Refer: MSL/BSE/NSE/

18 August, 2018

BSE Limited
25th Floor,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001
Scrip Code: **523371**

National Stock Exchange of India Ltd
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E),
Mumbai 400 051
Scrip Code: **MAWANASUG**

Sub: Submission of Annual Report for the Financial Year ended 2017-18

Dear Sir,

In terms of the Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations], we enclose herewith the Annual Report for the Year ended 31.03.2018 as approved and adopted in the 54th Annual General Meeting(AGM) of the company held on 17th August, 2018 (Friday) at 11:00 A.M. at Kamani Auditorium, 1, Copernicus Marg, New Delhi-110001.

You are requested to take the same on your record and disseminate the same on your website.

Thanking you,

Yours faithfully,

Shukla

(ASHOK KUMAR SHUKLA)
COMPANY SECRETARY

Encl : a/a

54th ANNUAL REPORT

2017-2018

MAWANA SUGARS LIMITED

BOARD OF DIRECTORS
Prof. Dinesh Mohan
Mr. Ravinder Singh Bedi
Mr. Piar Chand Jaswal
Mr. Dharam Pal Sharma - Whole Time Director

COMPANY SECRETARY
Mr. Ashok Kumar Shukla

CHIEF FINANCIAL OFFICER
Mr. B. B. Mehta

AUDITORS
M/s. S.R. Batliboi & Co. LLP
Chartered Accountants
(ICAI Firm Registration No:301003E/E300005)
3rd & 6th Floor, Worldmark-1
IGI Airport Hospitality District
Aerocity New Delhi - 110037

BANKERS
Punjab National Bank
State Bank of India

REGISTERED OFFICE
5th Floor, Kirti Mahal
19, Rajendra Place
New Delhi – 110125
Phone No: 91-11-25739103
Fax No: 91-11-25743659
CIN: L74100DL1961PLC003413
E-mail: corporate@mawanasugars.com
Website: www.mawanasugars.com

CORPORATE OFFICE
Plot No.3, Institutional Area
Sector - 32, Gurgaon - 122001, Haryana
Phone No: 91-124-4298000
Fax No: 91-124-4298300

WORKS
- Mawana Sugar Works, Mawana
  Distt. Meerut – 250402 (U.P.)
- Nanglamal Sugar Complex
  Garh Road, Village Nanglamal
  Distt. Meerut – 250001 (U.P.)
- Siel Chemical Complex
  Charatrampur, Vill. Khadauli/Sardargarh
  P.O. Box No.52, Rajpura, Distt. Patiala, Punjab –140401

REGISTRAR & SHARE TRANSFER AGENT
Mas Services Limited
T-34, Okhla Industrial Area, Phase-II
New Delhi - 110020
Phone No. : 011-26387281-83, Fax : 011-26387384
Website : www.masserv.com, E-mail : info@masserv.com

NOTICE

Notice is hereby given that the 54th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Friday

Date : 17.08.2018

Time : 11.00 A.M.

Place : Kamani Auditorium, 1, Copernicus Marg New Delhi - 110001

to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt:
   (a) the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon; and
   (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Piar Chand Jaswal (DIN- 07100098) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Statutory Auditors of the Company and in this regard to consider and if thought fit, to pass with or without modification(s),the following resolution as an ORDINARY RESOLUTION:

   "RESOLVED THAT pursuant to the provisions of Section 139, 142 and all other applicable provisions of the Companies Act, 2013 read with Rules issued there under, as amended from time to time, and pursuant to resolution passed by the members at the 53rd Annual General Meeting (AGM) of the Company held on July 27, 2017, the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) as Statutory Auditors of the Company to hold office till the conclusion of the next AGM be and is hereby ratified and the Board of Directors of the Company be and is hereby authorized to fix the remuneration payable to them."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY RESOLUTION:

   "Resolved That pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs.2,40,000/- (Rupees Two Lacs Forty Thousand only) plus GST & out-of-pocket expenses, if any, payable to M/s Bahadur Murao & Co., Cost Accountants (Firm Registration No.4941), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2018-19, be and is hereby ratified and confirmed.

   Resolved further that the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."
5. To Consider and if thought fit, to pass with or without modification(s), the following resolutions as a SPECIAL RESOLUTION:

   "Resolved that in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), subject to the approval of Central Government, if required and such other approvals and sanctions as may be necessary in this regard, consent of the Company be and is hereby accorded to the payment of the following remuneration to Mr. Dharam Pal Sharma (DIN-07259344) Whole Time Director of the Company for the remaining period of his term of appointment i.e. from 13.08.2018 to 12.08.2020:

1.	Basic Salary	Rs.60,000/- per month.
2.	Provident Fund	As per the rules of the Company.
3.	Gratuity	As per the rules of the Company.
4.	Medical (Reimbursement)	Expenses incurred for self and family upto Rs.1,250/- p.m. as per the rules of the Company.
5.	Leave Travel Allowance	Rs.2,000/- per month.
6.	Conveyance Allowance	Rs.1,600/- per month.
7.	Special Allowance	Rs.1,24,950/- per month.
8.	Leave Facility	Leave facility and retirement benefits will be as per the rules of the Company.

Resolved further that the Board be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By Order of the Board of Directors
For **Mawana Sugars Limited**

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 09.07.2018

NOTICE (Contd.)

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING. A PROXY FORM IS APPENDED WITH THE ADMISSION SLIP.**

2. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of the Special Business to be transacted at the AGM as set out in the Notice is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company will remain closed from 13.08.2018 to 17.08.2018 (both days inclusive).

4. In compliance of SEBI requirements, Mas Services Limited has been appointed the Registrar and Share Transfer Agent of the Company, who handle share transfer work in Physical as well as in Electronic Form and other related activities at the following address:

   Mas Services Limited
   T-34, 2nd Floor, Okhla Industrial Area,
   Phase-II, New Delhi - 110020
   Phone No. : 011-26387281-83
   Fax No. : 011-26387384
   Website: www.masserv.com
   E-mail: info@masserv.com

5. Members are requested to notify immediately any change in their address to Mas Services Ltd. quoting their folio numbers.

6. Members/Proxies should bring the attendance slip duly filled-in for attending the meeting.

7. Shareholders seeking any information with regard to Accounts are requested to write to the Company at least ten days in advance so as to enable the Company to keep the information ready.

8. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of any member as soon as possible. Members are also advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.

9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by Member holding shares in:

   a) Demat form to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts and

   b) Physical form to submit copies of PAN of all shareholders and original cancelled cheque of first shareholder alongwith copy of Pass Book or Bank Statements to the RTA.

10. SEBI has also mandated that for registration of transfer of securities, the transferee(s) as well as transferor(s) shall furnish a copy of their PAN card to the RTA for registration of transfer of securities.

11. **As per SEBI notification dated 08.06.2018, request for Transfer of shares held in physical form will not be processed w.e.f. 04.12.2018 and its shall be mandatory to Demat the shares to get the shares transfer in their name. Shareholders are therefore requested to Dematerialize their shares for transfer purpose.**

12. In terms of Section 72 of the Companies Act, 2013, the Shareholder of the Company may nominate a person to whom the shares held by him/her shall vest in the event of death.

    In case any member wishes to avail the nomination facility in respect of shares held by him/her, please write to the Company to obtain the nomination form.

13. The equity shares of the Company have been notified for compulsory trading in demat form by all investors and are available for trading in demat form both on National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

    Shareholders are requested to avail this facility and get their shareholding converted into dematerialized form by sending the Dematerialization Request Form (DRF) along with the share certificates to their Depository Participant (DP).

14. Voting through electronic means

    In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide Members a facility to exercise their right to vote at the Annual General

Meeting (AGM) by electronic means and the business may be transacted through such voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by Central Depository Services (India) Limited. E-Voting is optional.

Shareholders are requested to please read the instructions/procedures on remote E-Voting carefully which is given on the back side of the Attendance Slip.

15. In support of the "Green Initiative" announced by the Government of India, electronic copies of this Annual Report inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent by e-mail to those members whose e-mail addresses have been made available to the Company/Depository Participants unless the member has specifically requested for a hard copy of the same. For members who have not registered their e-mail addresses, physical copies of this Annual Report inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form, will be sent to them in the permitted mode.

16. Route map to the venue of the AGM is appended at the end of the Annual Report.

STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

The Board of Directors on the recommendation of the Audit Committee, has approved the appointment of M/s. Bahadur Murao & Co., Cost Accountants (Membership No. 4941), New Delhi to audit the cost accounting records of the Company at a total remuneration of Rs.2,40,000/- (Rupees Two Lacs Forty Thousand only) plus GST and out of pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2019.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution.

ITEM NO. 5

Mr. Dharam Pal Sharma was appointed as Whole-time Director (WTD) of the Company w.e.f. 13.8.2015 for a period of 5 years on the terms, conditions and remuneration approved by the Board, Nomination and Remuneration Committee and shareholders of the Company, subject to the approval of the Central Govt.

Though the appointment of WTD was approved by the shareholders of the Company in the annual general meeting held on 13.06.2016 for a period of 5 years, the remuneration payable to him was approved for a period of 3 years only w.e.f. 13.08.2015 to 12.08.2018.

The Central Govt. vide its last letter dated 16.11.2016 had directed the Company to recover the entire excess remuneration paid to the directors during the financial year from 2012-13, 2013-14 and 2014-15 even though the Shareholders, in their meeting held on 27.7.2017, had approved the waiver of such excess remuneration paid to the Directors. The Company had filed a representation with Central Government for reconsideration of its waiver request as approved by the Shareholders but the said representation has been returned by Central Government for resubmission in the proper form. Pending resolution of above matter, approval to remuneration to WTD has also been kept pending in the Central Government.

Section 197 of Companies Act, 2013 which empowers the Shareholders to waive such excess remuneration to the Directors has not been notified yet. After notification of the said Section, no approval of Central Government would be necessary and Board shall propose appropriate resolution for consideration of the Shareholders for waiver of excess remuneration paid to the Directors in the past.

Pending the above, it is now proposed to fix the remuneration payable to Mr. Dharam Pal Sharma, Whole-time Director for the remaining period of his term of appointment i.e. from 13.08.2018 to 12.08.2020 as stated in Item No.5 of the Notice.

The Nomination and Remuneration Committee of Directors and Board of Directors in their respective meetings held on 09.07.2018 have, approved the proposed remuneration of Mr. Dharam Pal Sharma, Whole-time Director for the remaining period of his term of appointment subject to the approval of shareholders and such other approvals as may be necessary in this regard.

Except Mr. Dharam Pal Sharma and his relatives, if any, in the Company, none of the Directors, Key Managerial Personnel or their relatives is concerned or interested in the said Resolution.

Your Directors recommends the resolution for your approval.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT.

I. GENERAL INFORMATION:

(i) Nature of Industry:

The Company is engaged in the manufacturing and marketing of Sugar, Ethanol and Co-generation of Power at its units at Mawana Sugar Works, Mawana, Distt. Meerut, (U.P.) and Nanglamal Sugar Complex. Nanglamal, Distt. Meerut (U.P.). The Company is also producing and marketing Chlor Caustic from its Unit Siel Chemical Complex, Rajpura, Punjab.

(ii) Date or expected date of commencement of commercial production:

The Company is an existing Company and is into manufacturing operation since long.

(iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Not applicable.

(iv) Financial performance based on given indicators

The performance of the Company during financial year ended on 31.03.2018 (the latest Audited Balance Sheet of the Company)

Particulars	Amount (Rs./Million)
- Total Revenue	13539.33
- Net Profit/(Loss)	162.40
- Effective Capital	4114.47

(v) Export performance and net foreign exchange collaborations:

Nil

(vi) Foreign investments or collaborators, if any:

None

II. INFORMATION ABOUT THE APPOINTEE:

(a) Background Details:

Mr. Dharam Pal Sharma, aged 65 years, is B.Sc in (Agriculture) (Hons) and has thorough understanding of sugar industry. He is associated with the sugar industry for more than 37 years and during this period has worked with Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills in various capacities. Mr. Sharma was associated with the Company Since 1997.

Past remuneration (last three years) Per Annum

Particulars	March 31, 2018	March 31, 2017	March 31, 2016*
Salary	17,73,000	17,73,000	11,24,807

*Salary is for the part of the year.

(b) Recognition or Awards:

None

(c) Job Profile and his Suitability:

Mr. Dharam Pal Sharma is designated as Whole Time Director and is entrusted with the responsibility of taking the company out of its difficult phase through different approaches and efforts for the revival of the company.

He is overlooking the cane department on the priority basis and actively involved in developing harmonious relationship with farmers in view of difficult financial position of the Company due to high pending of cane dues.

He is also involved in the financial control functions, strategic decisions formulation and discussions with various stakeholders of the company. He will also be responsible for developing technical team and coordinating with commercial functions etc.

(d) Remuneration Proposed: The proposed remuneration of Mr. Dharam Pal Sharma as Whole Time Director of the Company is detailed in Item No.5 above.

(e) Comparative remuneration Profile with respect to Industry, size of the Company, profile of the position and person

The proposed remuneration is much below the prevailing remuneration in the industry of similar size for similarly placed persons.

(f) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.

Mr. Dharam Pal Sharma has no pecuniary relationship directly or indirectly with the Company or its managerial personnel other than his Remuneration in the capacity of a Whole Time Director.

III. OTHER INFORMATION:

(a) Reasons of loss or inadequate profits

(i) Sugar, which is the main business of the Company is cyclical in nature and is largely dependent on climatic factors, supply-demand position and government policies, including sugarcane pricing. High sugar production in the country results in softening of sugar prices, which in turn adversely affects the profitability of the sugar mills. Conversely lower production generally results in strong sugar profitability due to higher sugar prices.

(ii) The sugarcane price, is fixed by the Government of Uttar Pradesh (GoUP) in an arbitrary manner (State Advised Price - SAP) without any linkage to the prevailing sugar price. The GoUP is yet to carry out reforms as advocated by Dr. Rangarajan Committee Report and thus there is a complete mismatch between the output and input prices. The Sugarcane prices have been rising much faster than sugar sales price. This has resulted in huge losses to the sugar factories over a last many years.

(iii) Under the U.P. Sugar Industry Promotion Policy, the Company has invested Rs. 700 Crores and all the incentives and subsidies due on the investments are held up since the GoUP has withdrawn the incentive Scheme. Since these investments were funded mainly by raising debts, the interest cost has gone up due to non-receipt of incentives from GoUP.

(b) Steps taken or proposed for improvement

The Company has been taking all measures within its control to maximize efficiencies and optimize costs to lower the cost of production of sugar, realizing that it has little control over Government policies. With a view to make its sugar operations more viable, the Company has chalked out a road map with ambitious cane development targets which will further increase the recovery of sugar and increase the profitability of sugar integrated businesses, such as cogeneration and distillery operations. The Company hopes to increase the production volumes, curtailing running cost, reduced manpower and reduced operational losses.

(c) Expected increase in productivity and profit in measurable terms.

In the sugar season 2018-2019, it is expected that the production of sugarcane and recovery will be better than the previous sugar season. The much awaited reforms by the Government in the sugar sector and resumption of normal economic growth in the country may accelerate the turnaround of the Company. The fundamentals of the Company are sound and it has well balanced and diversified business and has the potential of not being just profitable but achieving significant growth.

In view of the facts stated above, it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that the productivity and profitability may improve and would be comparable with the industry average.

By Order of the Board of Directors
For **Mawana Sugars Limited**

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 09.07.2018

Brief Profile of Director/s seeking appointment/re-appointment at the forthcoming Annual General Meeting (In pursuance to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Name of Director	Mr. Piar Chand Jaswal	Mr. Dharam Pal Sharma
Director Identification Number (DIN)	07100098	07259344
Date of Birth & Age	01.04.1961 (57 years)	6.1.1953 (65 years)
Date of Appointment	18.02.2015	13.8.2015
Qualification	Matriculate	B.Sc (Ag) (Hons)
Expertise	Mr. Piar Chand Jaswal is a retired Junior Commission Officer from Indian Army.	Mr. Dharam Pal Sharma having a sound knowledge of Sugar Industry. Over the years, he has developed various other management skills. His experience of more than 37 years with various sugars Company like Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills and from last 18 years he is associated with the Company.
Shareholding of Directors in the Company	Nil	Nil
Relationship with other directors and KMPs of the Company	Nil	Nil
No. of Meetings of Board attended during the year	8 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)	7 (for details please refer to the Corporate Governance Report, forming part of this Annual Report)
Directorship held in other Public Companies excluding foreign and private companies	Nil	Nil
Chairmanships/Memberships of Committee	Member: - Audit Committee - Stakeholders Relationship Committee - Nomination and Remuneration Committee - Corporate Social Responsibility Committee - Risk Management Committee	Nil

DIRECTORS' REPORT

Your Directors hereby present the 54th Annual Report along with Audited Accounts of the Company for the financial year ended March 31, 2018.

FINANCIAL RESULTS

(Rs. Million)

Sl. No.	Particulars	Amount	
		31.3.2018	31.3.2017
1.	Profit before interest, depreciation, exceptional items and tax	**439.23**	1723.15
2.	Interest	**209.90**	441.65
3.	Depreciation	**239.23**	303.40
4.	Exceptional Items - Income	**147.59**	3492.87
5.	Profit before tax	**137.69**	4470.97
6.	Provision for taxation	**(24.71)**	842.11
7.	Profit after tax	**162.40**	3628.86
8.	Other Comprehensive Income	**0.51**	(18.19)
9.	Total Comprehensive Income	**162.91**	3610.67

DIVIDEND

In view of inadequacy of distributable profits as per law, your Directors are unable to recommend any dividend for the year under review.

OPERATIONS

1. **SUGAR DIVISION (2017-18)**

The cane crush during season 2017-18 was 31.42 Lac Tonne as compared to 23.03 Lac Tonne in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season				
		2013-14	2014-15	2015-16	2016-17	2017-18
Cane Crush	Lac MT	25.58	26.77	21.73	23.03	31.42
Recovery	%	9.09	9.49	10.73	11.18	11.25
Sugar Production	Lac MT	2.33	2.54	2.33	2.57	3.54

Intensive cane development work done in the last 3 years has boosted sugar recoveries significantly.

Higher recovery coupled with increased cane production throughout the State, resulted in excess sugar production leading to a steep decline in current sugar prices by Rs.10,000/ Tonne as compared to last year.

In the absence of no linkage in sugar cane and sugar prices, the profitability has come down drastically and huge losses are being incurred by the sugar industry resulting high cane over dues.

2. **CHLOR ALKALI DIVISION:**

During the 12 months period Apr'17 – Mar'18, overall the business performed well.

The prices of Caustic Soda increased gradually throughout the year due to increase in international prices, whereas the prices of Chlorine kept on decreasing due to low levels of operations of Chlorine consuming industries.

The products and their quality were well accepted in the market during the entire period of 12 months.

Power contributes towards major portion of the input cost. The electricity requirement for the plant was met through Punjab State Power Corporation Limited and through power exchanges.

SUBSIDIARY COMPANIES

The Company has three subsidiary companies viz. Siel Financial Services Limited, Siel Industrial Estate Limited (Siel IE) and Siel Infrastructure & Estate Developers Pvt. Ltd.

Siel Financial Services Limited, a Listed Company is not doing any business since last 16 years and is planned to be disposed. Siel Infrastructure & Estate Developers Private Limited is a Company that holds 49.27% of Siel IE created for assisting in development of Siel IE.

Pursuant to provisions of Section 129 and other applicable provisions of the Act read with Rules made there under, the performance and financial position of each of the subsidiary companies are annexed in Form AOC-I to the Annual Financial Statements.

There has been no change in relationship of any subsidiary Company during the financial year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2017-2018, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015.

DIRECTORS

Mr. Piar Chand Jaswal, Director (DIN: 07100098) is liable to retire by rotation and being eligible, offers himself for re-appointment.

Mrs. Parmjit Kaur (DIN: 06714249), an Independent and Non-Executive Woman Director has resigned from the Directorship of the Company w.e.f. 2.5.2018.

Particulars of Director/s seeking appointment/re-appointment have been given in the explanatory statement annexed to the notice for the Annual General Meeting.

All the Directors have made necessary disclosures as required under various provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

DIRECTORS' REPORT (Contd.)

DIRECTORS' RESPONSIBILITY STATEMENT

As required under Section 134(3)(c) of the Companies Act, 2013, your Directors state that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DETAILS IN RESPECT OF FRAUDS REPORTED IN THE UNITS OF THE COMPANY

During the year, frauds pertaining to earlier years have been detected in Company's sugar units at Mawana Sugar Works and Nanglamal Sugar Complex where some employees (who have already left the service of the Company) have embezzled aggregate sum of Rs.29.78 million by forging documents and wrongfully withdrawing payment. FIR has been filed against these persons and necessary legal action in this regard has been initiated to recover the money. No credit for the above amount has been taken in the books, which will be taken once amount is recovered.

KEY MANAGERIAL PERSONNEL (KMP)

During the financial year ended March 31, 2018, following persons are Whole Time Key Managerial Personnel (KMP) of the Company in terms of provisions of Section 203 of the Companies Act, 2013:

Sl. No.	Name	Designation
1.	Mr. Dharam Pal Sharma	Whole Time Director
2.	Dr. Anil Arora*	Chief Financial Officer
3.	Mr. B.B. Mehta**	Chief Financial Officer
4.	Mr. Ashok Kumar Shukla	Company Secretary

* Resigned from the position of Chief Financial Officer of the Company w.e.f. 4.11.2017.

**Appointed as a Chief Financial Officer of the Company w.e.f. 4.11.2017.

MEETINGS OF THE BOARD

During the financial year ended March 31, 2018, eight Board Meetings were held. In addition to Board Meetings, Nine Resolutions by Circulation on various dates were also passed by the Board of Directors with requisite majority. The details of the Board Meetings are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR), Regulations, 2015.

DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors of the Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

INTERNAL FINANCIAL CONTROLS

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments and such policies and procedures adopted by the Company 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.

The Audit Committee evaluates the internal financial control system periodically.

An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

STATUTORY AUDITORS AND THEIR REPORT

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005), were appointed as Statutory Auditors of the Company from the conclusion of 53rd Annual General Meeting (AGM) till the conclusion of 58th AGM of the Company, subject to ratification of their appointment by the members at every intermittent AGM of the Company.

Accordingly, a resolution for ratification of their appointment as Statutory Auditors of the Company has been included in the Notice of forthcoming 54th AGM of the Company.

The observations of Auditors in their report with the relevant notes to accounts are self-explanatory and therefore do not require further explanation.

COST AUDITORS

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Bahadur Murao & Co., Cost Accountants, New Delhi (Firm Registration No. 4941) as Cost Auditors for conducting the audit of the cost records maintained by the Company for the products (Sugar, Caustic Soda, Industrial Alcohol, Power, SBP) for the financial year 2018-19 at a total remuneration of Rs. 2,40,000/- plus GST & out-of-pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is being sought by passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2018.

The Cost Audit Report for the financial year 2016-17 had filed on 22.9.2017, which is within the time limit prescribed under the Companies (Cost Audit Report) Rules, 2011.

SECRETARIAL AUDIT REPORT

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nirbhay Kumar (CP No.7887) of M/s Nirbhay Kumar Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2017-18.

The Secretarial Audit Report for the financial year ended 31st March, 2018 is attached as Annexure - I of this Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

PUBLIC DEPOSITS

The Company had not accepted any public deposits under Chapter V of the Act during the financial year ended March 31, 2018.

RISK MANAGEMENT

The Company has a Risk Management Committee to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

AUDIT COMMITTEE

The Audit Committee comprises of three Directors, two directors are independent director and one is non-executive director, viz., Prof. Dinesh Mohan as Chairman, and Mr. Ravinder Singh Bedi and Mr. Piar Chand Jaswal as Members.

The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Companies Act, 2013 read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration. The aforesaid policy can be accessed on the Company's website:www. mawanasugars.com

REMUNERATION POLICY

The Company has adopted a Remuneration Policy for executive and non-executive directors and persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be. The remuneration policy is also placed on Company's website.

The Non-Executive Directors do not draw any remuneration from the Company except sitting fee paid to them for each meeting of the Board/ Committee thereof attended by them.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The Company has adopted a CSR policy. The Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Policy of the Company has been placed on the Company's website.

DIRECTORS' REPORT (Contd.)

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure – II and forms part of this Report.

PARTICULARS OF EMPLOYEES

As required under the provision of Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in Annexure – III of this Board's Report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the note No.5 to Financial Statements.

RELATED PARTY TRANSACTIONS

The transactions entered with related parties during the year under review were on Arm's Length basis and in the ordinary course of business. The provisions of Section 188 of the Companies Act, 2013 are therefore, not attracted. All related party transactions were approved by the Audit Committee and the Board. The relevant information regarding related party transactions has been set out in Note No. 35 of the Financial Statements for the financial year ended 31.3.2018. Thus, disclosure in Form AOC-2 is not required.

The Board has framed a Policy on related party transactions and placed the same on the Company's website.

VIGIL MECHANISM

The Company has formulated and implemented the Whistle Blower Policy/Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website.

EXTRACT OF ANNUAL RETURN

The extracts of the Annual Return (MGT-9) as per the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014 is annexed herewith and marked as Annexure – IV to this Report.

CORPORATE GOVERNANCE

In accordance with SEBI (LODR), Regulations, 2015, Corporate Governance Report along with Auditors' certificate thereon and Management Discussion and Analysis Report form part of this report are enclosed as Annexure - V and forms part of the report.

SHARE CAPITAL

During the financial year ended 31.3.2018, the Company has not issued any share capital with different voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

UNCLAIMED SHARES SUSPENSE ACCOUNT

In terms of SEBI (LODR) Regulations, 2015, the Company reports the following details in respect of equity shares lying in the suspense account, which were issued in physical form:

Balance as on 1.4.2017		No. of Members who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2018	
No. of holders	No. of shares	No. of holders	No. of Shares	No. of Holders	No. of Shares
6740	155162	49	3281	6691	151881

The voting rights on the shares in the suspense account as on 31st March, 2018 will remain frozen unless the rightful owners of such shares claim the shares.

The Company has uploaded the details of shareholders whose shares are lying in unclaimed shares suspense account on the website of the Company (www.mawanasugars.com). The shareholders who wish to claim their shares are requested to write to the Registrar of the Company immediately.

ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers and Vendors of the Company. The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

For & on behalf of the Board of Directors

Dharam Pal Sharma
Whole Time Director
DIN: 07259344

(Ravinder Singh Bedi)
Director
DIN: 01408189

Place : New Delhi
Dated : 23.05.2018

ANNEXURE - I TO DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2018

[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,
Mawana Sugars Limited,
(CIN L74100DL1961PLC003413)
5th Floor,
Kirti Mahal,
19, Rajendra Place,
New Delhi- 110 125

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

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion , the Company has, during the audit period for the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under.

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the audit period);**

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the audit period); and**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not applicable to the Company during the audit period);**

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:

(a) Factories Act, 1948;

(b) Industries (Development & Regulation) Act, 1951;

(c) All Labour laws and such Other incidental laws related to labour and employees appointed by the Company either on its payroll or on contractual basis related to wages, gratuity, provident fund, ESIC, compensation, welfare etc.;

ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

(d) Acts prescribed under prevention and control of Pollution and Acts prescribed for Protection of Environment;

(e) Acts as prescribed under Direct and Indirect Tax;

(f) The Legal Metrology Act, 2009;

(g) Indian Electricity Act, 2003;

(h) The Food Safety and Standard Act, 2006;

(i) Drugs & Cosmetic Act, 1940 & Rules;

(j) Indian Boiler Act, 1923;

(k) Essential Commodities Act, 1955;

(l) Negotiable Instruments Act, 1881;

(m) Sugar Cess Act, 1982;

(n) Explosive Act, 1884/Rules 1983

(o) Acts as prescribed under Shop and Establishment Act of various local authorities;

(p) Acts as prescribed by respective states and local authorities etc.

(q) Sugarcane Control Oder, 1966

(r) Sugar Control Order, 1966

We have also examined compliance with the applicable clauses of the following:

i. Listing Agreements entered into by the Company with Stock Exchange(s),

ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

iii. Secretarial Standards issued by the Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

During the year under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. subject to the following observations:

1. Non-Payment of Sugar Cane dues under UP Sugarcane (Regulation of Supply & Purchase) Act/ Rules (1953/1954).

We further report that-

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

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

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period the company has not undertaken any major activities like;

(i.) Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.

(ii.) Redemption/ buy-back of securities

(iii.) Major decisions has not been taken by the members in pursuance to section 180 of the Companies Act, 2013

(iv.) Merger / amalgamation / reconstruction, etc.

(v.) Foreign technical collaborations/Joint Ventures etc.

For **Nirbhay Kumar & Associates**

Nirbhay Kumar
M. No. : 21093
C.P. No.: 7887

Place: New Delhi
Date: 15.05.2018

ANNEXURE - II TO DIRECTORS' REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY:	
(a) Energy conservation measure taken:	i) Installation of : - VFD on Tube Well at Mill House - Mill House Cooling water Pump - Massecuite Pump ii) Partial replacement of conventional light fittings with energy efficient LED for street lighting. iii) Motor replaced with energy efficient motor at: a) Caustic circulation pump b) Rectifier pit pump B c) Vaccume pump-3 at SBP plant d) HCL plant cooling tower motor e) Evaporator house cooling tower pump f) DM Plant (Utility) at Compressor. g) SBP plant at drum No-03. h) SBP plant at drum No-06. i) Chlorine house cooling tower j) Freon compressor. iv) Refurbishment of electrolysers in Cell House (20 Nos) operating at higher voltage. v) Installation of Solar Powered Pump for drinking water in Plant.
(b) Additional investment and proposals, if any, being implemented for reduction of consumption of energy:	a) Re-arrangement of Juice heater's vapour and juice line to heat juices with vapours in place of exhaust steam. b) Rearrangement of evaporator configuration to use 1st body of Quad set as a standby of Falling Film evaporator.
(c) Impact of the measures (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.	a) Reduction in power consumption. b) Reduction in steam consumption by 0.04%. c) Reduction in steam consumption by 0.003% as well as reduction in crush loss during FFE cleaning.

ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

B. TECHNOLOGY ABSORPTION:	
a) The efforts made towards technology absorption	a) Installation of mechanical circulators in C massecuite boiling pan to boil C-massecuite on 2nd vapor instead of 1st vapor. b) Installation of Rotary screen in place of DSM Screens for better screening and avoid problems at process due to excess bagacillo in mixed juice.
b) Benefits derived as a result of the above efforts	a) Reduction in steam consumption by 0.8% and gain in recovery by 0.01%. b) Better screening of juice resulted in improvement in juice clarification which leads to reduction in sugar loss.
c) In case of imported technology (Imported during the last 5 years reckoned from the beginning of the financial period), following information may be furnished:-	
(i) Technology Imported.	i) Installation of Rotex screener procured from USA for re-sieving of fine grain sugar.
(ii) Year of Import	ii) 2017
(iii) Has technology fully absorbed.	iii) Yes. We are fulfilling the sugar quality requirement of our esteemed pharmaceutical customers which leads to extra revenue generation.
(iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	iv) NA
C. FOREIGN EXCHANGE EARNINGS AND OUTGO	
(a) Activities related to exports initiative taken to increase export, development of new export markets for production and services.	No export during the year 2017-18.
(b) Total foreign exchange used and earned	The information is given in Notes to Accounts.

ANNEXURE - III TO DIRECTORS' REPORT

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required under Section 197 of the Companies Act 2013 and the Rules made there-under, in respect of employees of the Company are as follows:-

(a) The median remuneration of employees of the Company during the financial year was Rs.276794 (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2017-18 are as under:

Directors	Designation	Remuneration of Directors in Financial Period 2017-18 (Rs.)	Ratio of Remuneration to Median Remuneration of Employees
Mr. Ravinder Singh Bedi*	Non-Executive & Independent Director	N.A.	N.A.
Prof. Dinesh Mohan*	Non-Executive & Independent Director	N.A.	N.A.
Mrs. Parmjit Kaur*	Non-Executive & Independent Director	N.A.	N.A.
Mr. Piar Chand Jaswal*	Non-Executive & Non Independent Director	N.A.	N.A.
Mr. Dharam Pal Sharma	Whole Time Director	17,73,000	6.41:1

*All the non-executive Directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

(b) The percentage increase in Remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

<u>Directors</u>

Directors	Remuneration of Director in Financial Period 2017-18 (Rs.)	% Increase in remuneration
Mr. Ravinder Singh Bedi*	N.A.	N.A.
Prof. Dinesh Mohan*	N.A.	N.A.
Mrs. Parmjit Kaur*	N.A.	N.A.
Mr. Piar Chand Jaswal*	N.A.	N.A.
Mr. Dharam Pal Sharma, Whole Time Director	17,73,000	N.A.

*All the non-executive directors of the Company were not paid any remuneration and were paid only sitting fee for attending the meetings of the Board/Committee of Directors. Therefore, the said ratio of remuneration of each director to median remuneration of the employees of the company is not applicable.

<u>Key Managerial Personnel's (KMPs)</u>

Directors	Remuneration of KMP in Financial Period 2017-18 (Rs.)	% Increase in Remuneration
Mr. Dharam Pal Sharma, Whole Time Director	17,73,000	N.A.
Dr. Anil Arora, Chief Financial Officer*	27,17,292	16%
Mr. B.B. Mehta, Chief Financial Officer**	29,00,263	N.A.
Mr. Ashok Kumar Shukla, Company Secretary	7,95,094	31%

* Resigned from the position of Chief Financial Officer of the Company w.e.f. 4.11.2017.

**Appointed as a Chief Financial Officer of the Company w.e.f. 4.11.2017.

ANNEXURE - III TO DIRECTORS' REPORT (Contd.)

(c) The percentage increase in the Median Remuneration of Employees in the financial period was 4.84%

(d) The number of Permanent Employees on the Rolls of Company:

The number of Permanent Employees on the Rolls of Company as on 31st March, 2018 was 1618.

(e) The explanation on the relationship between average increase in Remuneration and Company Performance:

The total Revenue during the year 2017-18 was Rs. 13539.33 Million as compared to Rs.12795.09 Million during the year 2016-17. During the Financial year 2017-18, the Company earned profit of Rs.162.40 Million as against the profit of Rs. 3628.86 Million in 2016-17. During the year under review, there was an average increase in the median remuneration of 4.84%. The Increase in remuneration is reasonable.

(f) Comparison of the Remuneration of the Key Managerial Personnel against the Performance of the Company:

See comments under item (b & e) above.

(g) Variations in the market capitalisation of the Company:

The Market Capitalisation as on 31.3.2018 was Rs.1797.42 Million as against Rs. 3260.39 Million as on 31.3.2017.

(h) Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:

The average increase in salaries of employees in 2017-18 was 10.15%.

(i) The key parameters for any variable component of Remuneration availed by the Directors: There is no variable component in the remuneration of Directors.

(j) The Ratio of the Remuneration of the highest paid Director to that of Employees who are not Directors but receive Remuneration in excess of the highest paid Director during the period is 4.90:1

(k) Affirmation that the Remuneration is as per the Remuneration Policy of the Company:

The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

a) Name of employee employed throughout the financial year and was in receipt of remuneration Rs.1,02,00,000/- or more: **NIL**

b) Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Rs.8,50,000/- per month: **NIL**

ANNEXURE - IV TO DIRECTORS' REPORT

FORM NO. MGT – 9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L74100DL1961PLC003413
2	Registration Date	27.03.1961
3	Name of the Company	Mawana Sugars Limited
4	Category / Sub-Category of the Company	Manufacturing
5	Address of the Registered Office and contact details	5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110125 Contact Details: Tel. No. 011-25739103, Fax No. 011-25743659 E-Mail: corporate@mawanasugars.com Website: www.mawanasugars.com
6	Whether listed company Yes / No	Yes
7	Name, address and contact details of Registrar and Transfer Agent, if any	Mas Services Limited T-34, Okhla Industrial Area, Phase-II, New Delhi-110020 TEL No. 011-26387281-83 Fax No.011-26387384 E-Mail:info@masserv.com, Website:www.masserv.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the manufacturing and marketing of Sugar, Ethanol and Co-generation of Power at its units at Mawana Sugar Works, Mawana, Distt. Meerut, (U.P.) and Nanglamal Sugar Complex. Nanglamal, Distt. Meerut (U.P.). The Company is also producing and marketing Chlor Caustic from its Unit Siel Chemical Complex, Rajpura, Punjab. The business activities contributing 10% or more of the total turnover of the Company shall be stated herein below:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1	Sugar	1072	73.39
2.	Chemicals	28511/28512	19.42

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sl. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	Siel Industrial Estate Limited 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi-110125	U45209DL1994PLC057359	Subsidiary	50.71* 100**	2 (87) and 129 (3)
2	Siel Financial Services Ltd. Sony Mansion, 12-B, Ratlam Kothi, Indore-452001 (M.P.)	L65999MP1990PLC007674	Subsidiary	93.56	2 (87)
3	Siel Infrastructure & Estate Developers Pvt. Ltd. 19, K. G. Marg, New Delhi-1100001	U74899DL1985PTC021191	Subsidiary	100.00	2 (87)

*EQUITY CAPITAL **PREFERENCE CAPITAL

Notes: Balance 49.29% shareholding of Siel Industrial Estate Limited held by Siel Infrastructure & Estate Developers Pvt. Ltd., a wholly owned subsidiary of the Company.

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (as on 01.04.2017)				No. of Shares held at the end of the year (as on 31.03.2018)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian	27334784	0	27334784	69.88	24834784	0	24834784	63.49	-6.39
a) Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt.or State Govt.	0	0	0	0	0	0	0	0	0
c) Bodies Corporate	1192	0	1192	0.00	1192	0	1192	0.00	0.00
d) Bank/FI	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0.00
SUB TOTAL:(A) (1)	**27335976**	**0**	**27335976**	**69.88**	**24835976**	**0**	**24835976**	**63.49**	**-6.39**
(2) Foreign	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0
e) Any other…	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	**27335976**	**0**	**27335976**	**69.88**	**24835976**	**0**	**24835976**	**63.49**	**-6.39**
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	11520	979	12499	0.03	11315	434	11749	0.03	0.00
b) Banks/FI	505152	11039	516191	1.32	393812	11039	404851	1.03	-0.29
c) Central govt	0	0	0	0	0	0	0	0	0
d) State Govt.	0	0	0	0	0	0	0	0	0
e) Venture Capital Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	295208	0	295208	0.75	295208	0	295208	0.75	0.00
g) FIIS	0	0	0	0	0	0	0	0	0
h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
i) Any Others (Foreign Banks)	3093	0	3093	0.01	3093	0	3093	0.01	0.00
SUB TOTAL (B)(1):	**814973**	**12018**	**826991**	**2.11**	**703428**	**11473**	**714901**	**1.83**	**0.28**
(2) Non Institutions									
a) Bodies corporate									
i) Indian	2942152	24791	2966943	7.58	3060864	26744	3087608	7.89	0.31
ii) Overseas	0	0	0	0	0	0	0	0	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	5625334	539097	6164431	15.76	7498576	518110	8016686	20.49	4.73
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1391871	0	1391871	3.56	1475090	0	1475090	3.77	0.21
c) NBFC Registered with RBI	30158	0	30158	0.08	24306	0	24306	0.06	-0.02
d) Others (NRIs/OCBs/ Pakistani Nationals/ Trust/ Suspense A/c)	347086	53408	400494	1.02	902556	59741	962297	2.46	1.44
SUB TOTAL (B)(2):	**10336601**	**617296**	**10953897**	**28.01**	**12961392**	**604595**	**13565987**	**34.68**	**6.67**
Total Public Shareholding (B)= (B)(1)+(B)(2)	**11151574**	**629314**	**11780888**	**30.13**	**13664820**	**616068**	**14280888**	**36.51**	**6.39**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Grand Total (A+B+C)	**38487550**	**629314**	**39116864**	**100**	**38500796**	**616068**	**39116864**	**100**	

ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2017)			Share holding at the end of the year (as on 31.03.2018)			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share*	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total share*	
1	Siddharth Shriram	27117959	69.33	2.56	24617959	62.93	2.56	-6.40
2.	Siddharth Shriram (Trustee of Enterprise Trust)	216289	0.55	0.00	216289	0.55	0.00	0.00
3.	Roula Shriram	536	0.00	0.00	536	0.00	0.00	0.00
4.	Siel Infrastructure & Estate Developers Pvt. Ltd.	1192	0.00	0.00	1192	0.00	0.00	0.00
	Total Shares	**27335976**	**69.88**	**2.56**	**24835976**	**63.49**	**2.56**	**-6.39**

Note : * The % of shares pledged/encumbered represents % of shares pledged/encumbered as a % of the total shares of the Company.

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

S. No.	Promoter's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of increase/ decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Siddharth Shriram	216289	0.55	01-April-2017						
				No Change In Shareholding During The Year						
				31-March-2018					216289	0.55
2	Roula Shriram	536	0.00	01-April-2017						
				No Change In Shareholding During The Year						
				31-March-2018					536	0.00
3	Siddharth Shriram	27117959	69.33	01-April-2017						
				13-October-2017	-100250	Sale	27017709	69.07		
				16-October-2017	-40000	Sale	26977709	68.97		
				17-October-2017	-31000	Sale	26946709	68.89		
				18-October-2017	-67000	Sale	26879709	68.72		
				19-October-2017	-2500	Sale	26877209	68.71		
				23-October-2017	-110100	Sale	26767109	68.43		
				24-October-2017	-40000	Sale	26727109	68.33		
				25-October-2017	-54000	Sale	26673109	68.19		
				26-October-2017	-150000	Sale	26523109	67.80		
				27-October-2017	-100000	Sale	26423109	67.55		
				30-October-2017	-105150	Sale	26317959	67.28		
				31-October-2017	-180000	Sale	26137959	66.82		
				01-November-2017	-240000	Sale	25897959	66.21		
				02-November-2017	-40000	Sale	25857959	66.10		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Promoter's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of increase/ decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total Shares of the Company				No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
				03-November-2017	-1065	Sale	25856894	66.10		
				06-November-2017	-95000	Sale	25761894	65.86		
				07-November-2017	-50000	Sale	25711894	65.73		
				08-November-2017	-40000	Sale	25671894	65.63		
				09-November-2017	-35000	Sale	25636894	65.54		
				10-November-2017	-11500	Sale	25625394	65.51		
				13-November-2017	-70000	Sale	25555394	65.33		
				14-November-2017	-52000	Sale	25503394	65.20		
				15-November-2017	-64000	Sale	25439394	65.03		
				16-November-2017	-22000	Sale	25417394	64.98		
				17-November-2017	-235000	Sale	25182394	64.38		
				20-November-2017	-100000	Sale	25082394	64.12		
				21-November-2017	-76000	Sale	25006394	63.93		
				22-November-2017	-97000	Sale	24909394	63.68		
				23-November-2017	-191435	Sale	24717959	63.19		
				24-November-2017	-100000	Sale	24617959	62.93		
				31-March-2018					24617959	62.93
4	Siel Infrastructure & Estate Developers Pvt Ltd	1192	0.00	01-April-2017						
				No Change In Shareholding During The Year						
				31-March-2018					1192	0.00

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

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Anand Rathi Share & Stock Brokers Limited	141784	0.36	01-April-2017						
				07-April-2017	-127070	Sale	14714	0.04		
				14-April-2017	12835	Purchase	27549	0.07		
				21-April-2017	4899	Purchase	32448	0.08		
				28-April-2017	15000	Purchase	47448	0.12		
				05-May-2017	-1858	Sale	45590	0.12		
				12-May-2017	405	Purchase	45995	0.12		
				19-May-2017	2312	Purchase	48307	0.12		
				26-May-2017	3267	Purchase	51574	0.13		
				02-June-2017	14975	Purchase	66549	0.17		
				09-June-2017	5012	Purchase	71561	0.18		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				16-June-2017	-949	Sale	70612	0.18		
				23-June-2017	-5693	Sale	64919	0.17		
				30-June-2017	-9021	Sale	55898	0.14		
				07-July-2017	-1498	Sale	54400	0.14		
				14-July-2017	-2795	Sale	51605	0.13		
				20-July-2017	3373	Purchase	54978	0.14		
				21-July-2017	3000	Purchase	57978	0.15		
				27-July-2017	1872	Purchase	59850	0.15		
				28-July-2017	5199	Purchase	65049	0.17		
				04-August-2017	-11149	Sale	53900	0.14		
				11-August-2017	-9770	Sale	44130	0.11		
				18-August-2017	-8001	Sale	36129	0.09		
				25-August-2017	-8966	Sale	27163	0.07		
				01-September-2017	-15264	Sale	11899	0.03		
				08-September-2017	437	Purchase	12336	0.03		
				15-September-2017	-3604	Sale	8732	0.02		
				22-September-2017	-1832	Sale	6900	0.02		
				30-September-2017	-281	Sale	6619	0.02		
				06-October-2017	-1694	Sale	4925	0.01		
				13-October-2017	6640	Purchase	11565	0.03		
				20-October-2017	-2465	Sale	9100	0.02		
				27-October-2017	-1062	Sale	8038	0.02		
				31-October-2017	-1874	Sale	6164	0.02		
				03-November-2017	6905	Purchase	13069	0.03		
				10-November-2017	-3071	Sale	9998	0.03		
				17-November-2017	6663	Purchase	16661	0.04		
				24-November-2017	5489	Purchase	22150	0.06		
				01-December-2017	6042	Purchase	28192	0.07		
				08-December-2017	808	Purchase	29000	0.07		
				15-December-2017	1027	Purchase	30027	0.08		
				22-December-2017	95	Purchase	30122	0.08		
				29-December-2017	2475	Purchase	32597	0.08		
				30-December-2017	-484	Sale	32113	0.08		
				05-January-2018	6755	Purchase	38868	0.10		
				12-January-2018	-1621	Sale	37247	0.10		
				19-January-2018	-1200	Sale	36047	0.09		
				26-January-2018	-25	Sale	36022	0.09		
				02-February-2018	2900	Purchase	38922	0.10		
				09-February-2018	-3327	Sale	35595	0.09		
				16-February-2018	6868	Purchase	42463	0.11		
				23-February-2018	-10009	Sale	32454	0.08		
				02-March-2018	-258	Sale	32196	0.08		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				09-March-2018	-18200	Sale	13996	0.04		
				16-March-2018	43	Purchase	14039	0.04		
				23-March-2018	-528	Sale	13511	0.03		
				30-March-2018	439	Purchase	13950	0.04		
				31-March-2018	-200	Sale	13750	0.04	13750	0.04
2	Alavel Finvest Pvt Ltd#	406504	1.04	07-April-2017						
				01-September-2017	-25000	Sale	381504	0.98		
				08-September-2017	-15000	Sale	366504	0.94		
				31-March-2018					366504	0.94
3	Sig Estate Private Limited#	153425	0.39	20-July-2017						
				01-September-2017	-25000	Sale	128425	0.33		
				08-September-2017	-10000	Sale	118425	0.30		
				31-March-2018					118425	0.30
4	Motilal Oswal Securities Ltd - Collateral Account	163062	0.42	01-April-2017						
				07-April-2017	344	Purchase	163406	0.42		
				14-April-2017	-26075	Sale	137331	0.35		
				21-April-2017	384	Purchase	137715	0.35		
				28-April-2017	-3528	Sale	134187	0.34		
				05-May-2017	-150	Sale	134037	0.34		
				12-May-2017	-82737	Sale	51300	0.13		
				19-May-2017	523	Purchase	51823	0.13		
				26-May-2017	98376	Purchase	150199	0.38		
				02-June-2017	6810	Purchase	157009	0.40		
				09-June-2017	-2858	Sale	154151	0.39		
				16-June-2017	313	Purchase	154464	0.39		
				23-June-2017	23647	Purchase	178111	0.46		
				30-June-2017	13975	Purchase	192086	0.49		
				07-July-2017	36466	Purchase	228552	0.58		
				14-July-2017	165273	Purchase	393825	1.01		
				20-July-2017	2582	Purchase	396407	1.01		
				27-July-2017	-300	Sale	396107	1.01		
				04-August-2017	-384486	Sale	11621	0.03		
				11-August-2017	409420	Purchase	421041	1.08		
				18-August-2017	48	Purchase	421089	1.08		
				25-August-2017	-84269	Sale	336820	0.86		
				01-September-2017	-20	Sale	336800	0.86		
				08-September-2017	-4997	Sale	331803	0.85		
				15-September-2017	9589	Purchase	341392	0.87		
				22-September-2017	-105318	Sale	236074	0.60		
				30-September-2017	2203	Purchase	238277	0.61		
				06-October-2017	-1738	Sale	236539	0.60		

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				13-October-2017	-398	Sale	236141	0.60		
				20-October-2017	-6523	Sale	229618	0.59		
				27-October-2017	-9666	Sale	219952	0.56		
				03-November-2017	4631	Purchase	224583	0.57		
				10-November-2017	579	Purchase	225162	0.58		
				17-November-2017	4299	Purchase	229461	0.59		
				24-November-2017	211	Purchase	229672	0.59		
				01-December-2017	146797	Purchase	376469	0.96		
				08-December-2017	-363129	Sale	13340	0.03		
				15-December-2017	14727	Purchase	28067	0.07		
				22-December-2017	51845	Purchase	79912	0.20		
				29-December-2017	13658	Purchase	93570	0.24		
				05-January-2018	-75945	Sale	17625	0.05		
				12-January-2018	-8504	Sale	9121	0.02		
				19-January-2018	8682	Purchase	17803	0.05		
				26-January-2018	-7068	Sale	10735	0.03		
				02-February-2018	-1085	Sale	9650	0.02		
				09-February-2018	2805	Purchase	12455	0.03		
				16-February-2018	-2199	Sale	10256	0.03		
				23-February-2018	1559	Purchase	11815	0.03		
				02-March-2018	100	Purchase	11915	0.03		
				09-March-2018	9938	Purchase	21853	0.06		
				16-March-2018	-13232	Sale	8621	0.02		
				30-March-2018	500	Purchase	9121	0.02		
				31-March-2018					9121	0.02
5	Kumar Mangalam Lamboria*	166977	0.43	01-April-2017						
				26-May-2017	-39556	Sale	127421	0.33		
				16-June-2017	1540	Purchase	128961	0.33		
				23-June-2017	7778	Purchase	136739	0.35		
				07-July-2017	26682	Purchase	163421	0.42		
				04-August-2017	187273	Purchase	350694	0.90		
				11-August-2017	-350694	Sale	0	0.00		
				31-March-2018					0	0.00
6	Vikram Pratapbhai Kotak#	135000	0.35	05-January-2018						
				12-January-2018	65000	Purchase	200000	0.51		
				26-January-2018	25000	Purchase	225000	0.58		
				09-March-2018	25000	Purchase	250000	0.64		
				16-March-2018	50000	Purchase	300000	0.77		
				31-March-2018					300000	0.77
7	Indianivesh Securities Limited	350	0.00	01-April-2017						
				21-April-2017	2650	Purchase	3000	0.01		
				28-April-2017	4000	Purchase	7000	0.02		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				05-May-2017	-3000	Sale	4000	0.01		
				12-May-2017	1500	Purchase	5500	0.01		
				19-May-2017	1000	Purchase	6500	0.02		
				09-June-2017	-6300	Sale	200	0.00		
				04-August-2017	200	Purchase	400	0.00		
				11-August-2017	200	Purchase	600	0.00		
				18-August-2017	2000	Purchase	2600	0.01		
				25-August-2017	800	Purchase	3400	0.01		
				01-September-2017	7650	Purchase	11050	0.03		
				08-September-2017	300	Purchase	11350	0.03		
				15-September-2017	-10100	Sale	1250	0.00		
				22-September-2017	63750	Purchase	65000	0.17		
				30-September-2017	50000	Purchase	115000	0.29		
				13-October-2017	-114997	Sale	3	0.00		
				20-October-2017	200	Purchase	203	0.00		
				27-October-2017	1000	Purchase	1203	0.00		
				03-November-2017	950	Purchase	2153	0.01		
				10-November-2017	-2150	Sale	3	0.00		
				24-November-2017	1000	Purchase	1003	0.00		
				01-December-2017	114000	Purchase	115003	0.29		
				15-December-2017	500	Purchase	115503	0.30		
				22-December-2017	20	Purchase	115523	0.30		
				05-January-2018	530	Purchase	116053	0.30		
				12-January-2018	-116050	Sale	3	0.00		
				19-January-2018	25575	Purchase	25578	0.07		
				26-January-2018	-1465	Sale	24113	0.06		
				09-February-2018	-20260	Sale	3853	0.01		
				16-February-2018	115325	Purchase	119178	0.30		
				23-February-2018	191	Purchase	119369	0.31		
				02-March-2018	275	Purchase	119644	0.31		
				09-March-2018	450	Purchase	120094	0.31		
				16-March-2018	-4450	Sale	115644	0.30		
				23-March-2018	-242	Sale	115402	0.30		
				30-March-2018	-3	Sale	115399	0.30		
				31-March-2018					115399	0.30
8	Hemant Pratapbhai Kotak#	150000	0.38	02-March-2018						
				16-March-2018	-25000	Sale	125000	0.32		
				30-March-2018	5000	Purchase	130000	0.33		
				31-March-2018					130000	0.33

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
9	Mawana Sugars Limited Unclaimed Suspense Account	155162	0.40	01-April-2017						
				12-May-2017	-86	Transfer of Unclaimed Shares	155076	0.40		
				26-May-2017	-13	Transfer of Unclaimed Shares	155063	0.40		
				02-June-2017	-110	Transfer of Unclaimed Shares	154953	0.40		
				09-June-2017	-11	Transfer of Unclaimed Shares	154942	0.40		
				16-June-2017	-62	Transfer of Unclaimed Shares	154880	0.40		
				23-June-2017	-32	Transfer of Unclaimed Shares	154848	0.40		
				07-July-2017	-110	Transfer of Unclaimed Shares	154738	0.40		
				11-August-2017	-1961	Transfer of Unclaimed Shares	152777	0.39		
				25-August-2017	-59	Transfer of Unclaimed Shares	152718	0.39		
				15-September-2017	-17	Transfer of Unclaimed Shares	152701	0.39		
				13-October-2017	-72	Transfer of Unclaimed Shares	152629	0.39		
				20-October-2017	-14	Transfer of Unclaimed Shares	152615	0.39		
				31-October-2017	-189	Transfer of Unclaimed Shares	152426	0.39		
				24-November-2017	-2	Transfer of Unclaimed Shares	152424	0.39		
				01-December-2017	-42	Transfer of Unclaimed Shares	152382	0.39		
				15-December-2017	-138	Transfer of Unclaimed Shares	152244	0.39		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				29-December-2017	-52	Transfer of Unclaimed Shares	152192	0.39		
				05-January-2018	-170	Transfer of Unclaimed Shares	152022	0.39		
				02-February-2018	-55	Transfer of Unclaimed Shares	151967	0.39		
				16-February-2018	-22	Transfer of Unclaimed Shares	151945	0.39		
				23-February-2018	-64	Transfer of Unclaimed Shares	151881	0.39		
				23-March-2018	-20	Transfer of Unclaimed Shares	151861	0.39		
				31-March-2018					151861	0.39
10	ICICI Securities Limited	367489	0.94	01-April-2017						
				07-April-2017	-366297	Sale	1192	0.00		
				14-April-2017	1753	Purchase	2945	0.01		
				21-April-2017	7129	Purchase	10074	0.03		
				28-April-2017	-5939	Sale	4135	0.01		
				05-May-2017	1235	Purchase	5370	0.01		
				12-May-2017	-2179	Sale	3191	0.01		
				19-May-2017	-486	Sale	2705	0.01		
				26-May-2017	1456	Purchase	4161	0.01		
				02-June-2017	-2566	Sale	1595	0.00		
				09-June-2017	1145	Purchase	2740	0.01		
				16-June-2017	-789	Sale	1951	0.00		
				23-June-2017	7640	Purchase	9591	0.02		
				30-June-2017	-4718	Sale	4873	0.01		
				07-July-2017	2245	Purchase	7118	0.02		
				14-July-2017	-7071	Sale	47	0.00		
				20-July-2017	2434	Purchase	2481	0.01		
				21-July-2017	996	Purchase	3477	0.01		
				27-July-2017	-3243	Sale	234	0.00		
				28-July-2017	141	Purchase	375	0.00		
				04-August-2017	1601	Purchase	1976	0.01		
				11-August-2017	37071	Purchase	39047	0.10		
				18-August-2017	-9974	Sale	29073	0.07		
				25-August-2017	9908	Purchase	38981	0.10		
				01-September-2017	-10768	Sale	28213	0.07		
				08-September-2017	-9287	Sale	18926	0.05		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				15-September-2017	-5002	Sale	13924	0.04		
				22-September-2017	-8273	Sale	5651	0.01		
				30-September-2017	-3089	Sale	2562	0.01		
				06-October-2017	3977	Purchase	6539	0.02		
				13-October-2017	-4283	Sale	2256	0.01		
				20-October-2017	-436	Sale	1820	0.00		
				27-October-2017	1245	Purchase	3065	0.01		
				31-October-2017	2081	Purchase	5146	0.01		
				03-November-2017	10935	Purchase	16081	0.04		
				10-November-2017	-13716	Sale	2365	0.01		
				17-November-2017	6582	Purchase	8947	0.02		
				24-November-2017	-7901	Sale	1046	0.00		
				01-December-2017	5293	Purchase	6339	0.02		
				08-December-2017	3678	Purchase	10017	0.03		
				15-December-2017	-3680	Sale	6337	0.02		
				22-December-2017	-4129	Sale	2208	0.01		
				29-December-2017	5255	Purchase	7463	0.02		
				05-January-2018	-1703	Sale	5760	0.01		
				12-January-2018	-1111	Sale	4649	0.01		
				19-January-2018	6211	Purchase	10860	0.03		
				26-January-2018	422	Purchase	11282	0.03		
				02-February-2018	-9165	Sale	2117	0.01		
				09-February-2018	224	Purchase	2341	0.01		
				16-February-2018	1429	Purchase	3770	0.01		
				23-February-2018	-2626	Sale	1144	0.00		
				02-March-2018	-330	Sale	814	0.00		
				09-March-2018	3891	Purchase	4705	0.01		
				16-March-2018	483	Purchase	5188	0.01		
				23-March-2018	112	Purchase	5300	0.01		
				30-March-2018	-1461	Sale	3839	0.01		
				31-March-2018					3839	0.01
11	Winnimus Llp#	147151	0.38	15-September-2017						
				30-September-2017	3218	Purchase	150369	0.38		
				20-October-2017	45130	Purchase	195499	0.50		
				27-October-2017	15824	Purchase	211323	0.54		
				31-March-2018					211323	0.54
12	Sig Estate Private Limited*	153425	0.39	01-April-2017						
				21-July-2017	-153425	Sale	0	0.00		
				31-March-2018					0	0.00
13	Stock Holding Corp. Of India Ltd - A/C Nse Derivatives#	80000	0.20	07-April-2017						
				14-April-2017	-50000	Sale	30000	0.08		
				21-April-2017	35000	Purchase	65000	0.17		
				19-May-2017	35000	Purchase	100000	0.26		
				09-June-2017	175000	Purchase	275000	0.70		

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				16-June-2017	-40000	Sale	235000	0.60		
				23-June-2017	25000	Purchase	260000	0.66		
				30-June-2017	-50000	Sale	210000	0.54		
				27-July-2017	10000	Purchase	220000	0.56		
				25-August-2017	-210000	Sale	10000	0.03		
				01-September-2017	-7500	Sale	2500	0.01		
				08-September-2017	50000	Purchase	52500	0.13		
				15-September-2017	-1000	Sale	51500	0.13		
				22-September-2017	13000	Purchase	64500	0.16		
				13-October-2017	40000	Purchase	104500	0.27		
				10-November-2017	-74500	Sale	30000	0.08		
				26-January-2018	-15000	Sale	15000	0.04		
				09-February-2018	300	Purchase	15300	0.04		
				16-February-2018	47000	Purchase	62300	0.16		
				23-March-2018	225000	Purchase	287300	0.73		
				30-March-2018	-1000	Sale	286300	0.73		
				31-March-2018					286300	0.73
14	Punjab National Bank	443649	1.13	01-April-2017						
				30-June-2017	-2000	Sale	441649	1.13		
				07-July-2017	-4000	Sale	437649	1.12		
				14-July-2017	-5000	Sale	432649	1.11		
				20-July-2017	-2000	Sale	430649	1.10		
				27-July-2017	-3000	Sale	427649	1.09		
				28-July-2017	-1000	Sale	426649	1.09		
				04-August-2017	-5000	Sale	421649	1.08		
				11-August-2017	-11000	Sale	410649	1.05		
				18-August-2017	-2000	Sale	408649	1.04		
				25-August-2017	-2000	Sale	406649	1.04		
				01-September-2017	-6000	Sale	400649	1.02		
				08-September-2017	-5000	Sale	395649	1.01		
				15-September-2017	-5000	Sale	390649	1.00		
				22-September-2017	-6000	Sale	384649	0.98		
				30-September-2017	-2000	Sale	382649	0.98		
				06-October-2017	-3000	Sale	379649	0.97		
				13-October-2017	-4000	Sale	375649	0.96		
				20-October-2017	-3000	Sale	372649	0.95		
				27-October-2017	-5000	Sale	367649	0.94		
				31-October-2017	-1000	Sale	366649	0.94		
				03-November-2017	-4000	Sale	362649	0.93		
				10-November-2017	-6000	Sale	356649	0.91		
				17-November-2017	-3000	Sale	353649	0.90		
				24-November-2017	-6000	Sale	347649	0.89		

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
				01-December-2017	-3000	Sale	344649	0.88		
				22-December-2017	-5000	Sale	339649	0.87		
				29-December-2017	-4000	Sale	335649	0.86		
				16-February-2018	-1500	Sale	334149	0.85		
				16-March-2018	-9000	Sale	325149	0.83		
				23-March-2018	-2000	Sale	323149	0.83		
				31-March-2018					323149	0.83
15	Guiness Securities Limited*	169263	0.43	01-April-2017						
				09-June-2017	-1500	Sale	167763	0.43		
				20-July-2017	200	Purchase	167963	0.43		
				08-September-2017	-5	Sale	167958	0.43		
				29-September-2017	-167958	Sale	0	0.00		
				31-March-2018					0	0.00

Note : 1. * Ceased to be part of top ten shareholders as on 31.03.2018
2. # Not been part of top ten shareholders as on 01.04.2017

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding at the beginning of the year i.e. 01.04.2017		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding during the year		Shareholding at the beginning of the year i.e. 31.03.2018	
		No. of Shares	% of total shares of the company				No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
1	Dr. Anil Arora* Chief Financial Officer	127	0.00	01-April-2017						
		No change in shareholding during the year								
				31-March-2018					127	0.00

* Ceased to be Chief Financial Officer w.e.f. 04.11.2017

V. INDEBTEDNESS

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

(Rs. Million)

		Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year:					
i)	Principal Amount	2423.58	-	-	2423.58
ii)	Interest due but not paid	198.29	-	-	198.29
iii)	Interest accrued but not due	9.87	-	-	9.87
Total (i+ii+iii)		**2631.73**	**-**	**-**	**2631.73**
Change in Indebtedness during the financial year:					
Net Change		**1211.96**	**-**	**-**	**1211.96**

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

		Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the end of the financial year:					
i)	Principal Amount	1412.96	-	-	1412.96
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	7.27	-		7.27
Total (i+ii+iii)		**1419.77**	**-**	**-**	**1419.77**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. no	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount (in Rs.)
		Mr. Dharam Pal Sharma, WTD	
1.	Gross salary	17,73,000	17,73,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17,73,000	17,73,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	- others, specify	-	-
5.	Others, please specify	-	-
	Total (A)	**17,73,000**	**17,73,000**
	Ceiling as per the Act	-	-

B. Remuneration to other Directors:

Sitting fee of Rs.10000/- each Paid to the Non-Executive Directors for attending the Meetings of Board/Board Committee of the Company

Sl. no	Particulars of Remuneration	Name of Directors				Total Amount In Rupees
1.	**Independent Directors**	**Prof. Dinesh Mohan**	**Mr. R.S.Bedi**	**Mr.Piar Chand Jaswal**	**Ms.Parmjit Kaur**	**-**
	• Fee for attending board / committee meetings	1,50,000	1,70,000	2,10,000	1,30,000	6,60,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (1)	**1,50,000**	**1,70,000**	**2,10,000**	**1,30,000**	**6,60,000**
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	Total (2)	**-**	**-**	**-**	**-**	**-**
	Total (B)=(1+2)	**1,50,000**	**1,70,000**	**2,10,000**	**1,30,000**	**6,60,000**
	Total Managerial Remuneration	-	-	-	-	-
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.

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

Sl. no.	Particulars of Remuneration		Key Managerial Personnel		Total Amount (In Rupees)
			Company Secretary	CFO	
1.	Gross salary		7,95,094	56,17,555*	64,12,649
	(a)	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,95,094	55,25,441	63,20,535
	(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	0	92,114	92,114
	(c)	Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option		-	-	-
3.	Sweat Equity		-	-	-
4.	Commission		-	-	-
	-	as % of profit	-	-	-
	-	others, specify.	-	-	-
5.	Others, please specify		-	-	-
	Total		**7,95,094**	**56,17,555**	**64,12,649**

*Dr.Anil Arora ceased as Chief Financial officer of the Company w.e.f. 4.11.2017 and Mr. B.B. Mehta appointed as Chief Financial Officer of the Company w.e.f.4.11.2017 .

VII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES; Nil

Type		Section of The Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A.	**COMPANY**					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
B.	**DIRECTORS**					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.	**OTHER OFFICERS IN DEFAULT**					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

Ashok Kumar Shukla
Company Secretary
Membership No. 29673

Dharam Pal Sharma
Whole-Time Director
Din No. 07259344

Date: 23 .05.2018
Place : New Delhi

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

1. Company's Philosophy on Code of Corporate Governance

Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company on one hand and brings benefits to investors, customers, creditors, employees and the society at large on the other. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

2. Board of Directors

(a) Composition

The Board of Directors of the Company consisting of 4 Directors. It consists of One Executive Director, Two Directors are Non-Executive and Independent Directors and one director is Non-Executive and Non-Independent Director. The Board members possess the skills, experience and expertise necessary to guide the Company.

Mrs. Parmjit Kaur, an Independent Woman Director of the Company has resigned from the Board of Directors of the Company with effect from May 02, 2018. Accordingly, the vacancy of a Woman Director on the Board of Directors of the Company will be filled within a period of 3 months as per the provisions of the Companies Act, 2013.

All the Directors have given necessary disclosures as required in the Companies Act, 2013 and rules made thereunder. There is no relationship between the Directors inter-se.

The composition of Board of Directors, their attendance at the Board Meetings held during the financial year ended March 31, 2018 and at the last Annual General Meeting held on 27.7.2017 and also the other directorship and membership/ chairmanship of Board committees are as follows:

Director	DIN	Category	No. of Board Meetings Attended (Total meetings held 8)	Attended last AGM	No. of Directorship in other public companies#	No. of Committees position held in other public companies@	
						Member	Chairman
1	2	3	4	5	6	7	8
• Prof. Dinesh Mohan	00077959	Independent Non-Executive	5	Yes	1	NIL	NIL
• Mr. Ravinder Singh Bedi	01408189	Independent Non-Executive	7	Yes	1	NIL	NIL
• Mr. Piar Chand Jaswal	07100098	Non-Independent Non-Executive	8	Yes	NIL	NIL	NIL
• Mr. Dharam Pal Sharma (Whole Time Director)	07259344	Executive	7	Yes	NIL	NIL	NIL
• Mrs. Parmjit Kaur*	06714249	Independent Non-Executive	8	Yes	NIL	NIL	NIL

*Resigned from the directorship of the Company w.e.f. 2.5.2018.

Note:

\# *Other directorships exclude directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.*

@ *For this purpose only Audit and Stakeholders' Relationship Committees have been considered as defined under Regulation 26 of SEBI (LODR) Regulations, 2015.*

(b) Number of Board Meetings

During the financial year ended March 31, 2018, eight board meetings were held on 9.6.2017, 10.7.2017, 27.7.2017, 11.9.2017, 4.11.2017, 11.12.2017, 13.2.2018 and 20.2.2018. A separate meeting of the Independent Directors of the Company was convened on 30.03.2018 to oversee and review performance of Non-Independent Directors and the Board as a whole. Prof. Dinesh Mohan and Mrs. Parmjit Kaur, the Independent Directors were present at the meeting.

(c) Details of the shareholding of Non-Executive Directors

None of the Non-Executive Directors held any equity shares or convertible instrument of the Company during the financial year ended on March 31, 2018.

(d) Familiarization programme for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has formulated a Familiarization Program Module ("the programme") for the Independent Directors ("ID") of the Company. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company.

The Board members are provided with necessary documents and reports to enable them to familiarize with the Company's procedures and practices.

(e) Information supplied to the Board

1. Annual operating plans and budgets, capital budgets, updates.
2. Quarterly results of the Company.
3. Minutes of meetings of Board committees and unlisted subsidiary companies.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services

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

The Board is presented with detailed notes along with the agenda papers.

3. Audit Committee

(a) Terms of Reference

The Company has an Audit Committee which was constituted in 1992 (thereafter reconstituted from time to time) and since then is dealing with the matters prescribed by the Board of Directors. The Committee deals with accounting matters, financial reporting and internal controls. The power, role, delegation, responsibilities and terms of reference of the Audit Committee are as prescribed under Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

(b) Composition

The Audit Committee comprises of three Directors. One Director is Non-Executive and Non-Independent and two directors are Non-Executive and Independent Directors. All the Committee members have sound knowledge of finance and accounting.

The Chairman of the Committee attended the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Committee. The Head of Finance, Internal Auditors and Statutory Auditors attend the meetings of the Committee on the invitation of the Company.

During the financial year ended March 31, 2018, the Audit Committee met 6 times on 9.6.2017, 11.9.2017, 4.11.2017, 11.12.2017, 13.2.2018 and 20.2.2018.

The composition of Committee and their attendance at the Committee meetings held during the financial year are as under:

Sl. No.	Name of Director	Category	No. of Meetings Attended (Total Meetings held 6)
1.	Prof. Dinesh Mohan – Chairman	Independent / Non-Executive	4
2.	Mr. Ravinder Singh Bedi	Independent / Non-Executive	5
3.	Mr. Piar Chand Jaswal	Non- Independent/ Non-Executive	6
4.	Mrs. Parmjit Kaur*	Independent / Non-Executive	4

*Appointed as a Member of the Committee w.e.f. 4.11.2017 and ceased to be a member w.e.f.2.5.2018.

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

4. **Nomination and Remuneration Committee**

(a) **Terms of Reference**

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

(b) **Composition**

The Nomination and Remuneration Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and Two Directors are Non-Executive and Independent Directors.

The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting.

During the financial year ended March 31, 2018, 3 meetings of the Committee were held on 9.6.2017, 11.9.2017 and 13.2.2018.

The Company Secretary acts as the secretary of the committee.

The composition of the Committee and their attendance at the Committee Meetings held during the financial year are as under:

Sl. No.	Name of Director	Category	No. of Meetings Attended (Total Meetings held 3)
1.	Prof. Dinesh Mohan - Chairman	Independent / Non-Executive	2
2.	Mr. Ravinder Singh Bedi	Independent / Non-Executive	2
3.	Mr. Piar Chand Jaswal	Non- Independent/ Non-Executive	3

(c) **Remuneration Policy**

The Company has adopted a Remuneration Policy for Executive and Non-Executive Directors and Persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee. The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be.

The Non-Executive Directors do not draw any remuneration from the Company other than sitting fee of Rs.10,000/- (Rupees Ten Thousand) for each meeting of the Board/ Committee thereof attended by them.

The remuneration policy as approved by the Board is placed on the website of the Company: **www.mawanasugars.com**.

5. **Remuneration to Directors**

a) **Remuneration to Executive Director**

The details of the remuneration to the Executive Director/s provided as per accounts for the financial year ended March 31, 2018 is given below:

(Rupees)

Sl. No.	Name	Salary and Allowances	Perquisites	Contribution to Provident and other Funds	Total
1.	Mr. Dharam Pal Sharma	16,50,000	58,200	64,800	17,73,000

1. Refer note no.35 of the financial statements

b) Details of the sitting fees paid to the Non-Executive Directors

The details of the sitting fees to the Non-Executive Directors provided as per accounts for the financial year ended March 31, 2018 are given below:

Sl. No.	Name	Sitting Fees (Rs.)
1.	Prof. Dinesh Mohan	1,50,000/-
2.	Mr. Ravinder Singh Bedi	1,70,000/-
3.	Mr. Piar Chand Jaswal	2,10,000/-
4.	Mrs. Parmjit Kaur	1,30,000/-

The Company has not paid any fixed component and performance linked incentives to the Non -Executive Directors during the financial year ended March 31, 2018.

The Company does not have any Stock Option Scheme.

6. Stakeholders Relationship Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Stakeholders Relationship Committee' as required under the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to look into various issues relating to shareholders including the redressal of shareholders complaints, share transfers/ transmission/ issue of duplicate shares etc.

The meeting of this Committee is held frequently to ensure completion of share transfer work within the stipulated period. Besides this, Director/s and Company Secretary have been delegated the power to approve severally the registration of transfer of shares and other related matters upto 500 shares per case.

(b) Composition

The Stakeholders Relationship Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and Two Directors are Non-Executive and Independent Directors.

During the financial year ended March 31, 2018, the Committee met 4 times on 19.6.2017, 27.7.2017, 4.10.2017 and 23.1.2018.

The Company Secretary acts as the secretary of the Committee.

The composition of the Committee and their attendance at the Committee meetings held is under:

Sl. No.	Name of Director	Category	No. of Meetings Attended (Total Meetings held 4)
1.	Prof. Dinesh Mohan - Chairman	Independent /Non-Executive	3
2.	Mr. Ravinder Singh Bedi	Independent /Non-Executive	3
3.	Mr. Piar Chand Jaswal	Non- Independent/Non-Executive	4

Mr. Ashok Kumar Shukla, Company Secretary is the Compliance Officer. The Compliance Officer can be contacted at:

Mawana Sugars Limited
Plot No.3, Institutional Area,
Sector-32, Gurgaon-122001 (Haryana)
Tel: 0124-4298000
E-mail: corporate@mawanasugars.com

During the financial year ended March 31, 2018, 26 complaints were received from the shareholders. All complaints were replied/resolved to the satisfaction of the shareholders. No complaints are pending as at the end of the financial year.

7. Corporate Social Responsibility Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Corporate Social Responsibility Committee' (CSR Committee) as required under Section 135 of the Companies Act, 2013. The purpose of the Committee is to formulate and monitor the CSR policy of the Company.

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

The Company has adopted a CSR policy. The Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Policy of the Company has been placed on the Company's website **www.mawanasugars.com**.

(b) Composition

The CSR Committee of the Board comprises of 3 Directors. One Director is Non-Executive and Non-Independent and Two Directors are Non-Executive and Independent Directors.

No meetings of the Committee were held during the financial year.

The composition of the Committee is as under:

Sl. No.	Name of the Director	Category
1.	Prof. Dinesh Mohan - Chairman	Independent/Non-Executive
2.	Mr. Ravinder Singh Bedi	Independent/ Non-Executive
3.	Mr. Piar Chand Jaswal	Non- Independent/Non-Executive

The Company Secretary acts as the Secretary to the Committee.

8. Risk Management Committee

(a) Terms of Reference

The Company has a Board Committee namely 'Risk Management Committee' as required under Regulation 21 of SEBI (LODR) Regulations, 2015.

The Risk Management Committee is inter-alia responsible for risk identification, evaluation and mitigation and control process for such risks, oversight the Enterprise Risk Management System and internal control process; monitoring and reviewing risk management plan of the Company and reviewing the foreseeable trends that could significantly impact the Company's overall business objectives and mitigates thereof.

(b) Composition

The Risk Management Committee of the Board comprises of 6 Members. One Member is Non-Executive and Non-Independent Director, Two members are Non-Executive and Independent Directors, one member is Executive Director of the Company and other members are employees of the Company.

No meetings of the Committee were held during the financial year. The composition of the Committee is as under:

Sl. No.	Name of the Member	Category
1.	Prof. Dinesh Mohan - Chairman	Independent /Non-Executive Director
2.	Mr. Ravinder Singh Bedi	Independent / Non-Executive Director
3.	Mr. Piar Chand Jaswal	Non- Independent/Non-Executive Director
4.	Mr. Dharam Pal Sharma (Whole Time Director)	Executive Director
5.	Dr. Anil Arora*	Employee
6.	Mr. R.K. Gangwar	Employee

*Resigned from the services of the Company w.e.f. 30.4.2018.

The Company Secretary acts as the Secretary to the Committee.

9. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle Blowers

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to report instances of violations of laws, rules and regulations, unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The vigil mechanism also provides adequate safeguards against victimization of persons who use such mechanisms and also to ensure direct access to the Audit Committee in appropriate or exceptional cases.

10. General Body Meeting

(i). Details of the last three Annual General Meetings were held as under:

Financial Year	Location	Date & Time	Special Resolution Passed
2016-17	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	27.7.2017 & 11.00 A.M.	1. To waive the recovery of excess managerial remuneration paid to Mr. Siddharth Shriram, Chairman and Managing Director for the period from 15.10.2012 to 31.7.2014 for Rs.70,39,214/- 2. To waive the recovery of excess managerial remuneration paid to to Mr. Sunil Kakria, Managing Director for the period from 1.10.2012 to 31.7.2013 for Rs.1,73,32,166/- 3. To waive the recovery of excess managerial remuneration paid to Mr. A.K. Mehra, Whole Time Director for the period from 1.10.2012 to 31.7.2014 for Rs. 1,85,57,960/- 4. To waive the recovery of excess managerial remuneration paid to Mr. Rajendra Khanna, Whole Time Director for the period from 1.2.2014 to 31.12.2014 for Rs.66,12,760/-
2015-16 (15 months)	Shriram Bharatiya Kala Kendra(Lawn), 1, Copernicus Marg, Mandi House, New Delhi – 110001	13.6.2016 & 10.00 A.M.	i) Appointment of Mr. Dharam Pal Sharma, Whole Time Director of the Company for a period of 5 years w.e.f. 13.08.2015 to 12.08.2020 and payment of the remuneration for a period of 3 years w.e.f. 13.08.2015 to 12.08.2018. ii) Re-classification of authorized share capital of the Company.
2013-14 (15 months)	Shriram Bharatiya Kala Kendra(Lawn), 1, Copernicus Marg, Mandi House, New Delhi – 110001	23.3.2015 & 10.00 A.M.	No special resolution was passed during the financial period 2013-14.

(ii) During the year, an Extra Ordinary General Meeting (EGM) of the members was scheduled to be held on 26.3.2018 has been cancelled due to the existing owner Usha International Limited withdrawn its consent to sell the shares of Mawana Foods Pvt. Limited to the Company and the members were informed individually through Registered Post.

(iii) **Resolution passed through Postal Ballot**

During the financial year ended March 31, 2018, no special resolution was passed through Postal Ballot process.

(iv) There is no item in the Notice for the forthcoming Annual General Meeting that is proposed to be passed through Postal Ballot.

11. Means of Communication

(a) Quarterly results

The Quarterly unaudited/Annual Audited Results are published in national and local newspapers, namely, The Business Standard (English and Hindi), having wide circulation. Since the Results of the Company are published in the newspapers, half yearly reports are not sent individually to the shareholders.

The Company's Results and official news releases are displayed on the Company's website namely **www.mawanasugars.com**.

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

(b) The NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Corporate Compliance and Listing Centre (the 'Listing Centre') of the BSE Ltd. (BSE)

The NEAPS and the Listing Centre of BSE are web based application designed by NSE and BSE respectively for Corporates. All periodical compliance/filings are filed electronically on NEAPS and the Listing Centre of BSE.

(c) No presentations were made to institutional investors or to analysts.

(d) A Management Discussion and Analysis report is annexed to the Directors' Report and forms a part of the Annual Report.

12. General Shareholders' Information

(i) Annual General Meeting is proposed to be held on 17.08.2018 at 11.00 A.M. at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001.

(ii) Financial Calendar for the Year 2017-18:

Accounting year	April 1, 2018 to March 31, 2019
First Quarter results	Upto 14th August, 2018
Second Quarter results	Upto 14th November, 2018
Third Quarter results	Upto 14th February, 2019
Annual Results	Upto 30th May, 2019 (Audited)

(iii) Date of Book Closure: 13.08.2018 to 17.08.2018 (both days inclusive).

(iv) Listing on Stock Exchanges:

The equity shares of the Company are listed on BSE Limited (BSE) and National Stock Exchange of India Ltd. (NSE), Mumbai.

Stock Code at BSE: 523371 and NSE: MAWANASUG

Listing fees upto the year 2018-2019 has been paid to BSE & NSE.

(v) Stock Market Data for the financial year ended March 31, 2018

Monthly High and Low quotation and volume of Company's Share on BSE/NSE and BSE Sensex/NSE Nifty are as under:

Month & Year	BSE			SENSEX		NSE			NIFTY	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
Apr-17	94.00	78.70	1231459	30184.22	29241.48	94.50	79.00	7841179	9367.15	9075.15
May-17	99.00	74.40	894629	31255.28	29804.12	97.00	75.15	6333381	9649.60	9269.90
Jun-17	85.50	70.10	810267	31522.87	30680.66	85.50	62.00	5659116	9709.30	9448.75
Jul-17	85.50	72.60	778898	32672.66	31017.11	85.30	72.05	5103374	10114.85	9543.55
Aug-17	130.50	75.20	3539148	32686.48	31128.02	130.55	75.20	18542707	10137.85	9685.55
Sep-17	144.90	112.00	3018694	32524.11	31081.83	144.80	111.90	13771364	10178.95	9687.55
Oct-17	140.50	115.00	1377412	33340.17	31440.48	140.00	116.00	7448242	10384.50	9831.05
Nov-17	130.45	92.00	1470661	33865.95	32683.59	130.50	92.00	8381056	10490.45	10094.00
Dec-17	106.90	74.10	1174179	34137.97	32565.16	106.70	73.65	7507755	10552.40	10033.35
Jan-18	85.00	61.50	798272	36443.98	33703.37	85.00	61.40	7171213	11171.55	10404.65
Feb-18	74.00	57.70	635976	36256.83	33482.81	69.85	57.30	4254138	11117.35	10276.30
Mar-18	59.95	44.90	771341	34278.63	32483.84	60.40	45.20	5309987	10525.50	9951.90
			16500936					**97323512**		

(vi) Registrar and Transfer Agent

In compliance of SEBI requirements, Mas Services Limited has been appointed as the Registrar and Share Transfer Agent of the Company who handles share transfer work in Physical as well as in Electronic Form and other related activities at Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi–110020, Phone No.:011-26387281-83, Fax No.:011-26387384, Website: www.masserv.com, E-mail: info@masserv.com.

(vii) Share Transfer System

All valid share transfers are registered and duly transferred share certificates are dispatched within a period of 15 days from the date of receipt.

(viii) Investors' Service

The Company has a system of attending and redressing all investors' grievances/ correspondence within a period of 10 days from the date of receipt of the same.

No complaints/grievances are pending as on date.

(ix) Distribution of shareholding as on March 31, 2018

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	45494	93.50	2789835	7.13
501-1000	1527	3.14	1215805	3.11
1001-2000	791	1.63	1192306	3.05
2001-3000	295	0.61	754253	1.93
3001-4000	129	0.26	468354	1.19
4001-5000	104	0.21	485246	1.24
5001-10000	155	0.32	1128707	2.89
10001 and above	160	0.33	31082358	79.46
Total	**48655**	**100.00**	**39116864**	**100.00**

(x) Categories of shareholders as on March 31, 2018

Sl. No.	Category	No. of Shares held	% of shareholding
1.	Promoters' Shareholding	24835976	63.49
2.	Non-Promoter shareholding		
(a)	Mutual Funds/Financial Institutions/ Banks/ Insurance Companies	714901	1.83
(b)	Bodies Corporate/NBFC/Individuals	12603690	32.22
(c)	Any Other (NRIs/OCBs/Foreign Nationals/ Trusts/ Suspense A/c)	962297	2.46
	Total	**39116864**	**100.00**

(xi) Dematerialization of shares and liquidity

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depository Systems in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2018, a total of 3,85,07,109 equity shares of the Company, which forms 98.44% of the equity share capital, stand dematerialized.

Under the depository system, the ISIN allotted to the Company's equity shares is INE636A01039.

(xii) Plant Location:

Sugar Factories:

i) Mawana Sugar Works, Mawana, Distt. Meerut – 250402 (U.P.)

ii) Nanglamal Sugar Complex, Garh Road, Village Nanglamal, Distt. Meerut – 250001 (U.P.)

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

Chemical Factory:

Siel Chemical Complex, Charatrampur, Vill. Khadauli/Sardargarh, P.O. Box No.52, Rajpura, Distt. Patiala, Punjab – 140401

(xiii) Investors' correspondence may be addressed to:

Mr. N. K. Rastogi, Mas Services Limited, T-34, 2nd Floor, Okhla Industrial Area, Phase-II, New Delhi –110020, Phone No. : 011-26387281-83, Fax No. : 011-26387384, website: **www.masserv.com**, E-mail: **info@masserv.com**

13. Disclosures

(i) Related Party Transactions

All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which were in conflict with the interest of the Company. Suitable disclosure as required Ind AS-24 has been made in the notes to the Financial Statements.

The Board of Directors of the Company has formulated 'Related Party Transaction Policy', which is available on website of the Company at **www.mawanasugars.com**.

(ii) There were no material instances of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to the capital markets, during the last three years.

(iii) Disclosure of Accounting Treatment

The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013, as applicable, and are based on the historical cost convention.

(iv) Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct framed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended, to inter alia, prevent insider trading in the shares of the Company.

(v) Code of Conduct

The Company has adopted a Code of Conduct (Code) for the members of Board of Directors and Senior Management Personnel of the Company. 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.

The Code has also been posted on the Company's Website.

(vi) CEO/CFO Certification

Mr. Dharam Pal Sharma, Whole Time Director and Mr. B.B. Mehta, Chief Financial Officer, have furnished a certificate relating to financial statements and internal control systems as per the format prescribed under SEBI (LODR), Regulations, 2015 and the Board took the same on record.

(vii) Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and / or independent Directors for the period under report.

14. Non-mandatory Clauses

The Company has not adopted any of the non-mandatory requirements as in SEBI (LODR), Regulations, 2015.

On behalf of the Board of Directors

	(Dharam Pal Sharma)	**(Ravinder Singh Bedi)**
Place : New Delhi	Whole Time Director	Director
Dated : 23.05.2018	(DIN: 07259344)	DIN: 01408189

ANNEXURE - V TO DIRECTORS' REPORT

DECLARATION

We, Dharam Pal Sharma, Whole Time Director and Mr. B.B. Mehta, Chief Financial Officer of the Company hereby declare that the Code of Conduct adopted by Mawana Sugars Limited for its Board Members and Senior Management Personnel has been duly complied by all Board Members and Senior Management Personnel of the Company.

	(Dharam Pal Sharma)	**(B.B. Mehta)**
Place : New Delhi	Whole Time Director	Chief Financial Officer
Dated : 23.05.2018	(DIN: 07259344)	

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

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

The Members,
Mawana Sugars Limited
5th floor, Kirti Mahal 19,
Rajendra Place, New Delhi-110125

1. The Corporate Governance Report prepared by Mawana Sugars Limited (hereinafter the "Company"), contains details as required by the provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') with respect to Corporate Governance for the year ended March 31, 2018.This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

Management's Responsibility

2. The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents.This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report.

3. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to express a reasonable assurance in the form of an opinion whether the Company has complied with the specific requirements of the Listing Regulations referred to in paragraph 3 above.

5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

7. The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. Summary of key procedures performed include:

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

i. Reading and understanding of the information prepared by the Company and included in its Corporate Governance Report;

ii. Obtained and verified that the composition of the Board of Directors w.r.t executive and non-executive directors has been met throughout the reporting period;

iii. Obtained and read the Directors Register as on March 31, 2018 and verified that atleast one women director was on the Board during the year;

iv. Obtained and read the minutes of the following Board and Committee meetings held April 1, 2017 to March 31, 2018:

(a) Board of Directors meeting;

(b) Audit committee;

(c) Annual General meeting;

(d) Nomination and remuneration committee;

(e) Stakeholders Relationship Committee;

(f) Independent directors meeting;and

v. Obtained necessary representations and declarations from directors of the Company including the independent directors; and

vi. Performed necessary inquiries with the management and also obtained necessary specific representations from management.

The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

Opinion

8. Based on the procedures performed by us as referred in paragraph 7 above, and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2018, referred to in paragraph 2 above.

Other matters and Restriction on Use

9. This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

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

Per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 23, 2018

ANNEXURE - V TO DIRECTORS' REPORT

CEO/CFO CERTIFICATION - FINANCIAL YEAR ENDED MARCH 31, 2018

We, the undersigned, in our respective capacities as Whole Time Director and Chief Financial Officer of Mawana Sugars Limited ("the Company") to the best of our knowledge and belief certify that:

(a) We have reviewed financial statements and the cash flow statement for the financial year ended 31.3.2018 and that to the best of our knowledge and belief:

(1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(2) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended 31.03.2018 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit Committee:

(1) significant changes in internal control over financial reporting during the year;

(2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

(3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For Mawana Sugars Limited

	(Dharam Pal Sharma)	**(B.B. Mehta)**
Place: New Delhi	Whole Time Director	Chief Financial Officer
Date: May 23, 2018	(DIN: 07259344)	

ANNEXURE - V TO DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SUGAR BUSINESS

Sugar Season 2017-18

Sugar Season 2017-18 opened with stock of 3.8 Mn Tonne. With the likely production in 2017-18 at 32.Mn Tonne and domestic consumption of 25 Mn Tonne, the closing stock would be in excess of 10 Mn Tonne as on 30th September, 2018.

Production in Sugar Season 2018-19 is expected to be at 35 Mn. Tonne and with opening stock of 10 Mn Tonne and domestic consumption at 25 Mn Tonne, the closing stock will be more than 20 Mn Tonne, without significant exports.

Due to excessive production and excess stocks, sugar prices have fallen by Rs.1150/qtl to Rs.2650/qtl presently and same are likely to go further loss. Government of India (GOI) and State Governments including UP are seized of the situation but owing to electoral consideration are unable to deal with this exceptional situation.

World Sugar Season 2017-18 surplus is expected at around 19 Mn Tonne and 25 Mn Tonne in 2018-19, 14 Mn Tonne of this will comes from India.

Distillery Business:

Government of India (GOI) is considering proposal to allow 100% FDI in Bio fuel technologies and projects. It is expected that 10% ethanol blending would be achieved in the states of Uttar Pradesh & Maharashtra during the period December 2017 to November 2018.

Only 66 Crore litres (against tender qty. of 280 Crore litres last year) was offered by the ethanol suppliers which correspond to approx. 2.1 % blending. This season Oil Marketing companies (OMCs) contracted a quantity of 155.8 Crore Litre against a tender of 313 Crore Litres of Fuel Ethanol issued to be supplied between December 2017 to November 2018 .

In the fields of cellulosic ethanol, Numaligarh Refinery in Assam has set up a USD 200 million joint venture with Finland-based Chempolis Oy to produce 60 million Ltr/ year ethanol from bamboo grass in Assam. The ethanol production would be enough to meet blending requirements in the northeastern states, which account for around 66% of India's bamboo production.

This year (2017-18) we have been awarded the quantity of 22933 KL and dispatches against the same has been started.

We Commissioned Process condensate treatment plant successfully, 100% treated condensate is being reused in process and we are also putting reboilers in our distillation &evaporation system for reducing effluent volume.

Our proposal for enhancement of operation days from 270 to 365 is approved by Expert Appraisal Committee of Ministry of Environment & Climate Change and the amendment in Environment Clearance is completed.

We have covered about 20 Acres of bio compost yard by shed to enable us to resume our Distillery operations in rainy season. Also, we are preparing compost as per Fertilizer Control Order specifications, and selling in 50 KG bags under the brand name of SHRIRAM BAHAR.

CHLOR ALKALI DIVISION

Industry Structure and Development

A) Products

The Chlor-Alkali is a basic heavy Chemical Industry comprising of products such as Caustic soda, Chlorine, Stable Bleaching Powder, Hydrogen and Hydrochloric acid. These products are basic building blocks in the Chemical processing industry and are used in diverse industrial sectors, either as raw materials or intermediates or auxiliary chemicals.

Caustic Soda is used in Alumina, Pulp & Paper, Textile, Soap, Edible Oil Refineries, Dyes & Chemicals, Drugs & Drug Intermediates, Thermal Power Plants etc. whereas Chlorine is used in PVC, CPW, Pulp & Paper, Pesticides, Chloromethanes, Water purification, Stable Bleaching Powder, Aluminium Chloride, Chlorinated Solvents etc. Hydrochloric Acid is used in Steel Pickling, Water Treatment, Effluent Treatment in Chemical Process industries, Thermal Power Plants etc., while Hydrogen is used in Hydrogenated Vegetable Oils, Sorbitol, Stearic Acid, Pesticides, Filament Lamps, Picture tubes, Steel Units and Power Plants.

The Chlor-Alkali sector plays an important role in the overall development of the economy. It contributes immensely to the manufacturing sector and to the external trade of the country. The Chlor-Alkali Industry is a sector providing inputs to a large number of other end user industries and the demand of its products is linked to the performance of the end user products of these industries.

The prices of the products, especially Caustic Soda are influenced by import parity along-with domestic demand-supply situations

B) Industry Size

In India, as on 31.03.2017, there were a total of 32 Caustic Soda plants in operation. The installed capacity of Caustic Soda industry in the Country was 3.66 Million MT as on 31.03.2017, as compared to 3.37 Million MT on 31.03.2016. There was an increase of 8.6% in the installed capacity during the year 2016-17 as compared to the previous year. During the year, the domestic production was 3.02 Million MT Caustic Soda representing 82.5% utilization of the installed capacity, decrease of around 2.7% in capacity utilization over the previous year. There was an increase of 5.28% in production by 0.15 Million MT during the year 2016-17 as compared to the previous year. The total demand of Caustic Soda was 3.41 Million MT, which grew by 1.6% over the previous year.

The Caustic soda production and capacity utilization for last five years is as follows:

Year	2012-13	2013-14	2014-15	2015-16	2016-17
Capacity Utilisation %	81.1	79.1	81.5	85.2	82.5
Production (Million MT)	2.54	2.62	2.76	2.87	3.02

B) Market Scenario and Outlook

The Caustic and Chlorine markets during the period Apr'17 – Mar'18 witnessed a volatile scenario; Caustic prices which started increasing in QE Mar'17, continued the surge throughout the year 2017-18. The main reason for the increase in Caustic soda prices was the surge in international prices due to closing down of mercury process for chlor-alkali plants in Europe and North America by Dec'17.

However, the prices of Chlorine and Hydrochloric Acid remained under huge pressure due to increased production and lower demand from Chlorine-consuming industries due to their operative issues. year 2017-18 witnessed increase in demand of Caustic from Paper, Soap, Aluminum and textile segments, but Chlorine demand remained sluggish throughout the period.

The Caustic Soda consuming segments like Paper, Soap, Alumina and Textiles are expected to continue better performance in the coming year also. The capacity expansions in West zone and North zone during 2018-19 would however build pressure on the prices. The demand of Chlorine in the PVC and CPW segments will improve with exports of CPW and other Chlorine-based products to various countries, but the prices will remain under pressure, due to surplus availability and volatility in the demand in the end-user segments.

D) Power Scenario

Power is one of the main raw material for a Chlor-Alkali plant. Power cost is to the tune of 65-70% of the cost of production and has a major impact on final product. Now Punjab being a surplus power state due to new capacity additions making power availability good and stable. Peak load restrictions has been removed and introduction of Time of Day (TOD) tariff had been introduced in last year. However due to different amendments of Open Access (OA) regulations and imposition of additional surcharge on power procured under open access, availability of OA power ceased due to unviable rates.

Further, Punjab State Power Corporation Limited (PSPCL), Government of Punjab has announced power tariff @ Rs.5/-Kwh effective from January 2018 onwards to give boost to the existing Punjab Industry as well as to invite new industry in Punjab State. This reduced power tariff will certainly improve the margins of Punjab Industry for the FY 2018-19 also. Over all availability of power and quality of power is good.

E). Risks and Concerns

The crude oil prices are rising rapidly. Majority of power suppliers to Caustic Soda plants are coal based which is not eco friendly and therefore is subjected to levy of taxes and cess from Govt. Hence the coal based power cost is also going up thereby increasing the cost of Caustic Soda and Chlorine, worldwide.

ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

Distillery is supplying ethanol to Oil Marketing Companies (OMCs). Entire movement of product as well as raw material is very closely controlled by State Excise which keeps on putting hindrances in the movement of these goods, which affects our business adversely.

Distillery is classified as highly polluting industry. The pollutions norms are being constantly revised by the Government. This can result in loss of production and may require additional investment to meet the changing norms.

F) SWOT Analysis

Strengths

- Located in sugarcane rich belt of Western UP with high sugared varieties of cane
- Cane development has resulted in excess cane which is now seen as a weakness
- Integrated sugar plants producing ethanol, supplying green power to the State grid
- Multiple product range with specialty sugars catering to food and pharma industry
- Use of bio compost is subsiding the usage of chemical fertilizers on land, enriched bio compost is contributing in balancing of soil ecology cycle

Weaknesses

– Strong government control on cane prices.

– High cane arrears due low sugar prices.

– Being a biological process change in weather affect the cycle time and other key parameters of composting.

– Risk of coercive measures by the State Government on account of huge cane arrears.

Opportunities

– Higher value by-products.

– Technology up-gradation in Sugar, Distillery and Chemicals and by-product utilization.

– Increasing ethanol demand.

Threats

– Unfavourable Government regulations towards cane pricing, raw sugar imports and sugar exports and movement of molasses.

– Dependency on high sugared cane variety CO0238 in U.P may lead to monoculture.

– Constant up gradation of pollution norms.

– Despite of maintaining ZLD (Zero liquid discharge) environments, threatening pollution norms for Ganga basin distilleries is affecting Ethanol production planning.

INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal controls, which provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides an external firm which is carrying out internal audits. The internal auditors' reports are regularly reviewed by Senior Management and Audit Committee of the Board for its implementation and effectiveness.

Despite this there has been some fraud in earlier years and all systems are being tightened to control the same.

The Company endeavours to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

Extensive use of SAP and other software systems have also resulted in strengthening the internal controls and accurate reporting of operational and financial data.

HUMAN RESOURCES

The Human Resources function plays a pivotal role to realizing business objectives by leading organizational change, fostering innovation and effectively mobilizing talent to sustain the organization's competitive edge.

At MSL, the HR philosophy evolve that people are the foremost factor in the success of an organization. Our people strategy and systems & process are aimed at making the Company an employer of choice. The Company continued its focus on development of its human resources to meet the present and future challenges with enhanced skills.

Industrial relations remain cordial during the year.

Various employees engagement and training & development activities were continued to motivate and upbeat the morale of the employees.

CAUTIONARY STATEMENT

Some of the statements in this Management Discussions & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include change in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

INDEPENDENT AUDITOR'S REPORT

To the Members of Mawana Sugars Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 40 in the standalone Ind AS financial statements regarding remuneration paid in excess of limits approved by the Central Government to its former directors/Managing Director/Whole Time Director (including the former MD/WTD where the department has declined the request of the Company and the application is being filed for reopening) pending approval by the Central Government and more fully described therein. Our opinion is not qualified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 expressed an modified opinion on those standalone financial statements dated June 9, 2017 and report for the year ended March 31, 2016 dated May 10, 2016 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

   (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;

   (e) On the basis of written representations received from the directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act;

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

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 31(c) to the standalone Ind AS financial statements;

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

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

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

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 23, 2018

Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

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

(i)(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to program certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were identified on such verification.

(i)(c) According to the information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of Company.

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

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

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

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

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

(vii)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues applicable to it.

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

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

Nature of Statute	Nature of Dues	Amount (Rs. Million)	Amount Paid under protest (Rs. Million)	Period to which the Amount relate	Forum where dispute is pending
Sales Tax Laws	Sales Tax	6.36	-	2009-10 to 2013-14	High Court
		48.63	2.55	2006-07, 2012-13, 2013-14	Appellate Authority upto Commissioner's level
Central Excise Laws	Service Tax	9.41	0.03	2005-2006 to 2014-15	Appellate Authority upto Commissioner's level
	Excise Duty	10.75	-	2007-08 to 2014-15	High Court
		31.57	-	2007-08 to 2009-10	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		93.82	0.55	1994-95 to 1996-97, 1998-99, 1999-00, 2001-02 and 2004-05 to 2016-17	Appellate Authority upto Commissioner's level
		1.04	-	1999-00 to 2002-03	Supreme Court

(viii) According to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and Government except in case of one bank where the negotiation for one time settlement was going on and the payment of installments could not be made till the settlement was arrived at. As such, during the year, there was delay to the extent of Rs 28.20 million for less than 60 days till the settlement made. Such settlement has been made in the month of June, 2017. The Company did not have any due amount of such borrowings at the year-end. The Company did not have any outstanding debentures during the year.

(ix) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer and debt instruments hence, not commented upon.

(x) We have been informed that frauds pertaining to earlier years have been detected in Company's sugar units at Mawana Sugar Works and Nanglamal Sugar Complex where some employees (who have already left the service of the Company) have embezzled aggregate sum of Rs. 29.78 million by forging documents and wrongfully withdrawing payment. FIR has been filed against these employees and necessary legal action in this regard has been initiated to recover the money. No dues are payable to these employees as on date as per books of accounts. (Refer Note 46 of the financial statements).

(xi) According to the information and explanations given by the management, we report that managerial remuneration is in excess of the limits and approvals prescribed under Section 197 of the Act, read with Schedule V thereto to the following personnel and our report includes an Emphasis of Matter in this respect:

Managerial position	Amount involved (in excess of the limit prescribed) (Rs. Million)	Amount due for recovery as at Balance sheet date (Rs. Million)	Financial year ended	Steps taken by Company for securing refund
Mr. Siddharth Shriram (Former Chairman & Managing Director)	7.04	7.04	12 months ended 30.09.2013 & 15 months ended 31.12.2014	Department has declined the request for application of excess remuneration and application is being filed for reopening by the Company
Mr. Rajendra Khanna (Former Whole Time Director)	6.61	6.61	15 months ended 31.12.2014	Department has declined the request for application of excess remuneration and application is being filed for reopening by the Company
Mr. Sunil Kakria (Former Managing Director)	17.33	17.33	October 1, 2012 to July 31, 2013	Department has declined the request for application of excess remuneration and application is being filed for reopening by the Company
Mr. Ashwani Kumar Mehra (Former Whole Time Director)	18.56	18.56	October 1, 2012 to July 31, 2014	Department has declined the request for application of excess remuneration and application is being filed for reopening by the Company

Further, According to the information and explanations given by the management, we report that remuneration of the whole time director for the period from August 2015 to March 2018 is in excess of the limits applicable under Section 197 of the Act, read with Schedule V thereto, by Rs 4.66 million. We are informed by the management that the Company had filed an application with the Central Government, seeking waiver of excess remuneration paid. Our report includes an Emphasis of Matter in this respect.

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

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

(xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and, not commented upon.

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

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

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

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 23, 2018

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF MAWANA SUGARS LIMITED

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

We have audited the internal financial controls over financial reporting of Mawana Sugars Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these standalone 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 internal financial controls over financial reporting with reference to these standalone financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these standalone 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 over financial reporting with reference to these standalone financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone financial statements and such internal financial controls over financial reporting with reference to these standalone financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 23, 2018

BALANCE SHEET AS AT MARCH 31, 2018

Rs. Million

		Notes	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
	ASSETS				
(1)	**Non-current assets**				
	Property, plant and equipment	4	**3,129.25**	3,205.47	4,431.34
	Capital work in progress	4	**83.78**	43.86	28.05
	Financial assets				
	- Investments	5.1	**421.34**	335.75	333.47
	- Loans	5.2	**-**	0.04	0.04
	- Others	5.3	**156.62**	116.27	85.50
	Deferred tax assets (net)	18	**1,473.21**	1,377.37	2,072.05
	Income tax assets (net)	19	**41.05**	21.87	38.16
	Other non- current assets	6	**21.91**	9.97	91.26
	Total Non-current assets		**5,327.16**	5,110.60	7,079.87
(2)	**Current assets**				
	Inventories	7	**4,193.19**	4,405.88	4,168.12
	Financial assets				
	- Trade receivables	8	**511.42**	413.04	697.86
	- Cash and cash equivalents	9	**508.41**	353.76	232.30
	- Other Bank Balances	10	**172.48**	245.41	211.52
	- Others	5.3	**124.68**	987.71	57.16
	Other current assets	6	**101.91**	108.66	206.10
	Assets classified as held for sale	11	**7.78**	6.78	-
	Total current assets		**5,619.87**	6,521.24	5,573.06
	Total Assets		**10,947.03**	11,631.84	12,652.93
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital	12	**391.17**	391.17	391.17
	Other equity		**3,174.21**	3,011.30	(593.27)
	Total equity		**3,565.38**	3,402.47	(202.10)
	LIABILITIES				
(1)	**Non- current liabilities**				
	Financial liabilities				
	- Borrowings	13.1	**970.44**	1,412.50	1,766.48
	- Other financial liabilities	16.1	**4.51**	6.77	63.42
	Provisions	14.1	**111.00**	64.70	79.51
	Total non- current liabilities		**1,085.95**	1,483.97	1,909.41
(2)	**Current liabilities**				
	Financial liabilities				
	- Borrowings	13.2	**-**	-	468.44
	- Trade payables	15	**5,385.74**	4,229.56	7,139.68
	- Other financial liabilities	16.2	**583.86**	1,364.68	2,715.92
	Other current liabilities	17	**197.39**	1,027.16	576.78
	Provisions	14.2	**37.41**	32.29	44.80
	Current tax liabilities (net)	20	**91.30**	91.71	-
	Total current liabilities		**6,295.70**	6,745.40	10,945.62
	Total equity and liabilities		**10,947.03**	11,631.84	12,652.93

Summary of significant accounting policies 2.A

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
				Rs. Million
I	**Income**			
	Revenue from operations	21	**13,416.04**	12,701.16
	Other income	22	**123.29**	93.93
	Total income (I)		**13,539.33**	12,795.09
II	**Expenses**			
	Cost of materials consumed	23	**9,699.22**	7,758.72
	Changes in inventories of finished goods and work-in-progress	24	**172.08**	(468.80)
	Excise duty		**12.60**	794.64
	Employee benefits expense	25	**686.83**	719.94
	Finance costs	26	**209.90**	441.65
	Depreciation expense	27	**239.23**	303.40
	Other expenses	28	**2,529.37**	2,267.44
	Total expenses (II)		**13,549.23**	11,816.99
III	**Profit/ (loss) before exceptional items and tax (I-II)**		**(9.90)**	978.10
IV	**Exceptional Items (Expenses)/Income (net)**	29	**147.59**	3,492.87
V	**Profit before tax (III-IV)**		**137.69**	4,470.97
VI	**Tax expense:**			
	Current tax {net off MAT credit of Rs. 92.56 million (March 31, 2017 -Rs. 137.79 million)}	18	**-**	-
	Adjustment of tax relating to earlier periods	18	**(21.14)**	-
	Deferred tax charge/(credit)	18	**(3.57)**	842.11
	Total tax expense/(credit) (VI)		**(24.71)**	842.11
VII	**Profit for the year**		**162.40**	3,628.86
VIII	**Other Comprehensive Income**			
	Items that will not to be reclassified to statement of profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans	34	**0.78**	(27.81)
	Income tax effect (expenses)/credit		**(0.27)**	9.62
			0.51	(18.19)
IX	**Total comprehensive income of the year {Comprising profit and other comprehensive income for the year} (VII+VIII)**		**162.91**	3,610.67
	Earnings per equity share {Nominal value of share Rs.10/- (March 31, 2017-Rs.10/-)}	30		
	(1) Basic		**4.15**	92.77
	(2) Diluted		**4.15**	92.77

Summary of significant accounting policies 2.A

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

Place: New Delhi
Date: 23.05.2018

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. Million

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flow from operating activities :**		
	Profit before tax	**137.69**	4,470.97
Add :	Depreciation expense	**239.23**	303.40
	Interest expenses	**208.38**	436.12
	Provision for doubtful debts and advances	**3.15**	-
	Loss on sale / write off of property, plant and equipment (net)	**1.02**	0.31
Less:	Interest income	**42.03**	32.28
	Profit on sale of current investments	**1.91**	-
	Liabilities / provision no longer required written back	**65.71**	11.38
	Provision for diminution in the value of investment written back	**-**	10.95
	Profit/(Loss) on sale of Titawi unit (refer note 42)	**(43.28)**	2,347.04
	Write back of Loan Liabilities/Interest Provision (refer note 13(#))	**190.87**	1,145.83
	Operating profit/(loss) before working capital changes	**332.23**	1,663.32
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	**212.73**	(532.58)
	Trade receivables	**(99.83)**	251.93
	Financial assets	**(61.03)**	(12.04)
	Other assets	**13.40**	29.83
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	**1,163.34**	(1,335.59)
	Provisions	**(5.59)**	(55.13)
	Other financials liabilities	**(27.51)**	53.52
	Other liabilities	**(775.91)**	460.93
	Cash generated from operations	**751.83**	524.19
	Direct taxes paid	**(91.01)**	(29.79)
	Net cash flow from operating activities (A)	**660.82**	494.40
B.	**Cash flow from investing activities :**		
	Purchase of property, plant and equipment, including capital advances	**(211.01)**	(191.48)
	Proceeds from sale of property , plant and equipment	**0.11**	0.39
	Movement in other bank balances	**33.36**	(43.51)
	Consideration received on sale of Titawi unit on slump sale	**942.57**	1,384.44
	Profit on sale of current investments	**1.91**	-
	Sale/(purchase) of non-current investments	**(80.00)**	10.95
	Interest received	**31.66**	32.40
	Net cash flow from investing activities (B)	**718.60**	1,193.19
C.	**Cash flow from financing activities :**		
	Repayment of long term borrowings- secured (Refer note 9)	**(1,075.57)**	(1,298.68)
	Repayment of working capital borrowings (Refer note 9)	**-**	(15.00)
	Interest paid	**(149.20)**	(246.05)
	Net cash (used in) financing activities (C)	**(1,224.77)**	(1,559.73)
D.	**Net increase in Cash and cash equivalents (A+B+C)**	**154.65**	127.86
E.	**Cash and cash equivalents at the beginning of the year**	**353.76**	232.30
F.	Cash and cash equivalents pursuant to Titawi unit sale	**-**	6.40
G.	**Cash and cash equivalents at the end of the year (D+E-F)**	**508.41**	353.76

CASH AND CASH EQUIVALENTS	Year ended March 31, 2018	Year ended March 31, 2017
Balances with banks:		
- Current accounts	**342.15**	345.90
Cheque on hand	**0.25**	0.28
Cash on hand	**1.28**	2.46
Fixed deposits with banks	**164.73**	5.12
Total cash and cash equivalents	**508.41**	353.76

Summary of significant accounting policies 2.A

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

Rs. Million

	Equity Share Capital	Other Equity						Total Equity
		Reserves and surplus					Total Other Equity	
		Securities premium reserve	Capital redemption reserve	Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account		
As at April 01, 2016	**391.17**	**1,495.04**	**87.72**	**1,030.17**	**(3,215.52)**	**9.32**	**(593.27)**	**(202.10)**
Add: Profit for the year	-	-	-	-	3,628.86	-	3,628.86	3,628.86
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	(0.42)	(5.68)	(6.10)	(6.10)
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(18.19)	-	(18.19)	(18.19)
As at March 31, 2017	**391.17**	**1,495.04**	**87.72**	**1,030.17**	**394.73**	**3.64**	**3,011.30**	**3,402.47**
Add: Profit for the year	-	-	-	-	162.40	-	162.40	162.40
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	(0.42)	0.42	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	0.51	-	0.51	0.51
As at March 31, 2018	**391.17**	**1,495.04**	**87.72**	**1,030.17**	**557.22**	**4.06**	**3,174.21**	**3,565.38**

* Includes Rs. 991.46 million (March 31, 2017 : Rs. 991.46 million; April 1, 2016: Rs. 991.46 million) representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

Summary of significant accounting policies 2.A

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

Place: New Delhi
Date: 23.05.2018

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

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Company Secretary

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Director
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1. Company Overview

Mawana Sugars Limited ('the Company') is a public limited Company domiciled and incorporated in India under the provisions of the Companies Act, 2013. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at 5th floor, Kirti Mahal, 19 Rajendra Place, New Delhi 110008. As at March 31, 2018, Mr. Siddharth Shriram (including shares held as trustee of Enterprise Trust) owns 63.49% of equity share capital of the Company.

Major products along with principal places of business of the Company are as under:

Products	Principal Places
Sugar (Sugar and Power)	Mawana Sugars Works, Mawana, Uttar Pradesh Nanglamal Sugar Complex, Nanglamal, Uttar Pradesh
Chlor Alkali Products	Siel Chemical Complex, Rajpura, Punjab
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Nanglamal, Uttar Pradesh

The standalone financial statements were approved by the Board of Directors and authorised for issue on 23rd May 2018.

2.A. Summary of significant accounting policies

The accounting policies, as set out below, have been consistently applied, by the Company, to all the years presented in the financial statements.

(i) Basis of preparation

The separate 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 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 ("the Act").

The financial statements of the Company for all periods upto and including the year ended March 31, 2017 were prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 and Companies (Accounting Standard) Rules, 2006 (as amended), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended March 31, 2018 are the first financial statements of the Company prepared in accordance with Ind AS. Refer note 52 for an explanation of how the transition from previous GAAP (Indian GAAP) to Ind AS has affected the Company's financial position, financial performance and cash flows.

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value-

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value,
- Investment in other debt instruments (i.e. preference shares)

The preparation of financial statements requires the use of certain significant accounting estimates and judgements. It also requires the management to exercise judgement in applying the Company's accounting policies. The areas where estimates are significant to the consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 2B.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.'), except per share data and unless stated otherwise and rounded off to nearest Rupees.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(ii) Basis of classification of Current and non-current

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset has been classified as current when it is:

i) Expected to be realised in or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability has been classified as current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(iii) Foreign currencies

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘functional currency’).

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.

(b) Initial recognition

Transactions in foreign currencies are initially recorded in the functional currency at the spot exchange rates prevailing at the date of the transaction when it first qualifies for recognition.

(c) Translation on reporting date

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss.

The equity items denominated in foreign currencies are translated at historical cost.

(iv) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

(v) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.
Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns, rebates etc, taking into account contractually defined terms of payment. Revenue includes excise duty but excludes sales tax, value added tax and goods and service tax.

The following recognition criteria described below must also be met before revenue is recognised:

(a) **Sale of goods** is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates, if any.

(b) **Sale of power** is recognized when the power is delivered by the Company at the delivery point in conformity with the parameters and technical limits and fulfilment of other conditions specified in the Power Purchase agreement. Sale of power is accounted for as per tariff specified in Power Purchase agreement.

(c) **Renewable Energy Certificate (REC)** is recognised as income on sale of REC.

(d) **Interest income** is recognized on a time proportion basis considering the amount outstanding and the rate applicable. For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit and loss.

(vi) Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalment. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

For the outstanding loans received from the Government at the interest rate below the current market rates, is recognized at carrying value of previous GAAP as on date of transition on account of mandatory exemption available for the first time adoption under Ind AS 101.

(vii) Income taxes

Tax expense comprises of current income tax and deferred tax. Current income tax expense are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent there is reasonable certainty that the Company will pay normal tax during the specified period i.e the period for which the MAT credit is allowed to be carried forward. In the year in which the Company recognises MAT credit as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and shown as “MAT credit entitlement” and grouped under Deferred Tax Assets. The Company reviews the “MAT credit entitlement” asset at each reporting date and writes down the asset to the extent the Company does not have reasonable certainty that it will pay normal tax during the specified period.

(viii) Property, plant and equipment (‘PPE’)

On transition to Ind AS i.e. 1st April 2016, the Company has elected to continue with the carrying value of all its property, plant and equipment (PPE) recognized as at 1st April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

Capital work in progress and PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, freehold land is carried at historical cost and other items of PPE are stated at cost less accumulated depreciation and any impairment losses, if any. When significant parts are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When an item of PPE is replaced, then its carrying amount is de-recognised and cost of the new item of PPE is recognised.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories. They are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/ critical spares, whichever is lower.

The expenditures those are incurred after the item of PPE has been put to use, such as repairs and maintenance, are charged to the statement of profit and loss in the period in which such costs are incurred. However, in situations where such expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Company, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on property, plant and equipment is provided on straight line basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below:

Assets	Useful life (Years)
Buildings (including Roads)	5-60
Plant & Equipment	3-40
Office Equipment (including Data Processing Equipment)	3-10
Furniture and Fixtures	5-10
Motor Vehicles	8

The management has estimated the useful life of following assets is different from those indicated in Schedule II

Assets	Useful life (Years)
Building-Green house type shed of Bio-compost yard	25
Building-Polythene membrane	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress is presented separately in the balance sheet.

(ix) Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified, an appropriate valuation model is used.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses, if any, are recognized in Statement of Profit and Loss as a component of depreciation and amortisation expense.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

(x) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Company has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Company as a lessee

a) A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

   A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

b) Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(xi) Inventories

Inventories are valued at the lower of cost and net realisable value.

The Cost is determined as follows:

(a) Stores and spares, Packing Materials, Raw Materials: Moving weighted average method

(b) Work-in-progress: Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing basis.

(c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing basis.

(d) By products included under finished goods: Net realisable Value

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

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

(xii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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 amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost

(xiii) Non-Current Asset held for sale:

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification , and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

xiv) Borrowing Costs

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

Borrowing costs include interest and amortization of ancillary cost incurred in connection with the arrangement of borrowing.

xv) Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.
A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

xvi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the Company by the weighted average number of the equity shares outstanding during the year.
For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders of the Company and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

(xvii) Employee benefits

The Company's employee benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans, compensated absences and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Company employees.

(a) Defined contribution plans

The Company's contribution to provident fund, pension scheme, employee state insurance corporation, etc. are considered as defined contribution plans and are recognised in profit or loss as and when the services are rendered by employees. The Company has no further obligations under these plans beyond its periodic contributions.

(b) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods, however, included in retained earnings in the statement of change in equity and in the balance sheet.

(c) Compensated Absences Benefits

The employees of the Company are entitled to compensated absences. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment. The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out annually as at the reporting date, using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.
The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(xviii) Research and Development

Revenue Expenditure on research and development is expensed out under respective heads of account in the year in which it is incurred.
Development expenditure is recognised as an asset at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and asset is available for use. It is amortised over the period of expected future benefits.

(xix) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Non-derivative financial instruments

i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

(b) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

i) Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

ii) Borrowings

On initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

(c) Derecognition of financial instruments

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of the financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

(d) Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments

(e) Impairment of financial assets

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. 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 recognized as an impairment gain or loss in statement of profit or loss.

(f) Reclassification

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Company's senior management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. Such changes are evident to external parties. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the standalone balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(xx) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits and liquid fund investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xxi) Cash dividend

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 34.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(f) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date.

3. Standards issued but not effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.
The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Company plans to adopt the new standard on the required effective date using the full retrospective method.

The Company is in the process of making an assessment of the impact of Ind-AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

4. Property, Plant & Equipment

Rs. Million

	Land	Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Cylinders on finance lease	Total	Capital work in progress
Gross Block									
(At cost)									
As at April 01, 2016	273.48	537.43	3,582.74	11.38	1.88	1.45	22.98	4,431.34	28.05
Additions	1.03	147.78	64.85	2.02	0.13	4.31		220.12	222.14
Disposals	-	-	(0.16)	(0.44)	(0.01)	(0.31)	-	(0.92)	(206.33)
Reclassified as assets held for sale	-	-	(28.07)	(0.01)	-	-	-	(28.08)	-
Disposals on account of slump sale[1]	(21.65)	(133.74)	(1,013.71)	(1.85)	(0.15)	-	-	(1,171.10)	-
As at March 31, 2017	252.86	551.47	2,605.65	11.10	1.85	5.45	22.98	3,451.36	43.86
Additions	-	34.73	125.25	4.33	0.57	0.26	-	165.14	151.43
Disposals	-	-	(5.46)	-	(0.02)	-	(4.31)	(9.79)	(111.51)
Reclassified as assets held for sale	-	-	(5.19)	-	-	-	-	(5.19)	-
As at March 31, 2018	**252.86**	**586.20**	**2,720.25**	**15.43**	**2.40**	**5.71**	**18.67**	**3,601.52**	**83.78**
Depreciation and impairment									
As at April 01, 2016	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	25.70	258.63	6.14	0.98	0.51	11.44	303.40	-
Disposals	-	-	(0.01)	(0.20)	(0.01)	(0.05)	-	(0.27)	
Reclassified as assets held for sale	-	-	(21.29)	(0.01)	-	-	-	(21.30)	
Disposals on account of slump sale[1]	-	(4.71)	(30.71)	(0.47)	(0.05)	-	-	(35.94)	-
As at March 31, 2017	-	20.99	206.62	5.46	0.92	0.46	11.44	245.89	-
Depreciation charge for the year	-	32.03	194.29	3.71	0.34	0.83	8.03	239.23	
Disposals	-	-	(5.04)	-	(0.01)	-	(4.31)	(9.36)	
Reclassified as assets held for sale	-	-	(3.49)	-	-	-	-	(3.49)	
As at March 31, 2018	**-**	**53.02**	**392.38**	**9.17**	**1.25**	**1.29**	**15.16**	**472.27**	**-**
Net book value									
As at March 31, 2018	**252.86**	**533.18**	**2,327.87**	**6.26**	**1.15**	**4.42**	**3.51**	**3,129.25**	**83.78**
As at March 31, 2017	252.86	530.48	2,399.03	5.64	0.93	4.99	11.54	3,205.47	43.86

Notes :

1. Refer note 42
2. Refer note 13 for information on property, plant and equipment pledged as security.
3. The Company has reassessed and made downward revision in the useful life of certain plant and equipment of Sugar units of the Company, in view of this change, the depreciation for the year is higher by Rs 4.26 million. However there is no impact on the results of the Company since these assets have already been sold/are held for sale.

5. Financial Assets

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5.1	**Investments**			
	Non- current			
(I)	**Equity Investment in subsidiaries**			
	Quoted equity instruments at cost			
	10,613,382 (March 31, 2017: 10,613,382, April 01, 2016: 10,613,382) equity shares of Rs. 10 each fully paid up of Siel Financial Services Limited	**203.13**	203.13	203.13
	Less: Provision for diminution in value	**(203.13)**	(203.13)	(203.13)
		-	-	-
	Unquoted equity instruments at cost			
	14,025,000 (March 31, 2017: 14,025,000, April 01, 2016: 14,025,000) equity shares of Rs. 10 each fully paid up of Siel Industrial Estate Limited	**140.25**	140.25	140.25
	13,761,617 (March 31, 2017: 13,761,617, April 01, 2016: 13,761,617) equity shares of Rs. 100 each fully paid up of Siel Infrastructure & Estate Developers Private Limited	**152.49**	152.49	152.49
	-Equity portion of compound financial instrument (Preference Shares)			
	120,00,000 (March 31, 2017: 40,00,000, April 01, 2016: 40,00,000) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	**36.62**	12.21	12.21
(II)	**Other Investments**			
	Unquoted equity instruments at cost[1]			
	2 (March 31, 2017: 2, April 01, 2016: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Mawana Co-operative Development Union Limited (# Rs. 10)	**#**	#	#
	2 (March 31, 2017: 2, April 01, 2016: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10)	**#**	#	#
	Investments in Unquoted Preference Shares carried at amortized cost			
	Investment in subsidiaries			
	120,00,000 (March 31, 2017: 40,00,000, April 01, 2016: 40,00,000) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited (Refer note 44 (c))	**91.98**	30.80	28.52
	NIL (March 31, 2017: NIL, April 01, 2016: 730,000) 5% Preference shares of Rs.100 each fully paid-up of Siel Financial Services Limited[2]	**-**	-	73.00
	Less : Provision for diminution in the value of above investment	**-**	-	(73.00)
	Total	**421.34**	335.75	333.47
	Aggregate value of unquoted investments	**421.34**	335.75	333.47
	Aggregate value of quoted investments	**-**	-	-

[1] Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Company.

[2] During the previous year, the Company had received Rs. 10.95 million towards full and final redemption of 730,000 5% Redeemable Cumulative Preference Shares of Siel Financial Services Limited.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5.2	**Loans**			
	(Unsecured, considered good except, unless otherwise stated)			
	Non- current			
	Dues from employees-Doubtful Rs. 0.04 million (March 31, 2017-Nil, April 01, 2016-Nil)	**0.04**	0.04	0.04
	Loan and advances to related parties *(Refer note 35)			
	- Doubtful	**36.59**	36.59	36.59
	Other Loans and advances			
	- Doubtful	**116.49**	116.49	116.49
		153.12	153.12	153.12
	Less : Provision for doubtful advances	**153.12**	153.08	153.08
	Total	**-**	0.04	0.04
5.3	**Other financial assets**			
	(Unsecured, considered good except, unless otherwise stated)			
	Non- current			
	Security deposits			
	Considered Good	**116.30**	116.27	85.50
	Considered Doubtful	**0.53**	0.53	0.53
	Fixed Deposits with banks (Margin money)	**35.94**	-	-
	Fixed Deposits with banks (Earmarked)	**3.63**	-	-
	Interest accrued on deposits	**0.75**	-	-
		157.15	116.80	86.03
	Less : Provision for doubtful advances	**0.53**	0.53	0.53
		156.62	116.27	85.50
	Current			
	Unsecured Considered Good			
	- Unbilled Receivable	**67.35**	58.27	27.07
	- Security deposits	**0.92**	3.25	3.64
	- Dues from employees	**1.04**	2.32	0.44
	Other Loans and advances			
	- Considered Good	**28.51**	900.63	-
	- Considered Good- Related Parties* (Refer note 35)	**8.28**	8.69	7.91
	- Considered Doubtful-Others	**6.61**	6.61	6.61
	Interest accrued on deposits	**18.58**	14.55	18.10
		131.29	994.32	63.77
	Less : Provision for doubtful advances	**6.61**	6.61	6.61
		124.68	987.71	57.16
	Total	**281.30**	1,103.98	142.66

Break up of financial assets carried at amortised cost:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments (Refer to note 5.1)	**421.34**	335.75	333.47
Loans (Refer to note 5.2)	**-**	0.04	0.04
Trade receivables (Refer to note 8)	**511.42**	413.04	697.86
Cash and cash equivalents (Refer to note 9)	**508.41**	353.76	232.30
Other Bank Balances (Refer to note 10)	**172.48**	245.41	211.52
Others financial assets (Refer to note 5.3)	**281.30**	1,103.98	142.66
Total	**1,894.95**	2,451.98	1,617.85

* Loans to related parties are interest free in nature.

6. Other assets

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good except, unless otherwise stated)			
Non- Current			
Capital advances			
-Other than related party	**21.47**	1.18	34.03
Taxes and other balances with government authorities	**-**	7.66	7.68
Prepaid expenses	**0.44**	0.16	0.62
Other advances- considered doubtful Rs. 2.99 million (March 31, 2017 Rs. 1.29 million, April 01, 2016- Rs. 1.29 million)	**2.99**	2.26	50.22
	24.90	11.26	92.55
Less : Provision for doubtful advances	**2.99**	1.29	1.29
	21.91	9.97	91.26
Current			
Taxes and other balances with government authorities	**35.17**	50.60	68.10
Prepaid expenses	**14.84**	16.32	20.43
Advances to vendors	**24.30**	14.74	14.26
Claim recoverable	**14.56**	15.03	70.13
Other advances	**13.04**	11.97	33.18
	101.91	108.66	206.10
Total	**123.82**	118.63	297.36
Total non-current	**21.91**	9.97	91.26
Total current	**101.91**	108.66	206.10

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

7. Inventories

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw and packing materials	**112.06**	147.98	85.85
Work-in-progress	**136.26**	126.49	67.67
Finished goods {includes material in transit Rs. 4.34 million (March 31, 2017- Rs. 106.19 million, April 01, 2016-Nil)}	**3,780.89**	3,962.74	3,813.67
Stores and Spares	**163.98**	168.67	200.93
Total	**4,193.19**	4,405.88	4,168.12

8. Trade receivables

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)			
Outstanding for a period exceeding six months from the due date for payment			
Secured - considered good	**0.20**	0.20	0.23
Unsecured - considered good	**6.07**	7.41	8.62
Unsecured - considered good -related party (Refer note 35)	**16.24**	16.22	-
- considered doubtful	**2.67**	1.25	53.75
	25.18	25.08	62.60
Less: Provision for doubtful debts	**2.67**	1.25	53.75
	22.51	23.83	8.85
Other receivables			
Secured - considered good	**6.51**	8.43	5.71
Unsecured - considered good -related party (Refer note 35)	**134.03**	93.06	87.54
- considered good	**348.37**	287.72	595.76
Total	**511.42**	413.04	697.86

No trade or other receivables are due from directors of the Company.
Trade receivables except Mawana Foods Private Limited are non interest bearing during normal credit periods and are generally on terms of 30 days.

9. Cash and cash equivalents

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks:			
- Current accounts	**342.15**	345.90	230.59
Cheque on hand	**0.25**	0.28	-
Cash on hand	**1.28**	2.46	1.71
Fixed deposits with banks (with original maturity of 3 months or less)	**164.73**	5.12	-
Total	**508.41**	353.76	232.30

Changes in liabilities arising from financing activities

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	**2,423.58**	3,978.30	
Cash Flows	**(1,075.57)**	(1,313.68)	
Changes in fair values	**189.80**	405.41	
Waiver on one time settlement	**(125.31)**	(640.78)	
Others	**-**	(5.67)	
Closing Balance	**1,412.50**	2,423.58	3,978.30

10. Other bank balances

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance held as margin money or security against borrowings, guarantees and other commitments	**144.49**	241.54	198.58
Escrow accounts	**25.31**	-	-
Fixed deposits with banks (Earmarked)	**2.68**	3.87	12.94
Total	**172.48**	245.41	211.52

11. Assets classified as held for sale

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Plant and equipment	**7.78**	6.78	-
Office equipment	**#**	#	-
Total	**7.78**	6.78	-

 # Office equipments of Rs. 2500/-

12. Share Capital

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised* :			
100,000,000 (March 31, 2017: 100,000,000, April 01, 2016 : 175,000,000) equity shares of Rs. 10 each	**1000.00**	1,000.00	1,750.00
7,500,000 (March 31, 2017: 7,500,000, April 01, 2016 : NIL) preference shares of Rs. 100 each	**750.00**	750.00	-
	1,750.00	1,750.00	1,750.00
Issued :			
39,116,864 (March 31, 2017: 39,116,864, April 01, 2016 : 39,116,864) equity shares of Rs. 10 each fully paid up	**391.17**	391.17	391.17
Subscribed and fully paid up :			
39,116,864 (March 31, 2017: 39,116,864, April 01, 2016 : 39,116,864) equity shares of Rs. 10 each fully paid up	**391.17**	391.17	391.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

a) Reconciliation of authorised, issued , subscribed and fully paid up share capital:

i. Reconciliation of authorised share capital as at year end :

	Equity shares	
	Number of shares	**Rs. Million**
At April 01, 2016	**175,000,000**	**1,750.00**
Increase/(decrease) during the year	(75,000,000)	(750.00)
At March 31, 2017	**100,000,000**	**1,000.00**
Increase/(decrease) during the year	-	-
As at March 31, 2018	**100,000,000**	**1,000.00**

	Preference shares	
	Number of shares	**Rs. Million**
At April 01, 2016	-	-
Increase/(decrease) during the year	7,500,000	750.00
At March 31, 2017	**7,500,000**	**750.00**
Increase/(decrease) during the year	-	-
As at March 31, 2018	**7,500,000**	**750.00**

ii. Reconciliation of issued ,subscribed and fully paid up share capital at the beginning and end of the reporting year:

	Number of shares	**Rs. Million**
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2016	**39,116,864**	**391.17**
Issued during the year	-	-
At March 31, 2017	**39,116,864**	**391.17**
Issued during the year	-	-
At March 31, 2018	**39,116,864**	**391.17**

* The Company had changed its Authorised Share Capital from 175,000,000 Equity Shares of Rs. 10/- each to 100,000,000 Equity shares of Rs. 10/- each aggregating to Rs.1,000 million and 7,500,000 Preference Shares of Rs. 100/- each aggregating to Rs.750 million in AGM held on 13.06.2016.

b) Terms/ rights attached to equity shares:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of Section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Company. Each holder of equity shares have a right to receive per share dividend declared by the Company. In event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year, no interim/ final dividend has been paid or proposed by the Company.

c) Details of shareholders holding more than 5% of equity shares in the company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	No. of shares held	% holding in the equity shares	No. of shares held	% holding in the equity shares	No. of shares held	% holding in the equity shares
Siddharth Shriram (including shares held as trustee of Enterprise Trust)	**24,834,248**	**63.49%**	27,334,248	69.88%	27,334,248	69.88%

As per records of the Company including its register of shareholders/members and other declarations received form share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

13. Borrowings[1&#]

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
13.1 Non current borrowings (at amortised cost)			
Secured (Refer note 13.3)			
Term loans			
- From banks	**101.96**	891.58	1,377.51
- From financial institutions	**1,263.84**	1,429.70	1,605.41
- From others	**42.12**	83.64	452.50
	1,407.92	2,404.92	3,435.42
Funded interest term loans			
- From banks	**-**	4.50	39.03
- From financial institution	**-**	-	8.62
	-	4.50	47.65
Obligation under finance lease (Secured){Refer note-31a}	**4.58**	14.16	26.79
	1,412.50	2,423.58	3,509.86
Less: Amount clubbed under "other financial liabilities"[2] (Refer Note 16)	**442.06**	1,011.08	1,743.38
	970.44	1,412.50	1,766.48
13.2 Current borrowings			
Secured (Refer note 13.3)			
Loans repayable on demand - Cash credit/overdrafts from banks	**-**	-	468.44
	-	-	468.44
Total borrowings	**970.44**	1,412.50	2,234.92

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

[1]The period and amount of continuing default in repayment of borrowings as at the year end:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end
Borrowings						
Term loans :						
From banks	-	-	391.97	1-1339	1,155.07	1-974
From others	-	-	-	-	244.51	1-974
Funded interest term loan :						
From banks	-	-	4.50	1-1339	39.03	1-974
From others	-	-	-	-	8.62	1-974
Interest accrued and due on borrowings:						
Term loans						
From banks	-	-	198.29	1-1339	572.74	1-974
From others	-	-	-	-	122.52	1-974
Cash credit/overdraft	-	-	-	-	162.76	1-974

[2]Details of current maturities of long term borrowings are as under:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings			
Term loans			
From banks	**101.96**	789.62	1,318.28
From financial institution	**310.49**	165.88	291.63
From others	**25.03**	41.50	73.19
Funded interest term loan			
From banks	**-**	4.50	39.03
From financial institution	**-**	-	8.62
Current maturity of finance lease obligation	**4.58**	9.58	12.63
Total	**442.06**	1,011.08	1,743.38

#a The Company has completely resolved the debts availed from all the lender banks, with the One Time Settlement (OTS) concluded with the last lender bank and paid entire OTS amount during the period. The Company has recognized reversal of loan and interest liabilities with net gain of Rs. 190.87 million under exceptional items in the Statement of Profit and Loss.

#b During the period ended March 2016, pursuant to an assignment of all rights, titles and interest in the financial assistance i.e Long term borrowings, Short term borrowing, cash credit, Funded Interest Term Loan and interest thereon outstanding with two term lenders assigned to an Asset Reconstruction Company, an amount of Rs. 2,210.00 million which was earlier restructured for repayment till March 2023 resulted in NPV gain of Rs. 1520.77 million, same was credited to retained earnings as on April 01,2016. This loan has been rescheduled for repayment till March 2021 in the previous year ended March 31, 2017 resulted in NPV loss of Rs. 287.60 million which has been reflected as a loss under exceptional item in the Statement of Profit and Loss.

The Company has resolved its debt liability with one more lender during the previous year ended March 31, 2017, by way of one time settlement (OTS), which resulted in the waiver of principal and interest amounting to Rs. 405.32 million and has been reflected as a gain under exceptional item in the Statement of Profit and Loss. In terms of the settlement, the OTS amount is payable till 30th June, 2018.

#c During the year ended March 31, 2017, The Company had effected one time settlement agreements with three lenders and paid the entire agreed amount, which resulted in the waiver of principal and interest amounting to Rs. 1028.23 million and has been reflected as a gain under exceptional item in the Statement of Profit and Loss.

13.3 Security Clause

A. Term loans and funded interest term loans

1. From Banks:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**Rate of interest**	**Nature of Security**
i.	**-**	408.98	1,377.51	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.
ii.	**101.96**	482.60		0%	
iii.	**-**	4.50	39.03	0% (Funded Interest Term Loan)	

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

2. From financial institutions:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**Rate of interest**	**Nature of Security**
i	**1263.84**	1429.70	1313.79	0%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.
ii.	**-**	-	291.62	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable property, plant and equipment (other than cylinder on finance lease) of the Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.
iii.	**-**	-	8.62	0% (Funded Interest Term Loan)	

3. From others:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**Rate of interest**	**Nature of Security**
i	**25.64**	34.19	42.74	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Mawana Sugar Works, situated at Mawana District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).

ii	**-**	-	253.04	4%	The loan, taken from Government of India under Sugar Development Fund (SDF), was secured by an exclusive second charge on all movable and immovable properties of the then Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
iii	**-**	-	63.02	6.50%	(i) The loan, taken from Government of India under Sugar Development Fund (SDF), was secured by first pari-passu charge on all movable and immovable properties of the then Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts). (ii) This loan was further secured by personal guarantee of erstwhile Chairman and Managing Director of the Company.
iv.	**-**	-	11.30	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Nanglamal Sugar Complex, situated at Nanglamal District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
v	**16.48**	49.45	82.40	4%	

B. Loans repayable on demand - Cash credit/overdrafts from banks

i. Cash credit / overdraft amounting to Nil (31 March, 2017 Nil; 1 April, 2016 Rs. 422.10 million) were secured by first pari-passu charge on the current assets of the Company and third pari-passu charge on the property, plant and equipments of sugar units of the Company. This limit was also secured by second pari-passu charge on the property, plant and equipments of chemical division of the Company. Further, these loans were also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

ii. Cash credit amounting to Nil (31 March, 2017 Nil, 1 April, 2016 Rs. 46.34 million) were secured by first pari-passu charge on the current assets of the Company and property, plant and equipments (other than cylinder on finance lease) of chemical division of the Company situated at Rajpura in the state of Punjab.

iii The outstanding amount of the cash credit facility availed from one of the lender bank which was assigned to an Asset Restructuring Company has been merged with the total restructured debt with them and in the case of other lender bank, the same is merged with the settled amount under One Time settlement as agreed with them.

14. Provisions:

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	**Non- current :**			
	Provision for employee benefits			
	- Provision for gratuity(Refer note 34)	**111.00**	64.70	79.51
		111.00	64.70	79.51
2	**Current :**			
	Provision for employee benefits			
	- Provision for gratuity(Refer note 34)	**14.60**	10.05	20.41
	- Provision for compensated absences	**22.81**	22.24	24.39
		37.41	32.29	44.80
	Total	**148.41**	96.99	124.31

15. Trade payables:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables (including acceptance) :			
- Outstanding dues to related parties (Refer note 35)	**20.59**	17.58	6.95
-Outstanding dues to micro and small enterprises (Refer note 43)[3]	**3.34**	10.38	16.98
- Outstanding dues to others	**5,361.81**	4,201.60	7,115.75
Total	**5,385.74**	4,229.56	7,139.68

1 For maturity profile of trade payable and other financial liabilities refer note 38.

2 For explanation on the Company's credit risk management processes, Refer note 38

3 Including interest Rs. 0.10 million (March 31, 2017 : Rs. 8.60 million, April 01,2016: Rs. 11.98 million) interest outstanding due to Micro and Small enterprises.

16. Other financial liabilities:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
16.1 Non Current at amortised cost :			
Interest accrued but not due on borrowings	**4.51**	6.77	63.42
Total	**4.51**	6.77	63.42
16.2 Current at amortised cost :			
Current maturities of long term borrowings (Refer note 13)	**442.06**	1,011.08	1,743.38
Interest accrued but not due on borrowings	**2.76**	3.10	7.93
Interest accrued and due on borrowings	**-**	198.29	857.37
Trade deposits -Dealers and others	**47.23**	38.18	48.88
Employees related payables	**49.01**	85.57	35.21
Payable towards capital goods	**42.80**	28.46	23.15
Total	**583.86**	1,364.68	2,715.92

Breakup of financial liabilities at amortised cost:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Refer to note 13)	**970.44**	1,412.50	2,234.92
Trade payables (Refer to note 15)	**5,385.74**	4,229.56	7,139.68
Current maturities of long term borrowings	**442.06**	1,011.08	1,743.38
Security deposits received	**47.23**	38.18	48.88
Interest accrued	**7.27**	208.16	928.72
Employees related payables	**49.01**	85.57	35.21
Payable towards capital goods	**42.80**	28.46	23.15
Total	**6,944.55**	7,013.51	12,153.94

17. Other current liabilities:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance received from customers and others	**34.25**	495.20	49.04
Statutory liabilities	**103.77**	393.62	386.74
Income Received in Advance	**-**	5.51	-
Interest on income tax payable	**14.86**	3.00	-
Miscellaneous	**44.51**	129.83	141.00
Total	**197.39**	1,027.16	576.78

18. Income Tax:

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017:

Profit or loss section:

Rs. Million

	As at March 31, 2018	As at March 31, 2017
Tax Expense:		
Current income tax charge	**92.56**	137.79
MAT Credit Entitlement	**(92.56)**	(137.79)
Adjustments in respect of current income tax of previous year	**(21.14)**	-
Deferred tax:		
Relating to origination and reversal of temporary differences	**(3.57)**	842.11
Income tax expense reported in the statement of profit or loss	**(24.71)**	842.11

Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year:

Rs. Million

	As at March 31, 2018	As at March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	**(0.27)**	9.62
Deferred tax charged to OCI	**(0.27)**	9.62

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and March 31, 2017:

Rs. Million

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax (including item of OCI)	**138.47**	4,443.16
Tax expenses @ applicable income tax rate of 34.608%	**47.92**	1,537.69
Tax effect of change in Tax rate	**(11.58)**	-
Tax effect of sale of TSC unit on Slump Sale basis	**-**	(250.51)
Tax effect of redemption of preference shares	**-**	(3.79)
Tax effect of extinguishment of loan	**(43.79)**	(256.32)
Tax effect on set off of carried forward capital loss	**-**	(199.13)
Tax effect on Permanent difference	**4.14**	4.57
Adjustments in respect of current income tax of previous year	**(21.14)**	-
Income tax expense/(credit) reported in the statement of profit and loss & OCI	**(24.45)**	832.51

Rs. Million

Deferred tax:	Balance sheet				
	As at April 01, 2016	Provided during the year	As at March 31, 2017	**Provided during the year**	**As at March 31, 2018**
Deferred tax assets relates to the following					
Provision for doubtful debts and advances	74.50	(18.17)	56.33	**1.15**	**57.48**
Disallowances u/s 43 B	677.49	(122.96)	554.53	**(279.44)**	**275.09**
Unabsorbed depreciation and carry forward tax Loss	2,845.47	(1,055.44)	1,790.03	**154.01**	**1,944.04**
MAT credit	-	137.79	137.79	**92.55**	**230.34**
Total deferred tax assets (A)	3,597.46	(1,058.78)	2,538.68	**(31.73)**	**2,506.95**
Deferred tax liabilities relates to the following					
Accelerated depreciation for tax purposes	995.02	(311.70)	683.32	**(17.43)**	**665.89**
Discounting of financial liabilities	526.31	(49.73)	476.58	**(111.73)**	**364.85**
Others	4.08	(2.67)	1.41	**1.59**	**3.00**
Total deferred tax liabilities (B)	1,525.41	(364.10)	1,161.31	**(127.57)**	**1,033.74**
Net Deferred Tax Assets (A-B)	2,072.05	(694.68)	1,377.37	**95.84**	**1,473.21**

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Company has till date recognised Rs. 230.34 million (March 31, 2017 Rs. 137.79 million: April 01, 2016: Rs. Nil million) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above MAT credit entitlement.

The Company has till date recognised Rs. 1944.04 million (March 31, 2017 Rs. 1790.03 million: April 01, 2016: Rs. 2845.47 million) as deferred tax assets on unabsorbed depreciation and carried forward tax loss, which the management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above deferred tax assets.

19. Income tax assets (net):

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance tax	**41.05**	21.87	38.16
Total	**41.05**	21.87	38.16

20. Current tax liabilities:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for taxation	**91.30**	91.71	-
Total	**91.30**	91.71	-

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

21. Revenue from operations:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)		
Finished Goods	**13,202.96**	12,481.69
Other operating revenue:		
Sale of REC license	**195.37**	131.13
Sale of scrap	**15.67**	13.98
Duty draw back and other export benefits	**-**	72.56
Other operating revenue	**2.04**	1.80
Total revenue from operations	**13,416.04**	12,701.16

Details of products sold:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sugar	9,635.06	9,022.86
Industrial Alcohol	556.58	645.73
Power	349.59	291.15
Chlor Alkali	2,563.61	2,322.22
Others	98.12	199.73
Total	**13,202.96**	12,481.69

22. Other income:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income[1]		
- Interest from banks	**17.82**	8.27
- Interest on income tax refunds	**0.64**	2.01
- Interest from others	**17.99**	19.72
Interest income on financial assets valued at amortized cost	**5.58**	2.28
Rent received	**0.53**	0.49
Profit on sale of current investments	**1.91**	-
Provision/Liabilities no longer required written back	**65.71**	11.38
Provision for diminution in the value of investment written back	**-**	10.95
Miscellaneous income[2]	**13.11**	38.83
Total	**123.29**	93.93

[1]Total income (calculated using effective interest method) for financials assets that are not at fair value through profit and loss.

In relation to financial assets classified at amortised cost	**42.03**	**32.28**
In relation to financial assets classified at fair value through other comprehensive income	**-**	**-**
Total	**42.03**	**32.28**

[2] Includes Rs. 5.51 million (March 31, 2017: Rs. 38.25 million) received from Delhi Development Authority (DDA) pursuant to judgment of Honorable Supreme Court of India.(Refer note 41)

23. Cost of materials consumed:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the beginning of the year	**147.98**	85.85
Add: Purchases made during the year	**9,724.76**	7,854.93
	9,872.74	7,940.78
Less : Reversal of purchase tax liability provided in earlier years/refund of purchase tax	**61.46**	31.57
Less :Transferred pursuant to the business transfer agreement	**-**	2.51
Less: Inventory at the end of the year	**112.06**	147.98
Cost of materials consumed	**9,699.22**	7,758.72

Details of materials consumed are as under:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sugar cane	**9,103.61**	7,287.25
Salt	**259.01**	245.60
Hydrated lime	**56.06**	53.97
Packing Materials	**177.16**	147.22
Others	**103.38**	90.14
Total	**9,699.22**	7,824.18

Details of inventory: Raw materials:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sugar Cane	**18.93**	15.58
Salt	**27.41**	15.72
Hydrated lime	**0.32**	0.71
Packing Materials	**32.35**	26.31
Others	**33.05**	89.66
Total	**112.06**	147.98

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

24. Changes in inventories of finished goods and work-in-progress:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year		
- Finished goods	**3,780.89**	3,962.74
- Work in progress	**136.26**	126.49
Total B	**3,917.15**	4,089.23
Inventories at the beginning of the year		
- Finished goods	**3,962.74**	3,813.67
- Work in progress	**126.49**	67.67
Total A	**4,089.23**	3,881.34
Transferred pursuant to the business transfer agreement		
Finished goods	**-**	260.05
Work-in-progress	**-**	0.86
Total C	**-**	260.91
Total (A-B-C)	**172.08**	(468.80)

Details of inventory:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Finished Goods		
Sugar	**3,720.01**	3,465.62
Industrial Alcohol	**1.50**	5.12
Chlor Alkali	**3.15**	8.99
Others	**56.23**	483.01
Total	**3,780.89**	3,962.74
Work-in-progress		
Sugar	**105.69**	94.97
Chlor Alkali	**15.39**	10.51
Others	**15.18**	21.01
Total	**136.26**	126.49

25. Employee benefits expense:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**595.12**	623.98
Contribution to provident and other funds	**42.99**	45.00
Gratuity*	**14.95**	17.48
Staff welfare expenses	**33.77**	33.48
Total	**686.83**	719.94

* (Refer note 34)

26. Finance costs:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on borrowings	**202.81**	424.61
Interest on others*	**4.71**	9.33
Finance charges payable under finance lease	**0.86**	2.19
Other borrowing costs	**1.52**	5.52
Total finance cost	**209.90**	441.65

Total interest expenses (calculated using effective interest method) for financials liabilities that are not at fair value through profit and loss.

In relation to financial liabilities classified at amortised cost	**202.81**	424.61
In relation to financial liabilities classified at fair value through other comprehensive income	**-**	-
Total	**202.81**	424.61

*Including interest on income tax Rs. 11.86 million (March 31, 2017 : Rs. 3.00 million) and reversal of Interest liability on dues to Micro, Small and Medium Enterprises of Rs. 7.15 million (March 31, 2017 : Nil) .

27. Depreciation expense:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets (Refer to note 4)	**239.23**	303.40
Total	**239.23**	303.40

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

28. Other expenses:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spare parts	**493.42**	345.97
Power, fuel, water etc.	**1244.17**	1,321.96
Commission to indenting and ordering agent	**25.28**	21.37
Repairs		
- Building	**27.66**	10.48
- Plant and Equipment	**139.28**	78.66
- Others	**9.58**	10.98
Rent paid	**21.48**	18.91
Payment to statutory auditors (Refer details below)	**5.11**	5.88
Insurance (net)	**8.54**	9.12
Rates and taxes	**14.66**	27.45
Jobs on contract	**155.04**	135.49
Freight and transport	**86.33**	53.84
Net loss on foreign currency transactions	**0.20**	0.86
Legal and professional expenses	**100.01**	82.38
Irrecoverable balances written off	**8.83**	54.23
Loss on sale/write off of Property, plant and equipment	**1.02**	0.31
CSR Expenditure	**0.70**	-
Provision for doubtful debts and advances	**3.15**	-
Miscellaneous expenses	**184.91**	89.55
Total	**2,529.37**	2,267.44

Payment to statutory auditors

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
As auditors		
Audit fee	**1.40**	2.00
Tax audit fee	**0.50**	0.41
Out of pocket expenses	**0.41**	0.27
In other capacity		
For limited review of unaudited financial results	**0.90**	2.10
For verification of statement and other reports	**1.90**	1.10
Total	**5.11**	5.88

29. Exceptional Items:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Profit/(Loss) on sale of Titawi unit (refer note 42)	**(43.28)**	2,347.04
Write back of loan liabilities/interest provision (refer note 13(#))	**190.87**	1,145.83
Total	**147.59**	3,492.87

30. Earnings per share (EPS)

a) Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.

b) The following reflects the income and share data used in the basic and diluted EPS computations:

	Year ended March 31, 2018	Year ended March 31, 2017
Profit after tax and exceptional item as per the statement of Profit and Loss (Rs. in Millions)	**162.40**	3,628.86
Weighted average number of equity shares for basic and diluted EPS	**39,116,864**	39,116,864
Basic and diluted earnings per share (in Rs.)	**4.15**	92.77
Face Value per share (in Rs.)	**10.00**	10.00

31. Commitments and Contingencies

(a) Leases

Operating Lease — as lessee

The Company has entered into the operating leases on properties with lease term upto one year. The Company has the option to renew the lease at the end of each year. There are no restrictions imposed by the lease arrangements. There are no subleases.

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Lease rentals recognized during the year	**21.48**	18.91

Finance Lease - as lessee

The Company has finance lease for chlorine cylinder. The Company's obligation under finance leases are secured by the lessor 's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are as follows.

Rs. Million

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Minimum Lease Payments (MLP)	**Present Value of MLP**	Minimum Lease Payments (MLP)	Present Value of MLP	Minimum Lease Payments (MLP)	Present Value of MLP
Within one year	**4.81**	**4.58**	11.78	9.58	22.66	12.63
After one year but not more than five years	**-**	**-**	4.81	4.58	21.95	14.16
More than five years	**-**	**-**	-	-		
Total Minimum Lease Payments	**4.81**	**4.58**	16.59	14.16	44.61	26.79
Less: amount representing finance charges	**0.23**	**-**	2.43	-	17.82	-
Present value of Minimum Lease Payments	**4.58**	**4.58**	14.16	14.16	26.79	26.79

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(b) Commitments

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	**19.70**	3.30	95.92
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	**#**	#	#
Total	**19.70**	3.30	95.92

(c) Contingent Liabilities in respect of:

(i) Income Taxes/Central Excise/Service Tax/Value Added Tax and other taxes

Rs. Million

Nature of Dispute	Description	Period#	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax	Regarding Interest on TDS Liability	2017-18	**2.63**	-	-
Income Tax	Regarding Carried Forward of losses for AY 1997-98*	1998-99	**30.28**	30.28	30.28
Income Tax	Regarding penalty levied u/s 271(1)(c) **	2001-02	**-**	306.42	306.42
Cenvat Credit Rules 2004	Demand Notice received from Central Excise Department towards wrong availment of cenvat credit taken.	1994-95 to 1996-97, 1998-99, 1999-00 to 2002-03 ,2006-07 and 2004-05 to 2016-17	**64.31**	50.82	89.80
Central Excise and Service Tax	Demand notice received from Central Excise and Service tax Department regarding dispute on levy of service tax and excise duty.		**91.04**	110.11	213.36
Interest/ Penalty	Demand notice received from Central Excise and Service tax Department regarding penalty and Interest imposed.		**2.36**	2.36	0.79
Sales Tax	Demand notice received from Commercial tax Department regarding dispute on levy of sales tax	2006-07, 2009-10 to 2013-14	**54.99**	51.49	84.79
	Total		**245.61**	551.48	725.44

* A sum of Rs. 30.28 million has been deposited with Income Tax Authorities and is appearing under income tax assets in the balance sheet.

Period in respect of Income Tax represents Assessment Year

** the matter have been decided in favour of the Company but the department has preferred appeal at higher level.

(ii) Other Matters under disputes are as below:

Rs. Million

Nature of Dispute	Description	Period	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Land	Land related disputes	2014-15	**0.87**	0.87	0.87
		2007-08	**18.10**	18.10	18.10
		1985-86, 1975-76 and 2009-10	**1.05**	1.05	1.05
		Total	**20.02**	20.02	20.02
Labour	Labour related disputes	2006-07 and 2008-09	**2.39**	3.20	2.80
		1997-98, 1999-00 to 2002-03, 2008-09, 2010-11 and 2012-13	**7.85**	7.01	6.51
		1999-00, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93 and 2014-15	**10.31**	14.23	14.57
		ESI	**-**	-	0.36
		Total	**20.55**	24.44	24.24
Civil	Appeal has been preferred against by PSPCL against order passed by PSERC whereby the Commission had held that for calculating threshold limit, maximum of the annual power consumption of PSPCL power for the last two financial years has to be considered which would entitle Large Supply Industrial Consumers in the State of Punjab for base tariff at the rate of Rs. 4.99/KvAH for power consumed beyond threshold limit.	2010-11	**63.20**	-	-
	Arbitration notice received from M/s prime industries ltd in pursuant to High court order dated 08.12.2016		**42.03**	-	68.11
	Others	2010-11	**3.11**	3.11	3.11
		Total	**108.34**	3.11	71.22
Recovery Certificate	Recovery charges against recovery of cane dues.	2006-07, 2010-11, 2012-13, 2013-14, 2014-15 and 2015-16	**926.88**	926.88	462.96
		2008-09, 2012-13 and 2013-14	**245.10**	245.10	245.10
		2006-07, 2010-11,2012-13, 2013-14, 2014-15 and 2015-16	**1,031.52**	1,031.52	737.83
		Total	**2,203.50**	2,203.50	1,445.89

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Nature of Dispute	Description	Period	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest on cane Price / Commission Arrears	Interest on delay payment of cane dues	2002-03, 2006-07, 2012-13 to 2016-17	**2,843.90**	2,615.00	-
Society Commission	Differential Society Commission liability provided in the books pursuant to judgement of Allahabad High Court.	2012-13 and 2014-15	**-**	228.97	-
Purchase Tax	Purchase tax during period of Sugar Promotion Policy.	2006-07 to 2012-13 and 2016-17	**75.05**		-
Grand Total			**5271.36**	5,095.04	1,561.37

(iii) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Private Limited	**70.00**	70.00	70.00

(iv) The Company has provided bank guarantees aggregating Rs. 72.01 million (31 March, 2017 Rs. 72.01 million, 1 April, 2016 Rs. 72.01 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous period, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, income tax and central excise matters aggregating Rs. 43.68 million (31 March, 2017 Rs. 43.68 million, 1 April, 2016 Rs. 43.68 million) have been received. These demands are presently under various stages of appeal.

(v) During the previous periods, the Company had given a counter indemnity/guarantee in favor of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary that has been struck off under the Easy Exit Scheme, 2011.

32. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 6.98 million (31 March, 2017 Rs. 6.00 million).

33. Disclosure of interest in subsidiaries

		Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)			Method of accounting of Investment
			As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	
(i)	Siel Financial Services Limited	India	**93.56%**	93.56%	93.56%	Deemed cost
(ii)	Siel Industrial Estate Limited	India	**100.00%**	100.00%	100.00%	Deemed cost
(iii)	Siel Infrastructure & Estate Developers Private Limited	India	**100.00%**	100.00%	100.00%	Deemed cost

34. Gratuity and other post-employment benefit plans

a) Defined Benefits Plans

Gratuity and Compensated absences –In accordance with Ind AS 19, actuarial valuation was done and details of the same are given below:

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Gratuity	Gratuity	Gratuity
		(Funded)	(Funded)	(Funded)
Change in the Present value of obligation				
1	Present value of obligation as at the beginning of the year	**158.27**	176.49	
2	Add: Current service cost	**9.48**	9.49	
3	Less: Slump Sale adjustment	**-**	(51.15)	
4	Add: Interest cost	**11.58**	14.12	
5	Add: Actuarial (gain) / loss	**(2.79)**	27.97	
6	Less: Benefits paid	**(19.49)**	(18.65)	
7	**Present value of obligation as at the end of the year**	**157.05**	158.27	176.49
Change in the fair value of plan assets				
1	Fair value of plan assets at the beginning of the year	**83.52**	76.57	
2	Add: Expected return on plan assets	**6.11**	6.13	
3	Add: Contribution by the Company	**2.07**	1.54	
4	Less: Fund transfer to other party on Slump sale	**(57.80)**		
5	Less: Benefits paid	**(0.44)**	(0.88)	
6	Add: Actuarial gain / (loss)	**(2.01)**	0.16	
7	**Plan assets at the end of the year**	**31.45**	83.52	76.57
Liability/ (Asset) recognized in the financial statements		**125.60**	74.75	99.92
	Current	**14.60**	10.05	20.41
	Non-current	**111.00**	64.70	79.51

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Amount recognised in Statement of Profit and Loss:	**Year ended March 31, 2018**	Year ended March 31, 2017
Current service cost	**9.48**	9.49
Net interest expense	**5.47**	7.99
Amount recognised in Statement of Profit and Loss	**14.95**	17.48

Amount recognised in Other Comprehensive Income:	**Year ended March 31, 2018**	Year ended March 31, 2017
Actuarial gain/(loss) on Present value of obligation	**2.79**	(27.97)
Actuarial gain/(loss) on Assets	**(2.01)**	0.16
Amount of gain/(loss) recognised in Other Comprehensive Income	**0.78**	(27.81)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gratuity			
Investment Details	**Funded**	Funded	Funded
Investment with Insurer (LIC)	**100%**	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	As at March 31, 2018	As at March 31, 2017
Discount rate (%)	**7.63**	7.32
Expected rate of return on Plan assets (%)	**7.65**	8.25
Future salary increases (%)	**5.00**	5.00
Retirement Age (Years)	**58**	58
Withdrawal rate		
Up to 30 years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

Mortality rate 100% of IALM (2006-08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:
Gratuity Plan

Assumptions	**Discount rate**		**Future salary increase**	
Discount rate	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation	(4.95)	5.27	5.38	(5.09)

"The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	As at March 31, 2018
Within the next 12 months (next annual reporting period)	**18.25**
Between 1 and 2 years	**7.47**
Between 2 and 3 years	**6.50**
Between 3 and 4 years	**6.29**
Between 4 and 5 years	**9.78**
Between 5 and 6 years	**10.20**
Beyond 6 years	**98.56**
Total expected payments	**157.05**

35. Related party transactions

I) List of related parties

a) Promoter:

Mr. Siddharth Shriram

b) Subsidiaries

Siel Financial Services Limited,

Siel Industrial Estate Limited,

Siel Infrastructure & Estate Developers Private Limited

c) Key management personnel

Mr. Dharam Pal Sharma –Whole Time Director

Mr. B.B. Mehta – Chief Financial Officer (w.e.f. November 04, 2017)

Dr. Anil Arora– Chief Financial Officer (resigned w.e.f. November 04, 2017)

Mr.Ashok Kumar Shukla- Company Secretary

d) Enterprises over which key management personnel have significant influence:

Usha International Limited

Mawana Foods Private Limited (subsidiary company of Usha International Limited)

II) Transactions with related parties

Rs. Million

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Promoter**		
	Mr. Siddharth Shriram		
	Advisory fees	**12.83**	9.31
B.	**Subsidiaries**		
	Siel Financial Services Limited		
	Expenses recovered	**0.52**	2.34
	Redemption of Preference Shares	**-**	10.95
	Siel Industrial Estate Limited		
	Investment in 80,00,000 5% Redeemable Cumulative Preference shares of Rs. 10 each fully paid-up	**80.00**	-
C.	**Key Management personnel and their relatives**		
	Remuneration to key management personnel:		
	Mr. Dharam Pal Sharma	**1.77**	1.77
	Mr.B.B. Mehta	**2.90**	-
	Dr. Anil Arora	**2.72**	3.90
	Mr. Ashok Kumar Shukla	**0.80**	0.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
D. Enterprises over which key management personnel have significant influence		
(a) Usha International Limited		
Expenses reimbursed	**2.11**	6.72
Reimbursement of ERP expenses	**5.30**	5.20
Miscellaneous purchases	**0.16**	0.14
Rent paid	**5.13**	5.45
Royalty paid	**10.98**	11.18
(b) Mawana Foods Private Limited		
Sale of Goods	**404.37**	474.62
Interest received	**9.61**	6.16
Expenses recovered	**0.02**	0.17
Miscellaneous purchases	**0.10**	0.08

Balance Outstanding as at year end:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Loans and Advances			
Mr. Siddharth Shriram	**8.28**	8.69	7.91
Siel Financial Services Limited*	**36.59**	36.59	36.59
(b) Trade Payables			
Usha International Limited	**20.59**	17.58	6.95
(c) Trade Receivables			
Mawana Foods Private Limited	**150.27**	109.28	87.54
(d) Guarantee given by the Company			
Mawana Foods Private Limited	**70.00**	70.00	70.00

*provided for as doubtful advances

Siel Industrial Estate Limited (Siel IE) and erstwhile Chairman and Managing Director of the Company has given Corporate/personal Guarantees Rs. 5,243.00 million (March 31, 2017 Rs. 5,295.00 million, April 01, 2016 Rs. 5,295.00 million) as collateral security in favour of lenders of the Company on its behalf. Siel IE has mortgaged its industrial land measuring 455.23 acres (March 31, 2017 455.23 acres) as a collateral security in favour of lenders of the Company to secure the repayment of all debt due to Company's lenders upto Rs. 7,869.85 million (March 31, 2017 Rs. 7,869.85 million).

Transaction with Key management personnel

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	**8.19**	6.22
Post-employment gratuity and medical benefits	**-**	-
Termination benefits	**-**	-
Total compensation paid to key management personnel	**8.19**	6.22

The amount disclosed in the table are the amounts recognised as expense during the reporting period related to key management personnel.

36. Segment Information

A. Operating Segment

As per Ind AS 108 identification of segment is based on the manner in which the entity's Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Operating segments of the Company is identified to be sugar, power , chemicals and distillery as the Chief Operating decision maker reviews business performance of the Company on the basis of these segments.

B. Geographical Segment

Since the Company's activities/operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:
Segment revenue and expenses are directly attributable to the segments.

ii) Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors,inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

iii) Inter segment revenues:
Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

D. Information about business segments

(Rs. Million)

PARTICULARS	Sugar			Power			Chemicals			Distillery			Unallocated			Elimination			Total		
	March 31, 2018	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016
SEGMENT REVENUE																					
External Sales (Including excise duty)	**9,689.09**	9,194.33		**349.59**	291.15		**2,563.61**	2,320.90		**600.67**	675.31		**-**	-		**-**	-		**13,202.96**	12,481.69	
Inter segment revenue	**1,598.52**	1,774.08		**2,182.86**	1,824.48		**4.40**	6.38		**-**	5.81		**-**	-		**(3,785.78)**	(3,610.75)		**-**	-	
Other Operating Revenues	**209.06**	213.68		**-**	-		**3.17**	5.56		**0.85**	0.23					**-**	-		**213.08**	219.47	
Other income	**-**	-		**-**	-		**-**	-		**-**	-		**123.29**	93.93		**-**	-		**123.29**	93.93	
Total revenue	**11,496.67**	11,182.09	-	**2,532.45**	2,115.63		**2,571.18**	2,332.84		**601.52**	681.35		**123.29**	93.93		**(3,785.78)**	(3,610.75)		**13,539.33**	12,795.09	
EBIT/RESULTS																					
Segment results	**(560.98)**	901.88		**413.48**	337.56		**367.15**	46.48		**79.83**	94.41		**-**	-		**-**	-		**299.48**	1,380.33	
Unallocated income/ (expenses) (net of income/ expenses)	**-**	-		**-**	-		**-**	-		**-**	-		**(141.51)**	7.14			-		**(141.51)**	7.14	
Operating Profit	**(560.98)**	901.88		**413.48**	337.56		**367.15**	46.48		**79.83**	94.41		**(141.51)**	7.14		**-**	-		**157.97**	1,387.47	
Finance Costs	**-**	-		**-**	-		**-**	-		**-**	-		**209.90**	441.65		**-**	-		**209.90**	441.65	
Interest income	**-**	-		**-**	-		**-**	-		**-**	-		**42.03**	32.28		**-**	-		**42.03**	32.28	
Net Profit/(Loss) before tax and exceptional items	**(560.98)**	901.88		**413.48**	337.56		**367.15**	46.48		**79.83**	94.41		**(309.38)**	(402.23)		**-**	-		**(9.90)**	978.10	
Exceptional item- Income(net)	**-**	-		**-**	-		**-**	-		**-**	-		**147.59**	3,492.87		**-**	-		**147.59**	3,492.87	
Net Profit/(Loss) before tax	**(560.98)**	901.88		**413.48**	337.56		**367.15**	46.48		**79.83**	94.41		**(161.79)**	3,090.64		**-**	-		**137.69**	4,470.97	
Tax expenses/(credit)	**-**	-		**-**	-		**-**	-		**-**	-		**(24.71)**	842.11		**-**	-		**(24.71)**	842.11	
Net Profit/(Loss) after tax	**(560.98)**	901.88		**413.48**	337.56		**367.15**	46.48		**79.83**	94.41		**(137.08)**	2,248.53		**-**	-		**162.40**	3,628.86	
OTHER INFORMATION	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016
A. ASSETS																					
Segment assets	**5,754.19**	5,291.07	6,269.73	**1,230.18**	1,764.21	1,987.06	**749.37**	756.14	832.95	**927.61**	845.98	871.37	**-**	-	-				**8,661.35**	8,657.40	9,961.11
Unallocated assets	**-**	-		**-**	-	-	**-**	-		**-**	-	-	**2,285.68**	2,974.44	2,691.82	**-**	-		**2,285.68**	2,974.44	2,691.82
Total Assets	**5,754.19**	5,291.07	6,269.73	**1,230.18**	1,764.21	1,987.06	**749.37**	756.14	832.95	**927.61**	845.98	871.37	**2,285.68**	2,974.44	2,691.82	**-**	-		**10,947.03**	11,631.84	12,652.93
B. LIABILITIES																					
Segment liabilities	**5,284.67**	4,864.97	7,303.22	**12.49**	13.63	11.54	**276.67**	266.07	336.83	**61.34**	66.90	37.68	**-**	-	-	**-**	-		**5,635.17**	5,211.57	7,689.27
Borrowings	**-**	-		**-**	-		**-**	-		**-**	-		**1,412.51**	2,423.58	3,509.86	**-**	-		**1,412.51**	2,423.58	3,509.86
Unallocated liabilities	**-**	-		**-**	-		**-**	-		**-**	-		**333.97**	594.22	1,655.90		-		**333.97**	594.22	1,655.90
Total Liabilities	**5,284.67**	4,864.97	7,303.22	**12.49**	13.63	11.54	**276.67**	266.07	336.83	**61.34**	66.90	37.68	**1,746.48**	3,017.80	5,165.76	**-**	-		**7,381.65**	8,229.37	12,855.03
	March 31, 2018	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016
C. OTHERS																					
Capital expenditure	**133.63**	4.09	-	**5.92**	0.17	-	**10.59**	1.84	-	**60.35**	181.20	-	**0.52**	4.18	-	**-**	-	-	**211.01**	191.48	
Depreciation	**90.43**	120.66	-	**46.68**	58.02	-	**54.37**	89.07	-	**46.69**	34.70	-	**1.06**	0.95	-	**-**	-	-	**239.23**	303.40	

37. A. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

Rs. Million

	Carrying Value			Fair Value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Financial assets						
Fair Valuation at Amortized cost:						
Investment in preference shares	**128.60**	43.01	40.73	**128.60**	43.01	40.73
Security deposits paid	**117.22**	119.52	89.13	**117.22**	119.52	89.13
Dues from employees	**1.04**	2.36	0.47	**1.04**	2.36	0.47
Loans and advances to related parties	**8.28**	8.69	7.91	**8.28**	8.69	7.91
Interest accrued on deposits	**19.33**	14.55	18.10	**19.33**	14.55	18.10
Total	**274.47**	188.13	156.34	**274.47**	188.13	156.34
Financial liabilities						
Fair Valuation through Statement of Profit & Loss						
Borrowings	**1,412.50**	2,423.58	3,978.30	**1,412.50**	2,423.58	3,978.30
Total	**1,412.50**	2,423.58	3,978.30	**1,412.50**	2,423.58	3,978.30

The management assessed that cash and cash equivalents, other bank balances, unbilled revenue, fixed deposits, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

37. B. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018.

Rs. Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I. Assets measured at fair value (Note 37):					
Fair Valuation at Amortized cost :					
Investment in preference shares	**31-Mar-18**	**128.60**	**-**	**128.60**	**-**
Security deposit paid	**31-Mar-18**	**117.22**	**-**	**117.22**	**-**
Dues from employees	**31-Mar-18**	**1.04**	**-**	**1.04**	**-**
Loans and advances to related parties	**31-Mar-18**	**8.28**	**-**	**8.28**	**-**
Interest accrued on deposits	**31-Mar-18**	**19.33**	**-**	**19.33**	**-**
		274.47	**-**	**274.47**	**-**
II. Liabilities for which fair value is disclosed (Note 37):					
Fair Valuation through Statement of Profit & Loss					
Borrowings	**31-Mar-18**	**1,412.50**	**-**	**-**	**1,412.50**

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2018.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Rs. Million

	Fair value measurement using				
	Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I. Assets measured at fair value (Note 37):					
Fair Valuation at Amortized cost :					
Investment in preference shares	31-Mar-17	43.01	-	43.01	-
Security deposit paid	31-Mar-17	119.52	-	119.52	-
Dues from employees	31-Mar-17	2.36	-	2.36	-
Loans and advances to related parties	31-Mar-17	8.69	-	8.69	-
Interest accrued on deposits	31-Mar-17	14.55	-	14.55	-
		188.13	-	188.13	-
II. Liabilities for which fair value is disclosed (Note 37):					
Fair Valuation through Statement of Profit & Loss					
Borrowings	31-Mar-17	2,423.58	-	-	2,423.58

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2017.

Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

Rs. Million

				Fair value measurement using		
		Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I.	**Assets measured at fair value (Note 37) :**					
	Fair Valuation at Amortized cost :					
	Investment in preference shares	01-Apr-16	40.73	-	40.73	-
	Security deposit paid	01-Apr-16	89.13	-	89.13	-
	Dues from employees	01-Apr-16	0.47	-	0.47	-
	Loans and advances to related parties	01-Apr-16	7.91	-	7.91	-
	Interest accrued on deposits	01-Apr-16	18.10	-	18.10	-
			156.34	-	156.34	-
II.	**Liabilities for which fair value is disclosed (Note 37):**					
	Fair Valuation through Statement of Profit & Loss					
	Borrowings	01-Apr-16	3,978.30	-	-	3,978.30

There have been no transfers among Level 1, Level 2 and Level 3 as at April 01, 2016

Valuation technique used to determine fair value

Type	Valuation technique	Significant observable input
Financial liabilities (Borrowings)	Discounted Cash Flow method: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rates.	Not applicable

38. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade payables, other payables, security deposits received, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. Market risk comprise of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

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. However, as the Company does not have any outstanding floating rate interest bearing long term and short term debts at the balance sheet date. Therefore, a change in interest rates on the reporting date would neither affect profit or loss nor affect equity.

Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would neither affect profit or loss not affect equity.

Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the Company's function currency. The Company imports certain materials which exposes it to foreign currency risk.

Below is the Company's exposure to foreign currency risk changes

Rs. Million

	Change in conversion rate	Effect on profit before tax
Year ended March, 2018	**+5%**	**(7.04)**
	-5%	**7.04**
Year ended March, 2017	+5%	(0.13)
	-5%	0.13

Commodity price risk

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk to some extant by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The Company also deals in Chlor Alkali products viz Caustic Soda, Chlorine etc, their prices are led by global as well as domestic demand and supply. The Company focuses on being amongst the lowest cost producers in these businesses.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

(i) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

Movement in provisions of doubtful debts

Rs. Million

	Trade Receivables	Loans/other assets	Investments
Provision as at April 01, 2016	53.75	161.51	276.13
Provision charged during the year 2016-17	(50.11)	-	(73.00)
Provision transfer in Slump sale of Titawi unit	(1.97)	-	-
Provision written back during the year 2016-17	(0.42)	-	-
Provision as at March 31, 2017	1.25	161.51	203.13
Provision made during the year 2017-18	1.42	1.74	-
Provision charged during the year 2017-18	-	-	-
Provision written back during the year 2017-18	-	-	-
Provision as at March 31, 2018	**2.67**	**163.25**	**203.13**

(ii) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company manages its liquidity for working capital requirement to ensure smooth operation of the business.

The Company also ensures the long term funds requirement like capex or otherwise are met through adequate availability of long term capital (debt/equity).

As at March 31, 2018

Rs. Million

	Less then 1 year	1-3 years	>3 years	Total
Borrowings	442.06	970.44	-	1,412.50
Trade payables	5,385.74	-		5,385.74
Employees Related Payables	49.01	-	-	49.01
Security deposits received	47.23	-	-	47.23
Interest accrued but not due on borrowings	2.76	4.51	-	7.27
Payable towards Capital Goods	42.80	-	-	42.80
	5,969.60	**974.95**	**-**	**6,944.55**

As at March 31, 2017

Rs. Million

	Less then 1 year	1-3 years	>3 years	Total
Borrowings	1,011.08	906.00	506.50	2,423.58
Trade payables	4,229.56	-	-	4,229.56
Employees Related Payables	85.57	-	-	85.57
Security deposits received	38.18	-	-	38.18
Interest accrued but not due on borrowings	3.10	4.51	2.26	9.87
Interest accrued and due on borrowings	198.29	-	-	198.29
Payable towards Capital Goods	28.46			28.46
	5,594.24	910.51	508.76	7,013.51

As at April 01, 2016

Rs. Million

	Less then 1 year	1-3 years	>3 years	Total
Borrowings	2,211.82	813.12	953.36	3,978.30
Trade payables	7,139.68	-	-	7,139.68
Employees Related Payables	35.21	-	-	35.21
Security deposits received	48.88	-	-	48.88
Interest accrued but not due on borrowings	7.93	31.71	31.71	71.35
Interest accrued and due on borrowings	857.37	-	-	857.37
Payable towards Capital Goods	23.15	-	-	23.15
	10,324.04	844.83	985.07	12,153.94

39. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Note 13)	**1,412.50**	2,423.58	3,978.30
Trade Payables (Note 15)	**5,385.74**	4,229.56	7,139.68
Cash and cash equivalents (Note 9)	**(508.41)**	(353.76)	(232.30)
Net debts	**6,289.83**	6,299.38	10,885.68
Total equity	**3,565.38**	3,402.47	(202.10)
Capital plus net debt	**9,855.21**	9,701.85	10,683.58
Gearing ratio (%)	**63.82%**	64.93%	101.89%

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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breach in the financial covenants (non payment of term loan installment) of one interest-bearing borrowing in the current year. However, the Company had made one time settlement with the said lender during the year. (Please refer note 13).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2018 and March 31, 2017.

40. The Company has applied to Central Government for approval of remuneration paid of Rs 54.20 millions to former Managing Director (MD)/Whole Time Director (WTD)/existing Whole Time Director. In respect of application of former MD/WTD, the department has declined the request of the Company, and therefore an application is being filed for reopening.

41. Pursuant to judgment dated 10.5.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation the Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') and dedicated it exclusively for the development of green belt and open spaces. Consequently, the Company is no longer in physical possession of 46.58 acres owned by it.

The Company had filed a Review Petition in the Hon'ble Supreme Court of India challenging the order of surrender of land to the DDA. During the pendency of this Review Petition, the DDA leased out some portion of the land surrendered by the Company to Delhi Metro Rail Corporation ('DMRC'). The Company filed an application before the Hon'ble Supreme Court of India in the pending Review Petition against the leasing of land by DDA to DMRC as this was contrary to the purpose for which the Company has surrendered and dedicated the land.

Although the Hon'ble Supreme Court of India dismissed the aforesaid Review Petition by order dated 25.3.2010 but on the Company's application against the leasing of land by DDA to DMRC, It has stated and directed as follows : "…the DDA which holds the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community…In the event of any acquisition or development of surrendered land, the owner – dedicator will have the benefit of compensation on account of land ceasing to be 'land dedicated to the community purpose of lung/open space…' when such acquisition/alienation takes place, DDA and the land owner will be entitled to share the compensation at 50% each."

In view of the aforesaid judgment, benefits earned by DDA from the surrendered land are to be shared equally with the Company.

Pending determination of the benefits amount, the credit thereof for the period from July 17 onwards has not been taken in these financial statements.

42. The Company executed a Business Transfer Agreement on November 18, 2016 with Indian Potash Limited (IPL) to sell off its Agreed Assets and Liabilities excluding contingent liabilities of Titawi Sugar Complex (unit) as a going concern on an 'AS IS WHERE IS WHAT IS' basis by way of a slump sale.The sale is governed by a Business Transfer Agreement (BTA) which stipulates completion of these activities within a certain time frame.

Accordingly, IPL had taken control of the Unit .The accounts for the year ended March 31,2017, reflected comprehensive sale of aforesaid assets/liabilities. The Company had recognised a net gain of Rs. 2347.04 million which had been reflected under exceptional item in the Statement of Profit and Loss for the previous year ended March 31,2017.

During the current year, the Company has completed the above transaction of sale of Titawi Sugar Complex (TSC) Unit to IPL.Whilst effecting the final settlement, the Company had to bear an expenditure of Rs. 43.28 millions, thereby reducing the profit from said sale transaction envisaged in previous year. Accordingly, a loss of Rs. 43.28 millions is recognized under exceptional items in the Statement of Profit and Loss for the year ended March 31, 2018.

A sum of Rs. 20.00 million is recoverable from IPL, pending transfer of certain portion of freehold land in the name of IPL.

43. Dues to Micro, Small and Medium Enterprises

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier:			
- Principal amount	**3.24**	1.78	5.00
- Interest thereon	**0.10**	8.60	11.98
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	**-**	-	-
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 this Act	**-**	(3.38)	3.74
the amount of interest accrued and remaining unpaid	**0.10**	8.60	11.98
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually to be paid.	**0.10**	2.95	3.74

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

44. Disclosure required under Section 186 (4) of the Companies Act 2013.

a) Particulars of loans given:

Rs. Million

Name of the Entity	Year	Opening Balance	Loan Given	Loan Repaid	Outstanding Balance	Purpose
Siel Financial Services Limited	2016-17	36.59	-	-	36.59	General Business Purpose
	2017-18	**36.59**	**-**	**-**	**36.59**	General Business Purpose

b) Particulars of Corporate Guarantee given:

Rs. Million

Name of the Entity	Year	Opening Balance	Guarantee Given	Guarantee Discharged	Closing Balance	Purpose
Mawana Foods Private Limited	2016-17	70.00	-	-	70.00	Corporate Guarantee for securing the working capital limit sanctioned by Punjab National Bank.
	2017-18	**70.00**	**-**	**-**	**70.00**	

c) Particulars of Investments made during the year:

Rs. Million

Name of the Investee	Investment Made	Purpose
Siel Industrial Estate Limited	80.00	Pursuant to an Order of Hon'ble High Court of Punjab & Haryana

45. Earlier, the Company was having four PF Trusts for maintaining Provident Fund for its employees & workers. As per Clause 25 of Employees Provident Funds Scheme, 1952 "a Company reporting loss for three Consecutive Financial Years or erosion in their capital base shall have their exemption withdrawn from the first day of next / succeeding financial year." The Company was incurring losses from the year 2010-11 to 2012-13 and net worth of the Company was also completely eroded during that period.

In terms of the above, it was obligatory on the Company to have its exemption withdrawn and transfer the PF accumulation balance to Employee Provident Fund Organisation (EPFO), Ministry of Labour, Govt. of India. Company has already transferred PF accumulations of two PF Trusts during the year 2015-16. However, accumulation of remaining PF Trusts i.e. SFFI Employees PF Trust and MSW Employees PF Trust are under transfer. Necessary approval in this respect has already been received from EPFO. These two trusts have been depositing Provident Fund dues with Regional Provident Fund Commissioner (RPFC) from January 2014 and October 2017 respectively. Hence no disclosure as required under Ind AS 19 employee benefits for provident fund trusts has been given.

46. During the year ended March 31, 2018, frauds pertaining to earlier years have been detected in Company's sugar units at Mawana Sugar Works and Nanglamal Sugar Complex where some employees (who have already left the service of the Company) have embezzled aggregate sum of Rs.29.78 million by forging documents and wrongfully withdrawing payment. FIR has been filed against these persons and necessary legal action in this regard has been initiated to recover the money. No credit for the above amount has been taken in the books, which will be taken once amount is recovered.

47. In view of Allahabad High Court order dated 21.12.2017 for stay on the retrospective operation of orders of UP State Government on reduction in rate of society commission pertaining to earlier years, Company has provided differential amount of Rs. 285.46 million in the accounts during the current year.

Although the Company has received the order of Allahabad High Court before finalizing the last quarter's results, however, the management was under discussion internally and with various sugar industry expert to get the waiver of above commission but could not get the success so far in the above matter. As a result, the amount has been provided during the current quarter. The major part of said liability was appearing under the contingent liability in last year's accounts.

48. In view of oversupply of sugar in the country and crash in sugar prices, Government of India issued the notification No. 1(4)/2018-S.P.-1 dated 9th May 2018 with allocating mill-wise Minimum Indicative Export Quota (MIEQ) of 20 lakh tonne for sugar season 2017-18. The Company has been allocated MIEQ of 19088 MT of sugar. Presently the international prices of sugar are much lower than the domestic prices.

Further, it has also issued notification No. 1(5)/2018-S.P.-1 dated 9th May 2018 with the scheme for assistance to sugar mills for payment of cane price dues to farmers against sugar cane crushed during the season 2017-18 @ Rs 5.50/qtl to offset the cost of cane purchased.

As per one of the conditions of the notification, Company may find difficult to get cane subsidy. Without this, the export of sugar is not viable. Otherwise also, the cost of export obligation approximately offset with the amount of cane subsidy available under the scheme, hence Company has not given effect of above notifications in these accounts.

49. The Company at the year-end has an outstanding balance of Rs.150.27 million owed by a customer (Mawana Foods Private Limited), an erstwhile wholly owned subsidiary of the Company, towards supply of sugar . The Company is exploring the possibility for realizing the value of outstanding dues from the said customer in order to bring the level of outstanding amount at normal credit level.

50. The previous financial year ended March 31, 2017 includes the operations of Titawi Sugar Complex (Unit) upto October 31, 2016 after which it has been sold to IPL (refer note 42) . Therefore, the figures of the current financial year are not comparable with the figures of the previous year.

51. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by current auditor.

52. First-time adoption of Ind AS

These financial statements, for the year ended March 31, 2018, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2016, the Company's date of transition to Ind AS. This note explains exemptions availed by the Company in restating its Previous GAAP financial statements, including the balance sheet as at April 01, 2016 and the financial statements as at and for the year ended March 31, 2017.

Exemptions applied:

1. Mandatory exemptions:

a) Estimates:

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

  The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at April 01, 2016, the date of transition to Ind AS and as of March 31, 2017.

b) Classification and measurement of financial assets: Financial Instruments: (Security deposits received and security deposits paid):

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Company to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

c) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Company has determined that there is no increase in credit risk since the initial recognition of a financial instrument.

d) Government loan at below market rate of interest - Government grant

Ind AS 101 requires a first-time adopter to apply the requirements of Ind AS 109, Financial instruments and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans at below market rate of interest obtained after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the requirements of Ind AS retrospectively to any government loan originated before the date of transition to Ind AS provided that the information needed to do so had been obtained at the time of initially accounting for that loan. Consequently, if the Company did not, under its previous GAAP, recognise and measure the government loan at below market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS balance sheet. Accordingly, the Company has applied the above requirement prospectively.

2. Optional exemptions :

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions:

a) Deemed cost-Previous GAAP carrying amount: (Property, Plant and Equipment and Intangible)

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for De-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties. Since there is no change in functional currency, the Company has elected to measure all of its property, plant and equipment and intangible assets, as recognised in its previous GAAP financials as deemed cost at the transaction date.

b) Fair value measurement of financial assets or financial liabilities:

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

First -time adoption of Ind AS

A. Reconciliation of Equity as at April 01,2016

Rs. Million

	Particulars	Foot Note No.	Previous GAAP*	Effect of transition to Ind AS	Ind AS
	ASSETS				
(1)	**Non-current assets**				
	Property, plant and equipment	1	4,408.36	22.98	4,431.34
	Capital work in progress		28.05	-	28.05
	Financial assets		-	-	-
	- Investments	2	332.76	0.71	333.47
	- Loans		0.04	-	0.04
	- Others		85.50	-	85.50
	Deferred tax assets (net)	8	-	2,072.05	2,072.05
	Income tax asset (net)		38.16	-	38.16
	Other non- current assets		91.26	-	91.26
	Total Non-current assets		**4,984.13**	**2,095.74**	**7,079.87**
(2)	**Current assets**				
	Inventories		4,168.12	-	4,168.12
	Financial assets		-	-	-
	- Trade receivables		697.86	-	697.86
	- Cash and cash equivalents		232.30	-	232.30
	- Other Bank Balances		211.52	-	211.52
	- Others	10	47.16	10.00	57.16
	Other current assets		206.10	-	206.10
	Total current assets		**5,563.06**	**10.00**	**5,573.06**
	Total Assets		**10,547.19**	**2,105.74**	**12,652.93**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital		391.17	-	391.17
	Other equity		(4,194.73)	3,601.46	(593.27)
	Total equity		**(3,803.56)**	**3,601.46**	**(202.10)**
	LIABILITIES				
(1)	**Non- current liabilities**				
	Financial liabilities				
	- Borrowings	1,4	2,455.71	(689.23)	1,766.48
	-Other financial liabilities	4	732.98	(669.56)	63.42
	Provisions		79.51	-	79.51
	Other non current liabilities		1.07	(1.07)	-
	Total non- current liabilities		**3,269.27**	**(1,359.86)**	**1,909.41**
(2)	**Current liabilities**				
	Financial liabilities				
	- Borrowings		468.44	-	468.44
	- Trade payables		7,139.68	-	7,139.68
	- Other financial liabilities	1,4	2,851.76	(135.84)	2,715.92
	Other current liabilities		576.78	-	576.78
	Provisions		44.80	-	44.80
	Total current liabilities		**11,081.46**	**(135.84)**	**10,945.62**
	Total equity and liabilities		**10,547.17**	**2,105.76**	**12,652.93**

*The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

First -time adoption of Ind AS

B. Reconciliation of Equity as at March 31, 2017 **Rs. Million**

	Particulars	Foot Note No.	Previous GAAP*	Effect of transition to Ind AS	Ind AS
	ASSETS				
(1)	**Non-current assets**				
	Property, plant and equipment	1	3,193.93	11.54	3,205.47
	Capital work in progress		43.86	-	43.86
	Financial assets		-	-	-
	- Investments	2	332.75	3.00	335.75
	- Loans		0.04	-	0.04
	- Others		116.27	-	116.27
	Deferred tax assets (net)	5	-	1,377.37	1,377.37
	Non current tax asset (net)	5	66.95	(45.08)	21.87
	Other non- current assets		9.97	-	9.97
	Total Non-current assets		**3,763.77**	**1,346.83**	**5,110.60**
(2)	**Current assets**				
	Inventories		4,405.88	-	4,405.88
	Financial assets		-	-	-
	- Trade receivables		413.04	-	413.04
	- Cash and cash equivalents		353.76	-	353.76
	- Other Bank Balances		245.41	-	245.41
	- Others	10	979.46	8.25	987.71
	Other current assets	10	185.00	(76.34)	108.66
	Assets classified as held for sale		6.78	-	6.78
	Total current assets		**6,589.33**	**(68.09)**	**6,521.24**
	Total Assets		**10,353.10**	**1,278.74**	**11,631.84**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital		391.17	-	391.17
	Other equity		365.36	2,645.94	3,011.30
	Total equity		**756.53**	**2,645.94**	**3,402.47**
	LIABILITIES				
(1)	**Non- current liabilities**				
	Financial liabilities				-
	- Borrowings	1,4	1,664.78	(252.28)	1,412.50
	-Other financial liabilities	4	1,041.47	(1,034.70)	6.77
	Provisions		64.70	-	64.70
	Other non current liabilities		1.07	(1.07)	-
	Total non- current liabilities		**2,772.02**	**(1,288.05)**	**1,483.97**
(2)	**Current liabilities**				
	Financial liabilities				
	- Borrowings				
	- Trade payables		4,229.56	-	4,229.56
	- Other financial liabilities	1,4	1,544.04	(179.36)	1,364.68
	Other current liabilities	5, 10	1,018.66	8.50	1,027.16
	Provisions	5	32.29	-	32.29
	Current tax liabilities (net)		-	91.71	91.71
	Total current liabilities		**6,824.55**	**(79.15)**	**6,745.40**
	Total equity and liabilities		**10,353.10**	**1,278.74**	**11,631.84**

*The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

First -time adoption of Ind AS

C. Reconciliation of total comprehensive income for the year ended March 2016-17

Rs. Million

	Particulars	Foot Note No.	Previous GAAP*	Effect of transition to Ind AS	Ind AS
I	Revenue from operations	7,10	12,672.22	28.94	12,701.16
II	Other income	2,10	181.50	(87.57)	93.93
	Total income (III)		**12,853.72**	**(58.63)**	**12,795.09**
IV	**Expenses**				
	Cost of materials consumed		7,758.72	-	7,758.72
	Changes in inventories of finished goods, stock in trade and work-in-progress		(468.80)	-	(468.80)
	Excise duty on sale of goods	6	794.64	-	794.64
	Employee benefits expense	3	747.75	(27.81)	719.94
	Finance costs	1,2,4	277.95	163.70	441.65
	Depreciation and amortization expense	1	291.96	11.44	303.40
	Other expenses	1	2,259.98	7.46	2,267.44
	Total expenses (V)		**11,662.20**	**154.79**	**11,816.99**
VI	**Profit/ (loss) before exceptional items and tax (IV-V)**		**1,191.52**	**(213.42)**	**978.10**
VII	**Exceptional Items Expenses/(Income)**	4	3,375.27	117.60	3,492.87
VIII	**Profit/ (loss) before tax (VI-VII)**		**4,566.79**	**(95.82)**	**4,470.97**
IX	**Tax expense:**				
	Current tax		1.03	-	1.03
	MAT credit		-	(1.03)	(1.03)
	Adjustment of tax relating to earlier periods		-	-	-
	Deferred tax	5	-	842.11	842.11
	Total tax expense (IX)		**1.03**	**841.08**	**842.11**
X	**Profit/ (loss) for the year from continuing operations (VIII-IX)**		**4,565.76**	**(936.90)**	**3,628.86**
	OTHER COMPREHENSIVE INCOME				
	Items that will not to be reclassified to statement of profit or loss				
	Re-measurement gains/ (losses) on defined benefit plans	3,8	-	(27.81)	(27.81)
	Income tax effect	5	-	9.62	9.62
	Net comprehensive income not to be reclassified to statement of profit or loss in subsequent periods		**-**	**(18.19)**	**(18.19)**
	Other comprehensive income for the year, net of tax		**-**	**(18.19)**	**(18.19)**
	Total comprehensive income of the year, net of tax		**4,565.76**	**(955.09)**	**3,610.67**

*The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Notes to the reconciliations:

1. **Property, plant and equipment (PPE): Finance lease**

   The Company has taken chlorine cylinders on lease for the purposes of its business requirement at its chemical plant. Under Previous GAAP such lease was classified as a operating lease whereas under Ind AS the same has been classified as finance lease. As a result, PPE was increased by Rs. 22.98 million on transition date. Correspondingly the Company has recognised a lease liability amounting to Rs 26.79 million (Non current borrowings: Rs. 14.16 million and Current financial liability : Rs.12.63 million) on the date of transition. The rent paid for such cylinders has been classified as principal and interest payment. Accordingly there is reduction in rental expense by Rs. 14.81 million with corresponding increase in interest expense amounting to Rs 2.19 million during the year ended March 31, 2017. Depreciation for the year ended March 31, 2017 on such cylinders amounted to Rs 11.44 million.

2. **Investments in equity and preference shares**

   Under Previous GAAP, investment in equity shares of unrelated companies is shown at the cost, whereas under Ind AS, the same are fair valued. Accordingly, investments has been decreased by Rs. 0.01 million on the date of transition. The Company has invested in preference shares of its subsidiary - Siel Industrial Estate Limited aggregating to Rs. 400 million. The cumulative preference shares are mandatorily redeemable at par within 10 years from respective dates of issue and dividend is payable at the rate of 5% p.a. Under previous GAAP, investment in redeemable preference shares has been recognised at cost. Since there is mandatory dividend, it is classified as financial liability from the perspective of the issuer under Ind AS. The liability component is to be recorded at amortised costs and residual portion is recorded as deemed investment by the holder of shares. Interest on liability component is accrued by using Expected Interest Rate method. The investment in preference shares is reduced by Rs. 11.48 million on transition date with an increase in deemed investment by Rs 12.21 million and corresponding increase in retained earnings by Rs 0.72 million. Interest accretion amounts to Rs. 2.29 million during the year ended March 31, 2017.

3. **Employee benefits**

   Under previous GAAP, actuarial gains and losses were recognised in Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of re-measurement of the net benefit liability/asset which is recognised in other comprehensive income. Thus the employee benefit cost for the year ended March 31, 2017 is decreased by Rs. 27.81 million and re-measurement loss on defined benefit plan has been recognized in other comprehensive income.

4. **Borrowings**

   The Company has taken term loans from banks, financial institutions and others. Under previous GAAP , the same is recognised at its transaction value. However, Ind AS requires such financial liabilities to be recognised on initial recognition at its fair value, as adjusted for the transaction cost. Further, interest is to be accredited on the fair value of the loan to reflect passage of time. This led to decrease in loan amount on the date of transition by Rs 1520.78 million (Non current borrowings : Rs. 703.40 million, Non current financial liability : Rs. 669.56 million and Current financial liability : Rs. 147.82 million) with a corresponding increase in equity. Further, loan amount has been increased on account of interest accretion by Rs.157.99 million during the year 2016-17 with a corresponding decrease in statement of profit and loss respectively. Under Ind AS, transaction cost incurred towards origination of borrowings needs to be deducted from the carrying value of borrowings. These costs are recognized in the Statement of Profit and Loss over the tenure of the borrowings as a part of interest expense by applying effective interest rate method. Under previous GAAP, the transaction cost was amortized to the Statement of Profit and Loss over the tenure of the borrowings. This led to decrease in loan amount on the date of transition by Rs. 0.65 million with a corresponding increase in retained earnings, which has been recognised as a finance cost amount to Rs. 0.52 million and Rs. 0.12 million as an exceptional item during the year ended March 31, 2017. The Company had loan outstanding to Edelweiss Asset Reconstruction Company (EARC) and Punjab National Bank (PNB) as on the date of transition. The terms of repayment of the loan were changed during the year ended March 31, 2017. Under Ind AS, debt instrument results in extinguishment of liability where the renegotiated terms are substantially different form the original terms. The renegotiated terms are substantially different where the present value of cash flow under the new terms are and discounted using the original effective interest rate is at least 10% different from the original liability. This resulted loss on extinguishment of EARC loan amounting to Rs 287.60 million and gain on extinguishment of PNB loan amounting to Rs 40.17 million and interest waiver of PNB loan amounting to Rs. 365.14 million had been recognized under exceptional items in the statement of Profit and Loss during the year ended March 31, 2017.

5. Deferred tax assets/Income tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, “”Income Taxes”” requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12, has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP. In addition, the various transitional adjustments lead to additional temporary differences. According to the accounting policies, the Company has to account for such differences. Tax impact on Deferred tax adjustments are recognized in reserves for opening balance sheet and statement of profit and loss in subsequent years. As a result, the impact on deferred tax asset as on the date of transition is higher by Rs. 2072.05 million with a corresponding impact on retained earnings as on that date. (31 March 2017: reduction in deferred tax asset by Rs. 832.49 million with a corresponding decrease in Statement of Profit and loss).

Further, the Company has created additional provision for minimum alternate tax (including interest of Rs. 3.00 million) of Rs. 139.79 million, which was not made in last year.

6. Presentation of excise duty

Under previous GAAP, revenue from sales of goods was presented net off excise duty under revenue from operations. Whereas, under Ind AS, revenue from sales of goods include excise duty. The corresponding excise duty expense is presented separately on the face of profit & loss. Thus sale of goods under Ind AS has increased by Rs. 768.54 million with a corresponding increase in expense for the year ended March 31, 2017.

7. Commission to indenting and ordering agent

Under previous GAAP, commission to indenting and ordering agent amounting to Rs 22.69 million has been adjusted with revenue . The same has been regrouped as part of other expenses under Ind AS during the year ended March 31, 2017.

8. Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

9. Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the statement of cash flows.

10. Prior Period Adjustments

Under Ind AS, the adjustments for prior period events needs to be made in the year to which they actually pertains. Therefore REC sale amounting to Rs. 6.25 million, interest received from Punjab State Power Corporation Limited (PSPCL) amounting to Rs. 8.24 million and share of rent received from DMRC (excess recognised in previous year) amounted to Rs. 88.09 million has been taken in the financial statements for the year ended March 31, 2017. Moreover Interest received from PSPCL pertaining to period prior to date of transition amounting to Rs. 10 million has been taken into retained earnings.

11. Molasses storage fund

Under previous GAAP, allocation towards molasses storage fund was charged in statement of profit & loss and shown as liabilities under non current liabilities. Under Ind AS such allocation is treated as appropriation of reserve and to be part of other equity. As a result, other expenses in statement of profit & loss is reduced by Rs. 0.31 million.

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

INDEPENDENT AUDITOR'S REPORT

To the Members of Mawana Sugars Limited

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Mawana Sugars Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the consolidated Balance Sheet as at March 31, 2018, the consolidated Statement of Profit and Loss including other comprehensive income, the consolidated Cash Flow Statement, the consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the consolidated state of affairs of the Group as at March 31, 2018, their consolidated profit including other comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 40 in the consolidated Ind AS financial statements regarding remuneration paid in excess of limits approved by the Central Government to its former directors/Managing Director/Whole Time Director (including the former MD/WTD where the department has declined the request of the Parent Company and the application is being filed for reopening) pending approval by the Central Government and more fully described therein. Our opinion is not qualified in respect of this matter.

Other Matters

(a) We did not audit the financial statements and other financial information, in respect of 3 subsidiaries, whose Ind AS financial statements include total assets of Rs 1891.08 million and net assets of Rs 1,484.00 million as at March 31, 2018, and total revenues of Rs 8.88 million and net cash inflows of Rs 7.38 million for the year ended on that date. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.

(b) The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor whose report for the year ended March 31, 2017 expressed an modified opinion on those consolidated financial statements dated June 9, 2017 and report for the year ended March 31, 2016 dated May 10, 2016 expressed an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by us.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143 (3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, as noted in the 'other matters' paragraph we report, to the extent applicable, that:

(a) We / the other auditors whose reports we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

(b) In our opinion proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended;

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014,

INDEPENDENT AUDITOR'S REPORT (Contd.)

in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries as noted in the 'Other matters' paragraph:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group– Refer Note 31 (c) to the consolidated Ind AS financial statements;

ii. The Group did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2018.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India during the year ended March 31, 2018.

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

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 23, 2018

ANNEXURE 1 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF MAWANA SUGARS LIMITED

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

In conjunction with our audit of the consolidated financial statements of Mawana Sugars Limited as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of Mawana Sugars Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective 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 over financial reporting with reference to these consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, both, issued by Institute of Chartered Accountants of India, and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated 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 over financial reporting with reference to these consolidated financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, maintained in all material respects, an adequate internal financial controls over financial reporting with reference to these consolidated financial statements and such internal financial controls over financial reporting with reference to these consolidated financial statements were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Holding 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.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated financial statements of the Holding Company, in so far as it relates to 3 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiary incorporated in India.

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

per Anil Gupta
Partner
Membership Number: 87921

Place of Signature: New Delhi
Date: May 23, 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

Rs. Million

		Notes	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
	ASSETS				
(1)	**Non-current assets**				
	Property, plant and equipment	4	**3,129.80**	3,206.06	4,431.93
	Capital work in progress	4	**83.78**	43.86	28.05
	Financial assets				
	- Investments	5.1	**-**	-	-
	- Loans	5.2	**-**	0.04	0.04
	- Other	5.3	**156.62**	116.27	85.50
	Deferred tax assets (net)	18	**1,473.21**	1,377.37	2,072.05
	Income tax assets (net)	19	**42.01**	23.09	52.73
	Other non- current assets	6	**21.92**	9.97	91.26
	Total Non-current assets		**4,907.34**	4,776.66	6,761.56
(2)	**Current assets**				
	Inventories	7	**4,694.87**	4,720.67	4,414.39
	Financial assets				
	- Trade receivables	8	**511.41**	413.04	697.85
	- Cash and cash equivalents	9	**527.58**	360.52	234.96
	- Other Bank Balances	10	**174.69**	252.63	242.63
	- Others	5.3	**125.36**	988.06	57.84
	Other current assets	6	**101.91**	108.66	206.26
	Assets classified as held for sale	11	**7.78**	6.78	-
	Total current assets		**6,143.60**	6,850.36	5,853.93
	Total Assets		**11,050.94**	11,627.02	12,615.49
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital	12	**391.16**	391.16	391.16
	Other equity		**3,016.50**	2,918.40	(647.35)
	Equity attributable to equity holder of the Parent		**3,407.66**	3,309.56	(256.19)
	Non Controlling Interest		**1.29**	1.21	-
	Total Equity		**3,408.95**	3,310.77	(256.19)
	LIABILITIES				
(1)	**Non- current liabilities**				
	Financial liabilities				
	- Borrowings	13.1	**970.44**	1,412.50	1,766.48
	- Other financial liabilities	16.1	**4.51**	6.77	63.42
	Provisions	14.1	**111.00**	64.70	79.51
	Total non- current liabilities		**1,085.95**	1,483.97	1,909.41
(2)	**Current liabilities**				
	Financial liabilities				
	- Borrowings	13.2	**15.70**	15.70	484.14
	- Trade payables	15	**5,629.90**	4,300.47	7,140.18
	- Other financial liabilities	16.2	**583.87**	1,364.68	2,715.91
	Other current liabilities	17	**197.86**	1,027.42	577.24
	Provisions	14.2	**37.41**	32.30	44.80
	Current tax liabilities (net)	20	**91.30**	91.71	-
	Total current liabilities		**6,556.04**	6,832.28	10,962.27
	Total equity and liabilities		**11,050.94**	11,627.02	12,615.49
Summary of significant accounting policies		2.A			

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2018

Rs. Million

		Notes	Year ended March 31, 2018	Year ended March 31, 2017
I	**Income**			
	Revenue from operations	21	**13,416.04**	12,701.16
	Other income	22	**120.98**	89.41
	Total income (I)		**13,537.02**	12,790.57
II	**Expenses**			
	Cost of materials consumed	23	**9,699.22**	7,758.72
	Purchase of traded goods		**54.65**	18.80
	Changes in inventories of finished goods, work-in-progress and stock in trade	24	**(14.72)**	(537.42)
	Excise duty		**12.60**	794.64
	Employee benefits expense	25	**686.82**	719.94
	Finance costs	26	**383.20**	506.88
	Depreciation and amortization expense	27	**239.23**	303.40
	Other expenses	28	**2,550.10**	2,283.72
	Total expenses (II)		**13,611.10**	11,848.68
III	**Profit/ (loss) before exceptional items and tax (I-II)**		**(74.08)**	941.89
IV	**Exceptional Items (Expenses)/Income (net)**	29	**147.59**	3,492.87
V	**Profit before tax (III-IV)**		**73.51**	4,434.76
VI	**Tax expense:**			
	Current tax {net off MAT credit of Rs. 92.56 million (March 31, 2017 -Rs. 137.79 million)}	18	**0.45**	1.40
	Adjustment of tax relating to earlier periods	18	**(20.96)**	-
	Deferred tax charge/(credit)	18	**(3.57)**	842.11
	Total tax expense/(credit) (VI)		**(24.08)**	843.51
VII	**Profit for the year**		**97.59**	3,591.25
VIII	**Other Comprehensive Income**			
	Items that will not to be reclassified to statement of profit or loss			
	Re-measurement gains/ (losses) on defined benefit plans	34	**0.78**	(27.81)
	Income tax effect (expenses)/credit		**(0.27)**	9.62
			0.51	(18.19)
IX	**Total comprehensive income of the year {Comprising profit and other comprehensive income for the year} (VII+VIII)**		**98.10**	3,573.06
	Profit for the year			
	Attributed to			
	Equity holders of the Parent		**97.51**	3,590.04
	Non Controlling Interest		**0.08**	1.21
	Total Comprehensive Income			
	Attributed to			
	Equity holders of the Parent		**98.02**	3,571.85
	Non Controlling Interest		**0.08**	1.21
	Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2017-Rs.10/-)}	30		
	(1) Basic		**2.46**	91.78
	(2) Diluted		**2.46**	91.78

Summary of significant accounting policies 2.A

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018

Rs. Million

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Cash flow from operating activities :**		
	Profit before tax	**73.51**	4,434.76
Add :	Depreciation and amortisation expense	**239.23**	303.40
	Interest expenses	**381.68**	501.35
	Provision for doubtful debts and advances	**3.15**	-
	Loss on sale / write off of property, plant and equipment (net)	**1.02**	0.31
Less :	Interest income	**39.64**	38.70
	Profit on sale of current investments	**1.91**	-
	Liabilities / provision no longer required written back	**65.75**	11.39
	Profit/(Loss) on sale of Titawi unit (refer note 42)	**(43.28)**	2,347.04
	Write back of Loan Liabilities/Interest Provision (refer note 13(#))	**190.87**	1,145.83
	Operating profit/(loss) before working capital changes	**443.70**	1,696.86
	Changes in working capital:		
	Adjustments for (increase) / decrease in operating assets:		
	Inventories	**25.80**	(601.10)
	Trade receivables	**(99.78)**	251.93
	Other Financial assets	**(61.02)**	(12.05)
	Other assets	**13.39**	29.99
	Adjustments for increase / (decrease) in operating liabilities:		
	Trade payables	**1,207.78**	(1,317.41)
	Provisions	**(5.60)**	(55.12)
	Other financials liabilities	**(27.51)**	53.54
	Other liabilities	**(775.62)**	460.74
	Cash generated from operations	**721.14**	507.38
	Direct taxes paid	**(91.38)**	(17.84)
	Net cash flow from operating activities (A)	**629.76**	489.54
B.	**Cash flow from investing activities :**		
	Purchase of property, plant and equipment, including capital advances	**(210.98)**	(191.48)
	Proceeds from sale of property , plant and equipments	**0.11**	0.38
	Profit on sale of current investments	**1.91**	-
	Movement in other bank balances	**38.37**	(19.62)
	Consideration received on sale of Titawi unit on slump sale	**942.57**	1,384.44
	Interest received	**34.58**	41.42
	Net cash flow from investing activities (B)	**806.56**	1,215.14
C.	**Cash flow from financing activities :**		
	Repayment of long term borrowings- secured (Refer note 9)	**(1,075.57)**	(1,298.68)
	Repayment of working capital borrowings (Refer note 9)	**-**	(15.00)
	Interest paid	**(193.70)**	(259.04)
	Net cash flow (used in) financing activities (C)	**(1,269.27)**	(1,572.72)
D.	**Net increase in Cash and cash equivalents (A+B+C)**	**167.05**	131.96
E.	**Cash and cash equivalents at the beginning of the year**	**360.53**	234.96
F.	Cash and cash equivalents pursuant to Titawi unit sale		6.40
G.	**Cash and cash equivalents at the end of the year (D+E-F)**	**527.58**	360.52

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Rs. Million

CASH AND CASH EQUIVALENTS	Year ended March 31, 2018	Year ended March 31, 2017
Balances with banks:		
- Current accounts	**346.31**	352.56
Cheque on hand	**0.25**	0.28
Cash on hand	**1.29**	2.46
Fixed deposits with banks	**179.73**	5.22
Total cash and cash equivalents	**527.58**	360.52

Summary of significant accounting policies 2.A

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

Rs. Million

	Equity Share Capital	Other Equity								Total Equity
		Reserves and surplus						Attributable the equity holders of the Parent	Non Controlling Interest	
		Securities premium reserve	Capital redemption reserve	Capital reserve*	General Reserve	Surplus in the Statement of profit and loss	Storage fund for molasses account			
As at April 01, 2016	**391.16**	**1,495.04**	**87.72**	**1,030.17**	**4.54**	**(3,274.14)**	**9.32**	**(647.35)**	**-**	**(256.19)**
Add: Profit for the year	-	-	-	-	-	3,590.04	-	3,590.04	1.21	3,591.25
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	(0.42)	(5.68)	(6.10)	-	(6.10)
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(18.19)	-	(18.19)	-	(18.19)
As at March 31, 2017	**391.16**	**1,495.04**	**87.72**	**1,030.17**	**4.54**	**297.29**	**3.64**	**2,918.40**	**1.21**	**3,310.77**
Add: Profit for the year	-	-	-	-	-	97.59	-	97.59	0.08	97.67
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	(0.42)	0.42	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	0.51	-	0.51	-	0.51
As at March 31, 2018	**391.16**	**1,495.04**	**87.72**	**1,030.17**	**4.54**	**394.97**	**4.06**	**3,016.50**	**1.29**	**3,408.95**

* Includes Rs. 991.46 million (March 31, 2017 : Rs. 991.46 million; April 1, 2016: Rs. 991.46 million) representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited.

Summary of significant accounting policies

The accompanying notes form an integral part of these financial statements

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

Place: New Delhi
Date: 23.05.2018

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
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Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

1. Group Overview

The consolidated financial statements comprise financial statements of Mawana Sugars Limited and its subsidiaries (collectively, the Group) for the year ended March 31, 2018.

Parent Company is a public limited Company domiciled and incorporated in India under the provisions of the Companies Act, 2013. Its shares are listed on two recognized stock exchanges in India. The registered office of the Parent Company is situated at 5th floor, Kirti Mahal, 19 Rajendra Place, New Delhi 110008. As at March 31, 2018, Mr. Siddharth Shriram (including shares held as trustee of Enterprise Trust) owns 63.49% of equity share capital of the Parent Company.

Major products along with principal places of business of the Group are as under:

Products	Principal Places
Sugar (Sugar and Power)	Mawana Sugars Works, Mawana, Uttar Pradesh Nanglamal Sugar Complex, Nanglamal, Uttar Pradesh
Chlor Alkali Products	Siel Chemical Complex, Rajpura, Punjab
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Nanglamal, Uttar Pradesh

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 23, 2018.

2.A. Summary of significant accounting policies

The accounting policies, as set out below, have been consistently applied, by the Group, to all the years presented in the financial statements.

(i) Basis of preparation

The consolidate financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standard) (Amendment) Rules, 2016. The Group has prepared these consolidated financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013 (“the Act”).

The consolidated financial statements of the Group for all periods upto and including the year ended March 31, 2017 were prepared in accordance with accounting standards notified under Section 133 of the Companies Act, 2013 and Companies (Accounting Standard) Rules, 2006 (as amended), read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These consolidated financial statements for the year ended March 31, 2018 are the first financial statements of the Group prepared in accordance with Ind AS. Refer note 59 for an explanation of how the transition from previous GAAP (Indian GAAP) to Ind AS has affected the Group’s financial position, financial performance and cash flows.

The consolidated financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value-

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value

The preparation of consolidated financial statements requires the use of certain significant accounting estimates and judgements. It also requires the management to exercise judgement in applying the Group’s accounting policies. The areas where estimates are significant to the consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 2B.

All the amounts included in the consolidated financial statements are reported in millions of Indian Rupees (‘Rupees’ or ‘Rs.’), except per share data and unless stated otherwise and rounded off to nearest Rupees.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries as at March 31, 2018. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains about the accounting of goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. However the minority interests has been restricted to zero on the transition date i.e. April 01, 2016 using the exemption provided by the Ind AS 101 and the accumulated losses attributable to the minorities in excess of their equity on the transition date, in the absence of the contractual obligation on the minorities, the same has been accounted for by the Parent Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

(iii) Basis of classification of Current and non-current

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset has been classified as current when it is:

i) Expected to be realised in or intended to be sold or consumed in normal operating cycle

ii) Held primarily for the purpose of trading

iii) Expected to be realised within twelve months after the reporting period, or

iv) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability has been classified as current when:

i) It is expected to be settled in normal operating cycle

ii) It is held primarily for the purpose of trading

iii) It is due to be settled within twelve months after the reporting period, or

iv) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(iv) Foreign currencies

(a) Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the Group operates ('functional currency').

The consolidated financial statements are presented in Indian Rupees which is the functional and presentation currency of the Group.

(b) Initial recognition

Transactions in foreign currencies are initially recorded in the functional currency at the spot exchange rates prevailing at the date of the transaction when it first qualifies for recognition.

(c) Translation on reporting date

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

(d) Exchange differences

Exchange differences arising on translation or settlement of monetary items are recognised in the consolidated statement of profit and loss.

The equity items denominated in foreign currencies are translated at historical cost.

(v) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

(vi) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable net of discounts, returns, rebates etc, taking into account contractually defined terms of payment. Revenue includes excise duty but excludes sales tax, value added tax and goods and service tax.

The following recognition criteria described below must also be met before revenue is recognised:

(a) **Sale of goods** is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates, if any.

(b) **Sale of power** is recognized when the power is delivered by the Group at the delivery point in conformity with the parameters and technical limits and fulfilment of other conditions specified in the Power Purchase agreement. Sale of power is accounted for as per tariff specified in Power Purchase agreement.

(c) **Renewable Energy Certificate (REC)** is recognised as income on sale of REC.

(d) **Interest income** is recognized on a time proportion basis considering the amount outstanding and the rate applicable. For all debt instruments measured at amortized cost, interest income is recorded using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the consolidated statement of profit and loss.

(vii) Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalment. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

For the outstanding loans received from the Government at the interest rate below the current market rates, is recognized at carrying value of previous GAAP as on date of transition on account of mandatory exemption available for the first time adoption under Ind AS 101.

(viii) Income taxes

Tax expense comprises of current income tax and deferred tax. Current income tax expense are measured at the amount expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, if any. Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the Consolidated Statement of Profit and Loss as current tax. The Group recognises MAT credit available as an asset only to the extent there is reasonable certainty that the Group will pay normal tax during the specified period i.e the period for which the MAT credit is allowed to be carried forward. In the year in which the Group recognises MAT credit as an asset, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT credit entitlement" and grouped under Deferred Tax Assets. The Group reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Group does not have reasonable certainty that it will pay normal tax during the specified period.

(ix) Property, plant and equipment ('PPE')

On transition to Ind AS i.e. 1st April 2016, the Group has elected to continue with the carrying value of all its property, plant and equipment(PPE) recognized as at 1st April 2016 measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

Capital work in progress and PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price (including non-refundable duties and taxes and excluding any trade discounts and rebates), and any directly attributable cost of bringing the asset to its working condition and location for its intended use.

Subsequent to initial recognition, freehold land is carried at historical cost and other items of PPE are stated at cost less accumulated depreciation and any impairment losses, if any. When significant parts are required to be replaced at regular intervals, the Group recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When an item of PPE is replaced, then its carrying amount is de-recognised and cost of the new item of PPE is recognised.

Items of stores and spares that meet the definition of PPE are capitalized at cost. Otherwise, such items are classified as inventories. They are depreciated over the remaining useful life of related plant and equipment or useful life of insurance/capital/ critical spares, whichever is lower.

The expenditure those are incurred after the item of PPE has been put to use, such as repairs and maintenance, are charged to the consolidated statement of profit and loss in the period in which such costs are incurred. However, in situations where such expenditure can be measured reliably, and is probable that future economic benefits associated with it will flow to the Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

Depreciation on property, plant and equipment is provided on straight line basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below:

Assets	Useful life (Years)
Buildings (including Roads)	5-60
Plant & Equipment	3-40
Office Equipment (including Data Processing Equipment)	3-10
Furniture and Fixtures	5-10
Motor Vehicles	8

The management has estimated the useful life of following assets is different from those indicated in Schedule II:

Assets	Useful life (Years)
Building-Green house type shed of Bio-compost yard	25
Building-Polythene membrane	5

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the consolidated statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress is presented separately in the consolidated balance sheet.

(x) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available, and if no such transactions can be identified, an appropriate valuation model is used.

The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. Impairment losses, if any, are recognized in Consolidated Statement of Profit and Loss as a component of depreciation and amortisation expense.

Impairment losses of continuing operations, including impairment on inventories, are recognized in the consolidated statement of profit and loss.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

(xi) Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

For arrangements entered into prior to 1 April 2016, the Group has determined whether the arrangement contain lease on the basis of facts and circumstances existing on the date of transition.

Group as a lessee

a) A lease that transfers substantially all the risks and rewards incidental to ownership to the Group is classified as a finance lease. Finance leases are capitalised at the commencement of the lease at fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

   A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

b) Leases, where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of profit and loss on a straight-line basis over the lease term, unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

(xii) Inventories

Inventories are valued at the lower of cost and net realisable value.

The Cost is determined as follows:

(a) Stores and spares, Packing Materials, Raw Materials: Moving weighted average method

(b) Work-in-progress: Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing basis.

(c) Finished goods (manufactured): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing basis.

(d) By products included under finished goods: Net realisable Value

(e) Stock in trade- shares, debentures and other securities are valued at lower of cost or market price/break-up value determined for each category of stock-in-trade. The cost is ascertained on the basis of annual weighted average purchase price. Stock of land is valued at lower of cost and estimated realisable value. Cost of land includes interest on enhanced compensation paid to land owners.

Materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

Cost includes the necessary cost incurred in bringing inventory to its present location and condition necessary for use.

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

(xiii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a 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 amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

xiv) Borrowing Costs

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

Borrowing costs include interest and amortization of ancillary cost incurred in connection with the arrangement of borrowing.

xv) Contingent assets and liabilities

A contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

A contingent asset is a possible asset that arises from past events the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise.

xvi) Earnings per share

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

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

(xvii) Employee benefits

The Group's employee benefits mainly include wages, salaries, bonuses, contribution to plans, defined benefit plans, compensated absences and share-based payments. The employee benefits are recognised in the year in which the associated services are rendered by the Group employees.

(a) Defined contribution plans

The Group's contribution to provident fund, pension scheme, employee state insurance corporation, etc. are considered as defined contribution plans and are recognised in profit or loss as and when the services are rendered by employees. The Group has no further obligations under these plans beyond its periodic contributions.

(b) Defined benefit plans

For defined benefit plans in the form of gratuity fund, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each balance sheet date. The said plan requires a lump-sum payment to eligible employees (meeting the required vesting service condition) at retirement or termination of employment, based on a pre-defined formula.

The obligation towards the said benefits is recognised in the consolidated balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the consolidated statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods, however, included in retained earnings in the statement of change in equity and in the consolidated balance sheet.

(c) Compensated Absences Benefits

The employees of the Group are entitled to compensated absences. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment. The Group provides for the liability towards the said benefit on the basis of actuarial valuation carried out annually as at the reporting date, using the projected-unit-credit method. The related re-measurements are recognised in the consolidated statement of profit and loss in the period in which they arise.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(xviii) Research and Development

Revenue Expenditure on research and development is expensed out under respective heads of account in the year in which it is incurred.

Development Expenditure is recognised as an asset at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and asset is available for use. It is amortised over the period of expected future benefits.

(xix) Non Current Asset held for sale:

The Company classifies non-current assets and disposal groups as held for sale/ distribution to owners if their carrying amounts will be recovered principally through a sale/ distribution rather than through continuing use. Actions required to complete the sale/ distribution should indicate that it is unlikely that significant changes to the sale/ distribution will be made or that the decision to sell/ distribute will be withdrawn. Management must be committed to the sale/ distribution expected within one year from the date of classification.

For these purposes, sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance. The criteria for held for sale/ distribution classification is regarded met only when the assets or disposal group is available for immediate sale/ distribution in its present condition, subject only to terms that are usual and customary for sales/ distribution of such assets (or disposal groups), its sale/ distribution is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale/ distribution of the asset or disposal group to be highly probable when:

- The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets held for sale/for distribution to owners and disposal groups are measured at the lower of their carrying amount and the fair value less costs to sell/ distribute. Assets and liabilities classified as held for sale/ distribution are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale/ distribution to owners are not depreciated or amortised.

xx) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

Initial recognition

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

Subsequent measurement

Non-derivative financial instruments

i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

(b) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

i) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

ii) Borrowings

On initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated statement of profit and loss.

(c) Derecognition of financial instruments

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under IND AS 109. A financial liability (or a part of the financial liability) is derecognized when the obligation specified in the contract is discharged or cancelled or expired.

(d) Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realized.

For all other financial instruments the carrying amounts approximate fair value due to the short maturity of those instruments.

(e) Impairment of financial assets

The Group recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. 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 recognized as an impairment gain or loss in consolidated statement of profit or loss.

(f) Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

(g) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(xxi) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits and liquid fund investments with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

(xxii)Cash dividend

The Group recognises a liability to make cash distributions to equity holders of the Parent Company when the distribution is authorised and the distribution is no longer at the discretion of the Group.

As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

2.B. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

a) Contingencies

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

d) Defined benefit plans (gratuity benefits)

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 34.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the consolidated balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(f) Useful life of Property, plant and equipment

The management estimates the useful life and residual value of property, plant and equipment based on technical evaluation. These assumptions are reviewed at each reporting date.

3. Standards issued but not effective:

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Amendment Rules, 2017 and Companies (Indian Accounting Standards) Amendment Rules, 2018 amending the following standard:

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The new revenue standard will supersede all current revenue recognition requirements under Ind AS. Either a full retrospective application or a modified retrospective application is required for annual periods beginning on or after 1 April 2018. The Group plans to adopt the new standard on the required effective date using the full retrospective method.

The Group is in the process of making an assessment of the impact of Ind-AS 115 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

4. Property, Plant & Equipment

Rs. Million

	Land	Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Cylinders on finance lease	Total	Capital work in progress
Gross Block									
(At cost)									
As at April 01, 2016	274.06	537.42	3,582.74	11.37	1.87	1.49	22.98	4,431.93	28.05
Additions	1.03	147.78	64.85	2.02	0.13	4.31		220.12	222.14
Disposals	-	-	(0.16)	(0.44)	(0.03)	(0.31)	-	(0.94)	(206.33)
Reclassified as assets held for sale	-	-	(28.07)	(0.01)	-	-	-	(28.08)	-
Disposals on account of slump sale[1]	(21.65)	(133.74)	(1,013.71)	(1.85)	(0.15)	-	-	(1,171.10)	-
As at March 31, 2017	**253.44**	**551.46**	**2,605.65**	**11.09**	**1.82**	**5.49**	**22.98**	**3,451.93**	**43.86**
Additions	-	34.73	125.25	4.33	0.57	0.26	-	165.14	151.43
Disposals	-	-	(5.46)	-	(0.02)	(0.04)	(4.31)	(9.83)	(111.51)
Reclassified as assets held for sale	-	-	(5.19)	-	-	-	-	(5.19)	-
As at March 31, 2018	**253.44**	**586.19**	**2,720.25**	**15.42**	**2.37**	**5.71**	**18.67**	**3,602.05**	**83.78**
Depreciation and impairment									
As at April 01, 2016	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	25.70	258.63	6.14	0.98	0.51	11.44	303.40	-
Disposals	-	-	(0.01)	(0.20)	(0.01)	(0.07)	-	(0.29)	
Reclassified as assets held for sale	-	-	(21.29)	(0.01)	-	-	-	(21.30)	
Disposals on account of slump sale[1]	-	(4.71)	(30.71)	(0.47)	(0.05)	-	-	(35.94)	-
As at March 31, 2017	**-**	**20.99**	**206.62**	**5.46**	**0.92**	**0.44**	**11.44**	**245.87**	**-**
Depreciation charge for the year	-	32.03	194.29	3.71	0.34	0.83	8.03	239.23	
Disposals	-	-	(5.04)	-	(0.01)	-	(4.31)	(9.36)	
Reclassified as assets held for sale	-	-	(3.49)	-	-	-	-	(3.49)	
As at March 31, 2018	**-**	**53.02**	**392.38**	**9.17**	**1.25**	**1.27**	**15.16**	**472.25**	**-**
Net book value									
As at March 31, 2018	**253.44**	**533.17**	**2,327.87**	**6.25**	**1.12**	**4.44**	**3.51**	**3,129.80**	**83.78**
As at March 31, 2017	**253.44**	**530.47**	**2,399.03**	**5.63**	**0.90**	**5.05**	**11.54**	**3,206.06**	**43.86**

Notes :

1. Refer note 42
2. Refer note 13 for information on property, plant and equipment pledged as security.
3. The Parent Company has reassessed and made downward revision in the useful life of certain plant and equipment of Sugar units of the Company, in view of this change, the depreciation for the year is higher by Rs. 4.26 million. However there is no impact on the results of the Company since these assets have already been sold/are held for sale.

5. Financial Assets

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5.1	**Investments**			
	Non- current			
	Other Investments			
	Unquoted equity instruments at cost			
	2 (March 31, 2017: 2, April 01, 2016: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Mawana Co-operative Development Union Limited (# Rs. 10)[1]	**#**	#	#
	2 (March 31, 2017: 2, April 01, 2016: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10)[1]	**#**	#	#
	54 (March 31,2017 : 54 , April 01,2016 : 54) equity shares of Rs. 10 each fully paid-up of SFSL Investments limited (# Rs. 540)	**#**	#	#
	Less : Provision for dimination in value (# 540)	**#**	#	#
	295700 (March 31, 2017 : 295700, April 01, 2016 : 295700) equity shares of Rs. 10 each fully paid-up of MSD Industrial Enterprises Limited	**10.82**	10.82	10.82
	Less : Provision for diminution in value in the value of above investment	**10.82**	10.82	10.82
	Total	**-**	-	-
	Aggregate value of unquoted investments	**-**	-	-
	Aggregate value of quoted investments	**-**	-	-

[1]Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Parent Company.

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5.2	**Loans**			
	(Unsecured, considered good except, unless otherwise stated)			
	Non- current			
	Dues from employees-Doubtful Rs. 0.04 million (March 31, 2017-Nil , April 01, 2016-Nil)	**0.04**	0.04	0.04
	Other Loans and advances			
	-Doubtful	**125.74**	125.74	125.74
		125.78	125.78	125.78
	Less : Provision for doubtful advances	**125.78**	125.74	125.74
	Total	**-**	0.04	0.04

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
5.3	**Other financial assets**			
	(Unsecured, considered good except, unless otherwise stated)			
	Non- current			
	Security deposits			
	Considered Good	**116.30**	116.27	85.50
	Considered Doubtful	**0.53**	0.53	0.53
	Fixed Deposits with banks (Margin money)	**35.94**	-	-
	Fixed Deposits with banks (Earmarked)	**3.63**	-	-
	Interest accrued on deposits	**0.75**	-	-
		157.15	116.80	86.03
	Less : Provision for doubtful advances	**0.53**	0.53	0.53
		156.62	116.27	85.50
	Current			
	Unsecured Considered Good			
	-Unbilled Receivable	**67.35**	58.27	27.07
	-Security deposits	**0.92**	3.25	3.64
	-Dues from employees	**1.04**	2.32	0.44
	Other Loans and advances			
	-Considered Good	**28.51**	900.63	-
	-Considered Good- Related Parties* (Refer note 35)	**8.28**	8.69	7.91
	-Considered Doubtful-Others	**6.61**	6.61	6.61
	Interest accrued on deposits	**19.26**	14.90	18.78
		131.97	994.67	64.45
	Less : Provision for doubtful advances	**6.61**	6.61	6.61
		125.36	988.06	57.84
	Total	**281.98**	1,104.33	143.34

Break up of financial assets carried at amortised cost:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Investments (# Rs. 560) {Refer to note 5.1}	**#**	#	#
Loans	**-**	0.04	0.04
Trade receivables (Refer to note 8)	**511.41**	413.04	697.85
Cash and cash equivalents (Refer to note 9)	**527.58**	360.52	234.96
Other bank balances	**174.69**	252.63	242.63
Other financial assets# (Refer to note 5.3)	**281.98**	1,104.33	143.33
Total	**1,495.66**	2,130.56	1,318.81

* Loans to related parties are interest free in nature.

6. Other assets

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, considered good except, unless otherwise stated)			
Non- Current			
Capital advances			
-Other than related party	**21.47**	1.18	34.03
Taxes and other balances with government authorities	**-**	7.66	7.68
Prepaid expenses	**0.45**	0.16	0.62
Other advances- considered doubtful Rs. 2.99 million (March 31, 2017 Rs. 1.29 million, April 01, 2016- Rs. 1.29 million)	**2.99**	2.26	50.22
	24.91	11.26	92.55
Less : Provision for doubtful advances	**2.99**	1.29	1.29
	21.92	9.97	91.26
Current			
Taxes and other balances with government authorities	**35.17**	50.60	68.10
Prepaid expenses	**14.84**	16.32	20.43
Advances to vendors	**24.30**	14.74	14.42
Claim Recoverable	**14.56**	15.03	70.13
Other advances	**13.04**	11.97	33.18
	101.91	108.66	206.26
Total	**123.83**	118.63	297.52
Total non-current	**21.92**	9.97	91.26
Total current	**101.91**	108.66	206.26

7. Inventories

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Raw and packing materials	**112.06**	147.98	85.85
Work-in-progress	**136.26**	126.49	67.67
Finished goods {includes material in transit Rs. 4.34 million (March 31, 2017- Rs. 106.19 million, April 01, 2016-Nil)}	**3,780.89**	3,962.74	3,813.67
Stock in Trade	**501.68**	314.81	246.27
Stores and Spares	**163.98**	168.65	200.93
Total	**4,694.87**	4,720.67	4,414.39

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

8. Trade receivables

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)			
Outstanding for a period exceeding six months from the due date for payment			
Secured - considered good	**0.20**	0.20	0.23
Unsecured - considered good -related party (Refer note 35)	**16.24**	16.22	-
Unsecured - considered good	**6.07**	7.41	8.62
- considered doubtful	**2.67**	1.25	53.75
	25.18	25.08	62.60
Less: Provision for doubtful debts	**2.67**	1.25	53.75
	22.51	23.83	8.85
Other receivables			
Secured - considered good	**6.51**	8.43	5.71
Unsecured - considered good -related party (Refer note 35)	**134.03**	109.28	87.54
- considered good	**348.36**	271.50	595.75
Total	**511.41**	413.04	697.85

No trade or other receivables from dealers are due from directors of the Parent Company.
Trade receivables except Mawana Foods Private Limited are non interest bearing during normal credit periods and are generally on terms of 30 days.

9. Cash and cash equivalents

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balances with banks:			
- Current accounts	**346.31**	352.56	233.02
Cheque on hand	**0.25**	0.28	-
Cash on hand	**1.29**	2.46	1.72
Fixed deposits with banks (with original maturity of 3 months or less)	**179.73**	5.22	0.22
Total	**527.58**	360.52	234.96

<u>Changes in liabilities arising from financing activities</u>

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Opening Balance	**2,439.28**	3,994.00	
Cash Flows	**(1,075.57)**	(1,313.68)	
Changes in fair values	**189.81**	405.41	
One time settlement impact	**(125.31)**	(640.78)	
Others	**-**	(5.67)	
Closing Balance	**1,428.20**	2,439.28	3,994.00

10. Other bank balances

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Balance held as margin money or security against borrowings, guarantees and other commitments	**144.59**	246.76	198.69
Escrow accounts	**25.31**	-	-
Fixed deposits (Having remaining maturity more then 3 month but within 12 month)	**2.00**	2.00	31.00
Fixed deposits with banks (Earmarked)	**2.79**	3.87	12.94
Total	**174.69**	252.63	242.63

11. Assets classified as held for sale

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Plant and equipment	**7.78**	6.78	-
Office equipment	**#**	#	
Total	**7.78**	6.78	-

 # Office equipments of Rs. 2500/-

12. Share Capital

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Authorised* :			
100,000,000 (March 31, 2017: 100,000,000, April 01, 2016 : 175,000,000) equity shares of Rs.10 each	**1000.00**	1,000.00	1,750.00
7,500,000 (March 31, 2017: 7,500,000, April 01, 2016 : NIL) preference shares of Rs. 100 each	**750.00**	750.00	-
	1,750.00	1,750.00	1,750.00
Issued :			
39,115,672 (March 31, 2017: 39,115,672, April 01, 2016 : 39,115,672) equity shares of Rs. 10 each fully paid up	**391.16**	391.16	391.16
Subscribed and fully paid up :			
39,115,672 (March 31, 2017: 39,115,672, April 01, 2016 : 39,115,672) equity shares of Rs.10 each fully paid up	**391.16**	391.16	391.16
	391.16	391.16	391.16

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

a) Reconciliation of authorised, issued and subscribed and fully paid up share capital:

i. Reconciliation of authorised share capital as at year end :

	Equity shares	
	Number of shares	**Rs. Million**
At April 01, 2016	**175,000,000.00**	**1,750.00**
Increase/(decrease) during the year	(75,000,000.00)	(750.00)
At March 31, 2017	**100,000,000.00**	**1,000.00**
Increase/(decrease) during the year	-	-
As at March 31, 2018	**100,000,000.00**	**1,000.00**

	Preference shares	
	Number of shares	**Rs. Million**
At April 01, 2016	-	-
Increase/(decrease) during the year	7,500,000.00	750.00
At March 31, 2017	**7,500,000.00**	**750.00**
Increase/(decrease) during the year	-	-
As at March 31, 2018	**7,500,000.00**	**750.00**

ii. Reconciliation of issued and subscribed and fully paid up share capital at the begining and end of the reporting year :

	Number of shares	**Rs. Million**
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 01, 2016	**39,115,672.00**	**391.16**
Issued during the year	-	-
At March 31, 2017	**39,115,672.00**	**391.16**
Issued during the year	-	-
At March 31, 2018	**39,115,672.00**	**391.16**

*The Parent Company had changed its Authorised Share Capital from 175,000,000 Equity Shares of Rs. 10/- each to 100,000,000 Equity shares of Rs. 10/- each aggregating to Rs.1,000 million and 7,500,000 Preference Shares of Rs. 100/- each aggregating to Rs.750 million in AGM held on 13.06.2016.

b) Terms/ rights attached to equity shares:

The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Company. Each holder of equity shares have a right to receive per share dividend declared by the Parent Company. In event of liquidation of the Parent Company, holder of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year, no interim/ final dividend has been paid or proposed by the Parent Company.

c) Details of shareholders holding more than 5% of equity shares in the Parent Company

Name of the shareholder	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	No. of shares held	**% holding in the equity shares**	No. of shares held	% holding in the equity shares	No. of shares held	% holding in the equity shares
Siddharth Shriram (including shares held as trustee of Enterprise Trust)	**24,834,248**	**63.49%**	27,334,248	69.88%	27,334,248	69.88%

As per records of the Parent Company including its register of shareholders/members and other declarations received form share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

13. Borrowings[1&#] **Rs. Million**

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
13.1 Non current borrowings (at amortised cost)			
Secured (Refer note 13.3)			
Term loans			
-From banks	**101.96**	891.58	1,377.51
-From financial institutions	**1,263.84**	1,429.70	1,605.41
-From others	**42.12**	83.64	452.50
	1,407.92	2,404.92	3,435.42
Funded interest term loans			
-From banks	**-**	4.50	39.03
-From financial institution	**-**	-	8.62
	-	4.50	47.65
Obligation under finance lease (Secured) {Refer note-31a}	**4.58**	14.16	26.79
	1,412.50	2,423.58	3,509.86
Less: Amount clubbed under “other financial liabilities” 2 (Refer Note 16.2)	**442.06**	1,011.08	1,743.38
Total	**970.44**	1,412.50	1,766.48
13.2 Current borrowings			
Secured (Refer note 13.3)			
Loans repayable on demand - Cash credit/overdrafts from banks	**-**	-	468.44
Loan -others	**15.70**	15.70	15.70
	15.70	15.70	484.14
Total borrowings	**986.14**	1,428.20	2,250.62

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

[1]The period and amount of continuing default in repayment of borrowings as at the year end:

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Amount Rs. Million	**Period of delay (in days) upto the period end**	Amount Rs. Million	Period of delay (in days) upto the period end	Amount Rs. Million	Period of delay (in days) upto the period end
Borrowings						
Term loans :						
From banks	**-**	**-**	391.97	1-1339	1,155.07	1-974
From others	**-**	**-**	-	-	244.51	1-974
Funded interest term loan :						
From banks	**-**	**-**	4.50	1-1339	39.03	1-974
From others	**-**	**-**	-	-	8.62	1-974
Interest accrued and due on borrowings:						
Term loans						
From banks			198.29	1-1339	572.74	1-974
From others			-	-	122.52	1-974
Cash credit/overdraft			-	-	162.76	1-974

[2]Details of current maturities of long term borrowings are as under:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings			
Term loans			
From banks	**101.96**	789.62	1,318.28
From financial institution	**310.49**	165.87	291.63
From others	**25.03**	41.51	73.19
Funded interest term loan			
From banks	**-**	4.50	39.03
From financial institution	**-**	-	8.62
Current maturity of finance lease obligation	**4.58**	9.58	12.63
Total	**442.06**	1,011.08	1,743.38

[#a] The Parent Company has completely resolved the debts availed from all the lender banks, with the One Time Settlement (OTS) concluded with the last lender bank and paid entire OTS amount during the period. The Parent Company has recognized reversal of loan and interest liabilities with net gain of Rs. 190.87 million under exceptional items in the Consolidated Statement of Profit and Loss.

#b During the period ended March 2016, pursuant to an assignment of all rights, titles and interest in the financial assistance i.e Long term borrowings, Short term borrowing, cash credit, Funded Interest Term Loan and interest thereon outstanding with two term lenders assigned to an Asset Reconstruction Company, an amount of Rs. 2,210.00 million which was earlier restructured for repayment till March 2023 resulted in NPV gain of Rs. 1520.77 million, same was credited to retained earnings as on April 01,2016. This loan has been rescheduled for repayment till March 2021 in the previous year ended March 31, 2017 resulted in NPV loss of Rs. 287.60 million which has been reflected as a loss under exceptional item in the Consolidated Statement of Profit and Loss.

The Parent Company has resolved its debt liability with one more lender during the previous year ended March 31, 2017, by way of one time settlement (OTS), which resulted in the waiver of principal and interest amounting to Rs. 405.32 million and has been reflected as a gain under exceptional item in the Consolidated Statement of Profit and Loss. In terms of the settlement, the OTS amount is payable till 30th June, 2018.

#c During the year ended March 31, 2017 , The Parent Company had effected one time settlement agreements with three lenders, which resulted in the waiver of principal and interest amounting to Rs. 1028.23 million and has been reflected as a gain under exceptional item in the Consolidated Statement of Profit and Loss.

13.3 Security Clause

A. Term loans and funded interest term loans

1. From Banks:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**Rate of interest**	**Nature of Security**
i.	**-**	408.98	1,377.51	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable property, plant and equipment (other than cylinder on finance lease) of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.
íi.	**101.96**	482.60	-	0%	
iii.	**-**	4.50	39.03	0% (Funded Interest Term Loan)	

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

2. From financial institutions:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**Rate of interest**	**Nature of Security**
i	**1263.84**	1429.70	1313.79	0%	(i) The loans are secured by first pari-passu charge on all movable and immovable fixed assets of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.
ii.	**-**	-	291.62	11%	(i) The loans are secured by first pari-passu charge on all movable and immovable property, plant and equipment (other than cylinder on finance lease) of the Parent Company inclusive of equitable mortgage of land and buildings. The loans are further secured by second pari-passu charge on all current assets of the Parent Company. (ii) The loans are also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.
iii.	**-**	-	8.62	0% (Funded Interest Term Loan)	

3. From others:

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**Rate of interest**	**Nature of Security**
i.	**25.64**	34.19	42.74	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Company's unit Mawana Sugar Works, situated at Mawana District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	Rate of interest	Nature of Security
ii.	**-**	-	253.04	4%	The loan, taken from Government of India under Sugar Development Fund (SDF), was secured by an exclusive second charge on all movable and immovable properties of the then Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
iii.	**-**	-	63.02	6.50%	(i) The loan, taken from Government of India under Sugar Development Fund (SDF), was secured by first pari-passu charge on all movable and immovable properties of the then Company's unit Titawi Sugar Complex, situated at Titawi District Muzaffarnagar in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts). (ii) This loan was further secured by personal guarantee of erstwhile Chairman and Managing Director of the Company.
iv.	**-**	-	11.30	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), are secured by an exclusive second charge on all movable and immovable properties of the Parent Company's unit Nanglamal Sugar Complex, situated at Nanglamal District Meerut in the state of Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened to anything attached to earth, both present and future (save and except book debts).
v.	**16.48**	49.44	82.40	4%	

B. Loans repayable on demand - Cash credit/overdrafts from banks

i. Cash credit / overdraft amounting to Nil (31 March, 2017 Nil; 1 April, 2016 Rs. 422.10 million) were secured by first pari-passu charge on the current assets of the Parent Company and third pari-passu charge on the property, plant and equipments of sugar units of the Parent Company. This limit was also secured by second pari-passu charge on the property, plant and equipments of chemical division of the Parent Company. Further, these loans were also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company.

ii. Cash credit amounting to Nil (31 March, 2017 Nil, 1 April, 2016 Rs. 46.34 million) were secured by first pari-passu charge on the current assets of the Parent Company and property, plant and equipments (other than cylinder on finance lease) of chemical division of the Parent Company situated at Rajpura in the state of Punjab.

iii. The outstanding amount of the cash credit facility availed from one of the lender bank which was assigned to an Asset Restructuring Company has been merged with the total restructured debt with them and in the case of other lender bank, the same is merged with the settled amount under One Time settlement as agreed with them.

iv. The subsidiary company had obtained interest bearing Inter Corporate Deposit of Rs 15.70 million from SFSL Investments Limited which was step down subsidiary of the Parent Company. SFSL Investments Limited had been disposed off by Parent Company on 31st January, 2011 and is no longer a step down subsidiary of Parent Company from 31st January, 2011. The subsidiary company is not paying interest from last few years and had taken letter for waiver of interest amount from SFSL Investments Limited vide letter dt. 02.09.2012 for previous periods as well as for future periods till the net worth of the subsidiary company remains negative. Hence no provision / liability has been provided for interest amount. Since the said amount is payable on demand, the same in the absence of any confirmation, categorized as Short Term Borrowings.

14. Provisions:

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
1	**Non- current :**			
	Provision for employee benefits			
	- Provision for gratuity (Refer note 34)	**111.00**	64.70	79.51
	Total	**111.00**	64.70	79.51
2	**Current :**			
	Provision for employee benefits			
	- Provision for gratuity (Refer note 34)	**14.60**	10.05	20.41
	- Provision for compensated absences	**22.81**	22.25	24.39
		37.41	32.30	44.80
	Total	**148.41**	97.00	124.31

15. Trade payables:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Trade payables (including acceptance) :			
- Outstanding dues to related parties	**17.49**	17.58	6.95
- Outstanding dues to micro and small enterprises (Refer note 44)[3]	**3.34**	10.38	16.98
- Outstanding dues to others	**5,609.07**	4,272.51	7,116.25
Total	**5,629.90**	4,300.47	7,140.18

1 Trade payables are normally non-interest bearing. For maturity profile of trade payable and other financial liabilities refer note 38.

2 For explanation on the Group's credit risk management processes, Refer note 38

3 Including Rs. 0.10 million (March 31, 2017 : Rs. 8.60 million, April 01,2016: Rs. 11.98 million) outstanding due to Micro and Small enterprises.

4 Includes an amount of Rs. 244.15 million (including interest Rs. 181.04 million) (March 31, 2017-Rs.70.44 million (including interest Rs. 52.23 million), April 01, 2016 -Nil) payable as per enhancement compensation order dated 22.11.2017 of Hon'ble Supreme Court in subsidiary company.

16. Other financial liabilities:

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
16.1	**Non Current at amortised cost :**			
	Interest accrued but not due on borrowings	**4.51**	6.77	63.42
	Total	**4.51**	6.77	63.42
16.2	**Current at amortised cost :**			
	Current maturities of long term borrowings (Refer note 13)	**442.06**	1,011.08	1,743.38
	Interest accrued but not due on borrowings	**2.76**	3.10	7.93
	Interest accrued and due on borrowings	**-**	198.29	857.37
	Trade deposits -Dealers and others	**47.23**	38.18	48.87
	Employees related payables	**49.01**	85.57	35.21
	Payable towards Capital goods	**42.81**	28.46	23.15
	Total	**583.87**	1,364.68	2,715.91

Breakup of financial liabilities at amortised cost:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Refer to note 13)	**970.44**	1,412.50	2,250.62
Trade payables (Refer to note 15)	**5,629.90**	4,300.47	7,140.18
Employees related payables	**49.01**	85.57	35.21
Current maturities of long term borrowings	**442.06**	1,011.08	1,743.38
Security deposits received	**47.23**	38.18	48.88
Interest accrued	**7.27**	208.16	928.72
Payable towards Capital goods	**42.81**	28.46	23.15
Total	**7,188.72**	7,084.42	12,170.14

17. Other current liabilities:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance received from customers and others	**34.50**	495.45	49.28
Statutory liabilities	**103.78**	393.63	386.85
Income Received in Advance	**-**	5.51	-
Interest on income tax payable	**14.86**	3.00	-
Miscellaneous	**44.77**	129.83	141.11
Total	**197.91**	1,027.42	577.24

18. Income Tax:

The major components of income tax expense for the years ended March 31, 2018 and March 31, 2017 :

Profit or loss section:

Rs. Million

	As at March 31, 2018	As at March 31, 2017
Tax Expense:		
Current income tax charge	**93.01**	139.19
MAT Credit Entitlement	**(92.56)**	(137.79)
Adjustments in respect of current income tax of previous year	**(20.96)**	-
Deferred tax:		
Relating to origination and reversal of temporary differences	**(3.57)**	842.11
Income tax expense reported in the statement of profit or loss	**(24.08)**	843.51

Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year:

Rs. Million

	As at March 31, 2018	As at March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	**(0.27)**	9.62
Deferred tax charged to OCI	**(0.27)**	9.62

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018, March 31, 2017.

Rs. Million

	As at March 31, 2018	As at March 31, 2017
Accounting profit before tax	**74.29**	4,406.95
Tax expenses @ applicable income tax rate of 34.608%	**25.71**	1,525.16
Losses of subsidiaries on which no tax liability was created (net of consolidation adjustments)	**22.67**	13.90
Tax effect of change in Tax rate	**(11.58)**	-
Tax effect of sale of TSC unit	**-**	(250.51)
Tax effect of redemption of preference shares	**-**	(3.79)
Tax effect of extinguishment of loan	**(43.79)**	(256.32)
Tax effect on set off of carried forward capital loss	**-**	(199.13)
Tax effect on Permanent difference	**4.14**	4.57
Adjustments in respect of current income tax of previous year	**(20.96)**	-
Income tax expense/(credit) reported in the statement of profit and loss	**(23.81)**	833.88

Rs. Million

Deferred tax:	Balance sheet				
	As at April 01, 2016	Provided during the year	As at March 31, 2017	**Provided during the year**	**As at March 31, 2018**
Deferred tax assets relates to the following					
Provision for doubtful debts and advances	74.50	(18.17)	56.33	**1.15**	**57.48**
Disallowances u/s 43 B	677.49	(122.96)	554.53	**(279.44)**	**275.09**
Unabsorbed depreciation and carry forward tax Loss	2,845.47	(1,055.44)	1,790.03	**154.01**	**1,944.04**
MAT credit	-	137.79	137.79	**92.55**	**230.34**
Others	-	-	-	**-**	**-**
Total deferred tax assets (A)	3,597.46	(1,058.78)	2,538.68	**(31.73)**	**2,506.95**
Deferred tax liabilities relates to the following					
Accelerated depreciation for tax purposes	995.02	(311.70)	683.32	**(17.43)**	**665.89**
Discounting of financial liabilities	526.31	(49.73)	476.58	**(111.73)**	**364.85**
Others	4.08	(2.67)	1.41	**1.59**	**3.00**
Total deferred tax liabilities (B)	1,525.41	(364.10)	1,161.31	**(127.57)**	**1,033.74**
Net Deferred Tax Assets (A-B)	2,072.05	(694.68)	1,377.37	**95.84**	**1,473.21**

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The Group has till date recognised Rs. 230.34 million (March 31, 2017 Rs. 137.79 million: April 01, 2016: Rs. Nil million) as Minimum Alternate Tax (MAT) credit entitlement which represents that portion of the MAT Liability, the credit of which would be available based on the provision of Section 115JAA of the Income Tax Act, 1961. The management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above MAT credit entitlement.

The Group has till date recognised Rs. 1944.04 million (March 31, 2017 Rs. 1790.03 million: April 01, 2016: Rs. 2845.47 million) as deferred tax assets on unabsorbed depreciation and carried forward tax loss, which the management based on the future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Parent Company to utilize the above deferred tax assets.

19. Income tax assets (net):

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Advance tax	**42.01**	23.09	52.73
Total	**42.01**	23.09	52.73

20. Current tax liabilities:

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Provision for taxation	**91.30**	91.71	-
Total	**91.30**	91.71	-

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

21. Revenue from operations:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)		
Finished Goods	**13,202.96**	12,481.69
Other operating revenue:		
Sale of REC license	**195.37**	131.13
Sale of scrap	**15.67**	13.98
Duty draw back and other export benefits	**-**	72.56
Other operating revenue	**2.04**	1.80
Total revenue from operations	**13,416.04**	12,701.16

Details of products sold:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sugar	**9635.06**	9,022.86
Industrial Alcohol	**556.58**	645.73
Power	**349.59**	291.15
Chlor Alkali	**2563.61**	2,322.22
Others	**98.12**	199.73
Total	**13,202.96**	12,481.69

22. Other income:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income[1]		
- Interest from banks	**18.52**	10.01
- Interest on income tax refunds	**3.13**	8.96
- interest from others	**17.99**	19.73
Rent received	**0.53**	0.49
Profit on sale of current investments	**1.91**	-
Provision/Liabilities no longer required written back	**65.75**	11.39
Miscellaneous income[2]	**13.15**	38.83
Total	**120.98**	89.41

[1]Total income (calculated using effective interest method) for financials assets that are not at fair value through profit and loss.

In relation to financial assets classified at amortised cost	**39.64**	38.70
In relation to financial assets classified at fair value through other comprehensive income	**-**	-
Total	**39.64**	38.70

[2]Includes Rs. 5.51 million (March 31, 2017 : Rs. 38.25 million) received from Delhi Development Authority (DDA) pursuant to judgment of Honorable Supreme Court of India.(Refer note 41)

23. Cost of materials consumed:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventory at the beginning of the year	**147.98**	85.85
Add: Purchases made during the year	**9,724.76**	7,854.93
	9,872.74	7,940.78
Less : Reversal of purchase tax liability provided in earlier years/refund of purchase tax	**61.46**	31.57
Less :Transferred pursuant to the business transfer agreement	**-**	2.51
Less: Inventory at the end of the year	**112.06**	147.98
Cost of materials consumed	**9,699.22**	7,758.72

Details of materials consumed are as under:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sugar cane	**9103.61**	7,287.25
Salt	**259.01**	245.60
Hydrated lime	**56.06**	53.97
Packing Materials	**177.16**	147.22
Others	**103.38**	90.14
Total	**9,699.22**	7,824.18

Details of inventory: Raw materials:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Sugar Cane	**18.93**	11.01
Salt	**27.41**	15.72
Hydrated lime	**0.32**	0.71
Packing Materials	**32.35**	23.61
Others	**33.05**	96.93
Total	**112.06**	147.98

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

24. Changes in inventories of finished goods, work-in-progress and stock in trade:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Inventories at the end of the year		
- Finished goods	**3,780.89**	3,962.74
- Work in progress	**136.26**	126.49
- Stock in trade	**501.68**	314.88
Total B	**4,418.83**	4,404.11
Inventories at the beginning of the year		
- Finished goods	**3,962.74**	3,813.67
- Work in progress	**126.49**	67.67
- Stock in trade	**314.88**	246.26
Total A	**4,404.11**	4,127.60
Transferred pursuant to the business transfer agreement		
Finished goods		260.05
Work-in-progress		0.86
Total C	**-**	260.91
Total (A-B-C)	**(14.72)**	(537.42)

Details of inventory:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Finished Goods		
Sugar	**3,720.01**	3,465.62
Industrial Alcohol	**1.50**	5.12
Chlor Alkali	**3.15**	8.99
Others	**56.23**	483.01
Total	**3,780.89**	3,962.74
Work-in-progress		
Sugar	**105.69**	94.97
Chlor Alkali	**15.39**	10.51
Others	**15.18**	21.01
Total	**136.26**	126.49
Traded Goods		
Land	**501.55**	314.79
Shares	**0.13**	0.02
	501.68	314.81

25. Employee benefits expense: **Rs. Million**

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	**596.48**	623.98
Contribution to provident and other funds	**41.62**	45.00
Gratuity	**14.95**	17.48
Staff welfare expenses	**33.77**	33.48
Total	**686.82**	719.94

26. Finance costs: **Rs. Million**

	Year ended March 31, 2018	Year ended March 31, 2017
Interest on borrowings*	**202.81**	424.61
Interest on others	**4.71**	9.33
Finance charges payable under finance lease	**0.86**	2.19
Other borrowing costs	**1.52**	5.52
Total finance cost	**209.90**	441.65

Total interest expenses (calculated using effective interest method) for financials liabilities that are not at fair value through profit and loss.

	Year ended March 31, 2018	Year ended March 31, 2017
In relation to financial liabilities classified at amortised cost	**202.81**	424.61
In relation to financial liabilities classified at fair value through other comprehensive income	**-**	-
Total	**202.81**	424.61

*including interest on income tax Rs. 11.86 million (31st March 2017: Rs. 3.00 million) and reversal of Interest liability on dues to Micro, Small and Medium Enterprises of Rs. 7.15 miilion (March 31, 2017 : Nil) .

27. Depreciation and amortization expense: **Rs. Million**

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of tangible assets (Refer to note 4)	**239.23**	303.40
Total	**239.23**	303.40

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

28. Other expenses:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spare parts	**493.42**	345.97
Power, fuel, water etc.	**1244.17**	1,321.96
Commission to indenting and ordering agent	**25.28**	21.37
Repairs		
- Building	**27.66**	10.48
- Plant and Equipment	**139.28**	78.66
- Others	**9.58**	10.98
Rent paid	**21.50**	18.94
Payment to statutory auditors (Refer details below)	**5.24**	6.05
Insurance	**8.54**	9.12
Rates and taxes	**15.54**	27.79
Jobs on contract	**156.11**	130.77
Freight and transport	**86.33**	53.88
Net loss on foreign currency transactions	**0.20**	0.86
Legal and professional expenses	**101.94**	88.09
Provision for doubtful debts and advances	**3.15**	-
Irrecoverable balances written off	**8.83**	54.23
Loss on sale/write off of Property, plant and equipment	**1.02**	0.31
Land Development Expenses	**-**	2.16
Enhancement of compensation in respect of Land sold in earlier years	**55.49**	21.19
CSR Expenditure	**0.70**	-
Miscellaneous expenses	**187.27**	96.40
Total	**2,591.25**	2,299.21

Payment to statutory auditors:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
As auditors		
Audit fee	**1.53**	2.12
Tax audit fee	**0.50**	0.41
Out of pocket expenses	**0.41**	0.27
In other capacity		
For limited review of unaudited financial results	**0.90**	2.10
For verification of statement and other reports	**1.90**	1.15
Total	**5.24**	6.05

29. Exceptional Items:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
(Loss)/Profit on sale of Titawi unit (refer note 42)	**(43.28)**	2,347.04
Write back of Loan Liabilities/Interest Provision (refer note 13(#))	**190.87**	1,145.83
Total	**147.59**	3,492.87

30. Earnings per share (EPS)

a) Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year.

b) The following reflects the income and share data used in the basic and diluted EPS computations:

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Profit attributable to equity holders of the Parent	**96.30**	3,590.04
Weighted average number of equity shares for basic and diluted EPS	**39,115,672**	39,115,672
Basic and diluted earnings per share (in Rs.)	**2.46**	91.78
Face Value per share (in Rs.)	**10.00**	10.00

31. Commitments and Contingencies

(a) Leases

Operating Lease — as lessee

The Parent Company has entered into the operating leases on properties with lease term between 1 year. The Parent Company has the option to renew the lease at the end of each year. There are no restrictions imposed by the lease arrangements. There are no subleases.

Rs. Million

	March 31, 2018	March 31, 2017
Lease rentals recognized during the period	**21.50**	18.94

Finance Lease - as lessee

The Parent Company has finance lease for chlorine cylinder. The Parent Company's obligation under finance leases are secured by the lessor 's title to the leased assets. Future minimum lease payments under finance leases with the present value of the net minimum lease payments are as follows.

Rs. Million

	As at March 31, 2018		As at March 31, 2017		As at April 01, 2016	
	Minimum Lease Payments(MLP)	**Present Value of MLP**	Minimum Lease Payments(MLP)	Present Value of MLP	Minimum Lease Payments(MLP)	Present Value of MLP
Within one year	**4.81**	**4.58**	11.78	9.58	22.66	12.63
After one year but not more than five years	**-**	**-**	4.81	4.58	21.95	14.16
More than five years	**-**	**-**	-	-		
Total Minimum Lease Payments	**4.81**	**4.58**	16.59	14.16	44.61	26.79
Less: amount representing finance charges	**-0.23**	**-**	(2.43)		(17.82)	
Present value of Minimum Lease Payments	**4.58**	**4.58**	14.16	14.16	26.79	26.79

(b) Commitments

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017	As at April 01, 2016
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	**19.70**	3.30	95.92
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	**#**	#	#
Total	**19.70**	3.30	95.92

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(c) Contingent Liabilities in respect:

(i) Income Taxes/Central Excise/Service Tax/Value Added Tax and other taxes

Rs. Million

Nature of Dispute	Description	Period#	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Income Tax	Regarding Interest on TDS Liability	2017-18	**2.63**	-	-
Income Tax	Regarding Carried Forward of losses for AY 1997-98*	1998-99	**30.28**	30.28	30.28
Income Tax	Regarding penalty levied u/s 271(1)('C)**	2001-02	**-**	306.42	306.42
Cenvat Credit Rules 2004	Demand Notice received from Central Excise Department towards wrong availment of cenvat credit taken.	1994-95 to 1996-97, 1998-99, 1999-00 to 2002-03 ,2006-07 and 2004-05 to 2016-17	**64.31**	50.82	89.80
Central Excise and Service Tax	Demand notice received from Central Excise and Service tax Department regarding dispute on levy of service tax and excise duty.		**91.04**	110.11	213.36
Interest/ Penalty	Demand notice received from Central Excise and Service tax Department regarding penalty and Interest imposed.		**2.36**	2.36	0.79
Sales Tax	Demand notice received from Commercial tax Department regarding dispute on levy of sales tax	2006-07, 2009-10 to 2013-14	**54.99**	51.49	84.79
	Total		**245.61**	551.48	725.44

* A sum of Rs. 30.28 million has been deposited with Income Tax Authorities and is appearing under income tax assets in the balance sheet.
# Period in respect of Income Tax represents Assessment Year
** the matter have been decided in favour of the Parent Company but the department has preferred appeal at higher level.

(ii) Other Matters under disputes are as below:

Rs. Million

Nature of Dispute	Description	Period	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Land	Land related disputes	2014-15	**0.87**	0.87	0.87
		2007-08	**18.10**	18.10	18.10
		1985-86, 1975-76, 2009-10,	**1.05**	1.05	1.05
		Total	**20.02**	20.02	20.02
Labour	Labour related disputes	2006-07 and 2008-09	**2.39**	3.20	2.80
		1997-98, 1999-00 to 2002-03, 2008-09, 2010-11 and 2012-13	**7.85**	7.01	6.51
		1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15	**10.31**	14.23	14.57
		ESI	**-**	-	0.36
		Total	**20.55**	24.44	24.24

Nature of Dispute	Description	Period	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Civil	Appeal has been preferred against by PSPCL against order passed by PSERC whereby the Commission had held that for calculating threshold limit, maximum of the annual power consumption of PSPCL power for the last two financial years has to be considered which would entitle Large Supply Industrial Consumers in the State of Punjab for base tariff at the rate of Rs. 4.99/KvAH for power consumed beyond threshhold limit.	2010-11	**63.20**	-	-
	Arbitration notice received from M/s prime industries ltd in pursuant to High court order dated 08.12.2016.		**42.03**	-	68.11
	Others	2010-11	**3.11**	3.11	3.11
		Total	**108.34**	3.11	71.22
Recovery Certificate	Recovery charges against recovery of cane dues.	2006-07, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16	**926.88**	926.88	462.96
		2008-09, 2012-13 and 2013-14	**245.10**	245.10	245.10
		2006-07, 2010-11,2012-13, 2013-14, 2014-15 and 2015-16	**1,031.52**	1,031.52	737.83
		Total	**2,203.50**	2,203.50	1,445.89
Interest on cane Price / Commission Arrears	Interest on delay payment of cane dues	2002-03, 2006-07, 2012-13 to 2016-17	**2,843.90**	2,615.00	-
Society Commission	Differential Society Commission liability provided in the books pursuant to judgement of Allahabad High Court.	2012-13 and 2014-15	**-**	228.97	-
Purchase Tax	Purchase tax during period of Sugar Promotion Policy.	2006-07 to 2012-13 and 2016-17	**75.05**	-	-
Grand Total			**5271.36**	5,095.04	1,561.37

(iii)	Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Private Limited	**70.00**	70.00	70.00

(iv) The Parent Company has provided bank guarantees aggregating Rs. 72.01 million (31 March, 2017 Rs. 72.01 million, 1 April, 2016 Rs. 72.01 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous period, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, income tax and central excise matters aggregating Rs. 43.68 million (31 March, 2017 Rs. 43.68 million, 1 April, 2016 Rs. 43.68 million) have been received. These demands are presently under various stages of appeal.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

(v) During the previous periods, the Parent Company had given a counter indemnity/guarantee in favour of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary that has been struck off under the Easy Exit Scheme, 2011.

32. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs.6.98 million (31 March, 2017 Rs. 6.00 million).

33. Disclosure of interest in subsidiaries

		Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)			Method of accounting of Investment
			As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	
(i)	Siel Financial Services Limited,	India	**93.56%**	93.56%	93.56%	Deemed cost
(ii)	Siel Industrial Estate Limited,	India	**100.00%**	100.00%	100.00%	Deemed cost
(iii)	Siel Infrastructure & Estate Developers Private Limited	India	**100.00%**	100.00%	100.00%	Deemed cost

34. Gratuity and other post-employment benefit plans

a) Defined Benefits Plans

Gratuity and Compensated absences –In accordance with Ind AS 19, actuarial valuation was done and details of the same are given below:

Rs. Million

		As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
		Gratuity (Funded)	Gratuity (Funded)	Gratuity (Funded)
Change in the Present value of obligation				
1	Present value of obligation as at the beginning of the year	**158.27**	176.49	
2	Add: Current service cost	**9.48**	9.49	
3	Less: Slump Sale adjustment	**-**	(51.15)	
4	Add: Interest cost	**11.58**	14.12	
5	Add: Actuarial (gain) / loss	**(2.79)**	27.97	
6	Less: Benefits paid	**(19.49)**	(18.65)	
7	**Present value of obligation as at the end of the year**	**157.05**	158.27	176.49
Change in the fair value of plan assets				
1	Fair value of plan assets at the beginning of the year	**83.52**	76.57	
2	Add: Expected return on plan assets	**6.11**	6.13	
3	Add: Contribution by the Parent Company	**2.07**	1.54	
4	Less: Fund transfer to other party on Slump sale	**(57.80)**	-	
5	Less: Benefits paid	**(0.44)**	(0.88)	
6	Add: Actuarial gain / (loss)	**(2.01)**	0.16	
7	**Plan assets at the end of the year**	**31.45**	83.52	76.57
Liability/ (Asset) recognized in the financial statements		**125.60**	74.75	99.92
	Current	**14.60**	10.05	20.41
	Non-current	**111.00**	64.70	79.51

The plan assets are maintained with Life Insurance Corporation of India Gratuity Scheme. The details of investments maintained by Life Insurance Corporation are not available with the Parent Company and have not been disclosed.

The following tables summarise the components of net benefit expense recognised in the Statement of profit or loss and the funded status and amounts recognised in the balance sheet for the respective plans:

Amount recognised in Statement of Profit and Loss:	**Year ended March 31, 2018**	Year ended March 31, 2017
Current service cost	**9.48**	9.49
Net interest expense	**5.47**	7.99
Amount recognised in Statement of Profit and Loss	**14.95**	17.48

Amount recognised in Other Comprehensive Income:	**Year ended March 31, 2018**	Year ended March 31, 2017
Actuarial gain/(loss) on Present value of obligation	**2.79**	(27.97)
Actuarial gain/(loss) on Assets	**(2.01)**	0.16
Amount of gain/(loss) recognised in Other Comprehensive Income	**0.78**	(27.81)

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

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Gratuity			
Investment Details	**Funded**	Funded	Funded
Investment with Insurer (LIC)	**100%**	100%	100%

The principal assumptions used in determining gratuity liability for the Company's plans are shown below:

	As at March 31, 2018	As at March 31, 2017
Discount rate (%)	**7.63**	7.32
Expected rate of return on Plan assets (%)	**7.65**	8.25
Future salary increases (%)	**5.00**	5.00
Retirement Age (Years)	**58**	58
Withdrawal rate		
Up to 30 years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%

Mortality rate 100% of IALM (2006-08)

A quantitative sensitivity analysis for significant assumption as at March 31, 2018 is as shown below:

Gratuity Plan

Particulars	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**	**31-Mar-18**
Assumptions	**Discount rate**	**Future salary increase**		
Discount rate	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation	-4.95	5.27	5.38	-5.09

"The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

The following payments are expected contributions to the defined benefit plan in future years:

	March 31, 2018
Within the next 12 months (next annual reporting period)	**18.25**
Between 1 and 2 years	**7.47**
Between 2 and 3 years	**6.50**
Between 3 and 4 years	**6.29**
Between 4 and 5 years	**9.78**
Between 5 and 6 years	**10.20**
Beyond 6 years	**98.56**
Total expected payments	**157.05**

35. Related party transactions

I) List of related parties

a) Promoter:

Mr. Siddharth Shriram

b) Key management personnel of Parent Company

Mr. Dharam Pal Sharma –Whole Time Director

Mr. B.B. Mehta – Chief Financial Officer (w.e.f. November 04, 2017)

Dr. Anil Arora– Chief Financial Officer (resigned w.e.f. November 04, 2017)

Mr. Ashok Kumar Shukla- Company Secretary

c) Enterprises over which key management personnel have significant influence:

Usha International Limited

Mawana Foods Private Limited (subsidiary company of Usha International Limited)

II) Transactions with related parties

Rs. Million

		Year ended March 31, 2018	Year ended March 31, 2017
A.	**Promoter**		
	Mr. Siddharth Shriram		
	Advisory fees	**12.83**	9.31
B.	**Key Management personnel and their relatives**		
	Remuneration to key management personnel:		
	Mr. Dharam Pal Sharma	**1.77**	1.77
	Mr.B.B. Mehta	**2.90**	-
	Dr. Anil Arora	**2.72**	3.90
	Mr. Ashok Kumar Shukla	**0.80**	0.55

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
C. Enterprises over which key management personnel have significant influence		
(a) Usha International Limited		
Expenses reimbursed	**2.11**	6.72
Reimbursement of ERP expenses	**5.30**	5.20
Miscellaneous purchases	**0.16**	0.14
Rent paid	**5.13**	5.45
Royalty paid	**10.98**	11.18
(b) Mawana Foods Private Limited		
Sale of Goods	**404.37**	474.62
Interest received	**9.61**	6.16
Expenses recovered	**0.02**	0.17
Miscellaneous purchases	**0.10**	0.08

Balance Outstanding as at year end

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
(a) Loans and Advances			
Mr. Siddharth Shriram	**8.28**	8.69	7.91
(b) Trade Payables			
Usha International Limited	**20.59**	17.58	6.95
(c) Trade Receivables			
Mawana Foods Private Limited	**150.27**	109.28	87.54
(d) Guarantee given by the Parent Company			
Mawana Foods Private Limited	**70.00**	70.00	70.00

Erstwhile Chairman and Managing Director of the Parent Company has given personal Guarantees Rs. 5,243.00 million (March 31, 2017 Rs. 5,295.00 million, April 01, 2016 Rs. 5,295.00 million) as collateral security in favour of lenders of the Parent Company.

Transaction with Key management personnel

Rs. Million

	Year ended March 31, 2018	Year ended March 31, 2017
Short-term employee benefits	**8.19**	6.22
Post-employment gratuity and medical benefits	**-**	-
Termination benefits	**-**	-
Total compensation paid to key management personnel	**8.19**	6.22

The amount disclosed in the table are the amounts recognised as expense during the reporting period related to key management personnel.

36. Segment Information

A. Operating Segment

As per Ind AS 108 identification of segment is based on the manner in which the entity's Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Operating segments of the Group is identified to be sugar, power, chemicals and distillery as the Chief Operating decision maker reviews business performance of the Group on the basis of these segments

B. Geographical Segment

Since the Group's activities/operations are primarily within the country and considering the nature of products/ services it deals in, the risks and returns are same and as such there is only one geographical segment.

C. Segment accounting policies:

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:
Segment revenue and expenses are directly attributable to the segments.

ii) Segment assets and liabilities:
Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

iii) Inter segment revenues:
Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

D. Information about business segments

(Rs. Million)

PARTICULARS	Sugar			Power			Chemicals			Distillery			Unallocated			Elimination			Total		
	March 31, 2018	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016
SEGMENT REVENUE																					
External Sales (Including excise duty)	**9,689.08**	9,194.37		349.59	291.15		2,563.61	2,320.90		**600.67**	675.27		-	-		-	-		**13,202.95**	12,481.69	
Inter segment revenue	**1,598.52**	1,995.78		2,182.86	1,824.48		4.40	4.48		-	5.81		-	-		**(3,785.78)**	(3,830.55)		-	-	
Other Operating Revenues	**209.06**	213.68		-	-		3.17	5.56		**0.85**	0.23		-	-		-	-		**213.08**	219.47	
Other income	-	-		-	-		-	-		-	-		**120.99**	89.41		-	-		**120.99**	89.41	
Total revenue	**11,496.66**	11,403.83		**2,532.45**	2,115.63		**2,571.18**	2,330.94		**601.52**	681.31		**120.99**	89.41		**(3,785.78)**	(3,830.55)		**13,537.02**	12,790.57	
EBIT/RESULTS																					
Segment results	**(560.98)**	856.68		413.48	337.55		367.15	39.88		**79.83**	94.41		-	-		-	-		**299.48**	1,328.52	
Unallocated income/ (expenses) (net of income/ expenses)	-	-		-	-		-	-		-	-		**(30.00)**	81.55		-	-		**(30.00)**	81.55	
Operating Profit	**(560.98)**	856.68		**413.48**	337.55		**367.15**	39.88		**79.83**	94.41		**(30.00)**	81.55		-	-		**269.48**	1,410.07	
Finance Costs	-	-		-	-		-	2.19		-	-		**383.20**	504.69		-	-		**383.20**	506.88	
Interest income	-	-		-	-		-	-		-	-		**39.64**	38.70		-	-		**39.64**	38.70	
Net Profit/(Loss) before tax and exceptional items	**(560.98)**	856.68		**413.48**	337.55		**367.15**	37.69		**79.83**	94.41		**(373.56)**	(384.44)		-	-		**(74.08)**	941.89	
Exceptional item- Income(net)	-	-		-	-		-	-		-	-		**147.59**	3,492.87		-	-		**147.59**	3,492.87	
Net Profit/(Loss) before tax	**(560.98)**	856.68		**413.48**	337.55		**367.15**	37.69		**79.83**	94.41		**(225.97)**	3,108.43		-	-		**73.51**	4,434.76	
Tax expenses/(credit)	-	-		-	-		-	-		-	-		**(24.08)**	843.51		-	-		**(24.08)**	843.51	
Net Profit/(Loss) after tax	**(560.98)**	856.68		**413.48**	337.55		**367.15**	37.69		**79.83**	94.41		**(201.89)**	2664.92		-	-		**97.59**	3,591.25	
OTHER INFORMATION	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016
A. ASSETS																					
Segment assets	**5,754.19**	5,291.07	6,269.73	1,230.18	1,764.21	1,987.06	749.37	756.14	832.95	**927.61**	845.98	871.37	-	-	-	-	-	-	**8,661.35**	8,657.40	9,961.11
Unallocated assets	-	-	-	-	-	-	-	-	-	-	-	-	**2,389.59**	2,969.62	2,654.38	-	-	-	**2,389.59**	2,969.62	2,654.38
Total Assets	**5,754.19**	5,291.07	6,269.73	**1,230.18**	1,764.21	1,987.06	**749.37**	756.14	832.95	**927.61**	845.98	871.37	**2,389.59**	2,969.62	2,654.38	-	-	-	**11,050.94**	11,627.02	12,615.49
B. LIABILITIES																					
Segment liabilities	**5,284.67**	4,864.97	7,303.22	12.49	13.63	11.54	276.67	266.07	336.83	**61.34**	66.90	37.68	-	-	-	-	-	-	**5,635.17**	5,211.57	7,689.27
Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	**1,428.20**	2,439.28	3,994.00	-	-	-	**1,428.20**	2,439.28	3,994.00
Unallocated liabilities	-	-	-	-	-	-	-	-	-	-	-	-	**578.62**	665.39	1,188.42	-	-	-	**578.62**	665.39	1,188.42
Total Liabilities	**5,284.67**	4,864.97	7,303.22	**12.49**	13.63	11.54	**276.67**	266.07	336.83	**61.34**	66.90	37.68	**2,006.82**	3,104.67	5,182.42	-	-		**7,641.99**	8,316.24	12,871.69
	March 31, 2018	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016	**March 31, 2018**	March 31, 2017	April 01, 2016
C. OTHERS																					
Capital expenditure	**133.63**	4.09		5.92	0.17		10.59	1.84		**60.35**	181.20		**0.49**	4.18		-	-		**210.98**	191.48	
Depreciation	**90.43**	120.66		46.68	58.02		54.37	89.07		**46.69**	34.70		**1.06**	0.95		-	-		**239.23**	303.40	

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

37. A. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

Rs. Million

	Carrying Value			Fair Value		
	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016	**As at March 31, 2018**	As at March 31, 2017	As at April 01, 2016
Financial assets						
Fair Valuation at Amortized cost :						
Security deposits paid	**117.22**	119.52	89.13	**117.22**	119.52	89.13
Dues from employees	**1.04**	2.36	0.48	**1.04**	2.36	0.48
Loans and advances to related parties	**8.28**	8.69	7.91	**8.28**	8.69	7.91
Interest accrued on deposits	**20.01**	14.89	18.78	**20.01**	14.89	18.78
Total	**146.55**	145.46	116.30	**146.55**	145.46	116.30
Financial liabilities						
Fair Valuation through Statement of Profit & Loss						
Borrowings	**1,428.20**	2,439.28	3,994.00	**1,428.20**	2,439.28	3,994.00
Total	**1,428.20**	2,439.28	3,994.00	**1,428.20**	2,439.28	3,994.00

The management assessed that cash and cash equivalents, other bank balances, unbilled revenue, fixed deposits, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

However, the Group has not fair valued any financial assets and liabilities.

37. B. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

Rs. Million

				Fair value measurement using		
		Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I.	**Assets measured at fair value (Note 37):**					
	Fair Valuation at Amortized cost :					
	Security deposit paid	**31-Mar-18**	**117.22**	**-**	**117.22**	**-**
	Dues from employees	**31-Mar-18**	**1.04**	**-**	**1.04**	**-**
	Loans and advances to related parties	**31-Mar-18**	**8.28**	**-**	**8.28**	**-**
	Interest accrued on deposits	**31-Mar-18**	**20.01**	**-**	**20.01**	**-**
			146.55	**-**	**146.55**	**-**
II.	**Liabilities for which fair value is disclosed (Note 37):**					
	Fair Valuation through Statement of Profit & Loss					
	Borrowings	**31-Mar-18**	**1,428.20**	**-**	**-**	**1,428.20**

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2018.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2017:

Rs. Million

				Fair value measurement using		
		Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I.	**Assets measured at fair value (Note 37):**					
	Fair Valuation at Amortized cost :					
	Security deposit paid	31-Mar-17	119.52	-	119.52	-
	Dues from employees	31-Mar-17	2.36	-	2.36	-
	Loans and advances to related parties	31-Mar-17	8.69	-	8.69	-
	Interest accrued on deposits	31-Mar-17	14.89	-	14.89	-
			145.46	-	145.46	-
II.	**Liabilities for which fair value is disclosed (Note 37):**					
	Fair Valuation through Statement of Profit & Loss					
	Borrowings	31-Mar-17	2,439.28	-	-	2,439.28

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2017.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Quantitative disclosures fair value measurement hierarchy for assets as at April 01, 2016:

Rs. Million

				Fair value measurement using		
		Date of valuation	Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I.	**Assets measured at fair value (Note 37) :**					
	Fair Valuation at Amortized cost :					
	Security deposit paid	01-Apr-16	89.13	-	89.13	-
	Dues from employees	01-Apr-16	0.48	-	0.48	-
	Loans and advances to related parties	01-Apr-16	7.91	-	7.91	-
	Interest accrued on deposits	01-Apr-16	18.78	-	18.78	-
			116.30	-	116.30	-
II.	**Liabilities for which fair value is disclosed (Note 37):**					
	Fair Valuation through Statement of Profit & Loss					
	Borrowings	01-Apr-16	3,994.00	-	-	3,994.00

There have been no transfers among Level 1, Level 2 and Level 3 as at April 01, 2016

Valuation technique used to determine fair value

Type	Valuation technique	Significant observable input
Financial liabilities (Borrowings)	Discounted Cash Flow method: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rates.	Not applicable

38. Financial risk management objectives and policies

The Group's principal financial liabilities comprise of trade payables, other payables, security deposits received, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. Market risk comprise of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

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. However, as the Group does not have any outstanding floating rate interest bearing long term and short term debts at the balance sheet date. Therefore, a change in interest rates on the reporting date would neither affect profit or loss nor affect equity.

Fair value sensitivity analysis for fixed rate instruments

The Group does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would neither affect profit or loss not affect equity.

Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the Group's function currency. The Group imports certain materials which exposes it to foreign currency risk.

Below is the Group's exposure to foreign currency risk changes

Rs. Million

	Change in conversion rate	Effect on profit before tax
Year ended March, 2018	**+5%**	**-7.04**
	-5%	**7.04**
Year ended March, 2017	+5%	-0.13
	-5%	0.13

Commodity price risk

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Group has mitigated this risk to some extant by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The Group also deals in Chlor Alkali products viz Caustic Soda, Chlorine etc, their prices are led by global as well as domestic demand and supply. The Group focuses on being amongst the lowest cost producers in these businesses.

The Group also deals in Chlor Alkali products viz Caustic Soda, Cholorine etc, their prices are led by global as well as domestic demand and supply. The Group focuses on reducing the cost of production in this business.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

i Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Movement in provisions of doubtful debts

Rs. Million

	Trade Receivables	**Loans/other assets**	**Investments**
Provision as at April 01, 2016	53.75	134.17	10.82
Provision charged during the year 2016-17	(50.11)	-	-
Provision transfer in Slump sale of Titawi unit	(1.97)	-	-
Provision written back during the year 2016-17	(0.42)	-	-
Provision as at March 31, 2017	1.25	134.17	10.82
Provision made during the year 2017-18	1.42	0.04	-
Provision charged during the year 2017-18	-	-	-
Provision written back during the year 2017-18	-	-	-
Provision as at March 31, 2018	**2.67**	**134.21**	**10.82**

ii. Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Group's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Group manages its liquidity for working capital requirement to ensure smooth operation of the business.

The Group also ensures the long term funds requirement like capex or otherwise are met through adequate availability of long term capital (debt/equity).

As at March 31, 2018

Rs. Million

	Less then 1 year	**1-3 years**	**>3 years**	**Total**
Borrowings	457.76	970.45	-	1,428.21
Trade payables	5,629.90	-	-	5,629.90
Employees related payables	49.01	-	-	49.01
Security deposits received	47.23	-	-	47.23
Interest accrued but not due on borrowings	2.76	4.51	-	7.27
Payable towards Capital Goods	42.81	-	-	42.81
	6,229.47	**974.96**	**-**	**7,204.43**

As at March 31, 2017

Rs. Million

	Less then 1 year	1-3 years	>3 years	Total
Borrowings	1026.78	906.00	506.50	2,439.28
Trade payables	4,300.47	-	-	4,300.47
Employees related payables	85.57	-	-	85.57
Security deposits received	38.18	-	-	38.18
Interest accrued but not due on borrowings	3.10	4.51	2.26	9.87
Interest accrued and due on borrowings	198.29	-	-	198.29
Payable towards Capital Goods	28.46	-	-	28.46
	5,680.85	910.51	508.76	7,100.12

As at April 01, 2016

Rs. Million

	Less then 1 year	1-3 years	>3 years	Total
Borrowings	2227.52	813.12	953.36	3,994.00
Trade payables	7,140.18	-	-	7,140.18
Employees related payables	35.21	-	-	35.21
Security deposits received	48.88	-	-	48.88
Interest accrued but not due on borrowings	7.93	31.71	31.71	71.35
Interest accrued and due on borrowings	857.37	-	-	857.37
Payable towards Capital Goods	23.15	-	-	23.15
	10,340.24	844.83	985.07	12,170.14

39. Capital management

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
Borrowings (Note 13)	**1,428.20**	2,439.28	3,994.00
Trade Payables (Note 15)	**5,629.90**	4,300.47	7,140.18
Cash and cash equivalents (Note 8)	**(527.58)**	(360.52)	(234.96)
Net debts	**6,530.52**	6,379.23	10,899.22
Total equity	**3,407.66**	3,309.56	(256.19)
Capital plus net debt	**9,938.18**	9,688.78	10,643.02
Gearing ratio (%)	**65.71%**	65.84%	102.41%

In order to achieve this overall objective, the Group'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. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been breach in the financial covenants (non payment of term loan installment) of one interest-bearing borrowing in the current year. However, the Group had made one time settlement with the said lender during the year. (Please refer note 13).

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2017 and March 31, 2018.

40. The Parent Company has applied to Central Government for approval of remuneration paid of Rs 54.20 millions to former Managing Director (MD)/Whole Time Director (WTD)/existing Whole Time Director. In respect of application of former MD/WTD, the department has declined the request of the Parent Company, and therefore an application is being filed for reopening.

41. Pursuant to judgment dated 10.5.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation the Parent Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') and dedicated it exclusively for the development of green belt and open spaces. Consequently, the Parent Company is no longer in physical possession of 46.58 acres owned by it.

The Parent Company had filed a Review Petition in the Hon'ble Supreme Court of India challenging the order of surrender of land to the DDA. During the pendency of this Review Petition, the DDA leased out some portion of the land surrendered by the Parent Company to Delhi Metro Rail Corporation ('DMRC'). The Parent Company filed an application before the Hon'ble Supreme Court of India in the pending Review Petition against the leasing of land by DDA to DMRC as this was contrary to the purpose for which the Parent Company has surrendered and dedicated the land.

Although the Hon'ble Supreme Court of India dismissed the aforesaid Review Petition by order dated 25.3.2010 but on the Parent Company's application against the leasing of land by DDA to DMRC, It has stated and directed as follows : "…the DDA which holds the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community…In the event of any acquisition or development of surrendered land, the owner – dedicator will have the benefit of compensation on account of land ceasing to be 'land dedicated to the community purpose of lung/open space…' when such acquisition/alienation takes place, DDA and the land owner will be entitled to share the compensation at 50% each."

In view of the aforesaid judgment, benefits earned by DDA from the surrendered land are to be shared equally with the Parent Company.

Pending determination of the benefits amount, the credit thereof for the period from July 17 onwards has not been taken in these Consolidated financial statements.

42. The Parent Company executed a Business Transfer Agreement on November 18, 2016 with Indian Potash Limited (IPL) to sell off its Agreed Assets and Liabilities excluding contingent liabilities of Titawi Sugar Complex (unit) as a going concern on an 'AS IS WHERE IS WHAT IS' basis by way of a slump sale. Such sale is on certain terms and conditions, part of which have been fulfilled and the rest are under process. The sale is governed by a Business Transfer Agreement (BTA) which stipulates completion of these activities within a certain time frame.

Accordingly, IPL has taken control of the Unit. These accounts reflect comprehensive sale of aforesaid assets/liabilities. The Parent Company has recognised a net gain of Rs. 2347.04 million which has been reflected under exceptional item in the Statement of Profit and Loss for the previous year ended March 31,2017.

During the current year, the Parent Company has completed the above transaction of sale of Titawi Sugar Complex (TSC) Unit to IPL.Whilst effecting the final settlement, the Parent Company had to bear an expenditure of Rs. 43.28 millions, thereby reducing the profit from said sale transaction envisaged in previous year. Accordingly, a loss of Rs. 43.28 millions is recognized under exceptional items in the Statement of Profit and Loss for the year ended March 31, 2018

A sum of Rs. 20.00 million is recoverable from IPL, pending transfer of certain portion of freehold land in the name of IPL.

43. Dues to Micro, Small and Medium Enterprises

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Rs. Million

	As at March 31, 2018	As at March 31, 2017	As at April 01, 2016
The principal amount and the interest due thereon remaining unpaid to any supplier:			
- Principal amount	**3.24**	1.78	5.00
- Interest thereon	**0.10**	8.60	11.98
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.			
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 this Act		-3.38	3.74
the amount of interest accrued and remaining unpaid	**0.10**	8.60	11.98
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	**0.10**	2.95	3.74

44. Disclosure required under Section 186 (4) of the Companies Act 2013.

Particulars of Corporate Guarantee given:

Name of the Entity	Year	Opening Balance	Guarantee Given	Guarantee Discharged	Closing Balance	Purpose
Mawana Foods Private Limited	2016-17	70.00	-	-	70.00	Corporate Guarantee for securing the working capital limits sanctioned by Punjab National Bank.
	2017-18	**70.00**	**-**	**-**	**70.00**	

45. Mawana Sugars Limited

Notes to financial statements of Group as at and for the year ended March 31, 2018

Name of the entity in Group	Net assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount in Rs. Million	% of consolidated profit or loss	Amount in Rs. Million	% of consolidated other comprehensive income	Amount in Rs. Million	% of consolidated total comprehensive income	Amount in Rs. Million
Parent								
Mawana Sugars Limited								
As at March 31, 2018	104.63%	3,565.38	168.65%	162.41	99.63%	0.51	168.28%	162.92
As at March 31, 2017	102.81%	3,402.47	101.08%	3,628.86	100.00%	-18.19	101.09%	3,610.68
As at April 01, 2016	78.89%	-202.10	-	-	-	-	-	-
Subsidiaries								
1) Siel Industrial Estate Limited								
As at March 31, 2018	4.76%	162.05	-63.29%	-60.95	0.00%	-	-62.95%	-60.95
As at March 31, 2017	6.25%	206.89	-0.67%	-24.12	0.00%	-	-0.68%	-24.12
As at April 01, 2016	-90.17%	231.01	-	-	-	-	-	
2) Siel Financial Services Limited								
As at March 31, 2018	-1.29%	-44.04	1.33%	1.28	0.00%	-	1.33%	1.28
As at March 31, 2017	-1.37%	-45.33	0.52%	18.80	0.00%		0.53%	18.80
As at April 01, 2016	49.23%	-126.12	-	-	-	-	-	-
3) Siel Infrastructure & Estate Developers Private Limited								
As at March 31, 2018	40.09%	1,365.99	-0.25%	-0.24	0.00%	-	-0.25%	-0.24
As at March 31, 2017	41.28%	1,366.23	0.00%	0.06	0.00%	-	0.00%	0.06
As at April 01, 2016	-533.27%	1,366.18	-	-	-	-	-	-
<u>Minority Interest in Subsidiaries</u>								
Siel Financial Services Limited								
As at March 31, 2018	-0.04%	-1.29	-1.34%	-1.29	0.00%	-		
As at March 31, 2017	-0.04%	-1.21	-0.03%	-1.21	0.00%	-	-0.03%	-1.21
As at April 01, 2016	0.00%	-	-	-	-	-	-	-
Eliminations and adjustments due to Consolidation								
As at March 31, 2018	-48.18%	-1,641.72	-6.44%	-6.21	0.00%	0.00	-6.41%	-6.20
As at March 31, 2017	-48.97%	-1,620.70	-0.93%	-33.56	0.00%	-	-0.94%	-33.56
As at April 01, 2016	595.32%	-1,525.15	-	-	-	-	-	-
Total								
As at March 31, 2018	100.00%	3407.66	100.00%	96.30	100.00%	0.51	100.00%	96.81
As at March 31, 2017	100.00%	3309.56	100.00%	3590.04	100.00%	-18.19	100.00%	3571.86
As at April 01, 2016	100.00%	-256.19	-	-	-	-	-	-

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

46. Earlier, the Parent Company was having four PF Trusts for maintaining Provident Fund for its employees & workers. As per Clause 25 of Employees Provident Funds Scheme ,1952 “a Parent Company reporting loss for three Consecutive Financial Years or erosion in their capital base shall have their exemption withdrawn from the first day of next / succeeding financial year.” The Parent Company was incurring losses from the year 2010-11 to 2012-13 and net worth of the Parent Company was also completely eroded during that period.

In terms of the above, it was obligatory on the Parent Company to have its exemption withdrawn and transfer the PF accumulation balance to Employee Provident Fund Organisation (EPFO), Ministry of Labour, Govt. of India. The Parent Company has already transferred PF accumulations of two PF Trusts during the year 2015-16. However, accumulation of remaining PF Trusts i.e. SFFI Employees PF Trust and MSW Employees PF Trust are under transfer. Necessary approval in this respect has already been received from EPFO. These two trusts have been depositing Provident Fund dues with Regional Provident Fund Commissioner (RPFC) from January 2014 and October 2017 respectively. Hence no disclosure as required under Ind AS 19 employee benefits for provident fund trusts have been given.

47. During the year ended March 31, 2018, frauds pertaining to earlier years have been detected in Parent Company’s sugar units at Mawana Sugar Works and Nanglamal Sugar Complex where some employees (who have already left the service of the Company) have embezzled aggregate sum of Rs.29.78 million by forging documents and wrongfully withdrawing payment. FIR has been filed against these person and necessary legal action in this regard has been initiated to recover the money. No credit for the above amount has been taken in the books, which will be taken once amount is recovered.

48. In view of Allahabad High Court order dated 21.12.2017 for stay on the retrospective operation of orders of UP State Government on reduction in rate of society commission pertaining to earlier years, Parent Company has provided differential amount of Rs. 285.46 million in the accounts during the current year.

Although the Company has received the order of Allahabad High Court before finalizing the last quarter’s results, however, the management was under discussion internally and with various sugar industry expert to get the waiver of above commission but could not get the success so far in above matter. As a result, the amount has been provided during the current quarter. The major part of said liability was appearing under the contingent liability in last year’s accounts.

49. In view of oversupply of sugar in the country and crash in sugar prices, Government of India issued the notification No. 1(4)/2018-S.P.-1 dated 9th May 2018 with allocating mill-wise Minimum Indicative Export Quota (MIEQ) of 20 lakh tonne for sugar season 2017-18. The Parent Company has been allocated MIEQ of 19088 MT of sugar. Presently the international prices of sugar are much lower than the domestic prices.

Further, it has also issued notification No. 1(5)/2018-S.P.-1 dated 9th May 2018 with the scheme for assistance to sugar mills for payment of cane price dues to farmers against sugar cane crushed during the season 2017-18 @ Rs 5.50/qtl to offset the cost of cane purchased.

As per one of the conditions of the notification, Company may find difficult to get cane subsidy. Without this, the export of sugar is not viable. Otherwise also, the cost of export obligation approximately offset with the amount of cane subsidy available under the scheme, hence Company has not given effect of above notifications in these accounts.

50. A lot of progress has been made towards development of the Siel Industrial Estate in terms of obtaining approvals from the competent authorities and creation of basic infrastructure at site. M/s Jones Lang Lasalle (JLL), (an international real estate consulting firm) were engaged to commission the feasibility study for the development of the Industrial estate. Based on this study and the subsequent discussions, it was decided to have the Master Plan prepared with use of entire area as Industrial with the provision of required infrastructure. Based on this M/s Ranjit Sabhiki Architect finalized the Master plan for submission to Punjab Urban Development Agency (PUDA) for approval.

As Change of Land Use (CLU) from Agriculture to Industrial is the prerequisite for the approval of Master Plan, the application for CLU was submitted along with the required documents (e.g. Aks Sajra Maps , Jamabandi of villages, Land schedule and ownership detail , Letter of consent etc.) were submitted to District Town Planner (DTP) at Patiala.

The District Town Planner (DTP) along with his team visited the site for verification. Site report along with the Master Plan of Rajpura, proposed transport network plan etc. were submitted to Senior Town Planner (STP) and Chief Town Planner (CTP) at Mohali for approval.

CTP recommended for the Change of Land Use to the Chief Administrator PUDA. Chief Administrator PUDA forwarded the proposal to the Vice Chairman Housing and Urban Development who forwarded the same to Dy CM. It was duly cleared by him subject to fulfilling of certain conditions which are being duly complied with. The Subsidiary Company has purchased some land pocket (3 Bighas) for widening the approach road at a kink so that CLU can be approved. The Revised master plan was submitted to CTP, Mohali on 08.11.2017. On receipt of letter of intent for approval of master plan from CTP Mohali , scrutiny fee of Rs 5/sqm amounting to Rs. 9.40 million will be submitted to PUDA for approval of master plan and Zonal Plan. Zonal Plans will be prepared based on the approved Master Plan. This will be followed by the approval of the services plans.

The work on creating some basic infrastructure e.g. Re-carpeting and landscaping of approach roads, building of entry gate and site/ sales office is continuing under the guidance of M/s Ranjit Sabhiki Architect and the landscape consultant. The landscaping of 29M approach road has been completed. The layout of the Gate House Cum Administrative block has been finalized. The area designated for the Command center has been marked at site and the work on land filling to bring its level to 400mm above road level has been completed.

51. Pursuant to MOU signed with Govt. of Punjab, as at the close of the period , SIEL Industrial Estate Limited ("SIEL IE") has possession of 456.39 acres (Previous year 455.76 acres) of land, which has been conveyed in the name of the SIEL IE.

The Additional District Judge (ADJ), Patiala vide Order dated 12.11.2005, enhanced the amount of compensation of land from Rs. 1,45,000/- per acre to Rs. 1,75,000/- per acre i.e. Rs. 30,000 per acre in the basic land price compensation. Compensation towards Abadi land, Loss of Income, Superstructures, trees, etc. was also granted.

The Collector Land Acquisition (CLA) has confirmed a total liability of Rs 71.60 million (March 31, 2017 Rs. 71.60 million, April 01, 2016 Rs. 71.60 million) towards the said enhancement and the SIEL IE has deposited this entire enhanced amount with the Additional District Judge, Patiala. Suitable adjustment entries in this regard have been made in the books of accounts of the SIEL IE.

Thereafter, SIEL IE filed an appeal against the above Order before the Hon'ble Punjab & Haryana High Court in April '06, Land owners/ farmers also filed appeals against the Company claiming further enhancement towards land compensation. The Hon'ble High Court vide order dated 15.07.2015 dismissed the appeals filed by the SIEL IE and the appeals filed by the land owners were allowed. The Hon'ble High Court while upholding the order of ADJ, Patiala made modification in the order to the extent that the market value of acquired land was revised and fixed at Rs. 2,10,000/- per acre as against Rs. 1,75,000/ per acre assessed by reference court earlier.

Pursuant to the order of the Hon'ble Punjab and Haryana High Court, the Collector Land Acquisitions ('CLA') Department of Industries and Commerce, Punjab by letter dated 26.08.2016 asked the SIEL IE to deposit a sum of Rs. 107.52 million towards the basic enhanced compensation, CAC, AMV and interest. SIEL IE has deposited a sum of Rs. 29.68 million with the CLA. On dated 06.03.2017 the Hon'ble Additional District Judge ('ADJ'), Patiala has granted SIEL IE a period of 6 months to pay the entire amount of compensation by making part installments at different periods. Thereafter, a further sum of Rs. 70.00 million (in current year Rs. 60.00 million) towards enhanced compensation has been deposited by SIEL IE in the Court of Hon'ble ADJ, where the land owners have filed execution petitions. As on date, out of a sum of Rs. 107.52 million (plus interest till date of payment), the SIEL IE has paid a sum of Rs. 99.68 million up to 31.03.2018.

The landowners have filed Special Leave Petitions ('SLPs') in the Hon'ble Supreme Court of India, against the order dated 15.07.2015 passed by the Hon'ble High Court of Punjab and Haryana, seeking further enhance of compensation. SIEL IE has also filed SLPs in the Hon'ble Supreme Court of India challenging the enhancement of compensation by order dated 15.07.2015 passed by Punjab and Haryana High Court. By Judgment dated 21.11.2017, the Hon'ble Supreme Court partly allowed the appeals filed by the land owners and increased the amount of compensation to land owners from Rs. 2,10,000/- per acre to Rs. 2,81,400/-. All other statutory benefits have also been awarded.

SIEL IE has filed a review petition against the Judgment dated 21.11.2017 and this has yet to be listed and heard. The total liability on SIEL IE alongwith interest up to 31.03.2018, @ 9% for one year from dates of possession (6.12.95, 9.2.98, 27.3.98 and 25.9.2007) and 15% thereafter, is around Rs. 233.70 million. Out of which Rs. 178.21 million (including interest of Rs 132.15 million) charged to Land stock, being the land inventory held by SIEL IE and Rs. 55.49 million (including interest of Rs 41.15 million) debited to Statement of profit and loss account towards pro-rata land sold in earlier years.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

The State Government has exempted SIEL IE from all the provisions of Punjab Apartment and Property regulation Act, 1995 'PAPRA' subject to the terms and conditions as stated in Notification No.2/14/2000-2HG(2)/895 dated 12.2.2004 and 2/14/2000-2HG(2)/3395-98 dated 25.5.2004.

The legal challenges on 58.01 acres of land deterred potential customers and therefore the development of the land. These legal challenges were finally overcome and the unencumbered possession of the land has been achieved on October, 2011 upon final conclusion of all pending legal cases in the Punjab and Haryana Court in relation to the said land.

Accordingly, SIEL IE is now in a position to undertake the development of the land in synchronization with the evolving needs of the State and customer interest, as earlier envisaged. The MOU mandates the Development of the estate within ten years of receiving the unencumbered possession of the land. A letter has been received from the Government of Punjab, Department of Industries & Commerce (Land Acquisition Branch) confirming the period of ten years for development of industrial Estates begins from 05th Oct. 2011 i.e. the date on which SIEL IE received clear & unencumbered possession of land.

52. Reserve Bank of India has issued a clarification vide its notification RBI/2006-07/158, DNBS (PD) C.C. No. 81/03.05.002/2006-07, Dated October 19, 2006 that a company will be treated as a non-banking financial company (NBFC) if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company for the purpose of identification of an NBFC. SIEL Infrastructure & Estate Developers Private Limited (""SIEL IED"") has become non-banking financial company on the basis of financial assets & income from financial assets criteria. Since SIEL IED was complying with the conditions laid down under "The Core Investment Companies (Reserve Bank) Directions, 2011", SIEL IED submitted an application dated December 17, 2013 with Reserve Bank of India seeking exemption from registration with RBI as Core Investment Company (CIC). RBI vide letter no. DNBS.ND.NO.-2958/Regn. No. CIC./04.04.9999/2013-14 has granted exemption from registration of Company as Core Investment Company (CIC).

53. SIEL Infrastructure & Estate Developers Private Limited (""SIEL IED"") is Systematically Important Non Deposit Taking Core Investment Company and it has invested in the equity shares of SIEL Industrial Estate Limited which is its associate & also fellow subsidiary of Parent Company. SIEL Industrial Estate Limited, the investee intends to invest in estate business. The said estate business will include but not limited to conceiving, designing, promoting, investing, developing, constructing, managing integrated industrial estate, science parks, business parks, technology centres, research & development center's, export oriented units, software & hardware technology parks, residential houses, commercial building etc. SIEL IED is still in the process of planning & charting out its course of action to commence its operations. Considering the time required & save government fees, it applied to Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs, Government of India to become dormant under Section 455 of the Companies Act, 2013 till the time it actually operationalize its plans. SIEL IED became dormant under Section 455 of the Companies Act, 2013 on 15th January 2015. Under the said Section, SIEL IED can become active company within span of five years & it intends to become active at the earliest.

Considering that SIEL IED is Systematically Important Non Deposit Taking Core Investment Company and it is actively working in the direction to commence its operations which will enable SIEL IED to start operating on a profitable basis, SIEL IED is considered as going concern and the accounts of SIEL IED have been prepared on a "going concern" basis.

54. SIEL Financial Services Limited ("SFSL") has severely curtailed its operations due to meagerness of funds and adverse market conditions. The operations of the SFSL are restricted to realization of debtors or advances. The management is negotiating with certain parties for realizing some of the assets and is hopeful of generating funds for this business. The accounts of SFSL have been prepared on a "going concern" basis on an assumption & promises made by the management that adequate finances and opportunities would be available in the foreseeable future to enable SFSL to start operating on a profitable basis. In view of the above, the accounts of SFSL have been prepared on a going concern basis.

55. The Parent Company at the year-end has an outstanding balance of Rs.150.27 million owed by a customer (Mawana Foods Private Limited) ,an erstwhile wholly owned subsidiary of the Parent Company, towards supply of sugar . The Parent Company is exploring the possibility for realizing the value of outstanding dues from the said customer in order to bring the level of outstanding amount at normal credit level.

56. One of Subsidiary Company (SIEL Industrial Estate Limited) has not complied the provisions of Section 203(1)(i),(ii) & (iii) and Section 149(4) of the Companies Act, 2013 requiring the appointment of Chief Executive Officer or Manager or Whole Time Director, Company Secretary, Chief Financial Officer and independent director.

57. The previous financial year ended March 31, 2017 included the operations of Titawi Sugar Complex (Unit) upto October 31, 2016 after which it was sold to Indian Potash Limited (refer note 43) . Therefore, the figures of the current financial year are not comparable with the figures of the previous year.

58. The comparative financial information of the Group for the year ended March 31, 2017 and the transition date opening balance sheet as at April 01, 2016 included in these consolidated Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the accounting principles generally accepted in India, including the Companies (Accounting Standards) Rules, 2006 (as amended) specified under Section 133 of the Act, read with the Companies (Accounts) Rules, 2014 audited by the predecessor auditor, as adjusted for the differences in the accounting principles adopted by the Group on transition to the Ind AS, which have been audited by current auditor.

59. First-time adoption of Ind AS

These consolidated financial statements, for the year ended March 31, 2018, are the first the Group has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2017, the Group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

Accordingly, the Group has prepared consolidated financial statements which comply with Ind AS applicable for periods ending on March 31, 2018, together with the comparative period data as at and for the year ended March 31, 2017, as described in the summary of significant accounting policies. In preparing these consolidated financial statements, the Group's opening balance sheet was prepared as at April 01, 2016, the Group's date of transition to Ind AS. This note explains exemptions availed by the Group in restating its Previous GAAP consolidated financial statements, including the balance sheet as at April 01, 2016 and the consolidated financial statements as at and for the year ended March 31, 2017.

Exemptions applied:

1. Mandatory exemptions:

a) Estimates

The estimates at April 01, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Previous GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Previous GAAP did not require estimation:

- Impairment of financial assets based on expected credit loss model

The estimates used by the Group present these amounts in accordance with Ind AS reflect conditions at April 01, 2016, the date of transition to Ind AS and as of March 31, 2017.

b) Classification and measurement of financial assets:Financial Instruments: (Security deposits received and security deposits paid):

Financial assets like security deposits received and security deposits paid, has been classified and measured at amortised cost on the basis of the facts and circumstances that exist at the date of transition to Ind AS. Since, it is impracticable for the Group to apply retrospectively the effective interest method in Ind AS 109, the fair value of the financial asset or the financial liability at the date of transition to Ind AS by applying amortised cost method, has been considered as the new gross carrying amount of that financial asset or the financial liability at the date of transition to Ind AS.

c) Impairment of financial assets: (Trade receivables and other financial assets)

At the date of transition to Ind AS, the Group has determined that there is no increase in credit risk since the initial recognition of a financial instrument.

d) Government loan at below market rate of interest - Government grant

Ind AS 101 requires a first-time adopter to apply the requirements of Ind AS 109, Financial instruments and Ind AS 20, Accounting for Government Grants and Disclosure of Government Assistance, prospectively to government loans at below market rate of interest obtained after the date of transition to Ind AS. However, Ind AS 101 allows a first time adopter to apply the requirements of Ind AS retrospectively to any government loan originated before the date of transition to Ind AS provided that the information needed to do so had been obtained at the time of initially accounting for that loan.Consequently, if the Group , under its previous GAAP, did not recognise and measure the government loan at below market rate of interest on a basis consistent with Ind AS requirements, it shall use its previous GAAP carrying amount of the loan at the date of transition to Ind AS as the carrying amount of the loan in the opening Ind AS balance sheet. Accordingly, the Group has applied the above requirement prospectively.

2. Optional exemptions:

Ind AS 101 allows first time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Group has applied the following exemptions:

a) Deemed cost-Previous GAAP carrying amount: (Property, Plant and Equipment and Intangible)

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

Since there is no change in functional currency, the Company has elected to measure all of its property, plant and equipment and intangible assets, as recognised in its previous GAAP financials as deemed cost at the transaction date.

b) Fair value measurement of financial assets or financial liabilities

First-time adopters may apply Ind AS 109 to day one gain or loss provisions prospectively to transactions occurring on or after the date of transition to Ind AS. Therefore, unless a first-time adopter elects to apply Ind AS 109 retrospectively to day one gain or loss transactions, transactions that occurred prior to the date of transition to Ind AS do not need to be retrospectively restated.

First -time adoption of Ind AS

A. Reconciliation of Equity as at April 01,2016

Rs. Million

	Particulars	Foot Note No.	Previous GAAP*	Effect of transition to Ind AS	Ind AS
	ASSETS				
(1)	**Non-current assets**				
	Property, plant and equipment	1	4,408.95	22.98	4,431.93
	Capital work in progress		28.05	-	28.05
	Financial assets				
	- Loans		0.04	-	0.04
	- Others		85.50	-	85.50
	Deferred tax assets (net)	5	-	2,072.05	2,072.05
	Income tax asset (net)		52.73	-	52.73
	Other non- current assets		91.26	-	91.26
	Total Non-current assets		**4,666.53**	**2,095.03**	**6,761.56**
(2)	**Current assets**				
	Inventories		4,414.39	-	4,414.39
	Financial assets		-	-	-
	- Trade receivables		697.85	-	697.85
	- Cash and cash equivalents		234.96	-	234.96
	- Bank balances other than cash and cash equivalents		242.63	-	242.63
	- Others	2	47.84	10.00	57.84
	Other current assets		206.26	-	206.26
	Total current assets		**5,843.93**	**10.00**	**5,853.93**
	Total Assets		**10,510.46**	**2,105.03**	**12,615.49**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital		391.16	-	391.16
	Other equity		(4,248.08)	3,600.73	(647.35)
	Total equity		**(3,856.92)**	**3,600.73**	**(256.19)**
	LIABILITIES				
(1)	**Non- current liabilities**				
	Financial liabilities				
	- Borrowings	1,4	2,455.71	(689.23)	1,766.48
	-Other financial liabilities	4	732.98	(669.56)	63.42
	Provisions		79.51	-	79.51
	Other non current liabilities		1.07	(1.07)	-
	Total non- current liabilities		**3,269.27**	**(1,359.86)**	**1,909.41**
(2)	**Current liabilities**				
	Financial liabilities				
	- Borrowings		484.14	-	484.14
	- Trade payables		7,140.18	-	7,140.18
	- Other financial liabilities	1,4	2,851.75	(135.84)	2,715.91
	Other current liabilities		577.24	-	577.24
	Provisions		44.80	-	44.80
	Total current liabilities		**11,098.11**	**(135.84)**	**10,962.27**
	Total equity and liabilities		**10,510.46**	**2,105.03**	**12,615.49**

*The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

First -time adoption of Ind AS

B. Reconciliation of Equity as at March 31, 2017

Rs. Million

	Particulars	Foot Note No.	Previous GAAP*	Effect of transition to Ind AS	Ind AS
	ASSETS				
(1)	**Non-current assets**				
	Property, plant and equipment	1	3,194.52	11.54	3,206.06
	Capital work in progress		43.86	-	43.86
	Financial assets				
	- Loans		0.04	-	0.04
	- Others		116.27	-	116.27
	Deferred tax assets (net)	5	-	1,377.37	1,377.37
	Non current tax asset (net)	5	68.17	(45.08)	23.09
	Other non- current assets		9.97	-	9.97
	Total Non-current assets		**3,432.83**	**1,343.83**	**4,776.66**
(2)	**Current assets**				
	Inventories		4,720.67	-	4,720.67
	Financial assets				-
	- Trade receivables		413.04	-	413.04
	- Cash and cash equivalents		360.52	-	360.52
	- Bank balances other than cash and cash equivalents		252.63	-	252.63
	- Others	2	979.81	8.25	988.06
	Other current assets	2	185.00	(76.34)	108.66
	Assets classified as held for sale		6.78	-	6.78
	Total current assets		**6,918.45**	**(68.09)**	**6,850.36**
	Total Assets		**10,351.28**	**1,275.74**	**11,627.02**
	EQUITY AND LIABILITIES				
	Equity				
	Equity share capital		391.16	-	391.16
	Other equity		276.67	2,642.94	2,918.40
	Equity attributable to equity holder of the Parent		**667.83**	**2,642.94**	**3,309.56**
	Non Controlling Interest	10	-	-	1.21
	Total Equity		**667.83**	**2,642.94**	**3,310.77**
	LIABILITIES				
(1)	**Non- current liabilities**				
	Financial liabilities				
	- Borrowings	1,4	1,664.78	(252.28)	1,412.50
	-Other financial liabilities	4	1,041.47	(1,034.70)	6.77
	Provisions		64.70	-	64.70
	Other non current liabilities		1.07	(1.07)	-
	Total non- current liabilities		**2,772.02**	**(1,288.05)**	**1,483.97**
(2)	**Current liabilities**				
	Financial liabilities				
	- Borrowings		15.70	-	15.70
	- Trade payables		4,300.47	-	4,300.47
	- Other financial liabilities	1,4	1,544.04	(179.36)	1,364.68
	Other current liabilities	2 & 5	1,018.92	8.50	1,027.42
	Provisions		32.30	-	32.30
	Current tax liabilities	5	-	91.71	91.71
	Total current liabilities		**6,911.43**	**(79.15)**	**6,832.28**
	Total equity and liabilities		**10,351.28**	**1,275.74**	**11,627.02**

*The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

First -time adoption of Ind AS

C. Reconciliation of total comprehensive income

Rs. Million

	Particulars	Foot Note No.	Previous GAAP*	Effect of transition to Ind AS	Ind AS
I	Revenue from operations	6,7	12,672.22	28.94	12,701.16
II	Other income	2	179.25	(89.84)	89.41
	Total income (III)		**12,851.47**	**(60.90)**	**12,790.57**
IV	**Expenses**				
	Cost of materials consumed		7,758.72	-	7,758.72
	Purchase of stock-in-trade		18.80	-	18.80
	Changes in inventories of finished goods, stock in trade and work-in-progress		(537.42)	-	(537.42)
	Excise duty	6	794.64	-	794.64
	Employee benefits expense	3	747.75	(27.81)	719.94
	Finance costs	1,2,4	343.18	163.70	506.88
	Depreciation and amortization expense	1	291.96	11.44	303.40
	Other expenses	1,11	2,276.28	7.44	2,283.72
	Total expenses (V)		**11,693.91**	**154.77**	**11,848.68**
VI	**Profit/ (loss) before exceptional items and tax (III-IV)**		**1,157.56**	**(215.67)**	**941.89**
VII	**Exceptional Items**	4	3,375.27	117.60	3,492.87
VIII	**Profit/ (loss) before tax (VI-VII)**		**4,532.83**	**(98.07)**	**4,434.76**
IX	**Tax expense:**				
	Current tax		1.40	-	1.40
	MAT for the year		1.02	(1.02)	-
	MAT credit entitlement		-	-	-
	Adjustment of tax relating to earlier periods		-	-	-
	Deferred tax	5	-	842.11	842.11
	Total tax expense (IX)		**2.42**	**841.09**	**843.51**
X	**Profit/ (loss) for the year from continuing operations (VIII-IX)**		**4,530.41**	**(939.16)**	**3,591.25**
	OTHER COMPREHENSIVE INCOME				
	Items that will not to be reclassified to statement of profit or loss				
	Re-measurement gains/ (losses) on defined benefit plans	3,8	-	(27.81)	(27.81)
	Income tax effect	5	-	9.62	9.62
	Net comprehensive income not to be reclassified to statement of profit or loss in subsequent periods		**-**	**(18.19)**	**(18.19)**
	Other comprehensive income for the year, net of tax		**-**	**(18.19)**	**(18.19)**
	Total comprehensive income of the year, net of tax		**4,530.41**	**(957.35)**	**3,573.06**

*The previous GAAP numbers have been reclassified to conform to Ind AS presentation requirements for the purpose of this note.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

Notes to the reconciliations:

1. Property, plant and equipment (PPE): Finance lease

The Parent Company has taken chlorine cylinders on lease for the purposes of its business requirement at its chemical plant. Under Previous GAAP such lease was classified as a operating lease whereas under Ind AS the same has been classified as finance lease. As a result, PPE was increased by Rs. 22.98 million on transition date . Correspondingly the Parent Company has recognised a lease liability amounting to Rs 26.79 million (Non current borrowings : Rs. 14.16 million and Current financial liability : Rs.12.63 million) on the date of transition. The rent paid for such cylinders has been classified as principal and interest payment. Accordingly there is reduction in rental expense by Rs. 14.81 million with corresponding increase in interest expense amounting to Rs 2.19 million during the year ended March 31, 2017. Depreciation for the year ended March 31, 2017 on such cylinders amounted to Rs 11.45 million.

2. Prior Period Adjustments

Under Ind AS, the adjustments for prior period events needs to be made in the year to which they actually pertains. Therefore REC sale amounting to Rs. 6.24 million, interest received from PSPCL amounting to Rs. 8.25 million and share of rent received from DMRC (excess recognised in previous year) amounted to Rs. 88.09 million has been taken in the consolidated financial statements for the year ended March 31, 2017. Moreover Interest received from PSPCL pertaining to period prior to date of transition amounting to Rs. 10 million has been taken into retained earnings.

3. Employee benefits

Under previous GAAP, actuarial gains and losses were recognised in Consolidated Statement of Profit and Loss. Under Ind AS, the actuarial gains and losses form part of remeasurement of the net benefit liability/asset which is recognised in other comprehensive income. Thus the employee benefit cost for the year ended March 31, 2017 is decreased by Rs. 27.81 million and remeasurement loss on defined benefit plan has been recognized in other comprehensive income.

4. Borrowings

The Parent Company has taken term loans from banks and financial institutions. Under previous GAAP , the same is recognised at its transaction value. However, Ind AS requires such financial liabilities to be recognised on initial recognition at its fair value, as adjusted for the transaction cost. Further, interest is to be accreted on the fair value of the loan to reflect passage of time. This led to decrease in loan amount on the date of transition by Rs 1520.78 million (Non current borrowings : Rs. 703.40 million, Non current financial liability : Rs. 669.56 million and Current financial liability: Rs. 147.82 million) with a corresponding increase in equity. Further, loan amount has been increased on account of interest accretion by Rs.157.99 million during the year 2016-17 with a corresponding decrease in consolidated statement of profit and loss respectively.

Under Ind AS, transaction cost incurred towards origination of borrowings needs to be deducted from the carrying value of borrowings. These cost are recognized in the Consolidated Statement of Profit and Loss over the tenure of the borrowings as a part of interest expense by applying effective interest rate method. Under previous GAAP, the transaction cost was amortized to the Consolidated Statement of Profit and Loss over the tenure of the borrowings. This led to decrease in loan amount on the date of transition by Rs. 0.65 million with a corresponding increase in retained earnings, which has been recognised as a finance cost amount to Rs. 0.53 million and Rs. 0.12 million as an exceptional item during the year ended March 31, 2017.

The Parent Company had loan outstanding to Edelweiss Asset Reconstruction Company (EARC) and Punjab National Bank (PNB) as on the date of transition. The terms of repayment of the loan were changed during the year ended

March 31, 2017. Under Ind AS, debt instrument results in extinguishment of liability where the renegotiated terms are substantially different from the original terms.The renegotiated terms are substantially different where the present value of cash flow under the new terms are and discounted using the original effective interest rate is at least 10% different from the original liability. This resulted loss on extinguishment of EARC loan amounting to Rs 287.60 million and gain on extinguishment of PNB loan amounting to Rs 40.17 million and interest waiver of PNB loan amounting to Rs. 365.14 million had been recognized under exceptional items in the consolidated statement of Profit and Loss during the year ended March 31, 2017.

5. Deferred tax assets/Income Tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, “”Income Taxes”” requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12, has resulted in recognition of deferred tax on new temporary differences, which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to additional temporary differences. According to the accounting policies, the Group has to account for such differences. Tax impact on Deferred tax adjustments are recognized in reserves for opening consolidated balance sheet and consolidated statement of profit and loss in subsequent years. As a result, the impact on deferred tax asset as on the date of transition is higher by Rs. 2072.06 million with a corresponding impact on retained earnings as on that date. (31 March 2017: reduction in deferred tax asset by Rs. 823.49 million with a corresponding decrease in Consolidated Statement of Profit and loss).

Further, The Parent Company has created additional provision of minimum alternate (including interest of Rs 3.00 million) tax of Rs 139.79 million which was not made in last year.

6. Presentation of excise duty

Under previous GAAP, revenue from sales of goods was presented net off excise duty under revenue from operations. Whereas, under Ind AS, revenue from sales of goods include excise duty. The corresponding excise duty expense is presented separately on the face of profit & loss. Thus sale of goods under Ind AS has increased by Rs. 768.54 million with a corresponding increase in expense for the year ended March 31, 2017.

7. Commission to indenting and ordering agent

Under previous GAAP, commission to indenting and ordering agent amounting to Rs 22.69 million has been adjusted with revenue. The same has been recognised as part of other expenses under Ind AS during the year ended March 31, 2017.

8. Other comprehensive income

Under previous GAAP, there was no concept of other comprehensive income. Under Ind AS, specified items of income, expense, gains, or losses are required to be presented in other comprehensive income.

9. Statement of cash flows

The transition from previous GAAP to Ind AS has not had a material impact on the consolidated statement of cash flows.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2018 (Contd.)

10. Non Controlling Interest

The following requirements of Ind AS 110 are applied prospectively from the date of transition to Ind AS (provided that Ind AS 103 is not applied retrospectively to past business combinations):

To attribute total comprehensive income to non- controlling interests irrespective of whether this results in a deficit balance.

To treat changes in a parent ownership interest as equity transactions.

To apply Ind AS 110 to loss of control of a subsidiary.

However, using the exemption provided by Ind As 101, the minority has been restricted to zero on the transition date i.e. April 01,2016 and the accumulated losses attributable to minorities in excess of their equity on the transition date, in the absence of the contractual obligation on the minorities, the same has been accounted for by the Parent Company.

11. Molasses storage fund

Under previous GAAP, allocation towards molasses storage fund was charged in consolidated statement of profit & loss and shown as liabilities under non current liabilities. Under Ind AS such allocation is treated as appropriation of reserve and to be part of other equity. As a result, other expenses in consolidated statement of profit & loss is reduced by Rs. 0.31 million.

As per our report of even date
For S.R.Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per ANIL GUPTA
Partner
Membership No.: 87921

For and on behalf of the Board of Directors
of Mawana Sugars Limited

DHARAM PAL SHARMA
Whole Time Director
(DIN: 07259344)

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

B.B. MEHTA
Chief Financial Officer

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

Place: New Delhi
Date: 23.05.2018

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

Registered Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125
Phone No: 011-25739103, **Fax No:** 011-25743659
E-mail: corporate@mawanasugars.com, **Website:** www.mawanasugars.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Folio No./DP ID/Client ID	No. of Share(s)
Name of Member(s):	
Registered Address:	

I/ We, being the Members(s), holding ……..…….……… ………………………shares of the above named company, hereby appoint:

1) Name …………………………………………… Address: …………………………………………………………………………………………

Email ID ……………………..……………………………………… Signature: ………….…............ ……………………or failing him/ her

2) Name …………………………………………… Address: …………………………………………………………………………………………

Email ID ………………………………….……..... Signature:…………….……....... ………………………………………or failing him/ her

3) Name …………………………………………... Address: …………………………………………………………………………………………

Email ID ……………………................................………………… Signature: ……………...

as my/ our Proxy to attend and vote (on a poll) for my/our and on my/our behalf at the 54th Annual General Meeting of the Company, to be held on Friday, the 17th August, 2018 at 11.00 A.M at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions	Optional*	
Ordinary Business:		**FOR**	**AGAINST**
1.	To consider and adopt: (a) the audited financial statements of the Company for the financial year ended 31st March, 2018 and the reports of the Board of Directors and Auditors thereon; and (b) the audited consolidated financial statements of the Company for the financial year ended 31st March, 2018 and the report of Auditors thereon.		
2.	Re-appointment of Mr. Piar Chand Jaswal (DIN- 07100098), Director who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	Ratification of appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/E300005), as Statutory Auditors of the Company and to fix their remuneration.		
Special Business:			
4.	Approval for ratification of remuneration payable to the Cost Auditors for financial year 2018-19		
5.	Approval for payment of remuneration to Mr. Dharam Pal Sharma (DIN-07259344) Whole Time Director of the Company for the remaining period of his term of appointment i.e. from 13.08.2018 to 12.08.2020		

Signed this ……………. …….day of ……………………. 2018

Signature of Shareholder(s) ....

Affix Revenue Stamp

Signature of 1st Proxy holder

Signature of 2nd Proxy holder

Signature of 3rd Proxy holder

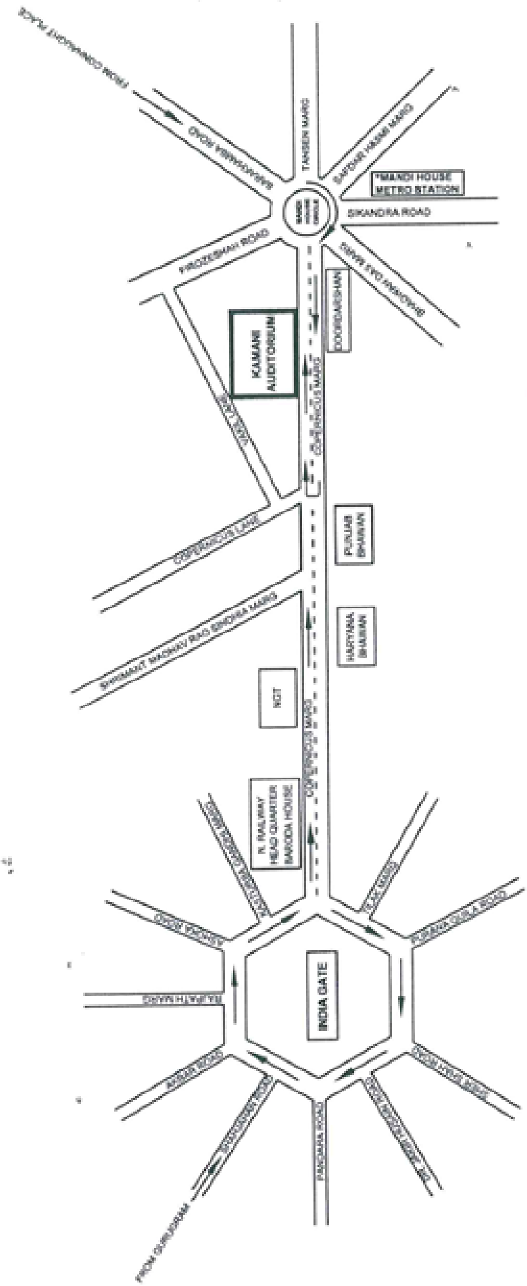
Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Regd. office of the Company not less than 48 hours before the commencement of the Meeting.
2. For Resolutions, Explanatory Statement and Notes, please refer to the Notice of the 54th Annual General meeting.

3*. It is optional to put a ‘X’ in the appropriate column against the Resolutions indicated in the Box. If you leave the ‘For’ or ‘Against’ column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

AGM VENUE KAMANI AUDITORIUM ROAD MAP

NEAREST LANDMARK: MANDI HOUSE METRO STATION



If undelivered, please return to:

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

Registered Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125

Phone No: 011-25739103, **Fax No:** 011-25743659

E-mail: corporate@mawanasugars.com, **Website:** www.mawanasugars.com

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)
Registered Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125
Phone No: 011-25739103, **Fax No:** 011-25743659
E-mail: corporate@mawanasugars.com, **Website:** www.mawanasugars.com

REMOTE ELECTRONIC VOTING PARTICUALRS

EVSN (Electronic Voting Sequence Number)	USER ID	PAN NO.	NO. OF SHARES

The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	From 09:00 a.m. (IST) on August 14, 2018
End of remote e-voting	Upto 05:00 p.m. (IST) on August 16, 2018

The cut-off date (i.e. the relevant date) for the purpose of remote e-voting is August 10, 2018.

……………………………………………...…….............…**TEAR HERE**…………….............…………………………………………

Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)
Registered Office: 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125
Phone No: 011-25739103, **Fax No:** 011-25743659
E-mail: corporate@mawanasugars.com, **Website:** www.mawanasugars.com

ATTENDANCE SLIP

Regd. Folio No./DP ID – Client ID	
Name & Address of First/Sole Shareholder	
No of Shares held	

I hereby record my presence at the 54th Annual General Meeting of the Company to be held on Friday, the 17th August, 2018 at 11.00 a.m. at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001.

Signature of 1st holder/Proxy   Signature of 1st Joint holder   Signature of 2nd Joint holder

Notes:

a) Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.

b) Member/Proxy wish to attend the meeting must bring this attendance slip to the meeting and handover at the entrance duly filled in and signed.

Instructions and other information relating to remote e-voting are as under:

i. The remote e-voting facility can be availed by typing the link www.evotingindia.com in the internet browser.

ii. Click on the “shareholders” tab.

iii. Now select the Company name from the drop down menu and click on “SUBMIT”

iv. Now enter your User ID

   a. For CDSL: 16 digits beneficiary ID,

   b. For NSDL : 8 character DP ID followed by 8 Digits Client ID,

   c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are already registered with CDSL for remote e-voting than you can use your existing user Id and password for casting your vote.

vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) as given in the box.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio respectively in dd/mm/yyyy format.
Bank Account Details	Enter the Bank Account Details as recorded in your demat account or in the company records for the said demat account or folio respectively. Please enter the DOB or Bank Account Details in order to login. If the both details are not recorded with the depository or company please enter the member id /folio number in the Bank Account Details field.

viii. After entering these details appropriately, click on “SUBMIT” tab.

ix. Members holding shares in physical form will then reach directly the Company selection screen.

However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

xi. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

xiii. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.

xiv. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

xv. You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and custodians are required to log on to https://www.evotingindia.com and register themselves as Corporates and custodians respectively.

- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same and e-mail to nirbhaykumar77@gmail.com.

General Instructions:

(A). The remote e-voting period commences on August 14, 2018 (9.00 a.m.) and ends on August 16, 2018 (5.00 p.m.). During this period shareholders’ of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of August 10, 2018, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(B). In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions (“FAQs”) and remote e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

(C). The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cutoff date (i.e. the relevant date) of August 10, 2018.

(D) M/s Nirbhay Kumar and Associates has been appointed as the Scrutinizer to scrutinize the remote e-voting process in a fair and transparent manner.

(E) The Results shall be declared on or after the AGM of the Company. The Results declared Along with the Scrutinizer’s Report shall be placed on the website of CDSL within two (2) days of passing of the resolutions at the AGM of the Company and communicated to the stock exchanges.