investment.

However, macro stability was accompanied by currency volatility. The Indian rupee de-preciated sharply by 9.88% during 2025-26 — its steepest fall since 2011-12 — touching ₹94.83 against the US dollar. This reflected global capital flows, a strong dollar environment, and geopolitical uncertainties.

Capital flows and market behaviour

Foreign portfolio investors remained risk-averse, withdrawing a record ₹1.8 Trillion during 2025-26 – the largest outflow in 36 years. However, strong domestic institutional inflows of ₹8.50 Trillion provided a crucial counterbalance, highlighting the growing maturity and depth of India's domestic capital markets.

India's market capitalisation declined 8% year on year in 2025-26 to USD 4.5 Trillion from USD 4.83 Trillion in 2024-25, marking the sharpest drop since 2022-23. The BSE Sensex declined 7% or 5,467 points in 2025-26, against a gain of 5.1% or 3,763 points, in 2024-25. Similarly, the Nifty 50 fell 5%, or 1,188 points, in 2025-26, compared to a gain of 5.3% or 1,192 points, in 2024-25. against a gain of 5.34% or 1,192 points, in the corresponding period. The downturn was largely driven by the ongoing West Asia conflict and concerns around potential tariff measures under Donald Trump, which weighed on global investor sentiment.

Gold prices surged 64.1% during 2025-26 reflecting global risk aversion and safe-haven de-mand.

India's net direct tax collections rose 5.12% y-o-y to ₹23.40 Lakh Crore in 2025-26, though this fell short of the revised estimate of ₹24.21 Lakh Crore by approximately ₹80,000 Crore. Corporate tax collections came in at ₹10.99 Lakh Crore against a target of ₹11.09 Lakh Crore, while personal income tax (including STT) stood at ₹12.41 Lakh Crore against a target of ₹13.12 Lakh Crore — the larger of the two misses, partly reflecting the income tax relief extended to the middle class in the Union Budget 2025-26.

Banking sector: A pillar of stability

India's banking sector reflected improving financial health, with the gross non-performing asset ratio declining to a robust 2.1% as of September 2025, indicating stronger asset quality and disciplined lending practices. This stability was mirrored in profitability metrics, as scheduled commercial banks reported a return on assets of 1.3% and a return on equity of 12.5% during the first half of 2025-26, underscoring sustained operational efficiency and a healthier Balance Sheet trajectory.

India's growth story

Real Gross Value Added (GVA), which measures economic output excluding taxes and subsidies, grew 7.9% in 2025-26, compared with 7.3% in 2024-25. At current prices, nominal GVA rose 9.1% to ₹314.87 Lakh Crore from ₹288.54 Lakh Crore a year earlier.

The tertiary services sector remained a key growth driver, expanding by 9.0% in 2025-26 and increasing its share in nominal gross value added to 54.3% from 52.8% in 2024-25, supported by broad-based momentum across segments.

During 2025-26, financial, real estate, IT and professional services grew by 9.9%, while trade, hotels, transport, communication and broadcasting recorded a strong 10.1% growth, and public administration and other services expanded by 5.8%.

The secondary sector grew 9.1%, accelerating from 8.0% in the previous year, driven by manufacturing alongside construction growth of 7.1%. This combination of services-led scale and manufacturing acceleration is shaping a more balanced and resilient economic structure.

Consumption and investment balance

During 2025-26, Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) maintained above 7% growth, reflecting a well-balanced demand composition across household spending and investment activity.

Growth catalysts

Policy-led consumption boost: The Union Budget 2026-27's tax relief measures—particularly income tax exemptions up to ₹12 Lakh—are expected to stimulate discretionary spending and reinforce consumption-led growth.

Anticipatory Pay Commission impact: The 8th Pay Commission, though expected to be implemented from 2027-28, is already shaping consumer sentiment, creating a forward consumption impulse.

Monetary stability: The Reserve Bank of India's calibrated stance, with the repo rate at 5.25%, balances inflation risks with growth support, ensuring macroeconomic stability.

Credit expansion: Improved banking health and liquidity conditions are expected to sustain strong credit growth across MSMEs, housing, and retail segments.

Fiscal prudence with growth focus: The Union Budget maintains fiscal discipline while prioritising infrastructure, MSME support, skilling, and innovation—key levers for long-term productivity.

Outlook

The year under review underscores a defining divergence: a world grappling with uncertainty, and an India navigating it with confidence.

In a global environment marked by fragmentation and caution, India stands out as a rare convergence of stability, scale and structural opportunity. The World Bank has revised its 2026-27 growth estimate upward to approximately 6.6%, reflecting



resilient domestic momentum even as growth moderates from the previous year. India is expected to retain its position as the fastest-growing major economy.

Growth will be shaped by a combination of strong domestic demand and resilient private consumption, supported by low inflation and GST rationalisation, alongside stable export performance with improved access to key markets. This momentum is further reinforced by sustained policy support, ongoing economic reforms, and a favourable demographic advantage.

While risks persist, particularly from elevated energy prices, subsidy pressures on government spending, and uncertainty in global demand, India's macroeconomic fundamentals remain strong.

Over the medium term, sustained consumption, gradual investment recovery, and expanding global trade linkages are expected to reinforce India's position as a key driver of global economic growth.

(Source: Upstox, Economic Times, India Today, 5paisa, Livemint, The Logical Indian)

Global sugar industry

The global sugar market outlook for the 2025/26 season reflects a clear shift from the supply tightness witnessed in the previous year. Global sugar production is projected to reach 181.287 Million Tonnes, marking an increase of 5.231 Million Tonnes over

the 2024/25 output of approximately 176.1 Million Tonnes. This recovery signals the end of a phase of subdued harvests that had constrained global availability.

World sugar consumption for 2025/26 is estimated at 180.1 Million Tonnes, registering a modest increase of 0.5 Million Tonnes over the previous season's 179.5 Million Tonnes. The consumption remains below the peak level of 181.2 Million Tonnes recorded in 2023/24, indicating a period of relatively moderate demand growth.

Following two years of pronounced volatility, global sugar markets have begun to stabilise. Improved crop conditions, supported by favourable rainfall across key Asian regions, along with higher output from major producers such as India, Thailand, Pakistan, and Brazil, have contributed to restoring balance in a market that remained in deficit through 2023/24.

Sugar prices continue to be closely influenced by crude oil trends and ethanol economics. Higher crude oil prices typically incentivise mills to divert more sugarcane towards ethanol production, while softer oil prices encourage greater allocation towards sugar. With crude oil prices easing through 2025 and ethanol demand continuing to expand at a measured pace, a larger proportion of cane has been directed towards sugar production. This shift has supported overall supply and contributed to a broadly surplus global trade environment.

Overview

Particulars	2025-26	2024-25	Change in Million Tonne	Change in %
Production	181.287	176.056	5.231	2.97
Consumption	180.069	179.520	0.549	0.31
Surplus/Deficit	1.218	-3.464		
Import demand	63.222	64.731	-1.509	-2.33
Export availability	64.324	64.796	-0.472	-0.73
End stocks	93.300	93.184	0.116	0.12
Stocks/Consumption ratio in %	51.81	51.91		

Production: Global sugar production is estimated to increase in the 2025–26 season, supported by higher output in India and Brazil amid favourable weather conditions. This growth is expected to offset production declines in the European Union.

The global sugar production is expected to rise by 5.231 Million Tonnes to reach 180.069 Million Tonnes. Increased production in Brazil and India is anticipated to more than compensate for the decline in EU output.

Brazil's sugar production is projected to increase by 0.7 Million Tonnes over 2024/25, reaching 44.4 Million Tonnes, supported by improved yields driven by favourable weather conditions. The production mix is expected to tilt slightly towards sugar, with 51% allocated to sugar and 49% to ethanol. While domestic

consumption is likely to remain stable, exports are expected to rise in line with higher production.

India's net sugar production is estimated to register a sharp year-on-year increase of 6.50% , reaching 37.9 Million Tonnes. The growth is attributed to favourable weather conditions, expanded planting area, and improved yields following recovery from earlier adverse conditions. Domestic consumption is anticipated to grow, supported by increased demand from the food service sector, while higher output is expected to boost exports and closing stocks.

China's sugar production is forecast to rise by 0.34 Million Tonnes to 11.5 Million Tonnes, driven by an expansion in sugarcane cultivation and improved sugar beet yields due to favourable

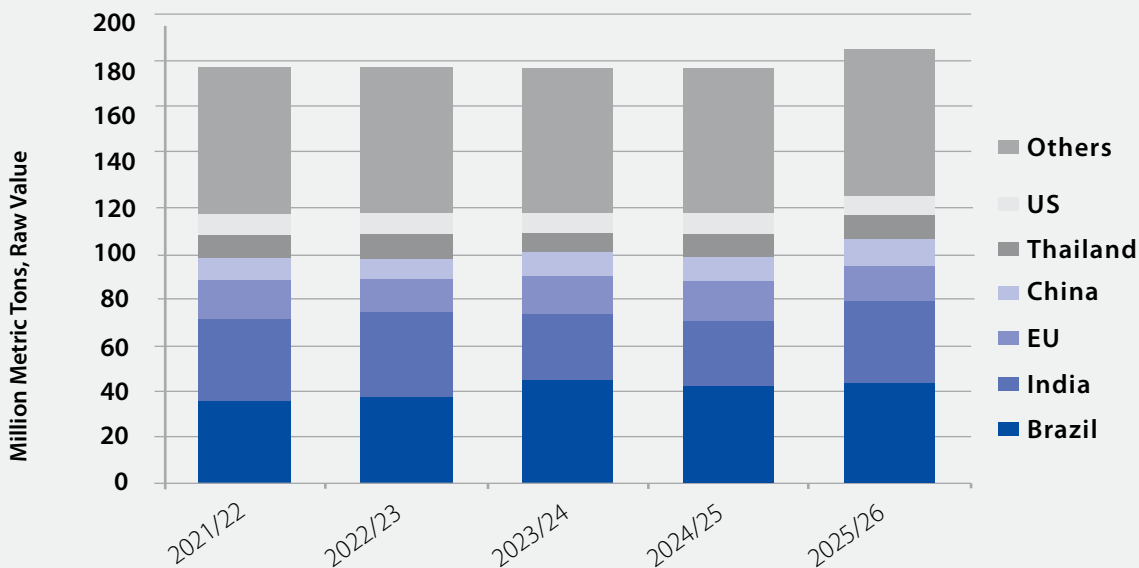
weather. As production growth outpaces consumption, ending stocks are expected to increase significantly, rising by nearly 50% to 2.4 Million Tonnes.

Thailand's sugar production is projected to grow by 2% to 10.3 Million Tonnes, supported by higher sugarcane output and improved cane yields. With domestic consumption expected to remain largely stable, exports are anticipated to continue their recovery, reaching around 7.0 Million Tonnes. This increase in exports is expected to draw down stocks to approximately 10.0 Million Tonnes.

In contrast, sugar production in the European Union is forecast to decline by 5% year-on-year to 15.5 Million Tonnes, primarily due to an 8% reduction in sugar beet acreage across key producing countries such as France and Germany. While domestic consumption and ending stocks are expected to remain broadly stable, lower production is likely to drive higher imports, while exports are projected to decline.

(Source: Chini Mandi, USDA)

India and Brazil Drive global sugar production higher in 2025/26



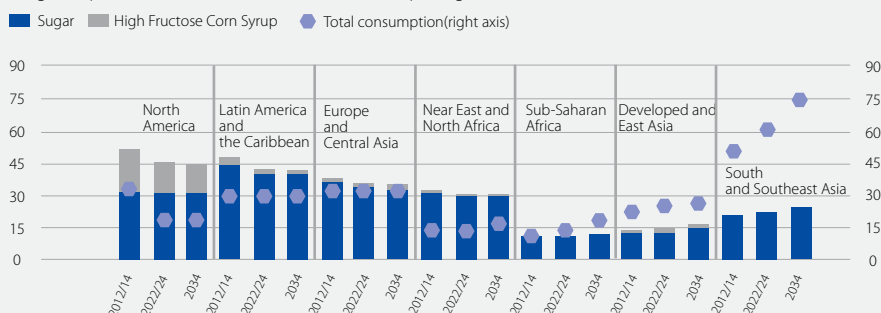
Consumption: Global sugar consumption for the 2025/26 season is expected to reach 180.069 Million Tonnes, marking a modest growth of 0.31%. Global sugar consumption is expected to grow steadily at around 1.2% annually in the 2026/27 season, largely driven by rising demand in developing economies across Asia and Africa. In contrast, per capita sugar consumption in developed countries is projected to decline as changing dietary preferences and the increasing use of alternative sweeteners gradually reduce sugar intake.

Global sugar demand growth over the next decade will be driven mainly by Asia and Africa, contributing about 64% and 29% of incremental demand, supported by population growth, urbanisation, and rising incomes. India, Indonesia, and Pakistan are expected to lead demand growth in Asia, while consumption in China will expand primarily in smaller cities as health awareness slows growth in larger urban centres. In Africa, rising disposable incomes—particularly in Sub-Saharan economies—are likely to increase consumption, though per-capita intake will remain below the global average.

In contrast, developed regions including Europe, the Americas, and Oceania are expected to see declining or stabilising per-capita sugar consumption due to health awareness, sugar taxes, product reformulation, and regulatory measures. Meanwhile, the High-Fructose Corn Syrup (HFCS) market will remain concentrated in a few countries, with the United States continuing as the largest consumer despite a gradual long-term decline, while China is expected to record modest growth to meet domestic demand.



Figure 4.1 Trends in total consumption of calorie sweeteners
Kilograms/person (left axis), Million metric tonnes tel quel (right axis)



Note: Consumption is expressed on a retail basis (tds, see glossary of terms for definition)

Source: OECD/FAO (2025), "OECD-FAO Agricultural Outlook", OECD Agriculture Statistics (database), data-explorer.oecd.org/l5.

(Source: OECD)

Exports: In 2025/26, global sugar exports are expected to total 64.324 Million Tonnes, down 0.73% from the previous season. Global sugar exports are expected to remain highly concentrated, with Brazil, Thailand, and India together accounting for roughly three-quarters of global trade by 2034. Brazil will continue to dominate the market - particularly in raw sugar - while Thailand and India will maintain a stronger share in white sugar exports due to the premium it commands.

Brazil's exports are projected to rise to about 38 Million Tonnes by 2034, despite ongoing port and logistics constraints, though the country will continue to prioritise raw sugar shipments. Thailand's exports are expected to grow to 10.4 Million Tonnes, while India's exports are forecast to increase to around 6 Million Tonnes over the same period subjected to domestic policy and production conditions.

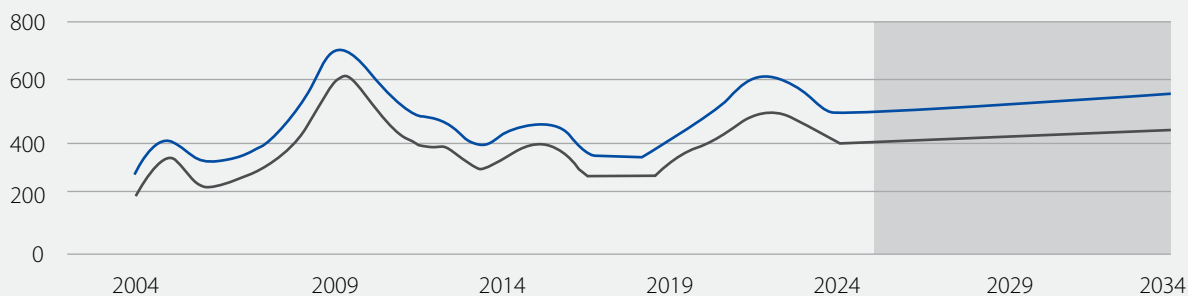
(Source: OECD)

Global sugar price

Figure 4.5.A. Evolution of world sugar prices

USD/t (Nominal prices)

— Raw sugar — White sugar

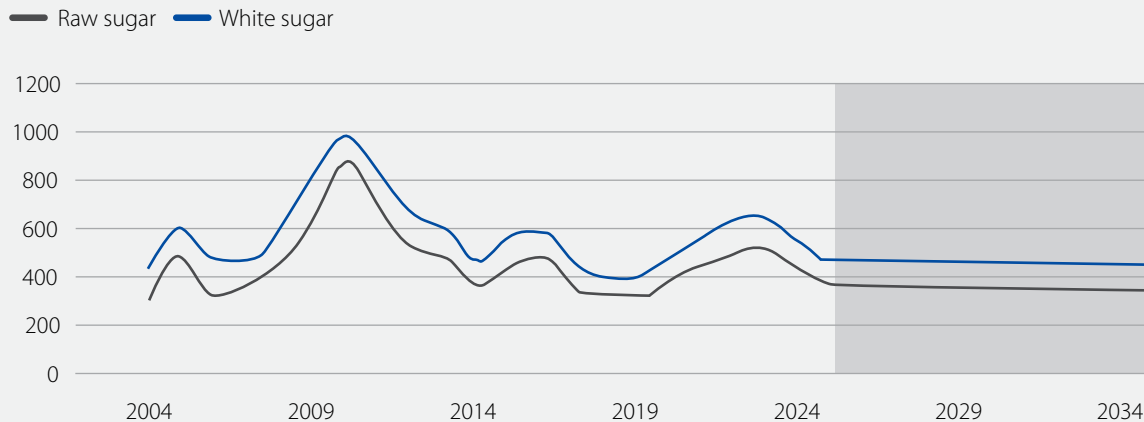


Note: Raw sugar world price, Intercontinental Exchange contract No.11 nearby futures price; Refined sugar world price, Euronext Liffe, Futures Contract No. 407, London. Real sugar prices are nominal world prices deflated by the US GDP deflator (2024=1).

Source: OECD/FAO (2025), OECD-FAO Agricultural Outlook, OECD Agriculture Statistics (database), <https://data-explorer.oecd.org/s/1h>.

Figure 4.5.B. Evolution of world sugar prices

USD/t (Real prices)



Note: Raw sugar world price, Intercontinental Exchange contract No.11 nearby futures price; Refined sugar world price, Euronext Liffe, Futures Contract No. 407, London. Real sugar prices are nominal world prices deflated by the US GDP deflator (2024=1).

Source: OECD/FAO (2025), OECD-FAO Agricultural Outlook, OECD Agriculture Statistics (database), <http://data-explorer.oecd.org/s/1hc>.

Domestic sugar industry

Overview

The Indian sugar industry is navigating a period of transformation shaped by evolving domestic policies, fluctuating global markets, and a strong pivot toward green energy and ethanol integration. While earlier concerns around lower sugarcane yields have eased with improving crop conditions and greater cane availability in key growing regions, the sector still faces challenges such as competitive gur and jaggery markets, logistical disruptions, and policy shifts in ethanol procurement that are influencing mills' profitability and capacity utilisation. Recent policy realignments, proactive government support measures, and favourable monsoon conditions have strengthened the foundation for long-term structural changes expected to reshape the industry's trajectory.

For the 2025–26 crushing season, India's sugar production is estimated to increase significantly compared with the 2024–25 season, supported by improved sugarcane availability, and better field conditions. Industry estimates indicate net sugar output could reach roughly 27.90 Million Tonnes, up from about 26.20 Million Tonnes in 2024–25, reflecting an expansion of 6 - 7% –18% year-on-year as farmers planted more cane and operations progressed smoothly.

Including opening stocks of about 4.7 Million Tonnes, total sugar availability is estimated at 32.60 Million Tonnes, comfortably exceeding domestic consumption of around 27.20 Million Tonnes. Exports are projected at 8,00,000 tonnes, with closing stocks expected to reach 4.60 Million Tonnes.

The total area under sugarcane expanded from about 4.85 Million hectares in 2020–21 to a peak of nearly 5.89 Million hectares in 2022–23, and has since stabilised at around 5.70 – 5.75 Million hectares in 2025–26 (industry estimates). Uttar Pradesh remains the largest sugarcane-growing state by area, followed by Maharashtra and Karnataka.

While Bihar may not rank among India's top three sugar-producing states, it continues to hold strategic importance and gradually strengthening in both the sugar and ethanol sectors. Currently, sugarcane cultivation in the state covers an estimated around 2.4 to 2.6 Lakh hectares, with local policy pushes aimed at increasing acreage further under recent industrial development programs. The State remains committed to expanding sugarcane cultivation and strengthening agro-industrial linkages, with government initiatives encouraging broader cultivation and mill expansion. For the ethanol supply year (ESY) 2025–26, oil marketing companies (OMCs) have allocated around 1,048 Crore Litres of ethanol against offers of roughly 1,776 Crore Litres from producers nationwide, of which only about 15.82% came from sugarcane juice and 10.54% from B-heavy molasses, indicating a shift toward grain-based feedstocks and lower relative allocation for sugarcane-based ethanol production. As per recent data from the Sugarcane Industries Department, government of Bihar, 9 sugar mills are currently operational in the State primarily concentrated in districts such as West Champaran, East Champaran, Gopalganj and Samastipur, with select units undertaking capacity expansion and modernisation.. Bihar's sugarcane sector remains vital for rural incomes and rural livelihoods even as evolving biofuel opportunities shape its industrial future.



A key challenge for the sugar industry, both locally in Bihar and nationwide, remains the changing landscape of ethanol procurement and pricing, which affects how sugarcane feedstock is utilized. For ESY 2025–26, Oil Marketing Companies (OMCs) have allocated ethanol contracts where maize-based ethanol accounts for the largest share, followed by other feedstocks (including sugarcane juice and molasses), highlighting the shift away from sugar-based ethanol dominance seen earlier. Sugarcane-based ethanol allocations (from juice and B-heavy molasses) remain comparatively modest, which can create uncertainty for sugar mills regarding ethanol diversion decisions and financial viability. Many producers and industry bodies have raised concerns about lower allocations and competitive pressures in ethanol supply contracts, especially as government allocation priorities evolve.

Overall, Bihar still positions ethanol production as a priority within its broader biofuel, employment, and agricultural value-addition strategy even as the balance between sugar and ethanol markets evolves nationally.

(Source: PIB, Chini Mandi, Informist Media, Bioenergy Times, Patna Press, Investing. Com, Economic Times)

Production overview

India's net sugar production is projected to increase by nearly 6.50% to around 27.90 Million Tonnes in the 2025–26 season, marking a recovery from the supply tightness witnessed in the previous year. The anticipated rise is expected to ease domestic availability constraints and support export opportunities, subject to favourable policy support. This growth is primarily driven by an above-normal monsoon, which has improved sugarcane acreage and yields across key producing states such as Maharashtra and Karnataka.

As of 31st March, 2026 (SS 2025–26), sugar production stood at 271.20 Lakh Tonnes, compared to 248.65 Lakh Tonnes during the corresponding period last year, reflecting a growth of approximately 9% . A total of 74 sugar mills were operational

at this stage, lower than 113 mills in operation during the same period in the previous season, indicating relatively faster completion of crushing in certain regions.

Uttar Pradesh continued to maintain stable production momentum, with output reaching 87.45 Lakh Tonnes by end-March, down by 0.25 Lakh Tonnes, broadly in line with last year level. The number of operational mills in the state stood at 38 compared to 57 last year.

Maharashtra and Karnataka reported strong year-on-year growth, with production reaching 98.95 Lakh Tonnes and 46.75 Lakh Tonnes, respectively, compared to 80.10 Lakh Tonnes and 39.90 Lakh Tonnes during the same period last year. Around 9 mills were operational across both States almost same as like last year.. Notably, select mills in South Karnataka are expected to resume operations during the special crushing season scheduled between June/July and September 2026.

Bihar, although smaller in scale, is witnessing renewed momentum in the sugar sector. Initiatives to revive closed mills, including units at Sakri (Madhubani) and Raiyam (Darbhanga), are expected to enhance processing capacity and provide improved market access for cane farmers. Additionally, the State has outlined plans to promote new investments in sugar manufacturing, aimed at strengthening the overall sugar ecosystem, generating employment, and increasing its contribution to the national industry over the medium term.

Ethanol production is also expected to expand in the 2025–26 season, with output likely to reach around 380-420 Crore Litres , up from approximately 350 Crore Litres in the previous year. Increased diversion towards ethanol, along with improved sugar realisations, is projected to support a recovery in operating margins of sugar mills to about 9–9.5% in 2025–26, thereby strengthening the overall financial and credit profile of the sector.

(Source: Chini Mandi, Agro Spectrum India, Eng Rural Voice, Agrilnsite, Navbharat Times, Sugar Times)

Position as on 31st March, 2026

Sl. no	Particulars	No. of working factories		Actual sugar production (after diversion into ethanol)	
		2025-26	2024-25	2025-26	2024-25
1	Uttar Pradesh	38	57	87.45	87.70
2	Maharashtra	8	6	98.95	80.10
3	Karnataka	1	4	46.75	39.90
4	Others	27	46	38.05	40.95
Total		74	113	271.20	248.65

Indian sugar Balance Sheet

Particulars	Sugar season 2024-25	Sugar season 2025-26
Opening balance as on October 1 (LMT*)	80	47
Sugar Production (LMT)	262	279
Total Availability	342	326
Domestic consumption (LMT)	287	272
Sugar exports (LMT)	8	8
Closing balance as on September 30 (LMT)	47	46

*LMT: Lakh metric tonne

Exports: India's sugar exports have witnessed a measured recovery in the 2025–26 marketing year (October–September), with cumulative shipments crossing 5.0 Lakh Tonnes by February end, as per industry estimates. Within this, white sugar constituted the dominant share, while refined sugar accounted for a comparatively smaller portion, indicating a gradual pickup in export activity in line with the government's approved quota.

India continues to rank among the world's top three sugar producers, alongside Brazil and Thailand, both of which play a significant role in shaping global trade dynamics. During the current marketing year, the United Arab Emirates emerged as a prominent destination for Indian sugar exports. Other important export markets included Afghanistan, Djibouti and Bhutan reflecting a diversified export footprint across neighbouring and regional markets.

For the 2025–26 season, the Food Ministry initially allowed 1.5 Million Tonnes in exports, then opened an additional 5,00,000 Tonnes pool, of which only 87,587 Tonnes were approved. Sugar exports continue to be regulated through a quota-based mechanism, under which export limits are proportionately allocated to mills. This framework is designed to balance export opportunities with domestic supply requirements, prevent excessive outbound shipments, stabilise prices, and safeguard consumer interests.

In Bihar, the strategic focus remains centred on improving sugar recovery rates, enhancing overall productivity, and expanding ethanol production under the Ethanol Blending Programme. As a result, the state's emphasis continues to be on strengthening its domestic value chain rather than actively pursuing export opportunities.

(Source: Usthadian)

Policy and market developments

India's net sugar output for the 2025–26 season is projected to rise year-on-year to around 27.90 Million Tonnes, supporting domestic supply and targeted exports. Strengthened production, coupled with supportive policies such as export quotas and

flexible trade norms, aims to balance supply while boosting foreign exchange earnings.

For the 2025–26 sugar season, the Government of Bihar has continued its supportive stance towards farmers by maintaining an upward revision in sugarcane pricing, building on the increase implemented in the previous season. The State Advised Price (SAP) has been further increased by ₹10 per quintal across all varieties, with the revised rates as follows:

Early (best) variety: ₹375 per quintal

Common variety: ₹355 per quintal

Lower variety: ₹320 per quintal

This incremental increase reflects the state's continued focus on improving farmer realisations, encouraging cane cultivation, and supporting the revival of the sugar sector.

Overall, Bihar's policy framework for the 2025–26 season reflects a balanced approach, combining moderate price support for farmers with continuity in logistical cost structures, thereby aiding both cane growers and mill operators.

At the national level, the Central government removed the 50% export duty on molasses, a key by product of the sugar industry used as feedstock for ethanol for the 2025–26 sugar season. This move was announced as part of broader trade policy measures to support sugarcane farmers and manage surplus stocks, allowing sugar exports of up to 1.5 Million Tonnes while eliminating the duty that had applied previously. The press notes issued by the Government of Bihar indicate that transportation charges for lifting sugarcane from outside procurement centres continue to be fixed at ₹7.50 per quintal, with no revision announced as of the 2025–26 sugar season.

India's recent LPG shortage, triggered by disruptions in West Asia affecting the Hormuz Strait, through which 85–90% of India's LPG imports pass, has exposed the country's heavy dependence on imported cooking fuel. With 62% of LPG demand met through imports, supply shocks have led to rising prices and shortages, forcing restaurant closures and pushing many low-income



households back to biomass fuels despite LPG expansion under the PM Ujjwala Yojana.

Bioethanol could complement LPG as a domestic clean cooking fuel. India already has ethanol production capacity of 1,822 Crore Litres, far exceeding the 1,016 Crore Litres required for E20 fuel blending, leaving surplus capacity. Diverting around 250 Crore Litres to cooking could serve roughly 20 million households, while ethanol stoves produce minimal pollution and reduce emissions compared with biomass.

Recognising ethanol as an approved cooking fuel under PMUY and launching state-level pilot programmes using existing distillery capacity and oil marketing company distribution networks. Expanding ethanol-based cooking could reduce import dependence, lower fiscal subsidy burdens, and improve health outcomes while strengthening India's domestic biofuel ecosystem.

(Source: Economic Times, Agriinsite, Reuters, Aista)

Ethanol industry

The India ethanol market size reached USD 3.4 Billion in 2025 and is expected to reach USD 11.8 Billion by 2034, exhibiting a growth rate (CAGR) of 13.95% during 2026-2034. India's ethanol industry has experienced substantial growth and transformation, fuelled by government policy initiatives and a strategic focus on energy security, rural development, and environmental sustainability. A cornerstone of this effort is the national policy on biofuels, 2018 (amended in 2022), which established ambitious targets to curb dependence on crude oil imports and expand domestic renewable fuel production.

Ethanol Blending Program (EBP)

By early 2026, India's ethanol blending programme has achieved a significant milestone, with petrol blending levels reaching around 20% (E20) under the Ethanol Blended Petrol (EBP) Programme, meeting the government's target ahead of schedule for the 2025–26 ethanol year. This progress reflects the effective implementation of the blending mandate and the rapid expansion of the country's ethanol supply ecosystem.

The advancement reinforces India's broader objectives of reducing dependence on crude oil imports, lowering transport-related emissions through cleaner fuels, and supporting agricultural and rural economies by creating additional value streams for feedstock crops. Building on this momentum, policy discussions are increasingly focused on further increasing blending levels, with potential targets of up to ~30% by 2030 as production capacity continues to expand.

India's high reliance on crude oil imports - estimated at nearly 85% - continues to expose the economy to global price volatility.

It is estimated that every USD 1 increase in crude oil prices raises the country's import bill by approximately USD 2 Billion, with implications for inflation, logistics costs, and fiscal stability. Recent geopolitical tensions and disruptions in global shipping routes have further highlighted these vulnerabilities.

At the same time, ethanol production capacity in India has expanded significantly to around 20 Billion litres, including approximately 9 Billion litres contributed by the sugar sector. With the E20 programme requiring about 11 Billion litres annually, current utilisation levels remain near 55%, indicating adequate headroom to support higher blending targets in the coming years.

Ethanol supply and feedstock utilization

To maintain a stable ethanol supply, the government permits a flexible feedstock policy. Approved sources include:

Sugarcane-based materials: Juice, syrup, B heavy and C heavy molasses

Grains: Surplus broken rice, maize, and other cereals

Biomass residues: Bagasse, cotton stalks, cassava, and similar residues like straw and husks.

To meet rising ethanol demand, India has shifted from being a net exporter to a net importer of corn, mainly from Myanmar and Ukraine. This multi-feedstock approach strengthens supply reliability and mitigates risks from crop or market fluctuations.

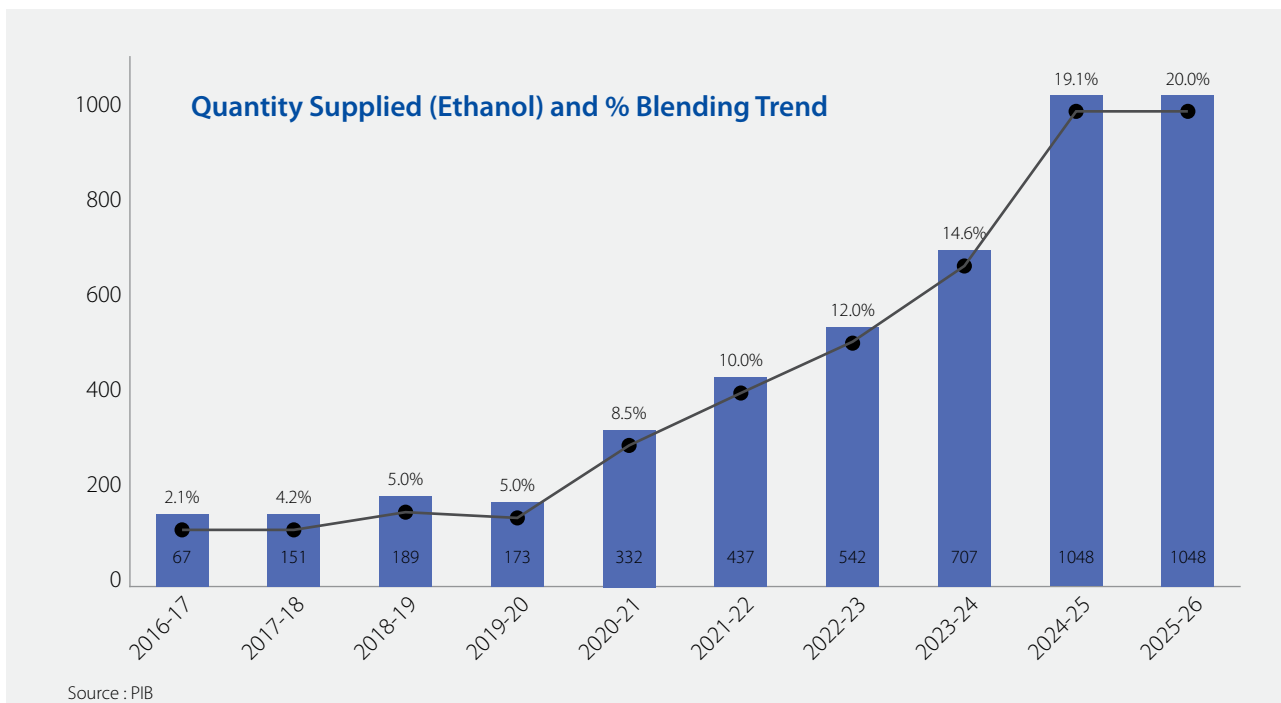
In Bihar, the policy has fostered the growth of grain- and molasses-based ethanol plants, leveraging both sugarcane and surplus grain production. The industry is further supported by the Bihar Ethanol Production Promotion Policy, 2021, and overseen nationally by the National Biofuel Coordination Committee (NBCC) to ensure that ethanol production aligns with food security and fuel supply priorities.

(Source: New Indian Express, Informist Media, PPAC, IMARC)

Impact on vehicle performance

The ethanol blending roadmap (2020–25) indicates that increasing blending to E20 results in only a marginal reduction in fuel efficiency - typically around 2–4% for vehicles designed for E10. This impact can be mitigated through engine optimisation and improved vehicle design.

Industry and regulatory assessments show that E20-compliant engines maintain comparable performance, with potential gains in acceleration due to ethanol's higher octane rating. Importantly, no significant adverse effects on engine durability, wear, or oil quality have been observed, as concerns around corrosion have been addressed through improved fuel standards and material compatibility.



Co-generation

The sugarcane industry's by-product, bagasse, continues to offer significant potential for power cogeneration, supporting energy efficiency and contributing to a cleaner energy mix. Bagasse-based cogeneration provides multiple advantages, including lower carbon intensity, reduced dependence on fossil fuels, cost efficiency, and improved energy security for sugar mills. With rising consumer preference for high-quality refined sugar, manufacturers remain optimistic about sustained growth in the domestic market.

The Ministry of New and Renewable Energy (MNRE) continues to drive bioenergy development under the National Bioenergy Programme (2021–26), with an outlay of approximately ₹1,715 Crore. The programme aims to promote the establishment of biomass-based power projects, including bagasse cogeneration, and to enhance the efficient utilisation of agricultural residues across the country.

As of early 2026, India's installed capacity for biomass-based power generation is estimated to be in the range of 10.5–11.0 GW, including both bagasse-based and non-bagasse cogeneration. Of this, bagasse-based cogeneration accounts for around 10.0–10.3 GW, continuing to form the dominant share of biomass power capacity. States such as Maharashtra and Uttar Pradesh together contribute a significant proportion, close to 40–45%, of the total installed capacity, reflecting the concentration of sugarcane production in these regions.

Biomass energy remains an important component of India's renewable energy portfolio, contributing over 10 GW to the overall mix. The sector's growth is supported by ongoing policy

measures, including capital subsidies, viability gap funding, and incentives for efficient and high-pressure cogeneration systems.

During 2025–26, India has continued to add renewable energy capacity in line with its long-term targets. While the pace of additions varies across segments, the country remains on track toward its ambition of achieving 500 GW of non-fossil fuel-based capacity by 2030. Within this framework, biomass and bagasse-based cogeneration are expected to play a stable and complementary role, particularly in supporting decentralised power generation and improving the financial sustainability of the sugar industry.

(Source: MNRE, PIB)

Recommendations for strengthening co-generation:

Tariff realignment: Match bagasse tariffs to other biomass (₹6.5–₹7/kWh) to encourage upgrades

National uniformity: Implement a pan-India reference tariff ($\geq$ ₹6/kWh) for consistency and investment confidence

Feedstock security: Enable long-term bagasse purchase agreements and storage to support year-round operations

Hybrid operations: Encourage bagasse + other biomass/coal systems to maintain grid stability during off-season.

(Source: LinkedIn)

Government policies

National Biofuel policy and Ethanol Blending Programme: India's ethanol blending programme aims to reduce fossil fuel



dependence and support renewable energy by blending ethanol into petrol. The country achieved E10 ahead of schedule and is on track to reach 20% ethanol blending (E20) in 2025–26, using feedstocks such as sugarcane, grains, and agricultural residues. The government continues to explore higher blending targets while supporting the sugar and ethanol industries.

Antyodaya Anna Yojana (AAY) sugar subsidy scheme: The AAY programme ensures affordable sugar for the poorest families, providing 1 kg per family per month at ₹18.50/kg through the Public Distribution System. The scheme has been extended through March 2026, benefiting nearly 1.89 Crore families across India and supporting food security for vulnerable populations.

Initiatives in the sugar sector: The sugar industry is witnessing significant transformation through several strategic initiatives. Notably, AgriStack is modernizing agricultural data management, enabling better agristatistics, timely policy formulation, and more effective government interventions. Additionally, the adoption of Artificial Intelligence (AI), Machine Learning (ML), and remote sensing technologies is playing a key role in improving sugarcane productivity and crop quality.

(Source: IBEF, Economic Times, Wright Research)

Demand drivers in the sector

Domestic sugar consumption: India's large and growing population drives high internal consumption of sugar. Total sugar use was around 28 million tonnes in 2024–25 with per capita use rising as urban lifestyles increase intake of soft drinks, sweets, bakery items and packaged foods. As food processing grows, domestic sugar demand remains broad based across sectors.

Expansion of the food and beverage industry: The booming food processing, beverage and confectionery sectors are major consumers of sugar. These industries account for over 60% of all sugar use in India, especially in soft drinks, dairy products, and ready to eat foods, a trend backed by rapid urbanization and changing diets in cities and towns.

Government support and policy initiatives: Government policies such as fair pricing for sugarcane (FRP) which is now ₹355 per quintal – sugar season 25-26, October to September, export quotas, incentives, and farmer welfare schemes continue to support supply stability. These actions boost both cultivation and processing, stabilizing prices and encouraging investment throughout the sugar value chain.

Ethanol Blending Program and diversification: India's push for 20% ethanol blending with petrol by 2025–26 has created large new demand for sugarcane derivatives particularly molasses and B heavy molasses used in ethanol. This reduces surplus sugar stocks, adds alternate revenue for mills, and strengthens overall market demand.

Export opportunities: India regularly allocates export quotas (in 25-26 initial quota was 1.5 Million MT and additional quota was

0.5 in February of which 0.087 Million MT were approved in March 2026) for sugar to help balance supply and support producer prices. Export deals to countries in Africa and Asia further open global markets for Indian sugar and reduce domestic surplus pressure when production is high.

Technological and yield improvements: Adoption of mechanization (increased productivity by about 30%), precision farming, AI (crop monitoring, disease detection have caused) and improved irrigation increases sugarcane yields and reduces cultivation costs. These innovations help farmers produce more cane per hectare and provide a steadier raw material base for sugar mills. Better use of fertilizers and pesticides reduced average input costs by 41%. Accurate irrigation scheduling reduced water use by about 30%, and remote monitoring capabilities allowed farmers to effectively monitor their crops from a distance, reducing farm visits by 75%.

Rising incomes and urbanization: Growing incomes and urban lifestyle shifts lead consumers to purchase more processed and convenience foods, many of which contain sugar. Urban households now account for 51% consuming sweets and packaged sugary items. This trend underpins long term domestic demand and supports premium and value added sugar product segments.

Diversified industrial demand (including biofuel and pharma): Apart from traditional food sectors, sugar finds use in biofuel (ethanol), pharmaceuticals, and specialized industrial applications. These diversified end uses provide additional demand cushions that are less dependent on household sugar consumption cycles.

(Source: Vesper Tool, Farming Cosmos, Economic Times, Just Agriculture, Chini Mandi, India Today)

SWOT analysis

Strengths

Strong global presence: India is one of the largest producers and exporters of sugar globally, playing a significant role in influencing international sugar prices. Its production scale allows it to impact global supply dynamics, especially during surplus years.

High sugarcane production base: India consistently ranks among the top sugarcane-producing countries. The vast cultivation area ensures a strong raw material base for sugar mills, supporting both domestic consumption and exports.

Traditional expertise in jaggery and khandasari: India has a long-standing tradition of producing jaggery (gur) and khandasari sugar. This indigenous knowledge supports a diversified sweetener market and sustains rural employment.

Abundant raw material availability: The country's agro-climatic conditions support large-scale sugarcane cultivation, ensuring consistent raw material supply for mills across major producing states such as Uttar Pradesh and Maharashtra.

Weaknesses

Relatively low sugarcane yield: Despite large production volumes, India's per-hectare yield is lower compared to countries like Brazil. This impacts efficiency and overall productivity.

High cost of production: Labour-intensive harvesting methods, high transportation costs, inadequate infrastructure, and rising energy prices increase the overall cost of sugar production, affecting competitiveness in global markets.

Small and uneconomic mill size: Many sugar mills operate below optimal capacity. Smaller scale operations limit economies of scale, reducing efficiency and profit margins.

Outdated machinery and technology: Several mills continue to use old equipment, which reduces recovery rates, lowers product quality, and increases operational costs.

Opportunities

Rising domestic demand: Growing population, urbanization, and expansion of the processed food and beverage sector are increasing domestic sugar consumption.

Export growth potential: Favourable global price trends and government export support schemes create opportunities for expanding India's sugar exports.

Sugar beet cultivation prospects: Sugar beet presents an alternative raw material option, especially in water-scarce regions, offering diversification beyond sugarcane.

Growing market for natural sweeteners: Demand for jaggery and minimally processed sugars is rising due to increasing consumer preference for natural and organic products.

Threats

Policy and political uncertainty: Government decisions regarding export quotas, subsidies, ethanol blending, and pricing policies directly impact industry profitability and stability.

Competition from gur and khandsari: Traditional sweeteners compete with refined sugar in rural and semi-urban markets, affecting refined sugar demand.

Regional imbalances: Sugar production is concentrated in certain states, leading to logistical inefficiencies and uneven distribution across regions.

Price volatility: Global sugar price fluctuations due to climate events, trade barriers, and production changes in major producers like Brazil can impact Indian exports and domestic pricing.

(Source: ICAR, DFPD, Indian [Budget.gov](https://budget.gov.in))

Company performance

Overview

Magadh Sugar & Energy Limited is a part of the renowned K. K. Birla Group of sugar companies. The Group, established in 1932, has been engaged in the sugar business for over seven decades.

Following various merger and demerger arrangements, Magadh Sugar & Energy Limited was incorporated in 2015.

Magadh operates as an integrated sugar enterprise with diversified operations spanning sugar manufacturing, spirits and ethanol production, cogeneration of power, and allied by-products. The Company runs 3 sugar mills in Bihar with a combined crushing capacity of 21,500 Tonnes of cane per day (TCD). It also operates distilleries with an aggregate capacity of 155 kilolitres per day (KLPD) and has cogeneration facilities with a total installed capacity of 38 MW.

Financial overview

Analysis of the Profit and Loss Statement

Revenues: Revenues from operations decreased from ₹1,32,228.50 Lakhs in 2024-25 to ₹1,24,453.71 Lakhs in 2025-26.

Expenses: Total expenses decreased by 1.24% from ₹1, 17,732.65 Lakhs to ₹ 1,16,27.76 Lakhs. Raw material costs, accounting for a 65.85% share of the company's revenues in 2025-26. Employees expenses, accounting for a 5.56% share of the company's revenues from operations in 2025-26 from 5.05% operation in 2024-25.

Analysis of the Balance Sheet

Sources of fund: The Company's capital employed stood at ₹1,63,078.82 Lakhs as on 31st March, 2026, compared to ₹1,59,642.67 Lakhs as on 31st March, 2025. The return on capital employed (ROCE), which measures the efficiency of returns generated on invested capital, was 0.07% in 2025-26.

The Company's net worth increased to ₹88,019.16 Lakhs as on 31st March, 2026, from ₹83,394.98 Lakhs as on 31st March, 2025, reflecting improved financial strength. The equity share capital remained unchanged during the year at ₹1409.16 Lakhs, comprising 1,40,91,630 equity shares of ₹10 each.

As of 31st March, 2026, the Company's long-term debt stood at ₹19,108.89 Lakhs. The debt-equity ratio remained at 0.79 in 2025-26, consistent with the previous financial year.

Finance costs decreased by 7.65%, from ₹3,846.39 Lakhs in 2024-25 to ₹3,551.98 Lakhs in 2025-26. The Company maintained a healthy debt service coverage ratio (DSCR) of 1.34 times as of 31st March, 2026, compared to 2.06x times in the previous year, indicating moderate debt servicing capability.

Application of funds: The Company's gross fixed assets increased to ₹1,14,854.17 Lakhs as on 31st March, 2026, compared to ₹1,07,804.35 Lakhs as on 31st March, 2025, reflecting continued capital investment during the year. Depreciation on tangible assets amounted to ₹2,975.38 Lakhs in 2025-26, up from ₹2,742.09 Lakhs in 2024-25.

Working capital management: As on 31st March, 2026, the Company's current assets stood at ₹68,328.99, compared to ₹74,031.66 Lakhs as on 31st March, 2025. The current ratio improved to 1.25 at the close of 2025-26 from 1.19 in the previous financial year, indicating moderate short-term liquidity.



Inventories, including raw materials, work-in-progress, and finished goods, were ₹89,181.43 Lakhs as on 31st March, 2026, compared to ₹89,640.43 Lakhs a year earlier. The inventory turnover ratio improved to 1.43 times in 2025–26 from 1.31 times in 2024–25, reflecting better inventory management.

Trade receivables declined significantly to ₹1957.92 Lakhs as on 31st March, 2026, from ₹2234.31 Lakhs as on 31st March, 2025.

Margins: The Company reported an EBITDA margin of 12.16% in 2025–26, while the net profit margin stood at 5.10%, reflecting its operational efficiency and overall profitability during the year under review.

Key ratios

Particulars	Sugar season FY26	Sugar season FY25	Reason for change of 25% or more
Total debt-equity ratio	0.79	0.85	
Return on capital employed (%)	7%	12%	Change in Return on Capital Employed is 36.53% as compared to the preceding year due to lower profitability.
Earnings per share (₹)	45.07	77.67	
Trade receivable turnover ratio	59.36	45.06	Change in Trade Receivable Turnover Ratio is 31.75% as compared to the preceding year due to decrease in average trade receivable.
Inventory turnover ratio	1.43	1.31	
Interest coverage ratio	3.40	4.84	
Current ratio (x)	1.25	1.19	
Debt service coverage ratio	1.34	2.06	
Net profit margin (%)	5.09%	8.28%	Change in Net Profit Ratio is 39.65% as compared to the preceding year due to lower profitability.

Risk management

Geographical risk: The Company's operational efficiency may be affected by the distance between its sugar mills and sugarcane cultivation areas, potentially leading to logistical challenges and higher transportation costs.

Mitigation: To address this risk, the Company has strategically established its mills within a 30-kilometre radius of key cane-growing regions. Furthermore, all units are well connected through road networks, ensuring seamless transportation, timely cane procurement, and efficient supply chain management.

Procurement risk: The availability of high-quality sugarcane is critical to operations. Any disruption in procurement or decline in cane quality could adversely affect production volumes and profitability.

Mitigation: The Company has built long-term relationships with approximately 88,500 cane farmers. Through farmer engagement initiatives, productivity enhancement programs, and welfare measures, it works toward securing a stable and sustainable supply of sugarcane.

Quality risk: Procurement of substandard sugarcane may impact recovery rates, production efficiency, and final product quality.

Mitigation: The Company has undertaken proactive steps such as promoting early-maturing cane varieties to improve yield and sugar recovery. It also provides subsidized insecticides to reduce pest damage and conducts farmer awareness programs on modern agronomic practices to enhance crop quality and productivity.

Financial risk: Rising debt levels could expose the Company to liquidity pressures and impact profitability and overall financial stability.

Mitigation: The Company follows a prudent financial management approach, maintaining a consistent record of timely debt servicing. This disciplined repayment track record strengthens its liquidity position, enhances creditworthiness, and supports long-term financial sustainability.

Human capital risk: The inability to attract, retain, and nurture skilled professionals may hinder operational efficiency, innovation, and long-term growth.

Mitigation: To mitigate this risk, the Company has implemented a comprehensive human resource framework focused on talent acquisition, retention, and employee development. This structured approach helps build a capable workforce aligned with the Company's strategic objectives and growth ambitions.

Internal control systems and their adequacy

Key features of our internal control system include

Continuous monitoring and improvement: The Company's internal audit framework is subject to ongoing review and refinement to address emerging risks and evolving business dynamics. This proactive approach ensures that internal controls remain effective, relevant, and resilient in a changing operating environment.

Audit committee oversight: The Audit Committee provides robust oversight of the internal control system. It periodically reviews internal audit findings and collaborates closely with management to ensure timely implementation of recommended improvements. The Committee also monitors the prompt execution of corrective actions to address identified gaps.

Coordination with auditors: The Company maintains transparent and constructive engagement with both statutory and internal auditors. This collaborative approach strengthens audit effectiveness and enhances the overall reliability of internal control processes.

Integration with risk management: Internal control systems are closely aligned with the Company's risk management framework. This integration facilitates early identification, assessment, and mitigation of risks, enabling a structured and proactive response strategy.

Capacity building and skill enhancement: The Company places strong emphasis on the continuous training and professional development of its internal audit team. Regular upskilling initiatives ensure alignment with evolving regulatory requirements, emerging risks, and best-in-class audit practices.

Through adherence to these principles, the Company ensures that its internal control systems are robust, comprehensive, and aligned with industry standards, x'thereby supporting strategic objectives, safeguarding assets, and enhancing long-term shareholder value.

Human resources and industrial relations

The Company acknowledges that its employees are central to its sustained growth and operational excellence. It remains

committed to empowering its workforce with the skills and capabilities required to succeed in an increasingly dynamic and technology-driven environment.

During the year under review, the Company conducted a comprehensive range of training and development initiatives covering technical competencies, behavioural skills, business acumen, leadership development, customer service excellence, safety standards, and ethical practices.

As of 31st March, 2026, the Company's total workforce stood at 1152 employees, reflecting a strong human capital base supporting its business operations.

Corporate social responsibility

The Company remains firmly committed to environmental stewardship and social responsibility across all aspects of its operations. It strives to create meaningful and lasting value for its stakeholders, including employees, local communities, and the environment.

As part of its community outreach initiatives, the Company regularly organizes medical camps, offering free health check-ups, essential medicines, and emergency medical support to underserved populations. It is equally dedicated to advancing education by providing learning opportunities and support to underprivileged children, thereby contributing to the empowerment of future generations.

In addition, the Company actively pursues environmental conservation initiatives aimed at reducing its ecological footprint, promoting sustainable practices, and fostering long-term environmental well-being.

Cautionary statement

Statements contained in this section outlining the Company's objectives, projections, expectations, and estimates may constitute 'forward-looking statements' within the meaning of applicable securities laws and regulations. These statements are based on current assumptions and expectations and are subject to various risks and uncertainties that could cause actual results to differ materially from those expressed or implied.

**Annexure - B**

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

Magadh Sugar & Energy Limited (MSEL) 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 Directors of MSEL manages its business ethically and in a transparent manner with the profit objective balanced by long term value equitably for all stakeholders which term includes every one ranging from the board of directors, management, shareholders, cane growers, customers, employees and society at large.

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

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

Corporate Governance Philosophy

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

The corporate governance structure in the Company ensures that its Board of Directors is well informed and well equipped

to fulfill its overall responsibility by way of providing strategic direction to the senior management, employees, etc. which is the backbone of the ability to meet the aspirations of all stakeholders.

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

2. Board of Directors

- i. The Company has in all Nine Directors with considerable professional experience in divergent areas connected with corporate functioning. Out of these Eight Directors, Five (55.56%) are Independent Directors (IDs), 3 Non-Executive Directors and 1 Whole-time Director. Mr. Chandra Mohan (DIN- 07760264) resigned as Whole time Director w.e.f. 14th May, 2025. The Board of Directors appointed Mr. Pankaj Singh (DIN – 11090613) as the Whole time Director with effect from 14th May, 2025 for a period of 3 (three) years. The Board also appointed Ms Shalini Nopany (DIN – 00077299) as a Non-Executive Director with effect from 12th November, 2025. The composition of the Board is in conformity with Listing Regulations. The Board is headed by Promoter Non-Executive Chairperson Mr. Chandra Shekhar Nopany. The composition of Board of Directors is balanced in terms of specialization in one or more areas.
- ii. The Board of Directors considers 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 meetings and commission. They 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 IDs have requisite knowledge of business, in addition to expertise in their area of specialization. The Company has received declaration from each of the IDs of the Company confirming that he/ she meets the criteria of independence as prescribed under Section 149(6) of the Act, rules framed thereunder and Listing Regulations. It is confirmed that in the opinion of the Board of Directors, the IDs 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 Whole time Director does not hold the position of Independent Director in more than three listed companies in compliance with Regulation 17A of the 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 notify changes from time to time.

The Company has obtained a certificate from a Company Secretary in practice confirming that none of the Directors on the Board of Directors of the Company have been debarred or disqualified from being appointed or continuing as director of companies by the Securities and Exchange Board of India /Ministry of Corporate Affairs or any such statutory authority. A copy of the said certificate is attached as "**Annexure E**" to the Board's Report.

- vi. No Director is related to any other Director on the Board in terms of the definition of 'relative' given under the Act,

except for Ms Shalini Nopany, Non-Executive Director who is related to the Chairperson..

- vii. The Board looks at strategic planning and policy formulation. The Board meets at least once every quarter to review the Company's operations and the maximum time gap between any two meetings is not more than 120 (One Hundred Twenty) days.
- viii. The Whole time Director is responsible for corporate strategy, planning, external contacts and Board matters. The senior management personnel heading respective divisions are responsible for all day-to-day operations-related issues, profitability, productivity, recruitment and employee retention for their divisions.
- ix. Mr. Pankaj Singh (DIN: 11090613), Whole-time Director is retiring by rotation at the forthcoming AGM scheduled to be held on July 29, 2026 and being eligible has offered himself for re-appointment. The brief resume and other requisite details of the Director proposed to be re-appointed is given in the notice of ensuing AGM.
- x. The IDs met on 12th March, 2026 without the presence of the Chairperson, Whole time Director, the Non-Executive Non-IDs and the Management Team. The meeting was attended by IDs, and which enabled them to discuss various matters pertaining to the Company's affairs and thereafter put forth their combined views to the Board. The IDs reviewed the performance of non-IDs, chairperson and the Board as a whole as well as the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Key Board qualifications, expertise and attributes

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

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

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
Mr. Chandra Shekhar Nopany (DIN – 00014587)	√	√	√
Mr. Ishwari Prosad Singh Roy (DIN – 00217532)	√	√	√
Mr Padam Kumar Khaitan (DIN – 00019700)	√	√	√
Mr Yashwant Kumar Daga (DIN – 00040632)	√	√	√
Ms Shashi Sharma (DIN – 02904948)	√	√	√
Mr Raj Kumar Bagri (DIN- 00231766)	√	√	√
Mr. Rajan Arvind Dalal (DIN – 00546264)	√	√	√
Ms Shalini Nopany (DIN – 00077299)	√	√	√
Mr. Pankaj Singh (DIN – 11090613)	√	√	√

Senior Management

As on 31st March 2026, Senior Management of the Company includes the following:

1. Mr. Pankaj Singh, Whole time Director
2. Mr. V C Tyagi, Executive President – Sidhwalia unit
3. Mr. Ravindra Kumar Tewari – Narkatiaganj unit.
4. Mr. Ashok Mittal, Executive President – Hasanpur unit
5. Mr. S Subramanian, Company Secretary
6. Mr. Brij Mohan Agarwal, Vice President (Marketing)
7. Mr. Mainak Ranjan Chaki, Vice President (Human Resources)
8. Mr. Aditya Baheti, Chief Financial Officer (w.e.f. 6th August, 2025)

Familiarisation Programme

In terms of Regulation 25(7) of SEBI (LODR) Regulations, 2015, the Company is required to conduct Familiarisation Programme for IDs to familiarise them about the Company including nature of industry in which the Company operates, business model of the Company, roles, rights and responsibilities of IDs and any other relevant information. As a part of the familiarisation programme, presentation was made to the IDs giving a brief overview of roles, responsibilities and liabilities of IDs under Corporate Governance norms with focus on constitution of various Committees under the Companies Act, 2013.

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

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

Further, the management of the Company makes various presentations to the IDs on an ongoing basis which inter-alia

includes Company overview, various business verticals, latest key business highlights, financial statements, evolution as well as business model of the various business of the Company, as part of the familiarisation programme for IDs.

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

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

The details of the familiarisation programme imparted to Independent Director are uploaded on the website of the Company and available at the web link- <https://magadhsugar.com/wp-content/uploads/2025/03/MSEL-Famprog-1.pdf>

Performance Evaluation

In pursuance of the provisions of the Act 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 2025-26. 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 evaluations 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 4 (Four) Board Meetings were held on 13th May, 2025, 5th August, 2025, 11th November, 2025 and 6th February, 2026 respectively.

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

Name of Director	Category of Director	No. of Board Meetings held and attended during FY 2025-26		Whether attended last AGM held on Thursday, 2nd August, 2025	No. of Directorships in other Indian Public Limited Companies (As on 31st March 2026)#	No. of Committee positions held in other Indian Public Companies (As on 31st March 2026)##		Number of Equity shares held (As on 31st March, 2026)
		Held	Attended			Chairman	Member	
Mr. Chandra Shekhar Nopany (DIN – 00014587)	P/C/NED	4	4	Yes	8	1	-	37,724
Mr. Ishwari Prosad Singh Roy (DIN –00217532)	NEID	4	4	Yes	-	-	-	-
Mr Padam Kumar Khaitan (DIN – 0019700)	NEID	4	3	Yes	2	-	-	-
Mr Yashwant Kumar Daga (DIN – 0040632)	NEID	4	4	No	2	-	3	-
Ms Shashi Sharma (DIN – 02904948)	NEID	4	4	Yes	2	-	2	-
Mr Raj Kumar Bagri (DIN- 00231766)	NEID	4	4	Yes	2	1	1	-



Name of Director	Category of Director	No. of Board Meetings held and attended during FY 2025-26		Whether attended last AGM held on Thursday, 2nd August, 2025	No. of Directorships in other Indian Public Limited Companies (As on 31st March 2026)#	No. of Committee positions held in other Indian Public Companies (As on 31st March 2026)##		Number of Equity shares held (As on 31st March, 2026)
		Held	Attended			Chairman	Member	
Mr Rajan Arvind Dalal (DIN – 00546264)	NED	4	4	Yes	1		1	-
Mr Chandra Mohan (DIN – 07760264) \$	WTD	4	1	NA	-	-	-	-
Mr Pankaj Singh (DIN-11090613) *	WTD	4	3	Yes	-	-	-	-
Ms Shalini Nopany (DIN-00077299) @	NED	4	1	NA	8	-	-	-

\$ Resigned w.e.f 14.05.2025

* Appointed w.e.f 14.05.2025

@ Appointed w.e.f 12.11.2025

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

Notes:

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

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

The other Indian listed entities where Directors of the Company hold directorship as on 31st March 2026 are as follows:

Name of the Director	Other Indian Listed Entity Directorships	Category of Directorship
Mr Chandra Shekhar Nopany	▪ Avadh Sugar & Energy Limited	Managing Director & Co-Chairperson
	▪ Chambal Fertilisers and Chemicals Limited	Non-Executive Director
	▪ New India Retailing & Investment Limited	Managing Director & Executive Chairperson
	▪ Sutlej Textiles and Industries Limited	Non-Executive Chairperson
	▪ SIL Investments Limited	Executive Director
Mr Yashwant Kumar Daga	▪ Deepak Spinners Limited	Executive Director
	▪ Deepak Industries Limited	Independent Non-Executive Director
Mr Rajan Arvind Dalal	▪ Hindustan Composites Limited	Independent Non-Executive Director
Ms Shashi Sharma	▪ Lux Industries Limited	Non-Executive Director
Ms Shalini Nopany	▪ New India Retailing & Investment Limited	Non-Executive Director
	▪ Palash Securities Limited	Non-Executive Chairperson
	▪ SIL Investments Limited	Managing Director

Note: Mr Padam Kumar Khaitan, Mr Ishwari Prosad Singh Roy, Mr Raj Kumar Bagri and Mr Pankaj Singh do not hold any directorship in any other listed entity.

Committees of the Board

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

Committee and non-mandatory committees viz. Risk Management Committee, Finance & Corporate Affairs Committee of Directors. The terms of reference of these Committees are determined by the Board and their relevance reviewed from time to time. The Minutes of the Committee Meetings are sent to all Directors individually and tabled at the Board Meetings.

3. Audit Committee

i. Overall purpose/Objective

The Audit Committee has been constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Regulation 18 of Listing Regulations as amended from time to time, by the Board of Directors, initially at its meeting held on March 14, 2017.

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

ii. Terms of Reference

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

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

The Company's system of internal controls covering financial and operational activities, compliances, IT applications, etc. are reviewed by the Internal Auditors and presentations are made to the Audit Committee on the findings of such reviews. Further, in compliance with Section 177(4)(vii) of the Companies Act, 2013 the Audit Committee maintains and evaluates the effectiveness of internal control systems of the Company pertaining to financial reporting, compliance

with Accounting Standards, and looks after overall financial activities under applicable laws and regulations governing the Company.

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

4 (Four) meetings of the Audit Committee were held during the year 2025-26 on 13th May, 2025, 5th August, 2025, 11th November, 2025 and 6th February, 2026 respectively. The maximum time gap between any two consecutive meetings did not exceed 120 (One Hundred Twenty) days. Moreover, the requisite quorum as required by Listing Regulations was present in all the meetings of the Audit Committee held during the year

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Raj Kumar Bagri	Chairperson	Independent Director	4
Ms Shashi Sharma	Member	Independent Director	4
Mr Yashwant Kumar Daga	Member	Independent Director	4
Mr Ishwari Prosad Singh Roy	Member	Independent Director	4

4. Stakeholders' Relationship Committee

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

(i) Terms of Reference:

The Stakeholders Relationship Committee oversees the redressal of complaints/grievances of investors such as transfer/transmission of shares, credit of shares to demat accounts, non-receipt of dividend/annual reports, approval of physical shares above 1000 shares, taking note of shares transferred in course of a quarter, status of dematerialized



shares as on the end of each quarter, stock of blank stationery of share certificates as on the end of each quarter, shareholding pattern of the Company as on the end of each quarter and detail of investors' grievances pending as on the end of each quarter among others. It also approves issuance of duplicate shares and matters incidental thereto. It also discharges such other functions as may be delegated by the Board of Directors from time to time. The Stakeholders Relationship Committee meets at regular intervals to take note of share transfer and other matters.

(ii) Composition & Meetings:

During the year under review the Stakeholders' Relationship Committee was reconstituted on 14th May, 2025 by inducting Mr Rajan Arvind Dalal in place of Mr Raj Kumar Bagri. Mr Dalal was designated as Chairperson in place of Mr Raj Kumar Bagri. Further, Ms Shalini Nopany was inducted as a Member of the Committee w.e.f 7th February, 2026.

The composition of the Stakeholders' Relationship Committee as on 31st March, 2026 is as follows:

- a. Mr Rajan Arvind Dalal - Chairperson
- b. Mr Yashwant Kumar Daga
- c. Mr Padam Kumar Khaitan
- d. Ms Shalini Nopany

During the period under review the Committee met twice on 7th May, 2025 and 6th November, 2025 respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Rajan Arvind Dalal	Member	Non-Executive Director	2
Mr Yashwant Kumar Daga	Member	Independent Director	2
Mr Padam Kumar Khaitan	Member	Independent Director	2
Ms Shalini Nopany [§]	Member	Non-Executive Director	-

[§] Became a member w.e.f. 7th February, 2026

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

The Company has in place a comprehensive Investor Grievance Redressal system prescribing the standards of shareholders' service & grievance redressal procedure and mechanism to be adhered to by the Registrar and Share

Transfer Agents as well as by the Company. The shareholders can write to the Company at magadhinvestors@birla-sugar.com on a day-to-day basis.

During the financial year ended 31st March, 2026, 3 (three) complaints were received and duly resolved. There were no complaints were pending as on 31st March, 2026.

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

5. Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Company was constituted on 14th March, 2017 in line with the provisions of Regulation 19 of Listing Regulations read with Section 178 of the Act.

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 Act, Companies (Meetings of Board and its Powers) Rules, 2014 and under Listing Regulations.

ii. Terms of Reference:

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

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

and recommend to the Board their appointment, remuneration and removal.

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

iii. Composition and Meetings:

The Committee comprises of the following Directors:

1. Mr Yashwant Kumar Daga - Chairperson
2. Mr Padam Kumar Khaitan
3. Mr Ishwari Prosad Singh Roy
4. Mr Raj Kumar Bagri

During the period under review the Committee met four times on 7th May, 2025, 31st July, 2025, 6th November, 2025 and 2nd February, 2026 respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Yashwant Kumar Daga	Chairperson	Independent Director	4
Mr Padam Kumar Khaitan	Member	Independent Director	4
Mr Ishwari Prosad Singh Roy	Member	Independent Director	4

Name of the Member	Status	Category	No of meetings attended
Mr Raj Kumar Bagri	Member	Independent Director	4

iv. Remuneration Policy:

The Board of Directors of the Company had at its meeting held on 30th March, 2017 adopted the Remuneration Policy as recommended by the Nomination and Remuneration Committee of the Company. The Remuneration Policy is available on the Company website at web link <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-Nomination-and-Remuneration-Policy.pdf>

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

Remuneration of Directors

Detail of remuneration paid to the Directors for the financial year 2025-26:

a. Whole-time Director

(₹ in lakhs)

Name	Salary	Perquisites	Retirement Benefits	Total
Mr. Chandra Mohan (up to 14.05.2025)	45.25	1.99	-	47.24
Mr. Pankaj Singh (w.e.f 14.05.2025)	92.80	73.80	11.14	177.74

* 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

The Whole time Directors remuneration package includes salary, free furnished accommodation with all expenses for upkeep and maintenance thereof, contribution to Provident Fund, reimbursement of medical expenses, leave travel concession, car with driver and telephone etc.

b. Non-Executive Directors

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

The shareholders of the Company had approved through Postal Ballot on 20th March, 2025, revision in payment of commission to Non-Executive directors with effect from the financial year 2024-25, 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. Further, in case of inadequacy of profits in any financial year the Non-Executive Directors will be paid a sum of ₹10 Lakhs as Commission.

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

Sl. No.	Name of the Director	Sitting Fee Paid (₹)	Commission payable for the Financial Year 2025-26 (₹)
1	Mr Chandra Shekhar Nopany	1,80,000	10,63,561
2	Ms Shashi Sharma	3,20,000	10,63,561
3	Mr Yashwant Kumar Daga	3,80,000	10,63,561
4	Mr Padam Kumar Khaitan	2,80,000	10,63,561
5	Mr Ishwari Prosad Singh Roy	3,40,000	10,63,561
6	Mr Raj Kumar Bagri	3,20,000	10,63,561
7	Mr Rajan Arvind Dalal	2,80,000	10,63,561
8	Ms Shalini Nopany	40,000	4,07,941

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

6. Corporate Social Responsibility Committee

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

The Corporate Social Responsibility Committee was reconstituted on 5th August, 2025 and now comprises of Mr. Padam Kumar Khaitan, Independent Director, Chairperson, Ms Shashi Sharma, Independent Director, Mr. Rajan Arvind Dalal, Non-Executive Director and Mr Pankaj Singh, Whole time Director. Mr S Subramanian, Company Secretary of the Company acts as the Secretary to the Committee. The Committee is responsible for monitoring the Corporate Social Responsibility Policy (CSR Policy) of the Company from time to time the Company's CSR Policy is available on the Company's website at <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-CSR-Policy.pdf>

During the period under review the Committee met two times on 13th May, 2025 and 8th November, 2025 respectively.

Attendance of the members at the meetings was as follows:

Name of the Member	Status	Category	No of meetings attended
Mr Padam Kumar Khaitan	Chairperson	Independent Director	2
Ms Shashi Sharma	Member	Independent Director	2
Mr Rajan Arvind Dalal	Member	Non-Executive Director	2
Mr Chandra Mohan [#]	Member	Whole-time Director	1
Mr Pankaj Singh ^{\$}	Member	Whole-time Director	1

[#]Ceased to be a Member w.e.f. 14.05.2025

^{\$} Became a member w.e.f. 05-08-2025

7. Risk Management Committee

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

The Risk Management Committee was constituted on 24th May, 2017 in line with the provisions of Listing Regulations. During the Committee was reconstituted and it now comprises Ms Shashi Sharma, Independent Director, Mr Rajan Arvind Dalal and Mr Pankaj Singh, Whole-time Director. Ms Shashi Sharma is the Chairperson of the Committee.

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

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

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

2 (Two) meetings of the Risk Management Committee of the Company was held during the year on 26th August, 2025 and 19th March, 2026 respectively. The attendance of each member of the Committee is given below:

Name of the Member	Status	Category	No of meetings attended
Ms Shashi Sharma	Chairperson	Independent Director	2
Mr. Chandra Mohan#	Member	Whole time Director	-
Mr. Rajan Arvind Dalal	Member	Non-Executive Director	2
Mr. Pankaj Singh [§]	Member	Whole time Director	2

Ceased to be a Member w.e.f 14.05.2025

§ Appointed as a Member w.e.f. 05.08.2025

8. Finance & Corporate Affairs Committee

The Finance & Corporate Affairs Committee of Board of Directors comprises of Mr. Chandra Shekhar Nopany, Chairperson, and Mr. Yashwant Kumar Daga, Mr. Ishwari Prosad Singh Roy and Mr. Pankaj Singh, Whole-time Director. Mr. S Subramanian, Company Secretary of the Company acts as the Secretary to the Committee.

The Terms of Reference of this Committee includes oversight of banking and borrowing related matters, to authorise the Company officials for signing various agreements, deeds and documents etc., to consider, approve and submit various bid documents etc. for participation in ethanol tenders, amongst

others and to do such other businesses as may be delegated by the Board of Directors from time to time.

During the period under review 1 (one) meetings was held on 9th February, 2026.

Name of the Member	Status	Category	No of meetings attended
Mr. Chandra Shekhar Nopany	Chairperson	Non-Executive Director	1
Mr. Yashwant Kumar Daga	Member	Independent Director	1
Mr. Ishwari Prosad Singh Roy	Member	Independent Director	1
Mr. Pankaj Singh [§]	Member	Whole time Director	1

§ Appointed as a Member w.e.f. 05.08.2025

9. Subsidiary Companies

The Company does not have any subsidiary, any associate or any joint venture. However, the Board of Directors have formulated a Policy for determining material subsidiaries in its meeting held on 30th March, 2017 and subsequently modified on 26th March 2020 in line with changes envisaged in Listing Regulations and such modified Policy has been disclosed on the company website at <https://magadhsugar.com/wp-content/uploads/2024/07/Magadh-Sugar-Policy-for-Determining-Material-Subsidiaries.pdf>

10. Related Party Transactions

All transactions entered into with Related Parties as defined under the Act and Regulation 23 of Listing Regulations during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. Again, there were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Similarly, there were no transaction with person or entity belonging to Promoter/ Promoter Group which holds 10% or more shareholding in the Company. Suitable disclosure as required by the Indian Accounting Standards (IND AS) has been made in the notes to the Financial Statements. The Board has approved a policy for related party transactions which modified in line with amended provisions of Companies Act, 2013 read with Listing Regulations and has been uploaded on the Company's website <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-Related-Party-Transaction-Policy.pdf>



11. Vigil Mechanism / Whistle Blower Policy

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility and accordingly has formulated Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination is meted out to any person for a genuinely raised concern. The said policy has updated with recent amendments w.r.t. Unpublished Price Sensitive Information as mandated by SEBI laws and has been uploaded on the Company's website at <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-Whistle-Blower-Policy.pdf>

12. Policy Against Sexual and Workplace Harassment

The Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees. The Company in its endeavor to provide a safe and healthy work environment for all its employees has developed a policy to ensure zero tolerance towards verbal, physical, psychological conduct of a sexual nature by any employee or stakeholder that directly or indirectly harasses, disrupts or interferes with another's work performance or creates an intimidating, offensive or hostile environment such that each employee can realize his / her maximum potential. During the financial year 2025-26, 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 off nor there were any complaints pending as on the end of the FY 2025-26.

13. General Body Meetings

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

Financial Year	Date	Time	Location
2024-25	02-08-2025	11.00 A.M.	Through Video Conferencing ("VC") / Other Audio Visual Means
2023-24	01-08-2024	11.00 A.M.	("OAVM" and deemed venue: Registered Office of the Company P.O.
2022-23	27-07-2023	11.00 A.M.	Hargaon, Dist. Sitapur Uttar Pradesh - 261 121

The last Annual General Meeting was held on 2nd August, 2025, which was chaired by Mr Chandra Shekhar Nopany.

One Special Resolution was passed on in the previous three Annual General Meetings.

13.02 Postal Ballot

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

Resolution	Date of Postal Ballot Notice	Date of Announcement of Result	Total no of valid votes	No. of votes with Assent for the Resolution	No. of votes with Dissent for the Resolution
Appointment of Ms. Shalini Nopany (DIN 00077299) as a Non-Executive Director of the Company	11-11-2025	18-12-2025	87,98,225	87,88,840	9,385

The Board of Directors of the Company at its meeting held on 11th November, 2025 had appointed Mr Mohan Ram Goenka (Membership No.: FCS 4515, CP No.: 2551) as the Scrutiniser for conducting Postal Ballot (by remote e-voting) process in a fair and transparent manner.

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

14. Means of Communication

- 14.01** The unaudited quarterly / half yearly results are announced within forty-five days of the close of the quarter. The audited annual results are announced within 60 days from the close of the financial year as per the requirements of Listing Regulations. The aforesaid financial results are sent to BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE) where the Company's securities are listed, immediately after these are approved by the Board and also published in 'Business Standard'; in English and 'Business Standard' in Hindi in Lucknow edition.
- 14.02** The quarterly results, shareholding pattern, corporate governance reports, intimation of Board meetings, etc. are filed with the stock exchanges through NSE Electronic Application Processing System (NEAPS) and BSE Listing Centre.
- 14.03** The Annual Report of the Company, the quarterly/half yearly and annual financial results are simultaneously posted on the Company's website www.magadhsugar.com and can be downloaded.
- 14.04** The Company also displays official press releases as and when released on the above website.
- 14.05** Email id earmarked for redressing Investor queries is magadhinvestors@birla-sugar.com.
- 14.06** Presentation made to any Institutional Investor or to any Analysts during the period under review is made available on the above website.

15 General Shareholders' Information

15.01 12th Annual General Meeting

Day & Date	: Wednesday, July 29, 2026
Time	: 11.00 A.M (IST)
Venue	: 12 th Annual General Meeting will be held through Video Conferencing (VC) or Other Audio Visual Means (OAVM) and deemed venue shall be Registered Office of the Company at P.O. Hargaon, Dist. Sitapur Uttar Pradesh – 261121.

15.02 Financial Year : April to March

15.03 Tentative Financial Calendar

Event	Date
Approval of Audited Annual Results (2025-26)	11 th May, 2026
First Quarter Results	On or before 14 th August, 2026
Second Quarter Results	On or before 14 th November, 2026
Third Quarter Results	On or before 14 th February, 2027
Audited Annual Results 2026-27	On or before 30 th May, 2027

15.04 Book Closure & Record Date

The Register of Members and Share Transfer Books of the Company will remain closed from Monday July 27, 2026 to Wednesday, July 29, 2026 (both days inclusive) for the purpose of Annual General Meeting. The Record Date for ascertaining the entitlement of Dividend is July 17, 2026.

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

15.06 Listing on Stock Exchanges and Stock Codes

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

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

The Company has paid annual listing fees for the Financial Year 2026-27 to the above Stock Exchanges

**15.07 Registrar & Share Transfer Agent**

The Company has appointed MUFG Intime India Private Limited (Formerly Link Intime India Private Limited) 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:

MUFG Intime India Pvt. Ltd.

Unit: Magadh Sugar & Energy Limited

Rasoi Court, 5th Floor,
20 Sir R N Mukherjee Road,
Kolkata - 700 001

Tel: 91 033 6906 6200

E-mail: kolkata@in.mpms.mufg.com

Website – www.in.mpms.mufg.com

15.08 Share Transfer System

Pursuant to the directive of the Securities and Exchange Board of India (SEBI), Physical transfer of shares has been dispensed with. In reference to SEBI Circular dated 25th January, 2022, the Security holder/Claimant shall submit duly filled up Form ISR-4 for processing of service request related to transmission, transposition, consolidation/sub-division/endorsement of share certificate, issue of duplicate share certificate along with requisite documents. The Company/RTA shall issue letter of confirmation after processing the service requests which shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities..

15.09 Distribution of Shareholding**a. Equity Share Capital History**

The Paid up Capital of the Company consists of 1,40,91,630 Equity shares of Rs.10/- each fully paid up and allotted as under:

Date of Allotment	No. of share	Issue Price (₹ per share)
30.03.2017	1,00,65,450	10
02.07.2019	40,26,180	(Bonus) 4:10

b. The Distribution of Shareholding as on 31st March, 2026 was as follows:

No of Equity Shares	No. of Shareholders	% of total shareholders	No of shares held	% of total shares
1 to 500	11723	93.78	692188	4.91
501 to 1000	391	3.13	291843	2.07
1001 to 2000	183	1.46	258060	1.83
2001 to 3000	65	0.52	160735	1.14
3001 to 4000	26	0.21	89701	0.64
4001 to 5000	26	0.21	119748	0.85
5001 to 10000	32	0.26	227464	1.61
10001 and above	54	0.43	12251891	86.94
Total	12500	100.00	14091630	100.00

c. Detail of Shareholding pattern of the Company as on 31st March, 2026 was as follows:

Category	No. of Shares held	% of Shareholding
Promoters	85,98,482	61.02
Mutual Funds, Financial Institutions, Banks, Insurance Companies, etc.	1,270	0.01
Bodies Corporate	10,93,249	7.76
Individuals/HUF/Trust	42,49,969	30.16
Stock Exchange Clearing Members/Market Maker	1,001	0.01

Category	No. of Shares held	% of Shareholding
NRIs / OCBs / FII's / Foreign Nationals	70,709	0.50
Unclaimed Shares	3,249	0.02
Investor Education And Protection Fund	73,701	0.52
Total	1,40,91,630	100.00

15.10 Dematerialisation of Shares and Liquidity

The Equity Shares of the Company are in compulsorily dematerialised form at all the stock exchanges viz. BSE Ltd. and The National Stock Exchange of India Ltd. under depository systems at both the Depositories viz. National Securities Depository Limited and Central Depository Services (India) Limited. 1,40,45,476 Equity Shares viz. 99.67% of the Equity Share Capital of the Company have already been dematerialized.

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

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

15.13 Location of Plants:

Sugar Mills:

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

Distillery:

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

Co-generation Power Plants:

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

15.14 Address for Correspondence:

The Company Secretary,	MUFG Intime India Pvt. Ltd. Registrar & Share Transfer Agent
Magadh Sugar & Energy Limited	Unit: Magadh Sugar & Energy Limited
9/1, R.N. Mukherjee Road	Rasoi Court, 5 th Floor,
5 th Floor, Birla Building	20 Sir R N Mukherjee Road
Kolkata - 700 001, India	Kolkata - 700 001, India
Tel: 91 - 033 - 2243 0497/8	Tel : 91-033-6906 6200
Fax: 91 - 033 - 2248 6369	e-mail: kolkata@in.mpms.mufg.com
e-mail: magadhinvestors@birla-sugar.com	

15.15 Credit Ratings

The details of the Credit Rating assigned to the Company as on 31st March 2026 is as under:

Particulars	Amount in ₹ Crore	Agency	Assigned Rating
Long Term Bank Facilities	826.00	Care Ratings Limited	CARE 'A+' STABLE
Short Term Bank Facilities	2.00		CARE A1

**15.16 Details of Unpaid Dividend**

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

Dividend Year	Amount lying in Unpaid Dividend Account as on 31st March, 2026 (in ₹)	Due date for transfer to Investor Education and Protection Fund ("IEPF")
2018-2019	2,18,372.00	10.10.2026
2019-2020	5,39,141.00	28.10.2027
2020-2021	5,24,504.00	30.09.2028
2021-2022	8,01,728.50	27.08.2029
2022-2023	7,94,952.00	02.09.2030
2023-2024	17,32,079.00	07.09.2031
2024-2025	7,95,236.00	08.09.2032

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

During the Financial Year ended 31st March, 2026, the Company transferred unpaid dividend of Rs. 1,15,607 for the Financial Year 2017-18 to IEPF and also transferred 4,252 equity shares to the demat account of IEPF Authority in respect of which the dividend was unpaid/ unclaimed for the Financial Year 2017-18

Transfer of shares in Unclaimed Suspense Account

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

Particulars	No. of Shareholders	No. of Shares
Aggregate number of shareholders and the outstanding shares in the Unclaimed Suspense Account lying as on April 1, 2025	41	4185
Number of shareholders who approached Company for transfer of shares from Unclaimed Suspense Account during the financial year 2025-26	-	-
Number of shareholders to whom shares were transferred from Unclaimed Suspense Account during the financial year 2025-26	-	-
Shares transferred to IEPF during the financial year 2025-26	3	936
Aggregate Number of shareholders and outstanding shares in the Unclaimed Suspense Account lying as on 31st March, 2026	38	3249

16. CEO and CFO Certification

The Whole time Director and the Chief Financial Officer of the Company have certified that all the requirements of Listing Regulations, inter-alia, dealing with the review of financial statements and cash flow statements for the year ended 31st March, 2026, transactions entered into by the Company during the said year, their financial reporting and evaluation of the effectiveness of the internal control system and making necessary disclosures to the auditors and the audit committee have been duly complied with.

17. Information about directors seeking appointment/ re-appointment

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

18. Prevention of Insider Trading

The Company has in place a Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of trading by insiders as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 for its designated persons. The Company also has in place Code of Practice and Procedure for Fair Disclosure of Unpublished Price Sensitive Information. This Code is available on Company's website at <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-CODE-FOR-FAIR-DISCLOSURE-OF-UNPUBLISHED-PRICE-SENSITIVE-INFORMATION-1.pdf>. The Code ensures the prevention of dealing in Company's shares/ securities by persons having access to unpublished price sensitive information. The Code requires pre-clearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the designated persons while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company Secretary is responsible for implementation of the Code. All Board Directors and the designated persons have confirmed compliance with the Code.

19. Code of Conduct

The Company has also adopted a Code of Conduct (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at <https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-Code-of-Conduct.pdf>. The essence of the Code is to conduct the business of the Company in an

honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, Key Managerial Personnel and Senior Management Personnel have affirmed their compliance with the Code, and a declaration to this effect, signed by the Whole-time 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 Whole-time Director which is duly supported by the legal compliance report of the internal auditors, heads of each Unit at Narkatiaganj, Sidhwalia and Hasanpur, as well as by the Chief Financial Officer and Company Secretary. The Board also reviews periodically the steps taken by the Company to rectify instances of non-compliances, if there be any.

21. 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.

22. Compliance of Secretarial Standards

The Company has complied with the applicable Secretarial Standards, i.e., Secretarial Standard on Meetings of the Board of Directors (SS-1) and Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

23. Disclosures

- 23.01** There are no materially significant related party transactions of the Company which have potential conflict with the interest of the Company at large. Transaction with Related Parties is disclosed in Note No. 40 of the Accounts in the Annual Report.
- 23.02** No penalties or strictures have been imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets for non-compliance by the Company during the last three years.



- 23.03** Your Company is fully compliant with the corporate governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the Listing Regulations, as applicable and compliance reports on Corporate Governance in the requisite formats have been submitted to the concerned stock exchanges.
- 23.04** The Company has in place the Whistle Blower Policy and no personnel have been denied access to the Audit Committee.
- 23.05** The Company has complied with all the applicable mandatory requirements.
- 23.06** In the preparation of the financial statements, the Company has followed Standards of Accounting notified under Section 133 of the Act, as amended. The significant accounting policies which are consistently applied have been set out in the Notes to the Financial Statements.
- 23.07** Total fees for all services paid by the listed entity, to the statutory auditor and entities in the network firm/ network entity of which the statutory auditor is a part was ₹39.89 lakhs.
- 23.08** During the year the Company has not raised any funds through preferential allotment or qualified institutional placement as specified in Reg 32(7A) of Listing Regulations, 2015, as amended from time to time.
- 23.09** All the recommendations/ suggestions made by the Committees of Board of Directors which is mandatorily required during the financial year 2025-26 were accepted by the Board of Directors

24. Discretionary Requirements

- a. Chairperson's Office: Chairperson's Office is maintained by the Company and expenses towards performance of the Chairperson's duties are borne by the Company / reimbursed to him.
- b. Shareholder rights: The quarterly, half-yearly and annual results of the Company are published in a leading English daily newspaper having a nationwide circulation and a Hindi daily newspaper (having circulation in Lucknow) and regularly hosted on Company's website. The Annual Report of the Company for the financial year 2025-26 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 Act and Rule 11 of the Companies (Accounts) Rules, 2014. For other Members, who have not registered their email addresses, the Annual Report shall be sent at their registered address. If any Member wishes to get a duly printed copy of the Annual Report, the Company shall send the same, free of cost, upon receipt of request from the Member.

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

- c. Audit Opinion: It is always the Company's endeavour to present unmodified audit opinion on the financial statements. There is no audit modified audit opinion on the Company's financial statements for the year ended on 31st March, 2026.
- 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 to report audit findings to the Audit Committee.

Annexure C

Certificate on Code of Conduct

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

I, Pankaj Singh, Whole-time Director of Magadh Sugar & Energy Limited, declare that to the best of my knowledge, as per Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the members of the Board and Senior Management personnel have affirmed compliance with the Code of Conduct for Board of Directors and Senior Management of the Company for the financial year ended 31st March, 2026.

Place: Kolkata
Date : 12th May, 2026

Pankaj Singh
Whole-time Director
DIN - 11090613

Annexure D

Independent Auditors' Certificate

On Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Members Of
Magadh Sugar & Energy Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated 10 April 2023 and addendum to the engagement letter dated 10 April 2026.
2. We have examined the compliance of conditions of Corporate Governance by **Magadh Sugar & Energy Limited** ("the Company"), for the year ended 31 March 2026, 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 2026.
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: Bengaluru
Date: 11 May, 2026

For B S R & CO LLP

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

Jayanta Mukhopadhyay

Partner
Membership No: 055757
UDIN: 25055757 YIWLWL5425

Annexure E

Certificate Of Non-Disqualification Of Directors

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

To,
The Members of
Magadh Sugar & Energy Limited
P.O. – Hargaon, Dist. – Sitapur
Uttar Pradesh – 261 121

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Magadh Sugar & Energy Limited** having CIN : L15122UP2015PLC069632 and having registered office at P.O. – Hargaon, Dist. – Sitapur, Uttar Pradesh – 261 121 (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, 2026 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.	Yashwant Kumar Daga	00040632	14.03.2017
3.	Shashi Sharma	02904948	14.03.2017
4.	Padam Kumar Khaitan	00019700	14.03.2017
5.	Ishwari Prosad Singh Roy	00217532	14.03.2017
6.	Raj Kumar Bagri	00231766	14.03.2017
7.	Rajan Arvind Dalal	00546264	14.05.2024
8.	Shalini Nopany	00077299	12.11.2025
9.	Pankaj Singh	11090613	14.05.2025

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

Sd/-

Name : CS Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238
PRCN : 7207/2025
UIN : S1999WB026800
UDIN : F004848H000316720

Place : Kolkata
Date : 11.05.2026

**Annexure - F**

Form No. MR-3
Secretarial Audit Report

for the Year ended 31st March, 2026

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

To,
 The Members,
Magadh Sugar & Energy Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Magadh Sugar & Energy Limited** [hereinafter called 'the Company'] for the year ended 31st March, 2026 ["Period under Review"] in terms of Audit Engagement Letter dated May 13, 2025. The secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

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

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

1. The Companies Act, 2013 ('the Act') and the rules made thereunder including any re-enactment thereof;
2. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment, and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"), to the extent applicable, along with the circulars issued thereunder: -
 - 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 (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not applicable during the Period under Review;
 - d. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - e. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993;
6. Laws specifically applicable to the industry to which the Company belongs, as identified by the management, that is to say:
 - a. The Sugar Development Fund Act, 1982 and Rules;
 - b. The Sugarcane (Control) Order, 1966;
 - c. The Food Safety and Standards Act, 2006 and Rules;
 - d. Food Safety and Standards Regulations;
 - e. The Essential Commodities Act, 1955;
 - f. Legal Metrology Act, 2009;
 - g. Petroleum Act, 1934 And Rules;
 - h. Electricity Act, 2003 and Rules;
 - i. Bihar Sugarcane (Regulation of Supply and Purchase) Act, 1981 and Rules;
 - j. Bihar Sugarcane (Distribution and Movement Control) Order, 1966.

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

Management Responsibility:

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

Based on the above, we report that during the Period under Review, the Company has largely complied with the material provisions of the Acts, Laws, Rules and Regulations to the Company as mentioned above, subject to the exceptions as noted as a part of the compliance system.

This Report has to be read with our other reports or certificates on the status of compliances by the Company with various applicable laws during the Period under Review.

Recommendations as a matter of best practice:

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

We further report that:

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors, and Independent Directors.

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

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

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

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

1. Recommendation and payment of final dividend:

During the period under review, the Company recommended a final dividend of Rs 12.50 per equity share on 1,40,91,630 Equity shares of Rs.10 each, declared by the shareholders in the Annual General Meeting dated 2nd August, 2025

2. Change in Chief Financial Officer:

During the period under review, Mr. Manoj Prasad resigned from the office of the Chief Financial Officer of the Company with effect from the close of business hours on 5th August, 2025; To fill the vacancy caused in the office, Mr. Aditya Baheti has been appointed as the Chief Financial Officer of the Company with effect from 6th August, 2025.

3. Change in Directorship:

During the Period under Review, Mr. Pankaj Singh, DIN: 11090613, was appointed as Whole-time Director and Key Managerial Personnel with effect from May 14, 2025 for a period of 3 (three) years, and approval of shareholders taken at the Annual General Meeting through remote e-voting on August 2, 2025.

- a. Mr. Chandra Mohan (DIN: 07760264), ceased to be the Whole-time Director and Key Managerial Personnel of the Company with effect from the close of business hours on 14th May, 2025.
- b. Mr. Pankaj Singh (DIN: 11090613) was appointed as Additional Director of the Company with effect from 14th May 2025. Subsequently, the shareholders of the Company regularised and approved his appointment as an Executive Director designated as Whole-time Director of the Company for a period of 3 (three) years with effect from 14th May, 2025 at the Annual General Meeting held on 2nd August, 2025.
- c. Ms Shalini Nopany (DIN: 00077299) was appointed as an Additional Non-Executive Director of the Company with effect from 12th November, 2025. Her appointment as Non- Executive Director of the Company was subsequently approved by the shareholders through Postal Ballot on 18th December, 2025.

For M/s Vinod Kothari & Company

Practicing Company Secretaries
Unique Code: P1996WB042300

Barsha Dikshit

Partner
Membership No.: A48152
CP No.: 18060
UDIN:A048152H000331149
Peer Review Certificate No.: 4123/2023

**Annexure -G**

Information under section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the financial year ended 31st March, 2026

A. Conservation of Energy**a) Steps taken or impact on conservation of energy:**

The Company has implemented a wide range of measures to optimize energy consumption and reduce losses, including:

- ❖ Adoption of converter-type 11KV/690V transformers to minimize power losses.
- ❖ Installation of HT capacitor panels and capacitor banks to improve power factor (from 0.6 to 0.9).
- ❖ Insulation of steam lines and strict shutdown protocols for equipment after use.
- ❖ Use of VFDs for motors operating below rated speeds.
- ❖ Preventive maintenance and optimized motor-pump combinations.
- ❖ Introduction of planetary drives in crystallizers and pug mills, reducing motor capacity requirements.
- ❖ Replacement of long cable runs with bus-bar systems.
- ❖ Measures to reduce harmonic losses and manage heat in turbines, motors, and bearings.
- ❖ Implementation of steam economy projects to enhance crushing capacity with reduced steam consumption.
- ❖ Transition to IE3/IE4 high-efficiency motors, maintaining optimal loading between 70–90%.

b) Steps taken for utilizing alternate sources of energy:

- ❖ Installation of solar-powered street lighting across factory and residential areas.
- ❖ Commissioning of a 1000 kWp Solar Power Plant for industrial and residential operations.
- ❖ Utilization of bagasse, a renewable sugarcane by-product, for captive power generation and grid supply.
- ❖ Planned installation of solar energy systems for farmhouses, bore wells, and tub wells.
- ❖ Adoption of slop-type boilers in distilleries, using spent wash with bagasse to generate power.

c) Capital investment on energy conservation equipment: ₹335.14 lakhs.**B. Technology Absorption****i. Efforts made towards technology absorption:**

- ❖ Installation of mechanical circulators in batch pans to enable operation at lower vapour pressure.
- ❖ Use of PHE for superheated wash water, eliminating live steam at batch centrifugal.
- ❖ Automation of B&C melt bris for uniform concentration.
- ❖ Installation of duplex bagging machines and double-row stitching for efficiency.
- ❖ Magnetic traps at melt to control metallic contamination.
- ❖ DCH-type molasses conditioners and condensate juice heaters for process optimization.
- ❖ Use of online monitoring systems for process optimization and quality control
- ❖ Modification of SRT (Sugar Recovery/Clarification Tank) for improved juice
- ❖ Installation of analyzer for FD (Forced Draft) air control to optimize combustion efficiency
- ❖ Installation of startup vent in 90 TPH boiler for safe and efficient boiler operation

Cane Development Initiatives

The Company has adopted a comprehensive agricultural strategy to enhance sugarcane yield and sustainability:

- ❖ Distribution of healthy tissue culture seedlings and promotion of STP nurseries.
- ❖ Mechanization of farming operations (deep ploughing, planting, intercultural operations, harvesting).
- ❖ Soil testing-based fertilization and promotion of organic fertilizers.
- ❖ Efficient irrigation practices including drip and furrow systems.
- ❖ Trash mulching, intercropping, pest management, foliar spray, and crop rotation.

- ❖ Varietal replacement with high-yield and high-sugar varieties.
- ❖ Wide spacing planting techniques and intercropping for additional farmer income.
- ❖ Establishment of seed nurseries in collaboration with government agencies.
- ❖ IT-based cane management through the Birla App for real-time monitoring and reduced manual intervention.
- ❖ Awareness campaigns for pest/disease control and distribution of agri-inputs.
- ❖ Campaigns on ratoon management, gap filling, urea & micronutrient spray through field demonstrations
- ❖ Encouragement of autumn planting with intercrops to reduce costs
- ❖ Training farmers on multiplication of high-yielding varieties and seed nursery development

- ❖ Distribution of irrigation inputs (boring pipes, electric motors) and promotion of solar irrigation
- ❖ Promotion of micronutrient foliar spray using power sprayers
- ❖ Expansion of cane area in "No Cane Villages" with free seed distribution (5 quintals)

ii. Technology imported during the last three years: Nil

iii. Expenditure on Research and Cane Development: ₹1003.44 lakhs

C. Foreign Exchange Earnings and Outgo

a) Foreign Exchange Earnings (FOB): Nil

b) Foreign Exchange Outgo: Nil



Annexure - H

Particulars of Employee

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

- i. The percentage increase in remuneration of each Director, Whole-time Director, Chief Financial Officer and Company Secretary in the financial year 2025-26 and the ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2025-26:

Name	Designation	Percentage increase in remuneration in the FY 2025-26 as compared to Previous year 2024-25	Ratio of remuneration of each director to the median remuneration of the employees of the Company
Mr Chandra Shekhar Nopany	Chairperson	(27.67)	4.15
Mr Raj Kumar Bagri	Independent Director	(26.38)	4.61
Mr Yashwant Kumar Daga	Independent Director	(25.57)	4.81
Mr Ishwari Prosad Singh Roy	Independent Director	(24.52)	4.68
Mr Padam Kumar Khaitan	Independent Director	(26.15)	4.48
Ms Shashi Sharma	Independent Director	(24.78)	4.61
Mr Rajan Arvind Dalal	Non-Executive Director	1.59	4.48
Ms. Shalini Nopany @	Non-Executive Director	-	-
Mr Chandra Mohan %	Whole-time Director	-	-
Mr Pankaj Singh &	Whole-time Director	-	-
Mr Subramanian Sathyamurthy	Company Secretary	8.00	Not Applicable
Mr Manoj Prasad #	Chief Financial Officer	-	Not Applicable
Mr Aditya Baheti \$	Chief Financial Officer	-	Not Applicable

@ Appointed with effect from 12th November, 2025

% Resigned with effect from 14th May, 2025

& Appointed with effect from 14th May, 2025

Resigned with effect from 5th August, 2025

\$ Appointed with effect from 6th August, 2025

- ii. The percentage increase in the median remuneration of employees in the financial year 2025-26 : (7.50%)
- iii. The number of permanent employees on the rolls of the Company : 687
- 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 2025-26 is 8.00%. 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.

Annexure I

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2025-26

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 web link to the CSR policy and project or programs..			The Company's CSR policy focuses on practicing its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders and with an intent to make a positive difference to society and to conduct the business in socially responsible, ethical and transparent manner to demonstrate commitment to respect the interest of and be responsive towards all stakeholders, including shareholders, employees, customers, suppliers, project affected people, society at large etc. and create value for all of them.	
2.	Composition of the CSR Committee.				
	Sl. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number meetings of CSR Committee attended during the year
	1.	Mr. Padam Kumar Khaitan	Chairperson	2	2
	2.	Mr. Rajan Arvind Dalal	Independent Director	2	2
	3.	Ms Shashi Sharma	Independent Director	2	2
	4.	Mr. Pankaj Singh	Whole-time Director	2	1
3.	Provide the web-link where composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.			The CSR policy is available on the website of the Company viz. https://magadhsugar.com/wp-content/uploads/2025/06/Magadh-Sugar-CSR-Policy.pdf	
4.	Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report)			Not applicable for the financial year under review	
	Sl. No.	Financial Year	Amount available for set-off from preceding financial years (in 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 for the financial year under review	
6.	Average net profit of the Company as per section 135(5)			Rs. 12907.60 Lakhs	
7	a.	Two percent of average net profit of the company as per section 135(5)		Rs. 258.16 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. 258.16 Lakhs	

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

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
2,73,29,359.00	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 :2025-26

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	Eye and Health Camp & Ambulance operation	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	10,69,907.00	Yes	N/A	N/A
2	Mobile Health Care Unit (Dispensary) promot healthcare facility in rural areas	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	9,30,000.00	No	PHD Rural Development Foundation	CSR00004676
3	Hand Pumps for Drinking Water	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	West Champaran	2,15,200.00	Yes	N/A	N/A
4	Land excavation & development with tree plantation b/w factory compound wall to Harbora river)	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	Yes	Bihar	West Champaran	1,65,480.00	Yes	N/A	N/A



Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
5	Training and Sport Material Distribution	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Yes	Bihar	West Champaran	6,01,968.00	Yes	N/A	N/A
6	Furniture for School nearby area / Blankets & Cycle	Rural Development Projects	Yes	Bihar	West Champaran	6,91,344.00	Yes	N/A	N/A
7	Training/awareness programme for the cane farmers how to increase yield etc which will improve their economic condition.	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	West Champaran	8,77,856.00	Yes	N/A	N/A
8	Contribution to Manav Vikas Vidyalaya Trust	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	No	West Bengal	Kolkata	45,00,000.00	No	Manav Vikas Vidyalaya Trust	CSR00046106
9	Vocational training for girls & women of nearby villages (Development of cloth sewing skills)	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	West Champaran	11,80,972.00	Yes	N/A	N/A

Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
10	Computer Training / awareness program among childrens nearby factory area & Imparting professional training to girls/boys of adjacent rural areas to development speaking and writing skills in English Language	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	West Champaran	36,06,129.00	No	NIIT Foundation	CSR00000621
11	Health Camp	(i)Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swach Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Gopalganj	31,57,840.00	Yes	N/A	N/A
12	Seminar/Workshop/ Awareness Meeting of 500 Farmers(10 Nos)	(ii) Promoting education,including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	Gopalganj	13,30,555.00	Yes	N/A	N/A



Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
13	Cleaning and Maintenance of Pond adjacent to plants/Tree plantation at nearby areas	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar	Gopalganj	7,44,435.00	Yes	N/A	N/A
14	Beautification and Maintenance of Community areas/Roadside beautification and plantation	(x) Rural Development Projects	Yes	Bihar	Gopalganj	24,71,725.00	Yes	N/A	N/A
15	Contribution & Sponsorship for football & other games	(ii) Training to promote rural sports, nationally recognized sports, paraolympic sports and olympic sports	Yes	Bihar	Gopalganj	8,25,000.00	Yes	N/A	N/A
16	Installation of Solar Street Light at Local Market	iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar	Gopalganj	4,25,934.00	Yes	N/A	N/A

Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
17	Training/awareness programme for the cane farmers how to increase yield etc which will improve their economic condition.	(i) Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	Samastipur	12,31,304.00	Yes	N/A	N/A
18	Health Camp	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Yes	Bihar	Samastipur	8,04,688.00	Yes	N/A	N/A
19	Health Camp	(i) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	No	Bihar	Samastipur	14,20,000.00	Yes	PHD Rural Development Foundation	CSR00004676
20	Furniture in school	Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	Yes	Bihar	Samastipur	3,49,260.00	Yes	N/A	N/A



Sl No	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/No)	Location of the project		Amount spent for the project (in Rs.)	Mode of implementation – Direct (Yes/ No)	Mode of implementation – through implementing agency	
				State	District			Name	CSR registration number
21	Animal Protection(Fodder in cow Shelter)	(iv) ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	Yes	Bihar	Samastipur	1,00,000.00	Yes	N/A	N/A
22	Training and Sport Material Distribution	Training to promote rural sports, nationally recognised sports, Paralympic sports and Olympic sports	Yes	Bihar	Samastipur	6,29,762.00	Yes	N/A	N/A

8.	SI No	Particulars	Amount (in Rs.)
	(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.273.29 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)	258.16 Lakhs
(ii)	Total amount spent for the Financial Year	273.29 Lakhs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	15.13 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)]	15.13 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
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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: 11th May, 2026

Pankaj Singh
Whole-time Director
DIN – 11090613

Padam Kumar Khaitan
Chairperson, CSR Committee
DIN - 00019700

Financial Statements

Independent Auditor's Report

To
The Members of
Magadh Sugar & Energy Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Magadh Sugar & Energy Limited (the "Company") which comprise the balance sheet as at 31 March 2026, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2026, and its 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 Matter

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

Cost of sugar inventory

See Note 8 to financial statements

The key audit matter	How the matter was addressed in our audit
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. We have identified determining cost of inventories of sugar as a key audit matter because of: significant judgment involved in determination of cost of conversion. It is affected by variability in seasonal factors including number of sugarcane crushing days, recovery of sugar from cane, syrup produced and allocation of cost to by-products based on net realisable value ('NRV');	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: - Evaluated the appropriateness of 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;



The key audit matter	How the matter was addressed in our audit
- the voluminous data involved; - the relative amount (₹51,620.14 lakhs) of the sugar inventory is significant to financial statements as a whole (30.73% of total assets); and - Impact of notifications/orders from regulators on the cost of sugar inventory.	- 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 sugarcane.

Other Information

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

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

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

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

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

view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- ❖ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ❖ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- ❖ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- ❖ Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- ❖ Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be

communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. A. As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books, except for the matter stated in the paragraph 2(B) (f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 and that in absence of relevant evidence we are unable to comment whether the back-up of cane software which form part of the 'books of account and other relevant books and papers in electronic mode' have been maintained on the servers physically located in India.
 - 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 1 April 2026 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. the qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the paragraph 2(A)(b) above on reporting under Section 143(3)(b) and paragraph



2(B)(f) below on reporting under Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014.

- g. With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2026 on its financial position in its financial statements - Refer Note 37 to the financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - d.
 - (i) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
 - (ii) The management has represented that, to the best of its knowledge and belief, as disclosed in the Note 46 to the financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall

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

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. The final dividend paid by the Company during the year, in respect of the same declared for the previous year, is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.
- f. Based on our examination which included test checks, the company has used an accounting software and payroll software for maintaining its books of account which has a feature of recording audit trail (edit log) facility. For accounting and payroll software for which audit trail feature is enabled, the audit trail facility has been operating throughout the year for all relevant transactions recorded in the software and we did not come across any instance of audit trail feature being tampered with during the course of our audit.

As stated in Note 18(a) to the financial statements, the Board of Directors of the Company has proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with Section 123 of the Act to the extent it applies to declaration of dividend.

With respect to cane software the audit trail feature is enabled however in absence of relevant evidence we are unable to comment whether the audit trail feature has operated through-out the year for all relevant transactions recorded in the software or whether there are any instances of the audit software being tampered with.

Additionally, where audit trail (edit log) facility was enabled and operated in the previous years, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

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

In our opinion and according to the information and explanations given to us, the remuneration paid/payable by the Company to its directors during the current year is in accordance with the provisions of

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

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

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

ICAI UDIN:26055757QDEOZK6429

Place: Bengaluru

Date: 11 May 2026



Annexure A to the Independent Auditor's Report on the Financial Statements of Magadh Sugar & Energy Limited for the year ended 31 March 2026

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

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

Description of property	Gross carrying value (₹ in lakhs)	Held in the name of	Whether promoter, director or their relative or employee	Period held- indicate range, where appropriate	Reason for not being held in the name of the Company. Also indicate if in dispute
Freehold Land	6.37	New Swadeshi Sugar Mills (the Erstwhile Company)	No	Since 1 April 2015	Transferred to the Company pursuant to Composite Scheme of Arrangement, mutation in the name of the Company is pending as on the Balance Sheet date

- (d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
- (e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory, except goods-in-transit, has been physically verified by the management during the year. For goods-in-transit subsequent evidence of receipts/sales has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company except as follows:

Quarter	Name of bank	Particulars	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return/ statement (₹ in lakhs)	Amount of difference (₹ in lakhs)	Whether return/ statement subsequently rectified
31 March 2026	SBI, ICICI Bank,	Inventories	64,050.26	63,004.31	1,045.95	Not applicable, refer to Note 19 (iii) of the financial statements.
31 December 2025	DCB, HDFC	Inventories	28,186.92	23,634.62	4,552.30	
30 September 2025	Bank, South	Inventories	19,564.46	18,066.33	1,498.13	
30 June 2025	Indian Bank, Yes Bank, Axis Bank and RBL Bank	Inventories	45,591.76	41,967.99	3,623.77	

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

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

Particulars	Loan to employees Amount in ₹ lakhs
Aggregate amount during the year	112.63
Balance outstanding as at balance sheet date	40.64

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

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

(d) According to the information and explanations given to us and on the basis of our examination of the records

of the Company, there is no overdue amount for more than ninety days in respect of loans given to employees. Further, the Company has not given any advances in the nature of loans to any party during the year.

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

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

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

(v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

(vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act in respect of its manufactured goods and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the records with a view to determine whether these are accurate or complete.



- (vii) (a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST. Also, as explained to us, the Company did not have any dues on account of Employees State Insurance and Duty of Customs.

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

According to the information and explanations given to us and on the basis of our examination of the records of the Company, no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Income-Tax, Cess or other statutory dues were in arrears as at 31 March 2026 for a period of more than six months from the date they became payable.

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

Name of the statute	Nature of the dues	Amount# (₹ in lakhs)	Amount paid* (₹ in lakhs)	Net amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Bihar VAT Act, 2005	Differential VAT on Denatured Spirit. VAT on exempted sales	64.34	8.11	56.23	2010-2011 & 2011-2012	Appellate Tribunal, Patna
Bihar Molasses (Control) Act, 1947	Administration Charges on Molasses	155.05	38.76	116.29	1995-1996 to 1999-2000	Supreme Court of India
Central Excise Act, 1944	Disallowance of CENVAT credit on certain input / capital items / input services	512.64	29.75	482.88	2004-2005 to 2007-2008 and 2014-15 to 2016-17	Customs Excise and Service Tax Appellate Tribunal (CESTAT) / Commissioner (Appeal)
Bihar Sugarcane (Supply & Regulation) Act, 1981	Interest on Cane Cess	3.37	-	3.37	1984-1985 to 1986-1987, 1991-1992, 1994-1995 to 1998-1999, 2003-2004 and 2004-2005	Certificate Officer, Samastipur
Central Goods and Services Tax Act, 2017	Disallowance of GST ITC credit on certain input / capital items / input services	190.25	8.58	196.70	2017-18 to 2021-22	Customs, Central GST and Excise Commissioner (Appeal), Patna
Income Tax Act, 1961	Disallowance of expenses	1,005.12	-	1,005.12	2023-2024	Joint Commissioner / Commissioner of Income Tax (Appeals)

*paid under protest

Amount as per demand Order including interest and penalty, if indicated in the demand order

- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- (ix) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) In our opinion and according to the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (d) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(e) is not applicable.
- (f) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under the Act) during the year ended 31 March 2026. Accordingly, clause 3(ix)(f) is not applicable.
- (x) (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) During the course of our examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Act are not applicable to the Company.
- (xvi) (a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) According to the information and explanations provided to us, the Group (as defined in the regulations made by the Reserve Bank of India) has more than one CIC as part of the Group. The Group has three CICs as part of the Group.
- (xvii) The Company has not incurred cash losses in the current and in the immediately preceding financial year.



(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a

period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

(xx) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

ICAI UDIN: 26055757QDEOZK6429

Place: Bengaluru

Date: 11 May 2026

Annexure B to the Independent Auditor's Report on the financial statements of Magadh Sugar & Energy Limited for the year ended 31 March 2026

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Magadh Sugar & Energy Limited ("the Company") as of 31 March 2026 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 2026, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

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

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

Auditor's Responsibility

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

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

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

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

Meaning of Internal Financial Controls with Reference to Financial Statements

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



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

Inherent Limitations of Internal Financial Controls with Reference to Financial Statements

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

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

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

ICAI UDIN:26055757QDEOZK6429

Place: Bengaluru

Date: 11 May 2026

Balance Sheet

as at 31 March 2026

(₹ in Lakhs)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
1. Non-Current Assets			
(a) Property, Plant and Equipment	4	93,879.22	89,613.01
(b) Capital Work-in-Progress	5	2,999.28	3,975.29
(c) Intangible Assets	6	5.75	7.69
(d) Financial Assets			
(i) Investments	7	0.66	0.66
(ii) Other Financial Assets	14	1,104.78	1,104.78
(e) Other Non-current Assets	16	1,672.11	165.36
Total Non-current Assets		99,661.80	94,866.79
(a) Inventories	8	64,050.26	70,021.58
(b) Biological assets other than bearer plants	9	131.61	113.75
(c) Financial Assets			
(i) Trade Receivables	10	1,957.92	2,234.31
(ii) Cash and Cash Equivalents	11	30.42	11.37
(iii) Bank Balances other than (ii) above	12	118.32	108.02
(iv) Loans	13	43.59	19.41
(v) Other Financial Assets	14	544.30	407.88
(d) Current Tax Assets (net)	15	725.37	233.87
(e) Other Current Assets	16	727.20	881.47
Total Current Assets		68,328.99	74,031.66
TOTAL ASSETS		1,67,990.79	1,68,898.45
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	17	1,409.16	1,409.16
(b) Other Equity	18	86,610.00	81,985.82
Total Equity		88,019.16	83,394.98
LIABILITIES			
1. Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	19,108.89	17,477.34
(b) Provisions	24	177.82	222.49
(c) Deferred Tax Liabilities (net)	25	5,942.35	5,535.87
Total Non-current Liabilities		25,229.06	23,235.70
2. Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	19	50,014.17	53,242.17
(ii) Lease Liabilities	20	-	14.24
(iii) Trade Payables			
(A) Total outstanding dues of micro enterprises and small enterprises; and	21	61.63	61.53
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises	21	2,063.09	6,235.09
(iv) Other Financial Liabilities	22	1,014.67	1,305.29
(b) Other Current Liabilities	23	1,016.27	813.38
(c) Provisions	24	572.74	596.07
Total Current Liabilities		54,742.57	62,267.77
Total Liabilities		79,971.63	85,503.47
TOTAL EQUITY AND LIABILITIES		1,67,990.79	1,68,898.45
Summary of material accounting policies	3		

The accompanying notes are an integral part of the financial statements.
As per our report of even date attached.

For and on behalf of the Board of Directors

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

Pankaj Singh
Whole-time Director
DIN: 11090613

Chandra Shekhar Nopany
Chairman
DIN: 00014587

Jayanta Mukhopadhyay
Partner
Membership No: 055757
Place: Bengaluru
Date: 11 May 2026

Subramanian Sathyamurthy
Company Secretary

Place: Kolkata
Date: 11 May 2026

Aditya Baheti
Chief Financial Officer



Statement of Profit and Loss

for the year ended March 31, 2026

(₹ in Lakhs)

Particulars	Note No.	For the year ended March 31, 2026	For the year ended March 31, 2025
I. Revenue from Operations	26	1,24,453.71	1,32,228.50
II. Other Income	27	424.63	282.16
III. Total Income (I + II)		1,24,878.34	1,32,510.66
IV. Expenses			
Cost of Raw Materials Consumed	28	82,233.49	84,975.74
Purchase of Stock-in-trade		797.77	841.43
Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade	29	6,947.92	4,664.69
Employee benefits expense	30	6,940.82	6,691.58
Finance costs	31	3,551.98	3,846.39
Depreciation and amortization expense	32	2,975.38	2,742.09
Other expenses	33	12,824.40	13,970.73
Total Expenses		1,16,271.76	1,17,732.65
V. Profit before exceptional items and tax (III + IV)		8,606.58	14,778.01
VI. Exceptional items	45	(83.32)	-
VII. Profit before tax (V + VI)		8,523.26	14,778.01
VIII. Tax expense	34		
Current tax		1,777.75	3,175.89
Deferred tax		394.75	657.51
Total tax expenses		2,172.50	3,833.40
IX. Profit for the year (VII - VIII)		6,350.76	10,944.61
X. Other comprehensive income			
Items that will not be reclassified to profit or loss			
(a) Gain on remeasurement of defined benefit liabilities / assets		46.60	4.48
(b) Income taxes relating to items that will not be reclassified to profit or loss		(11.73)	(1.12)
Other comprehensive income for the year (net)		34.87	3.36
XI. Total comprehensive income for the year (IX + X)		6,385.63	10,947.97
XII. Earnings per equity share [Nominal value per equity share ₹10 (₹10)]	35		
(a) Basic earning per equity share (₹)		45.07	77.67
(b) Diluted earning per equity share (₹)		45.07	77.67
Summary of material accounting policies	3		

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

As per our report of even date attached.

For and on behalf of the Board of DirectorsFor **B S R & Co. LLP**

Chartered Accountants

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

Pankaj Singh

Whole-time Director

DIN: 11090613

Chandra Shekhar Nopany

Chairman

DIN: 00014587

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Bengaluru

Date: 11 May 2026

Subramanian Sathyamurthy

Company Secretary

Place: Kolkata

Date: 11 May 2026

Aditya Baheti

Chief Financial Officer

Statement of Changes in Equity

for the year ended 31 March 2026

A. Equity Share Capital

Particulars	Notes	As at 31 March 2026		As at 31 March 2025	
		No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Balance at the beginning of the year	17	1,40,91,630	1,409.16	1,40,91,630	1,409.16
Changes in Equity Share Capital during the year		-	-	-	-
Balance at the end of the year	17	1,40,91,630	1,409.16	1,40,91,630	1,409.16

B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus			Total
	Capital Reserve	Capital Redemption Reserve	Retained Earnings	
Balance at 1 April 2025	36,897.75	747.39	44,340.68	81,985.82
Total comprehensive income for the year ended 31 March 2026				
- Profit for the year	-	-	6,350.76	6,350.76
- Other Comprehensive income for the year	-	-	34.87	34.87
Total comprehensive income	-	-	6,385.63	6,385.63
Dividend paid on equity shares [Note 18]	-	-	(1,761.45)	(1,761.45)
Balance at 31 March 2026	36,897.75	747.39	48,964.86	86,610.00
Balance at 1 April 2024	36,897.75	747.39	35,506.46	73,151.60
Total comprehensive income for the year ended 31 March 2025				
- Profit for the year	-	-	10,944.61	10,944.61
- Other Comprehensive income for the year	-	-	3.36	3.36
Total comprehensive income	-	-	10,947.97	10,947.97
Dividend paid on equity shares [Note 18]	-	-	(2,113.75)	(2,113.75)
Balance at 31 March 2025	36,897.75	747.39	44,340.68	81,985.82

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

(a) Capital Reserve

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

(b) Capital Redemption Reserve

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

(c) Retained Earnings

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

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

As per our report of even date attached.

For and on behalf of the Board of Directors

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

Pankaj Singh
Whole-time Director
DIN: 11090613

Chandra Shekhar Nopany
Chairman
DIN: 00014587

Jayanta Mukhopadhyay
Partner
Membership No.: 055757
Place: Bengaluru
Date: 11 May 2026

Subramanian Sathyamurthy
Company Secretary

Aditya Baheti
Chief Financial Officer

Place: Kolkata
Date: 11 May 2026



Statement of Cash Flows

for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(A) CASH FLOW FROM OPERATING ACTIVITIES:		
Profit before tax	8,523.26	14,778.01
Adjustments for:		
Depreciation and amortisation expense	2,975.38	2,742.09
Depreciation in relation to farm assets	17.55	17.42
Finance Costs	3,551.98	3,846.39
Loss allowance on trade receivables	6.22	400.59
Bad debts, irrecoverable claims and advances written off (net)	4.22	172.07
Gain on sale / discard of Property, Plant and Equipment (net)	(93.77)	(59.32)
Interest income	(156.80)	(41.64)
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	(125.91)	(125.03)
	14,702.13	21,730.58
Working capital adjustments:		
Decrease in Inventories	5,971.32	4,949.16
(Increase) / Decrease in Biological assets other than bearer plants	(17.86)	3.60
Decrease in Trade Receivables and Loans	246.59	764.16
(Increase) in Other Financial Assets	(76.44)	(1,022.79)
Decrease / (Increase) in Other Assets	162.02	(137.96)
(Decrease) in Trade Payables	(4,044.14)	(8,748.73)
(Decrease) in Other Financial Liabilities	(14.69)	(47.35)
(Decrease) / Increase in Provisions	(21.40)	148.75
Increase in Other Liabilities	202.89	323.29
Cash generated from Operating Activities	17,110.42	17,962.71
Income tax paid (net of refund received)	(2,269.25)	(4,027.17)
Net Cash generated from Operating Activities	14,841.17	13,935.54
(B) CASH FLOW FROM INVESTING ACTIVITIES:		
Proceeds from sale of Property, Plant and Equipment	186.14	221.27
Proceeds from sale of Intangible Assets	-	1.71
Capital subsidy received	500.00	-
Acquisition of Property, Plant and Equipment*	(8,557.56)	(15,236.37)
Acquisition of Intangible Assets	-	(2.70)
Interest received	96.82	38.52
Fixed deposits placed with banks	(3.74)	(3.51)
Net Cash used in Investing Activities	(7,778.34)	(14,981.08)

Statement of Cash Flows

for the year ended 31 March 2026

(₹ in Lakhs)

Particulars	For the year ended March 31, 2026	For the year ended March 31, 2025
(C) CASH FLOW FROM FINANCING ACTIVITIES:		
Repayment of Non-current Borrowings	(6,103.69)	(5,062.46)
Proceeds from Non-current Borrowings	10,275.00	15,725.00
Repayments of Cash Credit including WCDL (net)	(5,822.74)	(3,536.71)
Principal Payment of Lease liabilities	(14.24)	(13.09)
Interest on lease liabilities paid	(0.76)	(1.91)
Other Interest paid	(3,615.90)	(3,955.83)
Dividend paid on Equity Shares	(1,761.45)	(2,113.75)
Net Cash (used in) / generated from Financing Activities	(7,043.78)	1,041.25
Net Changes in Cash & Cash Equivalents (A + B + C)	19.05	(4.29)
Cash & Cash Equivalents at the beginning of the year	11.37	15.66
Cash & Cash Equivalents at the end of the year [Note 11]	30.42	11.37

* net-off of capital advances and payable for capital expenditure.

1. Reconciliation of movement of liabilities to cash flows arising from financing activities

(₹ in Lakhs)

Particulars	As on 1 April 2025	Change in Current portion of Non- current borrowings	Cash Flow	Fair Value / Non- Cash Change	As on 31 March 2026
Non-current Borrowings [Note 19]	17,477.34	(2,594.74)	4,171.31	54.98	19,108.89
Current Borrowings [Note 19]	53,242.17	2,594.74	(5,822.74)	-	50,014.17

(₹ in Lakhs)

Particulars	As on 1 April 2024	Change in Current portion of Non- current borrowings	Cash Flow	Fair Value / Non- Cash Change	As on 31 March 2025
Non-current Borrowings [Note 19]	7,236.16	(335.13)	10,662.54	(86.23)	17,477.34
Current Borrowings [Note 19]	56,443.75	335.13	(3,536.71)	-	53,242.17

Refer Note 20 for movement in lease liabilities.

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

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

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

Pankaj Singh

Whole-time Director

DIN: 11090613

Chandra Shekhar Nopany

Chairman

DIN: 00014587

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Bengaluru

Date: 11 May 2026

Subramanian Sathyamurthy

Company Secretary

Place: Kolkata

Date: 11 May 2026

Aditya Baheti

Chief Financial Officer



Notes to Financial Statements

for the year ended 31 March 2026

1. Reporting entity

Magadh Sugar & Energy Limited ('the Company') is a public company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered office of the Company is located at Post Office Hargaon, District Sitapur, Uttar Pradesh 261121, India. Its equity shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE).

The Company is primarily engaged in the manufacture and sale of sugar and its by-products (molasses, bagasse and press-mud), denatured spirits (including ethanol) and power. The Company has operations in India.

The financial statements are authorised for issue by the Board of Directors of the Company at their meeting held on 11 May 2026.

2. Basis of preparation

2.1 Statement of compliance and basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013 (as amended from time to time), (Ind AS compliant Schedule III), as applicable and other relevant provisions.

Details of the Company's accounting policies, including changes thereto, are included in Note 3.

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	Fair value of plan assets less present value of defined benefit obligation as explained in note 24

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.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

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 Use of judgments and estimates

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

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

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

- Note 3.2 and 42 - Impairment of financial assets: key assumptions used in estimating recoverable cash flows.
- Note 3.3, 3.4, 4 and 6 - Useful life and residual value of property, plant and equipment and intangible assets.
- Note 3.6 and 24 - Measurement of defined benefit obligations: key actuarial assumptions.

Notes to Financial Statements

for the year ended 31 March 2026

- Note 3.7, 3.8 and 37 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources.

Information about judgement and assumptions uncertainties that have a significant risk of resulting in a material adjustment in the financial statements for the every period ended is included in the following notes:

- Note 3.5 and 8 - Valuation of Inventories.

2.4 Fair value measurement

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and 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,
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) and
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. Further information about the assumptions made in measuring fair values is included in Note 2.3.

2.5 Foreign currency transactions

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. However, for practical reasons, the Company uses average rate if the average approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Exchange differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

3. Summary of material accounting policies

3.1 Current versus non-current classification

The Company segregates assets and liabilities into current and non-current categories for presentation in the balance sheet after considering its normal operating cycle and other criteria set out in Ind AS 1, "Presentation of Financial Statements". For this



Notes to Financial Statements

for the year ended 31 March 2026

purpose, current assets and liabilities include the current portion of non-current assets and liabilities respectively. Deferred tax assets and liabilities are always classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified period up to twelve months as its operating cycle.

3.2 Financial instruments

Recognition and initial measurement

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

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

Classification and subsequent measurement

(i) Financial assets

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

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

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

(ii) Financial assets at amortised cost

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

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

(iii) Financial assets at 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. This election is made on an investment-by-investment basis.

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

- a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- b) The Assets contractual cash flows on specified dates represent SPPI on the principal amount outstanding.

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

(iv) Financial assets at FVTPL

All financial assets, not classified or measured at amortised cost or FVOCI as described above are measured 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.

Notes to Financial Statements

for the year ended 31 March 2026

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 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 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 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.

(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 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 reporting date, the carrying amounts approximate fair value due to the short maturity of the instruments.



Notes to Financial Statements

for the year ended 31 March 2026

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 either substantially all of the risks and rewards of ownership of the financial asset are transferred or the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

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 of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and consideration paid (including any non-cash assets transferred or liabilities assumed) 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.

Impairment

(i) Impairment of financial instruments : financial assets

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

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

- ❖ significant financial difficulty of the Debtor;
- ❖ 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 measures Debtor loss allowances using Expected Credit Loss (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 as an impairment gain or loss in the Statement of Profit and Loss.

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

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

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

Notes to Financial Statements

for the year ended 31 March 2026

Measurement of expected credit losses

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

Presentation of allowance for expected credit losses in the balance sheet

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

Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. This is the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) **Impairment of non-financial assets**

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

For impairment testing, assets are grouped together into the smallest group of asset that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an individual asset or CGU is the greater of its value in use and its fair value less costs of disposal. 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 asset or CGU.

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 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.

3.3 Property, plant and equipment [PPE]

Recognition and measurement

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

Items of property, plant and equipment (including capital work-in-progress) are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

Freehold land is carried at historical cost less any accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price inclusive of import duties, taxes, after deducting trade discounts and rebates, incidental expenses, erection / commissioning expenses, borrowing cost, any directly attributable



Notes to Financial Statements for the year ended 31 March 2026

cost of bringing the item to its working condition for its intended use and estimated 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.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in Statement of Profit and Loss.

Subsequent expenditure

Subsequent costs is capitalised only if it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably.

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.

Freehold land is not depreciated.

The useful lives have been determined based on technical evaluation and consequent advice from the management expert 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 equipment where prescribed rates per Companies Act 2023. The residual values are not more than 5% of the original cost of the asset. The comparative is as follows:

Class of assets	Management estimate of useful life (in years)	Useful life as per Schedule II (in years)
Factory buildings	5 - 30	5 - 30
Non factory buildings	5 - 60	5 - 60
Plant and equipment	5 - 40	9 - 40
Computer and data processing equipment	3 - 6	3 - 6
Furniture and fixtures	10	10
Vehicles	8 - 10	8 - 10
Office equipment	5	5

Depreciation method, useful lives and residual values of property, plant and equipment are reviewed at each reporting date and adjusted, if appropriate.

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

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP (deemed cost).

Capital work-in-progress (CWIP)

Capital work-in-progress includes cost of property, plant and equipment under installation / under development as at the reporting date. Directly attributable cost (including borrowing costs for construction / acquisition of asset) incurred on project under implementation are treated as Pre-operative expenses pending allocation to asset and are shown under CWIP.

3.4 Intangible assets

Intangible assets including Computer software are initially measured at cost. Such intangible assets are subsequently measured at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on straight line method basis over the estimated useful life. Estimated useful life of the Computer software is considered as five years. An intangible asset is recognised only if it is probable that future economic benefits will flow to the Company and the cost can be measured reliably.

Notes to Financial Statements for the year ended 31 March 2026

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

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values, if any, using the straight-line method over their estimated useful lives and is generally recognised in depreciation and amortisation in Statement of profit and loss.

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.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP (deemed cost).

3.5 Inventories

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

Work-in-progress and Finished goods are valued at lower of cost and net realisable value. Work-in-progress and Finished goods include cost of conversion and other costs including production overheads incurred in bringing the inventories to their present location and condition based on normal operating capacity. Cost is determined on weighted average basis. The net realisable value of work-in-progress is determined with reference to the selling prices of related finished goods.

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

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

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

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

3.6 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 the Company's legal or constructive obligation is limited to the amount that it contributes to a separate legal entity. Obligations for contributions to defined contribution plans are expensed as an employee benefit expense in the Statement of Profit and Loss in the periods in which the related services are rendered by employee. The Company makes specified periodical contributions to the following defined contribution plans :

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

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

Defined benefit plans

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



Notes to Financial Statements for the year ended 31 March 2026

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'). To calculate the present value of economic benefits, consideration is given to any minimum funding requirements.

Remeasurements 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 immediately in OCI. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate determined by reference to market yields at the end of the reporting period on government bonds. This rate is applied on the net defined benefit liability (asset), both as determined at the start of the annual reporting period, 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 profit or 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. When the benefits of a plan are improved, 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 annually by qualified actuary using the projected unit credit method, for the unused entitlement that has accumulated as at the balance sheet date. Remeasurements 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 absences occur. Since, the employee have unconditional right to avail the leave, benefit is classified as current provision.

3.7 Provisions (other than for employee benefits)

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the obligation amount. 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.

3.8 Contingent liabilities and contingent assets

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent asset is not recognised in the financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

Provisions, contingent liabilities and contingent assets are reviewed at each reporting date.

Notes to Financial Statements

for the year ended 31 March 2026

3.9 Revenue from contract with customer

Sale of goods (excluding power)

Revenue is measured based on the consideration specified in a contract with a customer. Revenue from sale of products is recognised when control of the goods or services is transferred to the customer.

At contract inception, the Company assesses the goods promised in a contract with a customer and identify as a performance obligation each promise to transfer to the customer. Revenue from contracts with customers is recognized when control of goods is transferred to the customer and the Company neither retains continuing managerial involvement associated with ownership nor effective control over the goods sold. The Company's performance obligation is satisfied on delivery of goods to the customer. The transfer of control depends on the terms of the contracts.

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

Sale of Power

The Company's derives its revenue from sale of power from sale of electricity based on Power Purchase Agreements. Revenue is recognised on delivery of electricity produced to the electricity grid at agreed tariff rate (net of discounts for prompt payments). Delivery is deemed complete when control associated with ownership have been transferred to the grid as contractually agreed, compensation has been contractually established and its collection is probable.

3.10 Recognition of Interest income or expense, Insurance claim

Interest income or expense

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 accrued basis.

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

Insurance claims

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

3.11 Expenses

All expenses are accounted for on accrual basis.

3.12 Government grants

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

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



Notes to Financial Statements for the year ended 31 March 2026

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.

3.13 Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in Other comprehensive income.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37.

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 payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset 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
- ❖ at the time of the transaction:
 - (i) affects neither accounting nor taxable profit or loss; and
 - (ii) does not give rise to equal taxable and deductible temporary differences.

Deferred tax 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, such reductions are reversed when the probability of future taxable profit improves.

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.

Notes to Financial Statements

for the year ended 31 March 2026

3.14 Segment reporting

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. Refer Note 40 for segment information presented.

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

The Company's Whole-Time Director (WTD) has been identified as being the Chief Operating Decision Maker by the management of the Company.

3.15 Borrowing costs

Borrowing costs are interest and other 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.

3.16 Cash and cash equivalents

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

3.17 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.

3.18 Determination of fair values

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

i) Financial assets

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

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

ii) Trade and other receivables

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

iii) Financial liabilities

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



Notes to Financial Statements

for the year ended 31 March 2026

3.19 Recent pronouncements

i) **Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants**

The Company has adopted Classification of Liabilities as Current or Non-current (Amendments to Ind AS 1) and Non-current Liabilities with Covenants (Amendments to Ind AS 1) from 1 April 2025. These amendments apply retrospectively and clarify the criteria for determining whether a liability should be classified as Current or Non-current. They also introduce new disclosure requirements for Non-current loan liabilities that are subject to covenants within 12 months after the reporting period.

The Company has no impact of these amendments in its classification criteria of Current and Non-current liabilities.

ii) **Standards issued but not yet effective**

Ind AS 1 - Presentation of Financial Statements, If a covenant breach occurs on or before the reporting date and the liability becomes payable on demand, it must be classified as current, even if the lender subsequently agrees not to demand repayment. It is classified as current because, at the reporting date, the entity does not have the right to defer settlement for at least 12 months. However, if the lender has already provided by the reporting date a grace period extending at least 12 months beyond that date, during which the breach can be rectified and repayment cannot be demanded, the liability is classified as non-current. This amendment is to be applied retrospectively for annual reporting periods beginning on or after 1 April 2026, in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

Notes to Financial Statements

for the year ended 31 March 2026

4. Property, Plant and Equipment

(₹ in Lakhs)

	Freehold Land [Note 38]	Buildings	Plant and Equipment	Computer and Data Processing Equipment	Furniture and Fixtures	Vehicles	Office Equipment	Right of use - assets [Note 20]	Total
Reconciliation of carrying amount									
Gross carrying amount									
Balance at 1 April 2025	39,012.55	9,147.56	58,578.47	228.21	225.86	459.42	101.86	50.42	1,07,804.35
Additions during the year	606.46	2,220.33	4,727.15	32.51	94.29	160.36	8.47	-	7,849.57
Disposal / deduction during the year	-	(27.96)	(691.62)	(15.98)	(1.31)	(11.44)	(1.02)	(50.42)	(799.75)
Balance at 31 March 2026	39,619.01	11,339.93	62,614.00	244.74	318.84	608.34	109.31	-	1,14,854.17
Balance at 1 April 2024	38,717.17	9,067.89	46,209.67	212.11	209.73	492.05	93.96	50.42	95,053.00
Additions during the year	295.38	79.68	12,934.34	24.25	17.82	8.72	10.83	-	13,371.02
Disposal / deduction during the year	-	(0.01)	(565.54)	(8.15)	(1.69)	(41.35)	(2.93)	-	(619.67)
Balance at 31 March 2025	39,012.55	9,147.56	58,578.47	228.21	225.86	459.42	101.86	50.42	1,07,804.35
Accumulated depreciation									
Balance at 1 April 2025	-	2,161.83	15,435.57	169.52	103.06	224.02	59.47	37.87	18,191.34
Depreciation for the year (a)	-	365.05	2,500.22	27.81	23.08	49.68	12.60	12.55	2,990.99
Disposal / deduction during the year	-	(20.38)	(114.36)	(14.38)	(1.23)	(5.64)	(0.97)	(50.42)	(207.38)
Balance at 31 March 2026	-	2,506.50	17,821.43	182.95	124.91	268.06	71.10	-	20,974.95
Balance at 1 April 2024	-	1,790.58	13,574.79	147.08	84.78	219.57	49.65	25.28	15,891.73
Depreciation for the year (a)	-	371.25	2,270.23	30.09	19.73	39.13	12.60	12.59	2,755.62
Disposal / deduction during the year	-	-	(409.45)	(7.65)	(1.45)	(34.68)	(2.78)	-	(456.01)
Balance at 31 March 2025	-	2,161.83	15,435.57	169.52	103.06	224.02	59.47	37.87	18,191.34
Carrying amount (net)									
At 31 March 2026 (b)	39,619.01	8,833.43	44,792.57	61.79	193.93	340.28	38.21	-	93,879.22
At 31 March 2025 (b)	39,012.55	6,985.73	43,142.90	58.69	122.80	235.40	42.39	12.55	89,613.01

* Includes Subsidy received from State Government of Bihar [Note 41].

(a) Includes ₹17.55 lakhs (31 March 2025 ₹17.42 lakhs) in relation to farm assets.

(b) Property, Plant and Equipment other than related to farm assets of ₹20,592.38 lakhs (31 March 2025: ₹20,606.78 lakhs) and Right of use - assets given as security for borrowings [Note 19].



Notes to Financial Statements

for the year ended 31 March 2026

5. Capital Work-in-Progress

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Reconciliation of carrying amount		
Balance at the beginning of the year	3,975.29	455.72
Add: Additions during the year	4,562.65	15,955.34
Less: Transfer to PPE during the year	5,538.66	12,435.77
Balance at the end of the year	2,999.28	3,975.29

- a) The amount of borrowing costs capitalised during the year **₹79.24 lakhs** (31 March 2025: ₹331.52 lakhs). The annual rate i.e. the effective rate of interest used to determine the amount of general borrowing costs eligible for capitalisation is in the range of **6.82% p.a. to 9.80% p.a.** (31 March 2025: 7.24% p.a. to 9.30% p.a.) and **7.25% p.a.** (31 March 2024: 8.40% p.a.) for the specific borrowing.

b) Capital Work-in-Progress Ageing schedule:

(₹ in lakhs)

Capital Work-in-Progress	Amount of CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
As on 31 March 2026					
Projects in progress	2,982.12	17.16	-	-	2,999.28
Projects temporarily suspended	-	-	-	-	-
	2,982.12	17.16	-	-	2,999.28
As on 31 March 2025					
Projects in progress	3,960.19	15.10	-	-	3,975.29
Projects temporarily suspended	-	-	-	-	-
	3,960.19	15.10	-	-	3,975.29

6. Intangible Assets

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Reconciliation of carrying amount		
Gross carrying amount		
Balance at the beginning of the year	66.05	63.35
Additions during the year	-	2.70
Disposal during the year	-	-
Balance at the end of the year	66.05	66.05
Accumulated depreciation		
Balance at the beginning of the year	58.36	54.47
Amortisation for the year	1.94	3.89
Disposal during the year	-	-
Balance at the end of the year	60.30	58.36
Carrying amount (net)	5.75	7.69

Notes to Financial Statements for the year ended 31 March 2026

7. Investments

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current Investments:		
Investment in Government securities carried at amortised cost - unquoted (fully paid) *		
11% Bihar State Development Loan, 2001	0.53	0.53
7 Years National Savings Certificates	0.05	0.05
6 Years National Savings Certificates	0.08	0.08
	0.66	0.66
Aggregate value of unquoted investments	0.66	0.66
Aggregate amount of impairment in value of investments	-	-

* Deposited / pledged with various Government authorities.

8. Inventories

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
(Value at lower of cost and net realisable value)		
Raw materials *	3,689.76	2,821.98
Work-in-progress	157.76	174.25
Finished goods *	54,645.57	59,779.05
Stock-in-trade	253.45	133.30
Stores, chemicals and spare parts *	1,369.51	1,260.69
Bio-compost	46.46	85.03
(Valued at estimated net realisable value)		
By-Products	3,883.63	5,748.68
Scrap	4.12	18.60
	64,050.26	70,021.58
* includes stock in transit:		
Finished goods	149.39	93.27
Stores, chemicals and spare parts	9.14	39.55

a) ₹32.68 lakhs (31 March 2025: ₹28.25 lakhs) recognised as expenses, being write-down of inventories to net realisable value, included in Changes in inventories of Finished Goods and Work-in-progress. [Note 29]

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

9. Biological assets other than bearer plants

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Reconciliation of carrying amount		
Balance at the beginning of the year	113.75	117.35
New Crop Plantations	114.47	113.65
Expenditure incurred during the year	114.76	112.77
Harvested sugarcane transferred to inventories	(251.45)	(255.96)
[including captive consumption of ₹130.25 lakhs (31 March 2025: ₹143.25 lakhs)]		
Change in fair value less cost to sale due to price change / physical change	40.08	25.94
Balance at the end of the year	131.61	113.75



Notes to Financial Statements

for the year ended 31 March 2026

9. Biological assets other than bearer plants (contd.)

A. Measurement of fair values

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

B. Risk management strategy related to agricultural activities

The Company is exposed to the following 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 related risks

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

10. Trade Receivables

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Current		
Trade Receivables considered good - Unsecured	1,957.92	2,234.31
Trade Receivables which have significant increase in credit risk	243.31	243.31
	2,201.23	2,477.62
Less: Loss allowance		
Trade Receivables which have significant increase in credit risk	243.31	243.31
	1,957.92	2,234.31

- (a) No debt is due by directors or other officers of the Company or any of them either severally or jointly with any other person or no debt due by firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.
- (b) Information about the Company's exposure to credit risks and loss allowances related to trade receivables are disclosed in Note 42.
- (c) Trade Receivables are hypothecated against borrowings [Note 19].

Notes to Financial Statements

for the year ended 31 March 2026

10. Trade Receivables (contd.)

(d) Trade Receivables ageing schedule:

(₹ in Lakhs)

Particulars	Trade Receivables considered good - Unsecured			Trade Receivables which have significant increase in credit risk			Grand Total
	Undisputed	Disputed	Total	Undisputed	Disputed	Total	
As on 31 March 2026							
Unbilled dues	131.97	-	131.97	-	-	-	131.97
Not due	1,095.70	-	1,095.70	-	-	-	1,095.70
Outstanding for following periods from due dates of payment							
- Less than 6 months	617.16	-	617.16	-	-	-	617.16
- 6 months - 1 year	109.33	-	109.33	-	63.18	63.18	172.51
- 1 - 2 years	3.09	-	3.09	-	173.59	173.59	176.68
- 2 - 3 years	0.67	-	0.67	-	0.86	0.86	1.53
- More than 3 years	-	-	-	-	5.68	5.68	5.68
	730.25	-	730.25	-	243.31	243.31	973.56
	1,957.92	-	1,957.92	-	243.31	243.31	2,201.23

(₹ in Lakhs)

Particulars	Trade Receivables considered good - Unsecured			Trade Receivables which have significant increase in credit risk			Grand Total
	Undisputed	Disputed	Total	Undisputed	Disputed	Total	
As on 31 March 2025							
Unbilled dues	105.19	-	105.19	-	-	-	105.19
Not due	1,642.22	-	1,642.22	-	-	-	1,642.22
Outstanding for following periods from due dates of payment							
- Less than 6 months	450.42	-	450.42	-	232.62	232.62	683.04
- 6 months - 1 year	7.76	-	7.76	-	4.15	4.15	11.91
- 1 - 2 years	28.72	-	28.72	-	0.86	0.86	29.58
- 2 - 3 years	-	-	-	-	-	-	-
- More than 3 years	-	-	-	-	5.68	5.68	5.68
	486.90	-	486.90	-	243.31	243.31	730.21
	2,234.31	-	2,234.31	-	243.31	243.31	2,477.62

11. Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balances with banks		
- Current accounts	12.43	3.52
Cash on hand	17.99	7.85
	30.42	11.37



Notes to Financial Statements

for the year ended 31 March 2026

12. Bank balances other than cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Bank deposits due to mature after three months of original maturity but within twelve month of reporting date	63.29	59.55
Earmarked balances with banks		
- Unpaid dividend accounts	54.06	47.50
- Unpaid fractional share pay-out account	0.83	0.83
In Post office Saving bank account	0.14	0.14
	118.32	108.02

Note: The above are pledged / lodged with various Government Authorities and bank as security / earmarked / margin money.

13. Loans

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
<i>(Unsecured considered good unless otherwise stated)</i>		
Other Loans		
- Loans to employees	43.59	19.41
	43.59	19.41

14. Other Financial Assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
<i>(Unsecured considered good unless otherwise stated)</i>				
Security and other deposits	1,104.77	1,104.77	8.52	8.52
Renewable Energy Certificates Entitlement	-	-	0.02	0.02
Interest accrued on Investments	0.01	0.01	63.10	3.12
Claims and Subsidies / Refunds receivable	-	-	471.29	395.66
Other receivables	-	-	1.37	0.56
	1,104.78	1,104.78	544.30	407.88

15. Current Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Advance tax and tax deducted / collected at sources	2,602.70	3,361.69
Less: Provision for taxation	1,877.33	3,127.82
	725.37	233.87

Notes to Financial Statements for the year ended 31 March 2026

16. Other Assets

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
<i>(Unsecured considered good unless otherwise stated)</i>				
Capital Advances	1,558.77	37.60	-	-
Advances other than Capital Advances				
Advances to suppliers				
Considered good - Unsecured	-	-	607.97	656.49
Considered doubtful - Unsecured	-	-	56.47	57.22
	-	-	664.44	713.71
Less: Loss allowance	-	-	56.47	57.22
			607.97	656.49
Other advances				
Deposits against demand under appeal and / or under dispute	94.20	101.06	-	-
Balance with Excise and other Government Authorities	-	-	101.19	203.02
	94.20	101.06	101.19	203.02
Prepaid Expenses	19.14	26.70	18.04	21.96
	1,672.11	165.36	727.20	881.47

17. Share Capital

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised:		
2,51,00,000 (31 March 2025: 2,51,00,000) equity shares of ₹10 each	2,510.00	2,510.00
15,00,000 (31 March 2025: 15,00,000) preference shares of ₹100 each	1,500.00	1,500.00
	4,010.00	4,010.00
Issued, subscribed and fully paid-up:		
1,40,91,630 (31 March 2025: 1,40,91,630) equity shares of ₹10 each	1,409.16	1,409.16
	1,409.16	1,409.16

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
Equity shares				
At the beginning and at the end of the year	1,40,91,630	1,409.16	1,40,91,630	1,409.16

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

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



Notes to Financial Statements for the year ended 31 March 2026

17. Share Capital (contd.)

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Number of shares	% of holding	Number of shares	% of holding
Equity shares of ₹10 each fully paid up held by				
SIL Investments Limited	16,86,658	11.97%	16,86,658	11.97%
Avadh Sugar & Energy Limited	14,86,154	10.55%	14,86,154	10.55%
New India Retailing & Investment Limited	10,56,490	7.50%	10,56,490	7.50%
Navjeevan Medical Institute	7,83,157	5.56%	7,83,157	5.56%
Mr. Man Mohan Singh	7,53,854	5.35%	N.A.	
Yashovardhan Investment & Trading Company Limited	7,17,710	5.09%	7,17,710	5.09%
Hargaon Investment & Trading Company Limited	7,17,358	5.09%	7,17,358	5.09%
Mr. Chandra Shekhar Nopany - As Trustee of Shekhar Family Trust	7,10,140	5.04%	7,10,140	5.04%

(d) No shares have been issued for consideration other than cash during the five-year period immediately preceding the reporting date

(e) Shareholding of Promoters:

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
As on 31 March 2026						
Equity shares of ₹10 each fully paid up held by						
1	SIL Investments Limited	16,86,658	-	16,86,658	11.97%	-
2	Avadh Sugar & Energy Limited	14,86,154	-	14,86,154	10.55%	-
3	New India Retailing & Investment Limited	10,56,490	-	10,56,490	7.50%	-
4	Yashovardhan Investment & Trading Company Limited	7,17,710	-	7,17,710	5.09%	-
5	Hargaon Investment & Trading Company Limited	7,17,358	-	7,17,358	5.09%	-
6	Mr. Chandra Shekhar Nopany - As Trustee of Shekhar Family Trust	7,10,140	-	7,10,140	5.04%	-
7	RTM Investment & Trading Company Limited	4,49,659	-	4,49,659	3.19%	-
8	SCM Investment & Trading Company Limited	3,81,561	-	3,81,561	2.71%	-
9	Champaran Marketing Company Limited	2,84,386	-	2,84,386	2.02%	-
10	OSM Investment & Trading Company Limited	2,56,093	-	2,56,093	1.82%	-
11	Mrs. Nandini Nopany	1,84,164	-	1,84,164	1.31%	-
12	Nilgiri Plantations Limited	1,50,458	-	1,50,458	1.07%	-

Notes to Financial Statements

for the year ended 31 March 2026

17. Share Capital (contd.)

(e) Shareholding of Promoters:

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
13	Sidh Enterprises Limited	1,13,948	-	1,13,948	0.81%	-
14	Narkatiaganj Farms Limited	94,210	-	94,210	0.67%	-
15	Ronson Traders Limited	91,046	-	91,046	0.65%	-
16	Rajpur Farms Limited	72,804	-	72,804	0.52%	-
17	Mr. Chandra Shekhar Nopany	37,724	-	37,724	0.26%	-
18	Shree Vihar Properties Limited	34,382	-	34,382	0.24%	-
19	LA Monde Trading & Investments Private Limited	27,454	-	27,454	0.19%	-
20	Palash Securities Limited	20,238	-	20,238	0.14%	-
21	Ms. Urvi Mittal	14,838	-	14,838	0.10%	-
22	Mr. Arihant Vikram Nopany	5,451	-	5,451	0.04%	-
23	Uttam Commercial Limited	2,429	-	2,429	0.02%	-
24	Sonali Commercial Limited	1,799	-	1,799	0.01%	-
25	Pavapuri Trading and Investment Company Limited	1,260	-	1,260	0.01%	-
26	Deepshikha Trading Company Private Limited	68	-	68	0.00%	-
		85,98,482	-	85,98,482	61.02%	-

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
As on 31 March 2025						
Equity shares of ₹10 each fully paid up held by						
1	SIL Investments Limited	16,86,658	-	16,86,658	11.97%	-
2	Avadh Sugar & Energy Limited	14,86,154	-	14,86,154	10.55%	-
3	New India Retailing & Investment Limited	10,56,490	-	10,56,490	7.50%	-
4	Yashovardhan Investment & Trading Company Limited	7,17,710	-	7,17,710	5.09%	-
5	Hargaon Investment & Trading Company Limited	7,17,358	-	7,17,358	5.09%	-
6	Mr. Chandra Shekhar Nopany - As Trustee of Shekhar Family Trust	7,10,140	-	7,10,140	5.04%	-
7	RTM Investment & Trading Company Limited	4,49,659	-	4,49,659	3.19%	-



Notes to Financial Statements

for the year ended 31 March 2026

17. Share Capital (contd.)

Sr. No.	Promoter Name	No. of shares at the beginning of the year	Change during year	No. of shares at the end of the year	% of total shares	% Change during the year
8	SCM Investment & Trading Company Limited	3,81,561	-	3,81,561	2.71%	-
9	Champaran Marketing Company Limited	2,84,386	-	2,84,386	2.02%	-
10	OSM Investment & Trading Company Limited	2,56,093	-	2,56,093	1.82%	-
11	Mrs. Nandini Nopany	1,84,164	-	1,84,164	1.31%	-
12	Nilgiri Plantations Limited	1,50,458	-	1,50,458	1.07%	-
13	Sidh Enterprises Limited	1,13,948	-	1,13,948	0.81%	-
14	Narkatiaganj Farms Limited	94,210	-	94,210	0.67%	-
15	Ronson Traders Limited	91,046	-	91,046	0.65%	-
16	Rajpur Farms Limited	72,804	-	72,804	0.52%	-
17	Mr. Chandra Shekhar Nopany	37,724	-	37,724	0.26%	-
18	Shree Vihar Properties Limited	34,382	-	34,382	0.24%	-
19	LA Monde Trading & Investments Private Limited	27,454	-	27,454	0.19%	-
20	Palash Securities Limited	20,238	-	20,238	0.14%	-
21	Ms. Urvi Mittal	14,838	-	14,838	0.10%	-
22	Mr. Arihant Vikram Nopany	5,451	-	5,451	0.04%	-
23	Uttam Commercial Limited	2,429	-	2,429	0.02%	-
24	Sonali Commercial Limited	1,799	-	1,799	0.01%	-
25	Pavapuri Trading and Investment Company Limited	1,260	-	1,260	0.01%	-
26	Deepshikha Trading Company Private Limited	68	-	68	0.00%	-
		85,98,482	-	85,98,482	61.02%	-

18. Other Equity

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Capital Reserve		
Balance at the beginning and at the end of the year	36,897.75	36,897.75
Capital Redemption Reserve		
Balance at the beginning and at the end of the year	747.39	747.39
Retained Earnings		
Balance at the beginning of the year	44,340.68	35,506.46
Profit for the year	6,350.76	10,944.61
Gain on remeasurement of defined benefit liabilities / assets (net of tax)	34.87	3.36
Dividend paid on equity shares	(1,761.45)	(2,113.75)
Balance at the end of the year	48,964.86	44,340.68
	86,610.00	81,985.82

Notes to Financial Statements for the year ended 31 March 2026

18. Other Equity (contd.)

(a) Dividend on equity shares

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

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
₹12.50 per equity share (31 March 2025: ₹15.00 per equity share) as final dividend	1,761.45	2,113.75

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

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Proposed dividend for the year ended 31 March 2026 ₹12.50 per equity share (31 March 2025: ₹12.50 per equity share)	-	1,761.45

19. Borrowings

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Non-current Borrowings		
Term Loans (secured)		
From banks -		
Term loans (including Rupee term loans)	25,834.78	19,084.61
Under financial assistance scheme (SEFASM 2018 Central)	1,266.48	3,790.36
	27,101.26	22,874.97
Less: Current portion of Non-current borrowings disclosed in Current Borrowings stated below	7,992.37	5,397.63
	19,108.89	17,477.34
Current Borrowings		
Secured		
Current portion of Non-current borrowings	7,992.37	5,397.63
From banks (repayable on demand)		
Cash credit including working capital demand loan	36,021.80	36,344.54
Unsecured		
Working capital demand loan	6,000.00	11,500.00
	50,014.17	53,242.17

The Company's exposure to interest and liquidity risk is disclosed in Note 42.



Notes to Financial Statements

for the year ended 31 March 2026

19. Borrowings (contd.)

(i) Terms and repayment schedule

Particulars	Interest rate / Interest rate range	Year of Maturity	Carrying amount (₹ in lakhs)	
			As at 31 March 2026	As at 31 March 2025
Secured rupee term loan	8.75% to 9.10% p.a.	June 2025	-	374.83
Secured rupee term loan	8.20% to 8.75% p.a.	July 2029	4,094.76	4,961.81
Secured term loan	7.25% to 8.15% p.a.	September 2031	11,950.96	7,664.85
Secured term loan	8.75% to 9.10% p.a.	September 2027	1,869.76	3,111.27
Secured term loan	7.00% to 8.25% p.a.	March 2030	7,919.30	2,971.85
Secured rupee term loan under financial assistance scheme (SEFASM 2018 Central)	8.75% to 9.10% p.a.	September 2026	1,266.48	3,790.36
Secured cash credit including working capital demand loan	6.25% to 7.85% p.a.	On demand	36,021.80	36,344.54
Unsecured working capital demand loan	6.25% to 7.75% p.a.	On demand	6,000.00	11,500.00
Total interest-bearing liabilities			69,123.06	70,719.51

(ii) Nature of security

- Term loans (including rupee term loans) of **₹27,101.26 lakhs** (31 March 2025: ₹22,874.97 lakhs) are secured by first mortgage / charge created / to be created on entire property, plant and equipment (other than related to farm assets) and third charge on current assets of the Company, both present and future, ranking pari-passu with banks.
- Term loan of **₹1,266.48 lakhs** (31 March 2025: ₹3,790.36 lakhs) under the scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity (SEFASM 2018 - Central) is entitled for interest subvention from the Government of India upto 6% p.a. or 50% of rate of interest charged by banks as per terms of the scheme.
- Cash credit borrowing including Working capital demand loan (WCDL) of **₹36,021.80 lakhs** (31 March 2025: ₹33,844.54 lakhs) from banks are secured by hypothecation of all current assets of the Company ranking pari-passu amongst the various lenders and also by 3rd charge on all the property, plant and equipment of the Company, both present and future.
- Cash credit borrowing including WCDL of **Nil** (31 March 2025: ₹2,500.00 lakhs) from RBL Bank is secured by subservient charge by way of hypothecation of all current assets and movable property, plant and equipment of the Company, both present and future.

- The Company is filing monthly stock statement to Banks (SBI, ICICI Bank, DCB, HDFC Bank, South Indian Bank, Yes Bank, Axis Bank and RBL Bank) for working capital facilities. The below is summary of reconciliation of quarterly statement filed to the banks and books of accounts :

Quarter ended on	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)
31 March 2026	64,050.26	63,004.31	1,045.95
31 December 2025	28,186.92	23,634.62	4,552.30
30 September 2025	19,564.46	18,066.33	1,498.13
30 June 2025	45,591.76	41,967.99	3,623.77

Notes to Financial Statements

for the year ended 31 March 2026

19. Borrowing (contd.)

Quarter ended on	Amount as per books of account (₹ in lakhs)	Amount as reported in the quarterly return / statement (₹ in lakhs)	Amount of difference (₹ in lakhs)
31 March 2025	70,021.58	70,897.20	(875.62)
31 December 2024	40,967.37	36,155.77	4,811.60
30 September 2024	25,521.53	24,833.50	688.03
30 June 2024	51,363.64	51,507.61	(143.97)

The amount as per books of account represents total inventories of finished goods / semi finished goods, store, chemicals and spare parts, by products etc., whereas, according to the terms and conditions outlined in the loan agreements, the valuation methodology of inventories is different from books of accounts and certain inventory values do not part of stock statement submitted with banks.

20. Lease

Lease as Lessee

The Company has lease contracts for various items of buildings (including godowns), vehicles and other equipment used in its operations. The Company's obligations under its lease are secured by lessor's title to the leased assets.

The Company also has certain leases of godowns and vehicles with lease term of twelve months or less and leases of office equipment with low value. The Company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

The carrying amount of right-of-use assets (Buildings) (non-cash investing activity) recognised and its movements during the year are disclosed in Note 4.

Lease liabilities is being measured by discounting the lease payments using the incremental borrowing rate i.e. **8.50% p.a.** Movement of the carrying amount of lease liabilities during the year are as under:

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Balance at the beginning of the year	14.24	27.33
Finance cost accrued during	0.76	1.91
Payment of lease liabilities (including finance cost)	(15.00)	(15.00)
Balance at the end of the year	-	14.24
Non-current	-	-
Current	-	14.24
	-	14.24

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

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Less than one year	-	15.00
One to two years	-	-
	-	15.00



Notes to Financial Statements

for the year ended 31 March 2026

20. Lease (contd.)

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Expenses:		
Interest on lease liabilities [Note 31]	0.76	1.91
Depreciation on right-of-use assets [Note 4]	12.55	12.59
Expenses relating to short-term and low-value leases [Note 33] *	21.63	19.68
	34.94	34.18

* excluding ₹10.04 lakhs (31 March 2025: ₹9.81 lakhs) incurred in relation to farm assets.

There is no significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when due.

21. Trade Payables

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Total outstanding dues of micro enterprises and small enterprises *	61.63	61.53
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,063.09	6,235.09
	2,124.72	6,296.62

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

The Company's exposure to currency and liquidity risk related to trade payable are disclosed in Note 42.

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of the accounting year:		
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
Total	-	-
(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act 2006) along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year.	304.66	133.05
(iii) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006.	-	-
(iv) The amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006.	-	-

Notes to Financial Statements

for the year ended 31 March 2026

21. Trade Payables (contd.)

(b) Trade payables ageing schedule:

(₹ in lakhs)

Particulars	Unbilled dues	Not due	Outstanding for following periods from due dates of payment / date of transaction				Total
				1 - 2 years	2 - 3 years	more than 3 years	
As on 31 March 2026							
(i) MSME	-	61.63	-	-	-	-	61.63
(ii) Others	153.24	299.68	1,519.66	76.29	-	6.41	2,055.28
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	7.81	7.81
	153.24	361.31	1,519.66	76.29	-	14.22	2,124.72
As on 31 March 2025							
(i) MSME	-	61.53	-	-	-	-	61.53
(ii) Others	237.87	899.59	5,083.40	-	-	6.42	6,227.28
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	7.81	7.81
	237.87	961.12	5,083.40	-	-	14.23	6,296.62

22. Other Financial Liabilities

(₹ in Lakhs)

Particulars	Current	
	As at 31 March 2026	As at 31 March 2025
Trade and other deposits	136.94	152.79
Interest accrued but not due	5.74	125.40
Payable to employees	524.29	519.15
Liability for capital goods	290.21	453.04
Unclaimed dividend *	54.06	47.50
Unclaimed Fractional Share Pay-out *	0.83	0.83
Other payables	2.60	6.58
	1,014.67	1,305.29

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

The Company's exposure to liquidity risks related to the above financial liabilities is disclosed in Note 42.



Notes to Financial Statements for the year ended 31 March 2026

23. Other Liabilities

(₹ in Lakhs)

Particulars	Current	
	As at 31 March 2026	As at 31 March 2025
Advance against Sale of Goods / Property, plant and equipment	689.80	314.55
Statutory dues	326.47	498.83
	1,016.27	813.38

24. Provisions

(₹ in Lakhs)

Particulars	Non-current		Current	
	As at 31 March 2026	As at 31 March 2025	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits				
Net defined benefit liability - Gratuity	177.82	222.49	46.97	56.89
Liability for compensated absences	-	-	413.89	337.90
	177.82	222.49	460.86	394.79
Other Provisions				
For litigation, claims and contingencies*	-	-	111.88	201.28
	-	-	111.88	201.28
	177.82	222.49	572.74	596.07

* decrease is written back provision no longer required (net of refund claimed) during the year.

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 31 March 2026	As at 31 March 2025
Present value of defined benefit obligations	1,588.38	1,612.83
Fair value of plan assets	1,363.59	1,333.45
Net defined benefit liabilities	224.79	279.38

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

The Company expects to contribute ₹46.97 lakhs to Gratuity Fund in the next year.

Inherent risk

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

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

Notes to Financial Statements

for the year ended 31 March 2026

24. Provisions (contd.)

Reconciliation of the net defined benefit liabilities / (assets)

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) Reconciliation of present value of defined benefit obligations		
(a) Balance at the beginning of the year	1,612.83	1,678.60
(b) Service cost	169.59	115.27
(c) Interest cost	107.09	120.69
(d) Benefits paid	(249.88)	(295.62)
(e) Actuarial (gain) / loss on defined benefit obligations:		
- due to change in financial assumptions	(34.19)	44.94
- due to experience changes	(17.06)	(51.05)
(f) Balance at the end of the year	1,588.38	1,612.83
(ii) Reconciliation of fair value of plan assets		
(a) Balance at the beginning of the year	1,333.45	1,332.91
(b) Actual return on plan assets	83.89	94.20
(c) Contributions by the employer	196.13	201.96
(d) Benefits paid	(249.88)	(295.62)
(e) Balance at the end of the year	1,363.59	1,333.45
(iii) Actuarial loss on plan assets		
(a) Expected Interest Income	88.54	95.83
(b) Actual return on plan assets	83.89	94.20
(c) Actuarial loss on plan assets	(4.65)	(1.63)
(iv) Expense recognised in Employee benefits expenses		
(a) Service cost	169.59	115.27
(b) Interest cost	107.09	120.69
(c) Interest income	(88.54)	(95.83)
(d) Amount charged to Employee benefits expenses	188.14	140.13
(v) Remeasurement recognised in Other Comprehensive Income		
(a) Actuarial gain on defined benefit obligations	51.25	6.11
(b) Actuarial loss on plan assets	(4.65)	(1.63)
(c) Amount recognised in Other Comprehensive Income	46.60	4.48
(vi) Plan assets		
Plan assets comprise of the following:		
(a) Investments with LIC	100%	100%
(vii) Actuarial assumptions		
Principal actuarial assumptions at the reporting date (expressed as weighted averages)		
(a) Discount rate	7.03%	6.64%
(b) Future salary growth	5.00%	5.00%
(c) Attrition rates	Less than 40 Years - 4.2%	
	40 Years and above - 1.8%	
(d) Weighted average duration of defined benefit obligation	7 Years	7 Years

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

(viii) Method of determining defined benefit obligation

Project Unit Credit (PUC)



Notes to Financial Statements for the year ended 31 March 2026

24. Provisions (contd.)

(ix) Sensitivity analysis

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

(₹ in Lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Increase	Decrease	Increase	Decrease
(a) Discount rate (1% movement)	(81.45)	90.66	(79.84)	88.87
(b) Future salary growth (1% movement)	88.73	(81.15)	87.01	(79.90)
(c) Attrition rate (1% movement)	9.23	(10.28)	6.79	(7.58)

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

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

(₹ in Lakhs)

Particulars	As at 31 March 2026	As at 31 March 2025
Within the next 12 months (next annual reporting period)	46.97	56.89
Between 1 and 2 years	301.65	380.72
Between 2 and 3 years	192.25	160.38
Between 3 and 4 years	209.68	176.58
Between 4 and 5 years	213.39	192.12
Between 5 and 6 years	162.82	189.31
Beyond 6 years	1,391.51	1,285.69
	2,518.27	2,441.69

25. Deferred Tax Liabilities (net)

(₹ in lakhs)

Particulars	As at 1 April 2024	Recognised in profit or loss	Recognised in OCI	As at 31 March 2025	Recognised in profit or loss	Recognised in OCI	As at 31 March 2025
Deferred tax liabilities							
PPE including intangible assets	5,741.47	141.04	-	5,882.51	380.62	-	6,263.13
	5,741.47	141.04	-	5,882.51	380.62	-	6,263.13
Deferred tax assets							
Provisions - employee benefits	148.05	4.76	(1.12)	151.69	18.09	(11.73)	158.05
Provisions - others	2.97	100.82	-	103.79	(0.18)	-	103.61
Deduction allowed on payment / other basis	713.21	(622.05)	-	91.16	(32.04)	-	59.12
	864.23	(516.47)	(1.12)	346.64	(14.13)	(11.73)	320.78
Net deferred tax liabilities	4,877.24	657.51	1.12	5,535.87	394.75	11.73	5,942.35

Notes to Financial Statements

for the year ended 31 March 2026

26. Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Revenue from contracts with customers		
Sale of Goods		
Finished goods	1,19,413.63	1,24,555.97
Power	1,837.83	2,394.52
Stock-in-trade	682.71	864.50
By products	1,457.03	934.16
Others (including Bio-compost)	495.92	430.74
	1,23,887.12	1,29,179.89
Other operating revenue		
Sale of Sugar Export Entitlement	-	117.90
Cane Commission Remission [Note 41]	-	2,478.42
Goods and Service Tax Reimbursement [Note 41]	29.86	235.39
Scrap Sales	536.73	216.90
	566.59	3,048.61
Total revenue from operations	1,24,453.71	1,32,228.50

Disaggregated revenue information

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

(₹ in lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2026				
Revenue based on the type of goods sold to customers:				
<i>Finished goods</i>				
- Sugar	90,853.00	-	-	90,853.00
- Spirits	-	28,560.63	-	28,560.63
	90,853.00	28,560.63	-	1,19,413.63
<i>Power</i>	-	-	1,837.83	1,837.83
Stock-in-trade - Manure etc.	682.71	-	-	682.71
<i>By products</i>				
- Bagasse	511.15	-	-	511.15
- Press-mud	245.09	-	-	245.09
- DDGS / DDWS	-	700.79	-	700.79
	756.24	700.79	-	1,457.03
<i>Others (including Bio-compost)</i>	67.48	428.44	-	495.92
	92,359.43	29,689.86	1,837.83	1,23,887.12
Revenue based on the type of customers:				
- Government concerns (including PSUs)	-	27,037.94	843.52	27,881.46
- Export (including through third parties)	1,706.77	-	-	1,706.77
- Others	90,652.66	2,651.92	994.31	94,298.89
	92,359.43	29,689.86	1,837.83	1,23,887.12



Notes to Financial Statements

for the year ended 31 March 2026

26. Revenue from Operations (contd.)

(₹ in lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2025				
Revenue based on the type of goods sold to customers:				
<i>Finished goods</i>				
- Sugar	95,501.23	-	-	95,501.23
- Spirits	-	29,054.74	-	29,054.74
	95,501.23	29,054.74	-	1,24,555.97
<i>Power</i>	-	-	2,394.52	2,394.52
Stock-in-trade - Manure etc.	864.50	-	-	864.50
<i>By products</i>				
- Bagasse	839.12	-	-	839.12
- Press-mud	95.04	-	-	95.04
	934.16	-	-	934.16
<i>Others (including Bio-compost)</i>	52.03	378.71	-	430.74
	97,351.92	29,433.45	2,394.52	1,29,179.89
Revenue based on the type of customers:				
- Government concerns (including PSUs)	-	25,693.19	1,550.16	27,243.35
- Export (including through third parties)	1,935.88	-	-	1,935.88
- Others	95,416.04	3,740.26	844.36	1,00,000.66
	97,351.92	29,433.45	2,394.52	1,29,179.89

The reconciliation of the revenue from contracts with customers and other operating revenue with amount disclosed in the segment information (Note 39):

(₹ in lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2026				
Sale of Goods				
- External customers	92,359.43	29,689.86	1,837.83	1,23,887.12
- Inter-segment	16,263.23	18.11	5,587.14	21,868.48
Other Operating Revenue	482.56	84.03	-	566.59
	1,09,105.22	29,792.00	7,424.97	1,46,322.19
Less: Inter-segment elimination	16,263.23	18.11	5,587.14	21,868.48
Less: Other Operating Revenue	482.56	84.03	-	566.59
	92,359.43	29,689.86	1,837.83	1,23,887.12

Notes to Financial Statements

for the year ended 31 March 2026

26. Revenue from Operations (contd.)

(₹ in lakhs)

Particulars	Segment			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2025				
Sale of Goods				
- External customers	97,351.92	29,433.45	2,394.52	1,29,179.89
- Inter-segment	18,826.31	41.21	5,985.52	24,853.04
Other Operating Revenue	2,941.68	106.93	-	3,048.61
	1,19,119.91	29,581.59	8,380.04	1,57,081.54
Less: Inter-segment elimination	18,826.31	41.21	5,985.52	24,853.04
Less: Other Operating Revenue	2,941.68	106.93	-	3,048.61
	97,351.92	29,433.45	2,394.52	1,29,179.89

- a) The Company presented disaggregated revenue based on the type of goods sold to customers and type of customers. Further, the Company's sales are made within India including export through third party and revenue is recognised for goods transferred at a point in time. The Company's performance obligations are satisfied on delivery of goods to the customer. Delivery of goods completes when the goods have been dispatched or delivered to the specific location, of the customer, as the case may be.

The Company does not have any contracts where the period between the transfer of the promised goods to the customer and payments by the customer exceeds one year and hence, there are no significant financing component included in such contracts.

The Company believes that the above disaggregation depicts the nature, amount, timing and uncertainty of revenues and cash flows effected by industry, market and other economic factors.

- b) For contract balances i.e. trade receivables [Note 10] and advance from customers [Note 23].
- c) The amount of ₹308.07 lakhs included in contract liabilities [Note 23] at 31 March 2025 has been recognised as revenue during the year ended 31 March 2026 (31 March 2025: ₹155.88 lakhs).
- d) The amount of revenue from contracts with customers recognised in the statement of profit and loss is the contracted price.

27. Other Income

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest Income on assets measured at amortised cost under EIR method:		
- Loans and deposits	156.80	35.86
- Refund from income tax department	-	5.78
Insurance and other claims	-	21.45
Gain on Sale / Discard of Property, Plant & Equipment (net)	93.77	59.32
Unspent liabilities, Provisions no longer required and Unclaimed balances written back	125.91	125.03
Change in fair value of biological assets other than bearer plants [Note 9]	40.08	25.94
Miscellaneous income	8.07	8.78
	424.63	282.16



Notes to Financial Statements

for the year ended 31 March 2026

28. Cost of Raw Materials Consumed

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Inventory of materials at the beginning of the year	2,821.98	2,351.80
Add: Purchases and procurement expenses *	83,101.27	85,445.92
	85,923.25	87,797.72
Less: Inventory of materials at the end of the year	3,689.76	2,821.98
	82,233.49	84,975.74

* Net of Government grants [Note 41].

29. Changes in inventories of Finished Goods, Work-in-progress and Stock-in-trade

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Inventories at the end of the year		
Finished goods	54,645.57	59,779.05
Stock-in-trade	253.45	133.30
By Products	3,883.63	5,748.68
Work-in-progress	157.76	174.25
Bio-compost	46.46	85.03
Scrap	4.12	18.60
	58,990.99	65,938.91
Inventories at the beginning of the year		
Finished goods	59,779.05	65,568.08
By Products	5,748.68	4,368.11
Work-in-progress	174.25	563.56
Bio-compost	85.03	99.92
Scrap	18.60	3.93
	65,938.91	70,603.60
	6,947.92	4,664.69

30. Employee benefits expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Salaries, wages and bonus	6,094.58	5,931.82
Contribution to provident and other funds	481.55	416.54
Expenses related to post-employment defined benefit plans* [Note 24]	142.03	139.62
Staff welfare expenses	222.66	203.60
	6,940.82	6,691.58

* excluding provision (reversed) / made towards liability of ₹(-) 0.26 lakhs (31 March 2025: ₹0.51 lakhs) in relation to biological assets other than bearer plants.

Defined contribution plans

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Contribution to Provident / Pension Funds	473.18	409.16
Contribution to Superannuation Fund	8.37	7.38
	481.55	416.54

Notes to Financial Statements for the year ended 31 March 2026

31. Finance costs

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Interest expense on financial liabilities measured at amortised cost *	3,550.75	3,818.32
Interest expense on lease liabilities [Note 20]	0.76	1.91
Interest on income tax	0.47	26.16
	3,551.98	3,846.39

* net of Interest capitalised [Note 5] and Government grants [Note 41].

32. Depreciation and amortization expense

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Depreciation of property, plant and equipment * [Note 4]	2,973.44	2,738.20
Amortisation of intangible assets [Note 6]	1.94	3.89
	2,975.38	2,742.09

* excluding ₹17.55 lakhs (31 March 2025: ₹17.42 lakhs) in relation to farm assets.

33. Other expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Consumption of stores and spares	1,617.98	1,436.98
Packing materials	741.23	990.84
Power and fuel	1,751.71	1,828.25
Repairs to:		
- Buildings	327.56	275.82
- Machinery	3,501.23	3,425.78
- Others	109.20	72.89
Rent [Note 20]	21.63	19.68
Rates and taxes	85.75	59.87
Insurance	251.81	217.49
Payment to auditors [refer Note (a) below]	39.89	38.02
Payment to cost auditors	1.38	1.25
Commission on sales	362.96	424.88
Freight and forwarding charges	1,325.40	2,615.14
Charity and donations *	361.23	212.17
Loss allowance on advances	6.22	400.59
Bad debts, irrecoverable claims and advances written off	9.34	172.07
Less: Adjusted against provisions	5.12	-
Corporate Social Responsibility expenses [refer Note (b) below]	273.29	212.63
Director's commission	78.53	103.23
Director's sitting fees	21.40	22.80
Miscellaneous expenses	1,941.78	1,440.35
	12,824.40	13,970.73

* include contribution of ₹350.00 lakhs (31 March 2025: ₹200.00 lakhs) to Samaj Electoral Trust Association.



Notes to Financial Statements for the year ended 31 March 2026

33. Other expenses (contd.)

(a) Payment to auditors

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
As Auditors		
- Statutory audit	20.00	18.50
- Tax audit	4.50	4.50
- Limited review of quarterly results	12.00	10.50
In other capacity		
- For certificates and other services	1.75	1.50
Reimbursement of expenses	1.64	3.02
	39.89	38.02

(b) Corporate Social Responsibility (CSR) expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) Gross amount required to be spent by the Company during the year	258.16	203.97
(ii) Amount approved by the Board to be spent during the year	272.80	210.00
(iii) Amount spent during the year on:		
(A) Construction / acquisition of any asset		
- In Cash	-	-
- Yet to be paid in cash	-	-
Total	-	-
(B) On purpose other than (A) above		
- In Cash	273.29	212.63
- Yet to be paid in cash	-	-
Total	273.29	212.63
(iv) Surplus at the end of the year (not recognised as asset)	15.13	8.66
(v) Total of previous years surplus	25.72	17.06
(vi) Reason for shortfall, if any	Not Applicable	
(vii) Nature of CSR Activities		
(A) Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	79.77	55.83
(B) Promoting education including special education and employment enhancing vocation skills especially among children, women, elderly and the differently abled and livelihood enhancement projects.	133.88	38.96
(C) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga.	10.10	17.18
(D) Rural Development Projects.	28.97	93.50

Notes to Financial Statements for the year ended 31 March 2026

33. Other expenses (contd.)

(b) Corporate Social Responsibility (CSR) expenses

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(E) Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	20.57	7.16
	273.29	212.63
(viii) The Movements in the provision for CSR expenditure during the year Provision for CSR expenditure at the beginning and at the end of the year	-	-

34. Tax expense

(₹ in lakhs)

	Year ended 31 March 2026		Year ended 31 March 2025	
Current tax expense				
Provision of tax for the current year	1,877.33		3,127.82	
Adjustments for tax related to earlier years	(99.58)	1,777.75	48.07	3,175.89
Deferred tax expense				
Attributable to origination and reversal of temporary differences		394.75		657.51
Tax Expense		2,172.50		3,833.40

Reconciliation of effective tax

(₹ in Lakhs)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Rate	(₹ in lakhs)	Rate	(₹ in lakhs)
Profit before tax		8,523.26		14,778.01
Tax using the Company's domestic tax rate	25.168%	2,145.13	25.168%	3,719.33
Tax effect of:				
- Permanent differences		151.48		107.11
- Others (including related to earlier years)		(124.11)		6.96
		2,172.50		3,833.40

35. Earnings per equity share (EPS)

Basic and Diluted earnings per share

The calculation of Basic and Diluted EPS based on profit attributable to equity shareholders and weighted average number of equity shares outstanding:

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) Profit attributable to equity shareholders (₹ in lakhs)	6,350.76	10,944.61
(ii) Weighted average number of equity shares		
At the beginning and at the end of the year	1,40,91,630	1,40,91,630
(iii) Earning per equity share [Nominal value of share ₹10] [(i)/(ii)]		
Basic and Diluted (₹)	45.07	77.67

There is no dilutive potential equity share.



Notes to Financial Statements

for the year ended 31 March 2026

36. Capital and Other Commitments

Estimated amount of contracts remaining to be executed and not provided for (net of advances) **₹9,759.03** lakhs (31 March 2025: ₹1,790.56 lakhs) including **₹8,898.21** lakhs (31 March 2025: ₹1,603.91 lakhs) related to Property, Plant and Equipment.

37. Contingent Liabilities (to the extent not provided for)

(a) Claims against the Company not acknowledged as debt

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
(i) Income Tax	1,005.12	-
(ii) Excise duty and service tax	516.01	534.66
(iii) Sales and entry tax	92.46	92.46
(iv) Goods and service tax	190.25	205.27
(v) Duty under state acts	158.42	159.39
(vi) Others	176.93	176.93
Total *	2,139.19	1,168.71

* Notes:

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

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

38. Title deeds of freehold land of **₹6.37 lakhs** (31 March 2025: ₹7.83 lakhs) including land related to farm assets of **₹0.24** lakhs (31 March 2025: ₹0.91 lakhs), which is not part-of security offered to lenders, are not in the name of the Company, details of which are given below:

Relevant line item in the Balance sheet	Description of item of property	Gross carrying value (₹ in lakhs)	Title deeds held in the name of	Whether title deed holder is a promoter, director or relative # of promoter * / director or employee of promoter / director	Property held since which date	Reason for not being held in the name of the Company
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As on 31 March 2026:

PPE	Freehold Land	6.37	New Swadeshi Sugar Mills (The erstwhile company)	No	1 April 2015	Mutation in the name of the Company is pending.
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As on 31 March 2025:

PPE	Freehold Land	7.83	New Swadeshi Sugar Mills (The erstwhile company)	No	1 April 2015	Mutation in the name of the Company is pending.
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Relative here means relative as defined in the Companies Act, 2013.

* Promoter here means promoter as defined in the Companies Act, 2013.

Notes to Financial Statements

for the year ended 31 March 2026

39. Operating Segments

A. Basis for segmentation

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

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

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

B. Information about reportable segments

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

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2026				
Revenue:				
Segment revenue	1,09,105.22	29,792.00	7,424.97	1,46,322.19
Less: Inter-segment revenue	16,263.23	18.11	5,587.14	21,868.48
Total revenue from operations	92,841.99	29,773.89	1,837.83	1,24,453.71
Segment profit before income tax	8,468.45	3,397.69	1,800.05	13,666.19
Finance costs				3,551.98
Unallocable expenses (net of unallocable income)				1,590.95
Profit before tax				8,523.26
As at 31 March 2026				
Segment assets	1,20,839.92	38,389.03	7,000.61	1,66,229.56
Unallocated assets				1,761.23
Total assets				1,67,990.79
Segment liabilities	3,638.52	800.77	403.69	4,842.98
Unallocated liabilities				75,128.65
Total liabilities				79,971.63
Year ended 31 March 2026				
Other segment information				
Capital expenditure				
- Property, Plant and Equipment	3,499.26	2,742.77	631.53	6,873.56
Depreciation	1,843.19	839.75	290.50	2,973.44
Amortisation	1.94	-	-	1.94



Notes to Financial Statements

for the year ended 31 March 2026

39. Operating Segments (contd.)

(₹ in lakhs)

Particulars	Reportable segments			Total
	Sugar	Distillery	Co-generation	
Year ended 31 March 2025				
Revenue:				
Segment revenue	1,19,119.91	29,581.59	8,380.04	1,57,081.54
Less: Inter-segment revenue	18,826.31	41.21	5,985.52	24,853.04
Total revenue from operations	1,00,293.60	29,540.38	2,394.52	1,32,228.50
Segment profit before income tax	11,419.28	6,003.90	2,178.47	19,601.65
Finance costs				3,846.39
Unallocable expenses (net of unallocable income)				977.25
Profit before tax				14,778.01
As at 31 March 2025				
Segment assets	1,24,715.09	36,676.19	6,594.73	1,67,986.01
Unallocated assets				912.44
Total assets				1,68,898.45
Segment liabilities	7,832.98	939.19	295.60	9,067.77
Unallocated liabilities				76,435.70
Total liabilities				85,503.47
Year ended 31 March 2025				
Other segment information				
Capital expenditure				
- Property, Plant and Equipment	13,342.69	3,374.66	173.24	16,890.59
- Intangible assets	2.70	-	-	2.70
Depreciation	1,642.76	821.89	273.55	2,738.20
Amortisation	3.89	-	-	3.89

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	As at 31 March 2026			As at 31 March 2025		
	Reportable segments		Total	Reportable segments		Total
	Indian	Overseas		Indian	Overseas	
Revenue						
Sales (including other operating revenue) to external customers	1,22,746.94	1,706.77	1,24,453.71	1,30,292.62	1,935.88	1,32,228.50
Segment assets	1,65,740.58	488.98	1,66,229.56	1,67,986.01	-	1,67,986.01
Segment liabilities	4,842.98	-	4,842.98	9,067.77	-	9,067.77

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

Notes to Financial Statements

for the year ended 31 March 2026

D. Major customer

One (31 March 2025: One) customer contributed **14.55%** (31 March 2025: 10.55%) of the total revenue of the Company.

40. Related Parties

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

A. Names of related parties and its relationship

Related parties with whom transactions have taken place during the year

Key management personnel	
Mr. Chandra Shekhar Nopany	– Chairman / Non-Executive Director
Mr. Padam Kumar Khaitan	– Non-Executive Independent Director
Mr. Yashwant Kumar Daga	– Non-Executive Independent Director
Mr. Ishwari Prosad Singh Roy	– Non-Executive Independent Director
Mr. Raj Kumar Bagri	– Non-Executive Independent Director
Ms. Shashi Sharma	– Non-Executive Independent Director
Mr. Rajan Arvind Dalal	– Non-Executive Director w.e.f. 14 May 2024
Ms. Shalini Nopany	– Non-Executive Director w.e.f. 12 November 2025
Mr. Pankaj Singh	– Whole-Time Director w.e.f. 14 May 2025
Mr. Chandra Mohan	– Whole-Time Director upto 14 May 2025
Mr. Aditya Baheti	– Chief Financial Officer w.e.f. 6 August 2025
Mr. Manoj Prasad	– Chief Financial Officer from 14 August 2024 upto 5 August 2025
Mr. Sudarshan Bajaj	– Chief Financial Officer upto 31 July 2024
Mr. Subramanian Sathyamurthy	– Company Secretary
Relative of Key management personnel	
Mrs. Nandini Nopany	– Mother of Mr. Chandra Shekhar Nopany

B. Transactions with Key management personnel and their relatives

(i) Dividend / Director's sitting fees / commission

(₹ in lakhs)

Key management personnel	Year ended 31 March	Dividend on Equity Shares	Director's sitting fees	Director's commission	Amount owed to related parties
Mr. Chandra Shekhar Nopany	2026	4.72	1.80	10.64	10.64
	2025	5.66	2.20	15.00	15.00
Mr. Padam Kumar Khaitan	2026	-	2.80	10.64	10.64
	2025	-	3.20	15.00	15.00
Mr. Yashwant Kumar Daga	2026	-	3.80	10.64	10.64
	2025	-	4.40	15.00	15.00
Mr. Ishwari Prosad Singh Roy	2026	-	3.40	10.64	10.64
	2025	-	3.60	15.00	15.00
Mr. Raj Kumar Bagri	2026	-	3.20	10.64	10.64
	2025	-	3.80	15.00	15.00



Notes to Financial Statements for the year ended 31 March 2026

40. Related Parties (contd.)

(i) Dividend / Director's sitting fees / commission

(₹ in lakhs)

Key management personnel	Year ended 31 March	Dividend on Equity Shares	Director's sitting fees	Director's commission	Amount owed to related parties
Ms. Shashi Sharma	2026	-	3.20	10.64	10.64
	2025	-	3.40	15.00	15.00
Mr. Rajan Arvind Dalal	2026	-	2.80	10.64	10.64
	2025	-	2.20	13.23	13.23
Ms. Shalini Nopany	2026	-	0.40	4.08	4.08
	2025	-	-	-	-
Relatives of key management personnel	2026	23.02	-	-	-
Mrs. Nandini Nopany	2025	27.62	-	-	-

(ii) Short term employee benefits

(₹ in lakhs)

Particulars	Year ended 31 March	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Mr. Pankaj Singh	2026	177.74	-	-
	2025	-	-	-
Mr. Chandra Mohan *	2026	47.24	-	-
	2025	150.47	-	5.28
Mr. Aditya Baheti	2026	17.34	-	-
	2025	-	-	-
Mr. Manoj Prasad *	2026	16.01	-	-
	2025	22.04	-	1.04
Mr. Sudarshan Bajaj	2026	-	-	-
	2025	10.36	-	-
Mr. Subramanian Sathyamurthy	2026	42.42	-	-
	2025	35.20	-	-

* excluding ₹1.89 lakhs (31 March 2025: ₹17.46 lakhs) value of perquisites determined under the provisions of Income Tax Act, 1961.

(iii) Post employment benefits

Post employment benefits liabilities, based on actuarial valuation, to key management personnel aggregating to ₹39.20 lakhs (31 March 2025: ₹81.11 lakhs).

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

The Company has neither given any loan nor has advanced any amount either during the year ended 31 March 2026 or year ended 31 March 2025.

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. Neither guarantees have been given nor received.
- For the year ended 31 March 2026, the Company has not recorded any impairment of receivables relating to amounts owed by a related parties. This assessment is undertaken in each financial year through examining the financial position of the related parties and the market in which the related party operates.
- The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

Notes to Financial Statements

for the year ended 31 March 2026

41. Government Grants

The Company is eligible to receive various government grants by way of cane commission remission, goods and service tax reimbursement, capital subsidy on property, plant and equipment and interest subvention / grant on certain term loans. Accordingly, the Company has recognised these government grants in the following manner:

(₹ in lakhs)

Sr. No.	Particulars	Treatment in Financial Statements	Year ended 31 March 2026	Year ended 31 March 2025
	Revenue related Government Grants:			
(i)	Cane commission remission [Note (a) below]	Disclosed in "Revenue from Operations" in Note 27	-	2,478.42
		Deducted from "Cost of Materials Consumed" in Note 29	1,144.54	1,272.43
(ii)	Goods and Service Tax Reimbursement [Note (b) below]	Disclosed in "Revenue from Operations" in Note 27	29.86	235.39
(iii)	Interest Subvention / grant on term loans [Note (c) below]	Deducted from "Finance costs" in Note 32	96.50	194.61
	Capital Subsidy:			
(iv)	Capital Subsidy on Property, plant and equipment [Note (b) below]	Deducted from "Property, plant and equipment" in Note 4	500.00	-

- (a) On 13 February 2025, 13 February 2025 and 5 May 2026, the Government of Bihar notified a reduction in the rate of cane commission to Zonal Development Council from 1.80% to 0.20% of cane price for the sugar season 2023-24, 2024-25 and 2025-26 respectively. Pursuant to these notifications, the reduction in cane commission liability provided till 31 March 2024 has been reversed and recognised as "Cane Commission Remission". The reduction in cane commission applicable on cane purchased after 31 March 2024 has been netted with the "Cost of Raw Material Consumed".
- (b) The State Government of Bihar under Industrial Investment Promotion Policy, 2014 and 2016 had announced various subsidies / incentives on industrial capital investment in Bihar. During the year, the Company has received **₹29.86** lakhs (31 March 2025: ₹235.39 lakhs) and **₹500.00** lakhs (31 March 2025: Nil) as Goods and Service Tax Reimbursement and Capital Subsidy on Property, plant and equipment respectively.
- (c) The Company has obtained certain term loans from banks under financial assistance schemes (SEFASM 2018 - Central). The difference between the fair value of the loans based on prevailing market interest rates and interest paid on such loans has been recognised in the Statement of Profit and Loss by netting with the related finance cost.

42. 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 including their level in the fair value hierarchy:

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
As at 31 March 2026					
Financial assets not measured at fair value					
Investment in Government Securities	-	-	0.66	0.66	0.66
Trade receivables	-	-	1,957.92	1,957.92	1,957.92



Notes to Financial Statements

for the year ended 31 March 2026

42. Financial instruments - fair values and risk management (contd.)

(₹ in lakhs)

Particulars	Carrying amount				Fair value
	FVTPL	FVOCI	Amortised cost	Total carrying amount	
Cash and cash equivalents	-	-	30.42	30.42	30.42
Other bank balances	-	-	118.32	118.32	118.32
Loans	-	-	43.59	43.59	43.59
Other financial assets	-	-	1,649.08	1,649.08	1,649.08
	-	-	3,799.99	3,799.99	3,799.99
Financial liabilities not measured at fair value					
Borrowings *	-	-	69,123.06	69,123.06	69,123.06
Trade payables	-	-	2,124.72	2,124.72	2,124.72
Other financial liabilities	-	-	1,014.67	1,014.67	1,014.67
	-	-	72,262.45	72,262.45	72,262.45
As at 31 March 2025					
Financial assets not measured at fair value					
Investment in Government Securities	-	-	0.66	0.66	0.66
Trade receivables	-	-	2,234.31	2,234.31	2,234.31
Cash and cash equivalents	-	-	11.37	11.37	11.37
Other bank balances	-	-	108.02	108.02	108.02
Loans	-	-	19.41	19.41	19.41
Other financial assets	-	-	1,512.66	1,512.66	1,512.66
	-	-	3,886.43	3,886.43	3,886.43
Financial liabilities not measured at fair value					
Borrowings *	-	-	70,719.51	70,719.51	70,719.51
Trade payables	-	-	6,296.62	6,296.62	6,296.62
Other financial liabilities	-	-	1,305.29	1,305.29	1,305.29
	-	-	78,321.42	78,321.42	78,321.42

* measured at level 2.

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

B. Measurement of fair values

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

Valuation technique level 2 - Borrowings

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

C. Financial risk management

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

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

Notes to Financial Statements

for the year ended 31 March 2026

42. Financial instruments - fair values and 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	Case to case basis	Credit limit and credit worthiness monitoring, credit based approval process
Liquidity risk	Borrowings and Other liabilities	Rolling cash flow forecasts	Adequate unused credit lines and borrowing facilities
Market risk	Long term borrowings at variable rates	Sensitivity analysis	Fund management
Interest rate risk		Interest rate movements	
Regulatory risk	Commercial traction	Impact of policies	Monitoring of Policies and assessing impact
Commodity price risk	Commercial traction	Cash flow forecasting Sensitivity analysis	Business diversification Inventory management

(i) Credit risk

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

Trade receivables, Loans, Claims and Subsidies / Refunds and Other receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry also has an influence on credit risk assessment. Customer credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers. Outstanding receivables and the credit worthiness of its counter parties are periodically monitored and taken up on case to case basis. There is no material expected credit loss based on the past experience. However, the Company assesses the impairment of trade receivable on case to case basis and has accordingly created loss allowance on trade receivables.



Notes to Financial Statements

for the year ended 31 March 2026

42. Financial instruments - fair values and risk management (contd.)

Exposure to credit risks

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry. The Company evaluates the concentration of risk with respect to trade receivables as low, as the Company sugar sales are mostly on cash. Power and Ethanol are sold to Government entities, thereby the credit default risk is significantly mitigated.

The Company's exposure to credit risk for trade receivables, loans, claims and subsidies / refunds and other receivables and by type of counterparty and loss allowances are as follows.

(₹ in Lakhs)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Amount	Loss allowance	Net Amount	Amount	Loss allowance	Net Amount
Trade Receivables						
Government concerns (including government undertakings)	1,681.96	237.63	1,444.33	1,661.16	237.63	1,423.53
Others	519.27	5.68	513.59	816.46	5.68	810.78
	2,201.23	243.31	1,957.92	2,477.62	243.31	2,234.31
Loans						
Government concerns (including government undertakings)	-	-	-	-	-	-
Others	43.59	-	43.59	19.41	-	19.41
	43.59	-	43.59	19.41	-	19.41
Claims and Subsidies / Refunds and Other Receivables						
Government concerns (including government undertakings)	472.66	-	472.66	396.22	-	396.22
Others	-	-	-	-	-	-
	472.66	-	472.66	396.22	-	396.22

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

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

(₹ in Lakhs)

Particulars	Year ended 31 March 2026	Year ended 31 March 2025
Balance at the beginning of the year	243.31	5.68
Net remeasurement of loss allowance [Note 33]	-	237.63
Balance at the end of the year	243.31	243.31

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

Notes to Financial Statements

for the year ended 31 March 2026

42. Financial instruments - fair values and risk management (contd.)

(ii) Liquidity risk

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

As disclosed in Note 19, the Company has secured bank loans that contains covenant. Any future breach of covenant may require the Company to repay the loan earlier than indicated in the above table. The covenant is monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement.

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

Exposure to liquidity risks

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

(₹ in lakhs)

Particulars	Carrying amount	Total	Less than 1 years	1 to 2 years	2 to 5 years	More than 5 years
As at 31 March 2026						
Secured term loan from banks and others*	27,101.26	31,558.43	9,749.63	7,311.52	13,377.98	1,119.30
Cash credit including WCDL	36,021.80	36,021.80	36,021.80	-	-	-
Unsecured short term loan from a bank	6,000.00	6,000.00	6,000.00	-	-	-
Trade payables	2,124.72	2,124.72	2,124.72	-	-	-
Other financial liabilities	1,014.67	1,014.67	1,014.67	-	-	-
	72,262.45	76,719.62	54,910.82	7,311.52	13,377.98	1,119.30
As at 31 March 2025						
Secured term loan from banks and others*	22,874.97	27,841.10	7,183.83	7,058.39	11,345.13	2,253.75
Cash credit including WCDL	36,344.54	36,344.54	36,344.54	-	-	-
Unsecured short term loan from a bank	11,500.00	11,500.00	11,500.00	-	-	-
Lease Liabilities*	14.24	15.00	15.00	-	-	-
Trade payables	6,296.62	6,296.62	6,296.62	-	-	-
Other financial liabilities	1,305.29	1,305.29	1,305.29	-	-	-
	78,335.66	83,302.55	62,645.28	7,058.39	11,345.13	2,253.75

* 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.



Notes to Financial Statements

for the year ended 31 March 2026

42. Financial instruments - fair values and risk management (contd.)

Foreign currency risk

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 31 March 2026	As at 31 March 2025
Fixed rate instruments		
Financial assets	63.29	59.55
Financial liabilities	70.00	84.24
Variable rate instruments		
Financial liabilities	69,123.06	70,719.51

Fair value sensitivity analysis for fixed rate instruments

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 before tax		Equity, net of tax	
	Amount	Net Amount	Amount	Net Amount
31 March 2026				
Variable rate instruments	(345.62)	345.62	(258.63)	258.63
31 March 2025				
Variable rate instruments	(353.60)	353.60	(230.04)	230.04

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.

Notes to Financial Statements

for the year ended 31 March 2026

43. Capital management

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

The Company's objective when managing capital are to:

- (a) to maximise shareholders value and provide benefits to other stakeholders, and
- (b) maintain an optimal capital structure to reduce the cost of capital.

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

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

The Company monitors capital using debt-equity ratio, which is disclosed in Note 44.

44. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	Change (%)
Current Ratio	Current Assets	Current Liabilities	1.25	1.19	4.98%
Debt-Equity Ratio	Total Debts (Borrowings)	Shareholder's Equity	0.79	0.85	(7.39%)
Debt Service Coverage Ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses / (income) + Interest	Debt service = Interest & Lease Payments + Principal Repayments	1.34	2.06	(34.64%)
					[Explained in Note (a) below]
Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	0.07	0.14	(46.53%)
					[Explained in Note (b) below]
Inventory Turnover Ratio	Cost of goods sold = Cost of raw material consumed + change in inventories of finished goods and work-in-progress	Average Inventories of finished goods and work-in-progress	1.43	1.31	8.74%
Trade Receivable Turnover Ratio	Total Sales	Average Trade Receivable	59.36	45.06	31.75%
					[Explained in Note (c) below]
Trade Payable Turnover Ratio	Total Purchases	Average Trade Payable	19.74	7.96	147.92%
					[Explained in Note (d) below]
Net Capital Turnover Ratio	Net Sales = Total Sales - Sales Return	Working Capital = Current Assets - Current Liabilities	9.16	11.01	(16.82%)



Notes to Financial Statements

for the year ended 31 March 2026

44. Ratio Analysis and its elements

Ratio	Numerator	Denominator	As at 31 March 2026	As at 31 March 2025	Change (%)
Net Profit Ratio	Net Profits after taxes	Net Sales = Total Sales - Sales Return	0.05	0.08	(39.65%)
					[Explained in Note (e) below]
Return on Capital Employed	Earning before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	0.07	0.12	(36.53%)
					[Explained in Note (f) below]

Notes:

- Change in Debt Service Coverage Ratio is 34.64% as compared to the preceding year due to lower profitability.
- Change in Return on Equity Ratio is 46.53% as compared to the preceding year due to lower profitability.
- Change in Trade Receivable Turnover Ratio is 31.75% as compared to the preceding year due to decrease in average trade receivable.
- Change in Trade Payable Turnover Ratio is 147.92% as compared to the preceding year due to decrease in average trade payable.
- Change in Net Profit Ratio is 39.65% as compared to the preceding year due to lower profitability.
- Change in Return on Capital Employed is 36.53% as compared to the preceding year due to lower profitability.

45. The Government of India implemented the New Labour Codes with effect from 21 November 2025 and subsequently issued draft Rules and FAQs to facilitate assessment of the related financial impact. Based on certain estimates, the Company has assessed and recognised the impact as "Exceptional items" for the year ended 31 March 2026. The Management will continue to track and evaluate the impact of the rules notified by the Central / State Government post 31 March 2026 and consider the appropriate accounting effect in the relevant periods, as needed.

46. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

As per our report of even date attached.

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

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Bengaluru

Date: 11 May 2026

For and on behalf of the Board of Directors

Pankaj Singh

Whole-time Director

DIN: 11090613

Subramanian Sathyamurthy

Company Secretary

Place: Kolkata

Date: 11 May 2026

Chandra Shekhar Nopany

Chairman

DIN: 00014587

Aditya Baheti

Chief Financial Officer



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