



Refer: MSL/BSE/NSE/

08 July, 2019

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 2018-19**

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 31.03.2019.

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

Thanking you,

Yours faithfully,

**(ASHOK KUMAR SHUKLA)**  
**COMPANY SECRETARY**

Encl : a/a

**MAWANA SUGARS LIMITED**

**CIN : L74100DL1961PLC003413**

**Corporate Office:**

Plot No. 3, Institutional Area,  
Sector-32, Gurugram-122 001 (India)  
T 91-124-4298000 F 91-124-4298300

**Registered Office:**

5th Floor, Kirti Mahal, 19 Rajendra Place  
New Delhi-110 125 (India)  
T 91-11-25739103 F 91-11-25743659

E corporate@mawanasugars.com  
www.mawanasugars.com



**55th  
ANNUAL  
REPORT**

**2018-2019**



**MAWANA SUGARS LIMITED**

# Mawana Sugars Limited

---

## BOARD OF DIRECTORS

Mr. Ravinder Singh Bedi  
Prof. Dinesh Mohan  
Mrs. Manju Vira Gupta  
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

U.P. Co-operative 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](mailto:corporate@mawanasugars.com)  
Website: [www.mawanasugars.com](http://www.mawanasugars.com)

## CORPORATE OFFICE

Plot No.3, Institutional Area  
Sector - 32, Gurugram - 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  
Charatrapur, 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](http://www.masserv.com), E-mail : [info@masserv.com](mailto:info@masserv.com)

## NOTICE

Notice is hereby given that the 55th Annual General Meeting of the members of Mawana Sugars Limited will be held as scheduled below:

Day : Friday  
Date : 02.08.2019  
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, 2019 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, 2019 and the report of Auditors thereon.
2. To appoint a Director in place of Mr. Dharam Pal Sharma (DIN-07259344) who retires by rotation and being eligible, offers himself for reappointment.

### SPECIAL BUSINESS:

3. 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 2019-20, 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 such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution.”

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

“RESOLVED that Mrs. Manju Vira Gupta (DIN-05186954), who was appointed by the Board of Directors as an Additional Director of the Company with effect from December 26, 2018 and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161(1) of the Companies Act, 2013 (“Act”) but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act proposing her candidature for the office of Director of the Company, be and is hereby appointed as Director of the Company.

RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, the appointment of Mrs. Manju Vira Gupta (DIN-05186954), who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing with effect from December 26, 2018 to December 25, 2023, be and is hereby approved.”

5. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Mr. Ravinder Singh Bedi (DIN-01408189), who was appointed as an Independent Director at the 51st Annual General Meeting of the Company and who holds office up to December 31, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in

## NOTICE (Contd.)

---

writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from January 1, 2020 to December 31, 2024 be and is hereby approved.”

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”), the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, Prof. Dinesh Mohan (DIN-00077959), who was appointed as an Independent Director at the 51st Annual General Meeting of the Company and who holds office up to December 31, 2019 and who is eligible for re-appointment and who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect and in respect of whom the Company has received a Notice in writing from a Member under Section 160(1) of the Act proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of five years commencing with effect from January 1, 2020 to December 31, 2024 be and is hereby approved.”

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

**(Ashok Kumar Shukla)**

Company Secretary  
ACS-29673

Place : New Delhi  
Dated : 24.05.2019

### NOTES:

- M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005), were appointed as Statutory Auditors of the Company at the 53rd Annual General Meeting held on July 17, 2017 for a period of 5 years to hold office till the conclusion of 58th Annual General Meeting of the Company subject to ratification of their appointment by the members at every intermittent AGM of the Company. Pursuant to Notification issued by the Ministry of Corporate Affairs on 7th May, 2018, the mandatory requirement for ratification of the appointment of Statutory Auditors by the Members at every Annual General Meeting (“AGM”) is no longer required, and hence the Company is not proposing an item on ratification of the appointment of Statutory Auditors at this 55th Annual General Meeting of the Company.
- 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.**
- 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.
- The Register of Members and Share Transfer Books of the Company will remain closed from 27.07.2019 to 02.08.2019 (both days inclusive).
- 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](http://www.masserv.com)  
E-mail: [info@masserv.com](mailto:info@masserv.com)
- Members are requested to notify immediately any change in their address to Mas Services Ltd. quoting their folio numbers along with necessary documents.
- Members/Proxies should bring the attendance slip duly filled-in for attending the meeting.
- 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.
- To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company of any change in address or demise of

## NOTICE (Contd.)

- 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.
10. 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 an original cancelled cheque of first shareholder alongwith copy of Pass Book or Bank Statements to the RTA.
  11. As per Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent, M/s Mas Services Limited for assistance in this regard.
  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) under ISIN: INE636A01039 of the company.
  14. Relevant documents referred to in the Annual Report including AGM Notice and Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.
  15. 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 with 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.**
  16. 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.
  17. Route map to the venue of the AGM is appended at the end of the Annual Report.
- ### EXPLANATORY STATEMENT
- As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 3 to 6 of the accompanying Notice:
- #### ITEM NO. 3
- 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.

## NOTICE (Contd.)

---

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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

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. 4

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors appointed Mrs. Manju Vira Gupta (DIN-05186954), as Additional Director of the Company and also as Independent Director, not liable to retire by rotation, for a term of 5 years i.e. from December 26, 2018 to December 25, 2023, subject to the approval of the Members.

Pursuant to the provisions of Section 161(1) of the Act, Mrs. Manju Vira Gupta shall hold office up to the date of this Annual General Meeting ("AGM") and are eligible to be appointed as Director. The Company has, in terms of Section 160(1) of the Act, received in writing a notice from Member(s), proposing her candidature for the office of Director.

The Company has received a declaration from Mrs. Manju Vira Gupta to the effect that she meets the criteria of independence as provided in Section 149(6) of the Act read with the Rules framed thereunder and Regulation 16(1) (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

In terms of Regulation 25(8) of SEBI Listing Regulations, she has confirmed that she is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact her ability to discharge her duties.

In the opinion of the Board, Mrs. Manju Vira Gupta fulfil the conditions specified in the Act, Rules and SEBI Listing Regulations for appointment as Independent Director and she is independent of the management of the Company. The terms and conditions of her appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

A brief profile of Mrs. Manju Vira Gupta to be appointed is given below:

Mrs. Manju Vira Gupta is M.A. (Sociology) from Barkatullah University, Bhopal, Madhya Pradesh. She was a Research assistant at Fredrick Elbert Foundation working on the issue of child labour in India. She was also the Country representative of The STEP Foundation, a Swiss NGO with its head office in Basel in Switzerland. Her guidance on various matters related to the growth of the Company will be supportive to the Company in dealing with complex matters. Further details and current directorships of the Mrs. Manju Vira Gupta is provided in the Annexure to this Notice.

In compliance with the provisions of Section 149, read with Schedule IV of the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the appointment of Mrs. Manju Vira Gupta as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Resolution at Item No.4 of this Notice for approval of the Members.

Except Mrs. Manju Vira Gupta and her relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 4 of the Notice.

### ITEM NO. 5

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Mr. Ravinder Singh Bedi (DIN-01408189) as Independent Director, for a second term of five years from January 1, 2020 to December 31, 2024, not liable to retire by rotation. Mr. Ravinder Singh Bedi was appointed as Independent Director at the 51st Annual General Meeting ("AGM") of the Company and holds office up to December 31, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Mr. Ravinder Singh Bedi would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

## NOTICE (Contd.)

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

Mr. Ravinder Singh Bedi is a Graduate of the National Defence Academy. He has served in various capacities in the Government of India for 43 years. He is also President of Delhi Golf Club. His guidance on various matters related to the growth of the Company has been notable and supportive to the Company in dealing with complex matters. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Mr. Ravinder Singh Bedi as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 5 of this Notice for approval of the Members.

Except Mr. Ravinder Singh Bedi and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested, in the Resolution set out at Item No. 5 of the Notice.

### ITEM NO. 6

Based on the recommendation of Nomination and Remuneration Committee, the Board of Directors proposes the re-appointment of Prof. Dinesh Mohan (DIN-00077959) as Independent Director, for a second term of five years from January 1, 2020 to December 31, 2024, not liable to retire by rotation. Prof. Dinesh Mohan was appointed as Independent Director at the 51st Annual General Meeting ("AGM") of the Company and holds office up to December 31, 2019. The Company has, in terms of Section 160(1) of the Act received in writing a notice from a Member, proposing his candidature for the office of Director.

The Board, based on the performance evaluation and recommendation of Nomination and Remuneration Committee, considers that given his background, experience and contribution, the continued association of Prof. Dinesh Mohan would be beneficial to the Company and it is desirable to continue to avail his services as Independent Director.

The Company has received a declaration from him to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act and Rules framed thereunder and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). In terms of Regulation 25(8) of SEBI Listing Regulations, he has confirmed that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

In the opinion of the Board, he fulfills the conditions specified in the Act and SEBI Listing Regulations for appointment as an Independent Director and is independent of the management of the Company. The terms and conditions of his appointment shall be open for inspection by the Members at the Registered Office of the Company during on all working days during 11.00 A.M. to 1.00 P.M. up to the date of the Meeting and also at the Venue of the AGM.

Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi. He is member of the WHO Advisory panel on Accident Prevention. His guidance on various matters related to the growth of the Company has been notable and supportive to the Company in dealing with complex matters. Further details and current directorships have been given in the Annexure to this Notice.

In compliance with the provisions of Section 149 read with Schedule IV to the Act and Regulation 17 of SEBI Listing Regulations and other applicable Regulations, the re-appointment of Prof. Dinesh Mohan as Independent Director is now being placed before the Members for their approval by way of Special Resolution.

The Board recommends the Special Resolution at Item No. 6 of this Notice for approval of the Members.

Except Prof. Dinesh Mohan and his relatives, none of the Directors and Key Managerial Personnel of the Company and their respective relatives is, in any way, concerned or interested, in the Resolution set out at Item No. 6 of the Notice.

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

**(Ashok Kumar Shukla)**  
Company Secretary  
ACS-29673

Place : New Delhi  
Dated : 24.05.2019



## NOTICE (Contd.)

### ANNEXURE

#### 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 the Director	Mrs. Manju Vira Gupta	Mr. Ravinder Singh Bedi	Prof. Dinesh Mohan
DIN	05186954	01408189	00077959
Date of Birth	14.12.1943	23.10.1943	04.10.1945
Date of appointment	26.12.2018	28.3.2007	05.05.1992
Expertise in the specific functional area	Mrs. Manju Vira Gupta was a Research assistant at Fredrick Elbert Foundation working on the issue of child labour in India. She was also the Country representative of The STEP Foundation, a Swiss NGO with its head office in Basel in Switzerland.	Mr. Bedi has served in various capacities in the Government of India for 43 years.	Prof. Dinesh Mohan is Henry Ford Professor for Biomechanics and Transportation Safety and Co-ordinator of the Transportation Research and Injury Prevention Programme at the Indian Institute of Technology (IIT), Delhi.  He is a member of the WHO Advisory panel on Accident Prevention.  He serves on the editorial board of an international journal.  Professor Mohan has been a consultant on safety related matters to government departments in India, Nepal, Indonesia, Thailand, Bangladesh, Iraq and Libya and many automotive industrial houses.  He is also a recipient of many prestigious awards.
Qualification	M.A. (Sociology) from Barkatullah University, Bhopal, Madhya Pradesh.	Graduate of the National Defence Academy	Ph.D. and M.S. in Bioengineering, M.S. in Mechanical and Aerospace Engineering, B. Tech (Hons.) in Mechanical Engineering.
Shareholding in the Company (including HUF)	306	Nil	Nil
Directorship held in other public companies (excluding foreign companies)	Nil	- Siel Industrial Estate Ltd. - Delhi Golf Club	Nil
Membership/ Chairman ship of Committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil
Disclosure of Relationship between Director inter-se	Nil	Nil	Nil

## DIRECTORS' REPORT

Your Directors hereby present the 55th Annual Report along with Audited Accounts of the Company for the financial year ended March 31, 2019.

### FINANCIAL RESULTS

(Rs. Million)

Sl. No.	Particulars	Amount	
		31.3.2019	31.3.2018
1.	Profit before interest, depreciation, exceptional items and tax	1273.91	439.23
2.	Interest	233.33	209.90
3.	Depreciation	333.74	239.23
4.	Exceptional Items – Income	-	147.59
5.	Profit before tax	706.84	137.69
6.	Tax expenses	282.44	(24.71)
7.	Profit after tax	424.40	162.40
8.	Other Comprehensive Income	(1.24)	0.51
9.	Total Comprehensive Income	423.16	162.91

### TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve out of the amount available for appropriation.

### DIVIDEND

In view of acute cash flow constraints due to large outstanding dues of the Sugar Cane farmers, your Directors are not able to recommend any Dividend.

### OPERATIONS

#### 1. SUGAR DIVISION (2018-19)

The Sugarcane crush during season 2018-19 was 27.43 Lac Ton as compared to 31.42 Lac Ton in the last season. The key operational figures are as follows:

Particulars	Unit	Sugar Season				
		2014-15	2015-16	2016-17	2017-18	2018-19
Cane Crush	Lac MT	26.77	21.73	23.03	31.42	27.43
Recovery	%	9.49	10.72	11.18	11.25	11.47
Sugar Production	Lac MT	2.54	2.33	2.57	3.54	3.28

Your Company's sugar factories are in U.P. where sugarcane prices are determined by the Government of U.P. through State Advised Price (SAP). These prices have been raised so high and owing to stringent sugar/sugarcane laws dating back to 1932, the farmer is assured of payment even if payment is late. This encourages the farmers to plant as much Sugarcane as they can as it is the most profitable cash crop in the country.

The resultant of this is that the sugarcane production in the country is at an all time high and is likely to remain so for the next two years and this has resulted in sugar production levels of 33 million tons which are so excessive that they drove the sugar prices down to abysmally low levels of about Rs.26,000 a ton. With the Sugarcane cost of about Rs.3400 a ton, all mills started losing heavily and balance sheets were damaged.

The Government of India selling quota therefore stepped in to announce Minimum Support Price (MSP) coupled with stringent rules mechanism as existed in the past and this has brought some equilibrium in the market. With world prices so low that exports can only be undertaken at a loss, the prospects of excessive national level stocks will continue for a foreseeable future.

Arising out of this, the Sugarcane dues to farmers has risen to very high levels including by your Company and, even though there are sufficient sugar stocks to pay for the sugarcane dues, the Sugarcane dues are delayed.

Therefore, it should be noted that this industry is completely virtually controlled by State/Central Government through sugarcane price (raw material) and sugar price (finished product) being determined by them.

Nonetheless, the agro industry of sugarcane is a very important area of agriculture for India and it is expected that the Government will not let this industry die or become terminally ill as it will have an extremely damaging impact for about 50 million persons in the country who are directly or indirectly involved with sugarcane/sugar.

The Company continues to argue, even up to Supreme Court level, for the Government of U.P. to fulfil its obligations to the Company under the U.P. Sugar Industry Promotion Policy of 2004 based on which the Company had invested large amounts of money and, according to the Company, the State has not fulfilled its obligations.

#### 2. CHLOR ALKALI DIVISION:

During the 12 months period Apr'18 – Mar'19, overall the business performed well in line with the industry with volatility in prices. The plant capacity utilization was matched to market requirements.

The prices of Caustic Soda and Chlorine remained stable throughout the year with some occasional volatility. Caustic prices in international markets, however, came down to 2016 levels due to lower demand their but Indian Caustic market remained insulated from oversupply due to curb on Imports. Chlorine demand also remained stable that helped to maintain the operating levels.

## DIRECTORS' REPORT (Contd.)

---

### SUBSIDIARY/ASSOCIATE COMPANIES

#### a) 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 has not been doing any business since the last 17 years.

Siel Infrastructure & Estate Developers Private Limited is a subsidiary Company which was created for assisting in the 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 the relationship of any subsidiary Company during the financial year.

#### b) ASSOCIATE COMPANY

During the year, the Board of Directors of the Company has approved the conversion of outstanding dues of Rs. 150 million owed by Mawana Foods Private Limited (MFPL) to the Company into 67,59,801 equity shares of Rs.10/- each at a price of Rs. 22.19 per equity share in MFPL. With this conversion, the Company holds 33.74% equity in the paid up equity capital of MFPL. The statement of profit and loss of the Associate Company is given in the Note No.60 to Financial Statements of group.

Mawana Foods Pvt. Ltd. (MFPL), an associate is an established player in the retail business of sugar, edible oils and soap and having a very wide range of distribution network. The investment in MFPL will allow the Company to use its distribution network for increase the footprint in retail business.

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2018-2019, are prepared in compliance with applicable provisions of the Companies Act, 2013, Accounting Standards and SEBI (LODR) Regulations, 2015.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (a) APPOINTMENTS / RE-APPOINTMENTS

Mr. Dharam Pal Sharma, Director (DIN: 07259344) is liable to retire by rotation and being eligible, offers himself for re-appointment. A resolution seeking shareholders approval for his re-appointment forms a part of the Notice.

Mrs. Manju Vira Gupta (DIN-05186954) has been appointed as an Additional and Independent Director (under the category of Non-Executive Independent Woman Director) w.e.f. 26.12.2018. A special resolution seeking shareholders approval for her appointment forms a part of the Notice. With this appointment, the Company has complied with the requirement of having a Woman Director on its Board as per the Companies Act, 2013 and SEBI (LODR), Regulations, 2015.

Mr. Ravinder Singh Bedi (DIN-01408189) was appointed as an independent director at the 51st Annual General Meeting (AGM) held on 23.3.2015 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five consecutive years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Prof. Dinesh Mohan (DIN-00077959) was appointed as an independent director at the 51st Annual General Meeting (AGM) held on 23.3.2015 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, his re-appointment for a second term of five consecutive years is proposed at the ensuing AGM for the approval of the Members by way of special resolution.

Mr. Ravinder Singh Bedi and Mrs. Manju Vira Gupta are more than 75 years of age. The Company has obtained approval as special resolution from shareholders of the Company on 30.03.2019 for their continuation as Directors of the Company for remaining period of their first term w.e.f. 1.4.2019 in terms Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 through Postal Ballot process.

## DIRECTORS' REPORT (Contd.)

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.

### (b) KEY MANAGERIAL PERSONNEL

During the financial year ended March 31, 2019, the 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.	Mr. B.B. Mehta	Chief Financial Officer
3.	Mr. Ashok Kumar Shukla	Company Secretary

### (c) DECLARATION FROM INDEPENDENT DIRECTORS

All Independent Directors have given necessary declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

### (d) BOARD/DIRECTORS' EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the Board and Committees thereof was evaluated on the basis of the criteria such as the composition and structure, effectiveness of processes, information, involvement of the Members and functioning etc. The Board reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive discussion and inputs in meetings, etc.

In a separate meeting of Independent Directors, the performance of Non-Independent Directors, the performance of the Board as a whole was evaluated. Performance evaluation of Independent Directors was done by the entire Board, excluding the Independent Director being evaluated.

The review concluded by affirming that the Board as a whole, the Committees of the Board as well as all of its Members, individually, continued to display commitment to good governance, ensuring a constant improvement of processes and procedures. It was further acknowledged that every individual Member of the Board and the Committee thereof contribute its best in the overall growth of the organization.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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; however, the Company has changed the method of depreciation on its Property, Plant and Equipment (PPE) w.e.f. 1.1.2019, refer Note No.2.3 of Financial Statements and Note No. 2.4 of Financial Statements of Group.
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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.

## DIRECTORS' REPORT (Contd.)

---

### MEETINGS OF THE BOARD

During the financial year ended March 31, 2019, nine 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.

### 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.

### AUDITORS AND THEIR REPORT

#### a) STATUTORY AUDITORS

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005), were appointed as Statutory Auditors of the Company for a term of 5 years to hold office from the conclusion of 53rd Annual General Meeting (AGM) held on July 27, 2017, till the conclusion of 58th Annual General Meeting of the Company, subject to annual ratification of their appointment by the members at every intermittent AGM of the Company, on such remuneration as may be decided by the Audit Committee of the Board.

Pursuant to recent amendment to Section 139 of the Companies Act, 2013, which became effective from May 7, 2018, the annual ratification of statutory auditors is no longer required.

Accordingly, the Notice of ensuing Annual General Meeting does not include the proposal for seeking shareholders' approval for ratification of appointment of Statutory Auditors 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.

#### b) 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 2019-20 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. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2020.

The Cost Audit Report for the financial year 2018-19 had filed on 15.10.2018, which is within the time limit prescribed under the Companies (Cost Audit Report) Rules, 2011.

#### c) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mr. Nirbhay Kumar (CP No.7887) of M/s Nirbhay Kumar Associates, Practising Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2018-19.

The Secretarial Audit Report for the financial year ended 31st March, 2019 is attached as Annexure – I of this Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

---

## **DIRECTORS' REPORT (Contd.)**

---

### **PUBLIC DEPOSITS**

The Company had not accepted any public deposits under Chapter V of the Act during the financial year ended March 31, 2019.

### **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 four Directors, three directors are independent director and one is non-executive director, viz., Mr. Ravinder Singh Bedi as Chairman, and Prof. Dinesh Mohan, Mrs. Manju Vira Gupta 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](http://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 the Company's website.

### **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. During the year, the Company has not contributed towards CSR in view of losses as computed in accordance with the provisions of Section 198 of the Companies Act, 2013.

### **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**

The information 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 notes to Financial Statements.

### **RELATED PARTY TRANSACTIONS**

There has been no materially significant related party transactions between the Company and the Directors, Key Management Personnel, the subsidiary or the relatives except for those disclosed in the financial statements – Note No. 35 of Notes to Financial Statements.

## DIRECTORS' REPORT (Contd.)

Accordingly, particulars of contracts or arrangements with related parties referred to in Section 188(1) along with the justification for entering into such contracts or arrangements in form AOC -2 does not form part of the Report.

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.

### SHARE CAPITAL

During the financial year ended 31.3.2019, 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

The position with regard to the unclaimed equity shares, transferred to the Demat Suspense Account as required under SEBI (LODR) Regulations, is under:

Balance as on 1.4.2018		No. of Members who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2019	
No. of holders	No. of shares	No. of holders	No. of Shares	No. of Holders	No. of Shares
6691	151881	15	383	6676	151498

The voting rights on the shares in the suspense account as on 31st March, 2019 will remain frozen unless the rightful owners of such shares claim the shares.

### ANTI-SEXUAL HARASSMENT POLICY

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company constituted Internal Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees.

### ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers, Sugarcane farmers, Society at large, Vendors and valued shareholders 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 : 24.05.2019

## ANNEXURE - I TO DIRECTORS' REPORT

FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2019

[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, 2019 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, 2019 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, 1940 & Rules;
- (j) Indian Boiler Act, 1923;
- (k) Essential Commodities Act, 1955;
- (l) Sugar Cess Act, 1982;
- (m) Explosive Act, 1884/Rules 1983
- (n) Acts as prescribed under Shop and Establishment Act of various local authorities;
- (o) Acts as prescribed by respective states and local authorities etc.
- (p) Sugarcane Control Order, 1966
- (q) 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 as amended up to date.
- 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 above said Acts, 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).*
2. *As per Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; the listed entities shall have at least one Woman Director on the Board of Directors. The Company was in non-compliance with appointment of woman director for 146 days during the financial year 2018-19 due to resignation of Mrs. Parmjit Kaur w.e.f. 02.05.2018. The Company*

*has appointed Mrs. Manju Vira Gupta as Independent Woman Director w. e. f. 26.12.2018. Consequent to this BSE and NSE have imposed penalty on the company in pursuance of SEBI Circular no. SEBI/HO/CFD/CMD/ CIR/P/2018/77 dated 03.05.2018 for the quarter ended on 30.09.2018 (for 60 days) & 31.12.2018 (for 86 days). The Company has paid the penalty imposed by BSE & NSE and complied by provisions of SEBI (LODR), 2015.*

### **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**

Place: New Delhi  
Date: 24.05.2019

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

## ANNEXURE - II TO DIRECTORS' REPORT

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

<b>A. CONSERVATION OF ENERGY:</b>	
(i). the steps taken or impact on conservation of energy;	(a) Installation of VFD on: <ul style="list-style-type: none"> <li>- Condenser cooling water pump Unit-2</li> <li>- Auxiliary cane carrier Unit-2</li> <li>- B-Magma Pump Unit-2</li> <li>- Sulphited juice Pump Unit-1</li> </ul> (b) Partial replacement of conventional light fittings with energy efficient LED for Godown lighting, street lighting and plant lighting. (c) Phase wise change of plant lighting system to LED to reduce power consumption. (d) 50HP/1400RPM motor Vaccume pump-3 replaced with energy efficient motor in SBP . (e) 7.5HP/960RPM motor replaced with energy efficient motor bottling crane (LT function). (f) 7.5HP/2900Rpm motor replaced with energy efficient motor at WAD-2 Plant. (g) 7.5HP/2900Rpm motor replaced with energy efficient motor at WAD-2 Plant. (h) 5HP/1400RPM motor replaced with energy efficient motor of star feeder in SBP. (i) 5HP/1400RPM motor replaced with energy efficient motor of Screw conveyor in SBP. (j) 5HP/1400RPM motor replaced with energy efficient motor in SBP Screw conveyor. (k) 5HP/1400RPM motor replaced with energy efficient motor in SBP Screw conveyor. (l) 5HP/1400RPM motor replaced with energy efficient motor in SBP Screw conveyor. (m) 7.5 HP/2900rpm motor replaced with energy efficient motor at sulphuric acid tank-A in chlorine house. (n) 50 HP/1400 rpm motor replaced with energy efficient motor (5632-A) at HCL Cooling tower. (o) 7.5 HP/2900RPM motor (feed water pump ) vaccume pump replaced with energy efficient motor in SBP. (p) 10 HP/1440rpm motor replaced with energy efficient motor (7810-A) in evaporator house. (q) Mercury Light replaced with LED lights in plant locations. (r) Refurbishment of electrolyzers in Cell House (21 Nos) operating at higher voltage
(ii) the steps taken by the company for utilizing alternate sources of energy;	Nil
(iii) the capital investment on energy conservation equipments;	Rs.16 lacs

## ANNEXURE - II TO DIRECTORS' REPORT (Contd.)

<p><b>B. TECHNOLOGY ABSORPTION:</b></p> <p>(i) The efforts made towards technology absorption</p> <p>(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;</p> <p>(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported;</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed;</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and</p> <p>(iv) The expenditure incurred on Research and Development</p>	<p>a) Installation of JPMA design Bagasse Moisture control unit at Last mill to reduce the bagasse moisture by 1.0% to 1.25%</p> <p>b) Installation of online boiler stack gas monitoring system.</p> <p>c) Installation of Rake elevator in place of belt conveyor</p> <p>d) Installation of new product development infrastructure for packaging of jaggery powder.</p> <p>e) Installation of new design packaging machine for packaging of sugar in 1 kg and 5 kg packs.</p> <p>a) Improvement in boiler efficiency due to reduction of moisture in bagasse by 1.25%. Consistency in plant operations by eliminating stoppages due to low boiler steam pressure because of high bagasse moisture. Also reduction in sugar loss in bagasse is achieved.</p> <p>b) To comply statutory requirement of CPCB Norms.</p> <p>c) Frequent prepared cane jamming below fibrizer due to slippage on belt conveyor is overcome thereby ensuring consistent crushing by avoiding stoppages.</p> <p>d) New product development.</p> <p>e) Enhancement of packaging capacity.</p> <p>f) By installing incineration boiler, distillery can be operated for 300-310 days resulting in additional production of ethanol.</p> <p>None</p> <p>None</p>
<p><b>C. FOREIGN EXCHANGE EARNINGS AND OUTGO</b></p> <p>The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows.</p>	<p>The information is given in Notes of Accounts.</p>

## 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.2,97,760/- (12 months). The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2018-19 are as under:

Directors	Designation	Remuneration of Directors in Financial Period 2018-19 (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.
Mrs. Manju Vira Gupta*	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	21,47,936/-	6.14

\*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:

#### Directors

Directors	Remuneration of Director in Financial Period 2018-19(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.
Mrs. Manju Vira Gupta*	N.A.	N.A.
Mr. Piar Chand Jaswal*	N.A.	N.A.
Mr. Dharam Pal Sharma, Whole Time Director	21,47,936/-	33.30%

\*All the non-executive directors of the Company were not paid any remuneration other than sitting fees 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.

#### Key Managerial Personnel's (KMPs)

Directors	Remuneration of KMP in Financial Period 2018-19 (Rs.)	% Increase in Remuneration
Mr. Dharam Pal Sharma, Whole Time Director	21,47,936/-	33.30%
Mr. B.B. Mehta, Chief Financial Officer	78,30,750/-	13%
Mr. Ashok Kumar Shukla, Company Secretary	10,00,832/-	25%

## ANNEXURE - III TO DIRECTORS' REPORT (Contd.)

---

- (c) The percentage increase in the Median Remuneration of Employees in the financial period was 6.9%
- (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, 2019 was 1736.
- (e) The explanation on the relationship between average increase in Remuneration and Company Performance:  
The total Revenue during the year 2018-19 was Rs.11689.28 Million as compared to Rs.13578.02 Million during the year 2017-18. During the Financial year 2018-19, the Company earned profit of Rs.423.16 Million as against the profit of Rs. 162.91 Million in 2017-18. During the year under review, there was an average increase in the median remuneration of 6.9%. 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 31.3.2019 was Rs. 1787.64 Million as against Rs. 1797.42 Million as on 31.3.2018.
- (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 2018-19 was 6.9%.
- (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 2.62:1
- (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 31.03.2019**

[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: 011-25739103, Fax No. 011-25743659 E-Mail: <a href="mailto:corporate@mawanasugars.com">corporate@mawanasugars.com</a> Website: <a href="http://www.mawanasugars.com">www.mawanasugars.com</a>
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: <a href="mailto:info@masserv.com">info@masserv.com</a> , Website: <a href="http://www.masserv.com">www.masserv.com</a>

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The Company is engaged in the business of manufacture and marketing of Sugar Ethanol and Co-generation of Power at its units at Units Mawana Sugar Works, Mawana Distt. Meerut and Nanglamal Sugar Complex, Nanglamal. Distt. Meerut both Unit situated in State of Uttar Pradesh. The Company is also producing and marketing of Chlor Caustic from its Units Siel Chemical Complex, Rajpura, in the State of 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	67.22
2.	Chemicals	28511/28512	25.29

### 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 Ltd. 5th Floor, Kirti Mahal 19, Rajendra Place New Delhi - 110008	U45209DL1994PLC057359	Subsidiary	63.80* and 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) and 129 (3)
3	Siel Infrastructure & Estate Developers Pvt. Ltd. 19, K.G. Marg New Delhi - 110001	U74899DL1985PTC021191	Subsidiary	100.00	2 (87) and 129 (3)
4.	Mawana Foods Pvt. Ltd. 5th Floor, Kirti Mahal 19, Rajendra Place New Delhi - 110008	U74899DL2006PTC144412	Associate	33.74	2 (6)

\*EQUITY CAPITAL \*\*PREFERENCE CAPITAL

**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 01.04.2018)				No. of Shares held at the end of the year (as on 31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>	24834784	0	24834784	63.49	24834784	0	24834784	63.49	0.00
a) Individual/HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt.or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	1192	0	1192	0.00	1192	0	1192	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL:(A) (1)</b>	<b>24835976</b>	<b>0</b>	<b>24835976</b>	<b>63.49</b>	<b>24835976</b>	<b>0</b>	<b>24835976</b>	<b>63.49</b>	<b>0.00</b>
<b>(2) Foreign</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>24835976</b>	<b>0</b>	<b>24835976</b>	<b>63.49</b>	<b>24835976</b>	<b>0</b>	<b>24835976</b>	<b>63.49</b>	<b>0.00</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	11315	434	11749	0.03	11342	434	11776	0.03	0.00
b) Banks/FI	393812	11039	404851	1.03	322216	11021	333237	0.85	-0.18
c) Central govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	295208	0	295208	0.75	295208	0	295208	0.75	0.00
g) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Any Others (Foreign Banks)	3093	0	3093	0.01	3093	0	3093	0.01	0.00
<b>SUB TOTAL (B)(1):</b>	<b>703428</b>	<b>11473</b>	<b>714901</b>	<b>1.83</b>	<b>631859</b>	<b>11455</b>	<b>643314</b>	<b>1.64</b>	<b>-0.18</b>
<b>(2) Non Institutions</b>									
a) Bodies corporate									
i) Indian	3060864	26744	3087608	7.89	1932970	26649	1959619	5.01	-2.88
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	7498576	518110	8016686	20.49	7583161	474170	8057331	20.60	0.10
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	1475090	0	1475090	3.77	1620734	0	1620734	4.14	0.37
c) NBFC Registered with RBI	24306	0	24306	0.06	14613	0	14613	0.04	-0.02
d) Others (NRIs/OCBs/ Pakistani Nationals/ Trust/ Suspense A/c)	902556	59741	962297	2.46	1979968	5309	1985277	5.08	2.62
<b>SUB TOTAL (B)(2):</b>	<b>12961392</b>	<b>604595</b>	<b>13565987</b>	<b>34.68</b>	<b>13131446</b>	<b>506128</b>	<b>13637574</b>	<b>34.68</b>	<b>0.18</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>13664820</b>	<b>616068</b>	<b>14280888</b>	<b>36.51</b>	<b>13763305</b>	<b>517583</b>	<b>14280888</b>	<b>36.51</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>38500796</b>	<b>616068</b>	<b>39116864</b>	<b>100.00</b>	<b>38599281</b>	<b>517583</b>	<b>39116864</b>	<b>100</b>	<b>0.00</b>

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### ii) Shareholding of promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year (as on 01.04.2018)			Share holding at the end of the year (as on 31.03.2019)			% 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	24617959	62.93	2.56	24617959	62.93	2.56	0.00
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
	<b>Total Shares</b>	<b>24835976</b>	<b>63.49</b>	<b>2.56</b>	<b>24835976</b>	<b>63.49</b>	<b>2.56</b>	<b>0.00</b>

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. 01.04.2018		Date	Increase/ Decrease In Shareholding	Reason Of Increase/ Decrease	Cumulative Shareholding During The Period		Shareholding At The End Of The Year I.E. 31.03.2019	
		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-2018						
		No Change In Shareholding During The Year								
				31-March-2019					216289	0.55
2	Roula Shriram	536	0.00	01-April-2018						
		No Change In Shareholding During The Year								
				31-March-2019					536	0.00
3	Siddharth Shriram	24617959	62.93	01-April-2018						
		No Change In Shareholding During The Year								
				31-March-2019					24617959	62.93
4	Siel Infrastructure & Estate Developers Pvt Ltd	1192	0.00	01-April-2018						
		No Change In Shareholding During The Year								
				31-March-2019					1192	0.00



## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### 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. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019		
		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	LIFE INSURANCE CORPORATION OF INDIA	170968	0.44	01-April-2018							
				No Change in Shareholding During the Year							
				31-March-2019					170968	0.44	
2	ANGEL BROKING LIMITED*	131469	0.34	01-April-2018							
				06-April-2018	6022	Purchase	137491	0.35			
				13-April-2018	-12727	Sale	124764	0.32			
				20-April-2018	5121	Purchase	129885	0.33			
				27-April-2018	-5302	Sale	124583	0.32			
				04-May-2018	4109	Purchase	128692	0.33			
				11-May-2018	1968	Purchase	130660	0.33			
				18-May-2018	-2121	Sale	128539	0.33			
				25-May-2018	-13880	Sale	114659	0.29			
				01-June-2018	-47529	Sale	67130	0.17			
				08-June-2018	-464	Sale	66666	0.17			
				15-June-2018	-6757	Sale	59909	0.15			
				22-June-2018	-1895	Sale	58014	0.15			
				29-June-2018	-5239	Sale	52775	0.13			
				06-July-2018	-5980	Sale	46795	0.12			
				13-July-2018	-2481	Sale	44314	0.11			
				20-July-2018	-1371	Sale	42943	0.11			
				27-July-2018	2727	Purchase	45670	0.12			
				03-August-2018	-1651	Sale	44019	0.11			
				10-August-2018	-3266	Sale	40753	0.10			
				17-August-2018	-1236	Sale	39517	0.10			
				24-August-2018	1990	Purchase	41507	0.11			
				31-August-2018	-3596	Sale	37911	0.10			
				07-September-2018	-11038	Sale	26873	0.07			
				14-September-2018	17437	Purchase	44310	0.11			
				21-September-2018	17396	Purchase	61706	0.16			
				28-September-2018	13410	Purchase	75116	0.19			
				05-October-2018	-23348	Sale	51768	0.13			
				12-October-2018	-11966	Sale	39802	0.10			
				19-October-2018	12110	Purchase	51912	0.13			
				26-October-2018	-14510	Sale	37402	0.10			
				02-November-2018	488	Purchase	37890	0.10			
				09-November-2018	-1828	Sale	36062	0.09			
				16-November-2018	-1065	Sale	34997	0.09			
				23-November-2018	-319	Sale	34678	0.09			
				30-November-2018	-3252	Sale	31426	0.08			

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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
				07-December-2018	1230	Purchase	32656	0.08		
				14-December-2018	-5781	Sale	26875	0.07		
				21-December-2018	-1093	Sale	25782	0.07		
				28-December-2018	-2015	Sale	23767	0.06		
				31-December-2018	-1322	Sale	22445	0.06		
				04-Janaury-2019	723	Purchase	23168	0.06		
				11-Janaury-2019	-1614	Sale	21554	0.06		
				18-Janaury-2019	249	Purchase	21803	0.06		
				25-Janaury-2019	-1655	Sale	20148	0.05		
				01-February-2019	-238	Sale	19910	0.05		
				08-February-2019	-664	Sale	19246	0.05		
				15-February-2019	284	Purchase	19530	0.05		
				22-February-2019	-185	Sale	19345	0.05		
				01-March-2019	11193	Purchase	30538	0.08		
				08-March-2019	-12106	Sale	18432	0.05		
				15-March-2019	4484	Purchase	22916	0.06		
				22-March-2019	-81	Sale	22835	0.06		
		29-March-2019	9041	Purchase	31876	0.08				
		31-March-2019						31876	0.08	
3	PUNJAB NATIONAL BANK	323149	0.83	01-April-2018						
				27-April-2018	-1500	Sale	321649	0.82		
				04-May-2018	-1000	Sale	320649	0.82		
				18-May-2018	-1000	Sale	319649	0.82		
				31-March-2019					319649	0.82
4	SHRI PARASRAM HOLDINGS PVT.LTD.#	21336	0.05	01-April-2018						
				06-April-2018	251	Purchase	21587	0.06		
				13-April-2018	907	Purchase	22494	0.06		
				20-April-2018	-1400	Sale	21094	0.05		
				27-April-2018	-3799	Sale	17295	0.04		
				04-May-2018	1338	Purchase	18633	0.05		
				11-May-2018	1050	Purchase	19683	0.05		
				18-May-2018	1692	Purchase	21375	0.05		
				25-May-2018	-4450	Sale	16925	0.04		
				01-June-2018	950	Purchase	17875	0.05		
				08-June-2018	1670	Purchase	19545	0.05		
				15-June-2018	700	Purchase	20245	0.05		
				22-June-2018	1037	Purchase	21282	0.05		
				29-June-2018	-396	Sale	20886	0.05		
				06-July-2018	-1874	Sale	19012	0.05		
				13-July-2018	281	Purchase	19293	0.05		
				20-July-2018	-279	Sale	19014	0.05		

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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
				27-July-2018	-475	Sale	18539	0.05		
				03-August-2018	-1714	Sale	16825	0.04		
				10-August-2018	-421	Sale	16404	0.04		
				17-August-2018	7650	Purchase	24054	0.06		
				24-August-2018	-5491	Sale	18563	0.05		
				31-August-2018	-287	Sale	18276	0.05		
				07-September-2018	-2675	Sale	15601	0.04		
				14-September-2018	-583	Sale	15018	0.04		
				21-September-2018	390233	Purchase	405251	1.04		
				28-September-2018	362866	Purchase	768117	1.96		
				05-October-2018	213281	Purchase	981398	2.51		
				12-October-2018	234613	Purchase	1216011	3.11		
				19-October-2018	199676	Purchase	1415687	3.62		
				26-October-2018	40745	Purchase	1456432	3.72		
				02-November-2018	76322	Purchase	1532754	3.92		
				09-November-2018	8714	Purchase	1541468	3.94		
				16-November-2018	-60002	Sale	1481466	3.79		
				23-November-2018	1465	Purchase	1482931	3.79		
				30-November-2018	-18052	Sale	1464879	3.74		
				07-December-2018	69293	Purchase	1534172	3.92		
				14-December-2018	51057	Purchase	1585229	4.05		
				21-December-2018	48968	Purchase	1634197	4.18		
				12-December-2018	8336	Purchase	1642533	4.20		
				31-December-2018	1274	Purchase	1643807	4.20		
				04-Janaury-2019	-96267	Sale	1547540	3.96		
				11-Janaury-2019	52442	Purchase	1599982	4.09		
				18-Janaury-2019	65108	Purchase	1665090	4.26		
				25-Janaury-2019	-590	Sale	1664500	4.26		
				01-February-2019	-11432	Sale	1653068	4.23		
				08-February-2019	-9218	Sale	1643850	4.20		
				15-February-2019	-20642	Sale	1623208	4.15		
				22-February-2019	-39498	Sale	1583710	4.05		
				01-March-2019	-360300	Sale	1223410	3.13		
				08-March-2019	23637	Purchase	1247047	3.19		
				15-March-2019	-85914	Sale	1161133	2.97		
				22-March-2019	42307	Purchase	1203440	3.08		
				29-March-2019	71627	Purchase	1275067	3.26		
				30-March-2019	-5973	Sale	1269094	3.24		
				31-March-2019					1269094	3.24

**ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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
5	MAWANA SUGARS LIMITED UNCLAIMED SUSPENSE ACCOUNT	151861	0.39	01-April-2018						
				27-April-2018	-110	Transfer of Unclaimed Shares	151751	0.39		
				05-May-2018	-27	Transfer of Unclaimed Shares	151724	0.39		
				01-June-2018	-82	Transfer of Unclaimed Shares	151642	0.39		
				06-July-2018	-8	Transfer of Unclaimed Shares	151634	0.39		
				13-July-2018	-6	Transfer of Unclaimed Shares	151628	0.39		
				14-September-2018	-38	Transfer of Unclaimed Shares	151590	0.39		
				02-November-2018	-5	Transfer of Unclaimed Shares	151585	0.39		
				16-November-2018	-45	Transfer of Unclaimed Shares	151540	0.39		
				14-December-2018	-3	Transfer of Unclaimed Shares	151537	0.39		
				21-December-2018	-12	Transfer of Unclaimed Shares	151525	0.39		
				25-January-2019	-29	Transfer of Unclaimed Shares	151496	0.39		
				01-February-2019	-6	Transfer of Unclaimed Shares	151490	0.39		
		31-March-2019						151490	0.39	
6	THE ORIENTAL INSURANCE COMPANY LIMITED	96917	0.25	01-April-2018						
				No Change in Shareholding During the Year						
				31-March-2019						96917
7	IL AND FS SECURITIES SERVICES LIMITED*	156407	0.40	01-April-2018						
				06-April-2018	-1210	Sale	155197	0.40		
				13-April-2018	-2477	Sale	152720	0.39		

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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
				20-April-2018	-950	Sale	151770	0.39		
				27-April-2018	-850	Sale	150920	0.39		
				11-May-2018	113016	Purchase	263936	0.67		
				18-May-2018	-58376	Sale	205560	0.53		
				25-May-2018	4338	Purchase	209898	0.54		
				01-June-2018	9807	Purchase	219705	0.56		
				08-June-2018	-118664	Sale	101041	0.26		
				15-June-2018	700	Purchase	101741	0.26		
				22-June-2018	-19681	Sale	82060	0.21		
				29-June-2018	1050	Purchase	83110	0.21		
				06-July-2018	26626	Purchase	109736	0.28		
				13-July-2018	-327	Sale	109409	0.28		
				20-July-2018	3149	Purchase	112558	0.29		
				27-July-2018	12200	Purchase	124758	0.32		
				03-August-2018	-10078	Sale	114680	0.29		
				10-August-2018	108296	Purchase	222976	0.57		
				17-August-2018	385	Purchase	223361	0.57		
				24-August-2018	4200	Purchase	227561	0.58		
				31-August-2018	9980	Purchase	237541	0.61		
				07-September-2018	568	Purchase	238109	0.61		
				14-September-2018	-117292	Sale	120817	0.31		
				21-September-2018	-14341	Sale	106476	0.27		
				28-September-2018	-16600	Sale	89876	0.23		
				29-September-2018	-3400	Sale	86476	0.22		
				05-October-2018	20487	Purchase	106963	0.27		
				12-October-2018	-23465	Sale	83498	0.21		
				19-October-2018	724	Purchase	84222	0.22		
				26-October-2018	848	Purchase	85070	0.22		
				02-November-2018	-1679	Sale	83391	0.21		
				09-November-2018	-5084	Sale	78307	0.20		
				16-November-2018	-2468	Sale	75839	0.19		
				23-November-2018	-4050	Sale	71789	0.18		
				30-November-2018	-2250	Sale	69539	0.18		
				07-December-2018	-650	Sale	68889	0.18		
				14-December-2018	-1074	Sale	67815	0.17		
				21-December-2018	-29432	Sale	38383	0.10		
				28-December-2018	-1475	Sale	36908	0.09		
				31-December-2018	-5438	Sale	31470	0.08		
				04-January-2019	-700	Sale	30770	0.08		
				25-January-2019	-300	Sale	30470	0.08		
				01-February-2019	-1207	Sale	29263	0.07		
				08-February-2019	-1355	Sale	27908	0.07		

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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-February-2019	-50	Sale	27858	0.07		
				22-February-2019	-1598	Sale	26260	0.07		
				01-March-2019	-389	Sale	25871	0.07		
				08-March-2019	-614	Sale	25257	0.06		
				15-March-2019	-7035	Sale	18222	0.05		
				22-March-2019	-2900	Sale	15322	0.04		
				29-March-2019	-2694	Sale	12628	0.03		
				31-March-2019					12628	0.03
8	STOCK HOLDING CORPORATION OF INDIA LTD - A/C NSE DERIVATIVES	286300	0.73	01-April-2018						
				06-April-2018	-9000	Sale	277300	0.71		
				11-May-2018	-300	Sale	277000	0.71		
				25-May-2018	-13000	Sale	264000	0.67		
				15-June-2018	-21500	Sale	242500	0.62		
				20-July-2018	-4500	Sale	238000	0.61		
				10-August-2018	-5000	Sale	233000	0.60		
				31-August-2018	-1000	Sale	232000	0.59		
				31-March-2019					232000	0.59
9	EDELWEISS CUSTODIAL SERVICES LTD*	140583	0.36	01-April-2018						
				06-April-2018	-45542	Sale	95041	0.24		
				13-April-2018	4980	Purchase	100021	0.26		
				20-April-2018	-5688	Sale	94333	0.24		
				27-April-2018	2890	Purchase	97223	0.25		
				04-May-2018	705	Purchase	97928	0.25		
				11-May-2018	-593	Sale	97335	0.25		
				18-May-2018	-1062	Sale	96273	0.25		
				25-May-2018	-34296	Sale	61977	0.16		
				01-June-2018	3758	Purchase	65735	0.17		
				08-June-2018	-5900	Sale	59835	0.15		
				15-June-2018	1860	Purchase	61695	0.16		
				22-June-2018	21	Purchase	61716	0.16		
				29-June-2018	6100	Purchase	67816	0.17		
				30-June-2018	-35	Sale	67781	0.17		
				06-July-2018	100	Purchase	67881	0.17		
				13-July-2018	-1977	Sale	65904	0.17		
				20-July-2018	204	Purchase	66108	0.17		
				27-July-2018	-534	Sale	65574	0.17		
				03-August-2018	10	Purchase	65584	0.17		
				10-August-2018	-205	Sale	65379	0.17		
				17-August-2018	1479	Purchase	66858	0.17		
				24-August-2018	-11900	Sale	54958	0.14		

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019		
		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	
				31-August-2018	857	Purchase	55815	0.14			
				07-September-2018	-13457	Sale	42358	0.11			
				14-September-2018	-2	Sale	42356	0.11			
				21-September-2018	-596	Sale	41760	0.11			
				28-September-2018	690	Purchase	42450	0.11			
				29-September-2018	-1500	Sale	40950	0.10			
				05-October-2018	-4810	Sale	36140	0.09			
				12-October-2018	-150	Sale	35990	0.09			
				26-October-2018	-4133	Sale	31857	0.08			
				02-November-2018	-1303	Sale	30554	0.08			
				16-November-2018	200	Purchase	30754	0.08			
				30-November-2018	1016	Purchase	31770	0.08			
				07-December-2018	-1016	Sale	30754	0.08			
				08-February-2019	-200	Sale	30554	0.08			
				22-February-2019	-200	Sale	30354	0.08			
				08-March-2019	-3922	Sale	26432	0.07			
				15-March-2019	-6044	Sale	20388	0.05			
				29-March-2019	2110	Purchase	22498	0.06			
				31-March-2019					22498	0.06	
10	WINNIMUS LLP*	211323	0.54	01-April-2018							
				27-April-2018	-134070	Sale	77253	0.20			
				31-March-2019					77253	0.20	
11	ALAVEL FINVEST PVT LTD	366504	0.94	01-April-2018							
				No Change in Shareholding During the Year							
				31-March-2019					366504	0.94	
12	SINCERE EQUITY SERVICES PRIVATE LIMITED	100001	0.26	01-April-2018							
				No Change in Shareholding During the Year							
				31-March-2019					100001	0.26	
13	HEMANT P KOTAK (HUF)#	22000	0.06	18-January-2019							
				01-February-2019	6000	Purchase	28000	0.07	28000	0.07	
				08-February-2019	7000	Purchase	35000	0.09	35000	0.09	
				08-March-2019	20000	Purchase	55000	0.14	55000	0.14	
				15-March-2019	5000	Purchase	60000	0.15	60000	0.15	
				22-March-2019	20000	Purchase	80000	0.20	80000	0.20	
				31-March-2019					80000	0.20	
14	SIG ESTATE PRIVATE LIMITED	118425	0.30	01-April-2018							
				No Change in Shareholding During the Year							
				31-March-2019					118425	0.30	

**ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)**

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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	VIKRAM PRATAPBHAI KOTAK*	300000	0.77	01-April-2018						
				01-June-2018	8695	Purchase	308695	0.79		
				08-June-2018	6305	Purchase	315000	0.81		
				24-August-2018	-5000	Sale	310000	0.79		
				07-September-2018	20000	Purchase	330000	0.84		
				14-September-2018	25000	Purchase	355000	0.91		
				21-September-2018	-205000	Sale	150000	0.38		
				28-September-2018	-50000	Sale	100000	0.26		
				12-October-2018	-50000	Sale	50000	0.13		
		31-March-2019						50000	0.13	
16	RAJU AJIT BHANDARI #	7813	0.02	01-April-2018						
				06-April-2018	1400	Purchase	9213	0.02		
				06-May-2018	5526	Purchase	14739	0.04		
				11-May-2018	2042	Purchase	16781	0.04		
				25-May-2018	19234	Purchase	36015	0.09		
				01-June-2018	29554	Purchase	65569	0.17		
				08-July-2018	47166	Purchase	112735	0.29		
				15-June-2018	22573	Purchase	135308	0.35		
				29-June-2018	33242	Purchase	168550	0.43		
				06-July-2018	-16955	Sale	151595	0.39		
				13-July-2018	8530	Purchase	160125	0.41		
				20-July-2018	878	Purchase	161003	0.41		
				27-July-2018	27660	Purchase	188663	0.48		
				03-August-2018	18291	Purchase	206954	0.53		
				10-August-2018	1720	Purchase	208674	0.53		
				17-August-2018	6430	Purchase	215104	0.55		
				24-August-2018	361	Purchase	215465	0.55		
				31-August-2018	370	Purchase	215835	0.55		
				07-September-2018	22356	Purchase	238191	0.61		
				14-September-2018	15067	Purchase	253258	0.65		
				21-September-2018	-13723	Sale	239535	0.61		
				28-September-2018	24905	Purchase	264440	0.68		
				29-September-2018	29765	Purchase	294205	0.75		
		05-October-2018	-3806	Sale	290399	0.74				
		12-October-2018	-3750	Sale	286649	0.73				
		19-October-2018	-7500	Sale	279149	0.71				
		26-October-2018	8101	Purchase	287250	0.73				
		02-November-2018	5408	Purchase	292658	0.75				



## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

S. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. 01.04.2018		Date	Increase/ Decrease in Share holding	Reason of Increase/ Decrease	Cumulative Shareholding during the period		Shareholding at the end of the year i.e. 31.03.2019	
		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-November-2018	2034	Purchase	294692	0.75		
				16-November-2018	2282	Purchase	296974	0.76		
				23-November-2018	727	Purchase	297701	0.76		
				30-November-2018	2256	Purchase	299957	0.77		
				07-December-2018	846	Purchase	300803	0.77		
				14-December-2018	-600	Sale	300203	0.77		
				21-December-2018	-1000	Sale	299203	0.76		
				28-December-2018	27632	Purchase	326835	0.84		
				11-January-2019	-100	Sale	326735	0.84		
				01-February-2019	3551	Purchase	330286	0.84		
				08-February-2019	75	Purchase	330361	0.84		
				15-February-2019	2299	Purchase	332660	0.85		
				22-February-2019	6995	Purchase	339655	0.87		
				01-March-2019	-557	Sale	339098	0.87		
				08-March-2019	-1760	Sale	337338	0.86		
				15-March-2019	1170	Purchase	338508	0.87		
				22-March-2019	552	Purchase	339060	0.87		
				29-March-2019	-28515	Sale	310545	0.79		
				31-March-2019					310545	0.79

Note : 1. \* Ceased to be part of top ten shareholders as on 31.03.2019

2. # Not been part of top ten shareholders as on 01.04.2018

### (v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name	Shareholding At The Beginning Of The Year I.E. 01.04.2018		Date	Increase/ Decrease in Shareholding	Reason for Increase/ Decrease	Cumulative Shareholding During The Period		Shareholding At The End Of The Year I.E. 31.03.2019		
		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	Manju Vira Gupta*	306	0.00	01-April-2018							
				No change in shareholding during the year							
				31-March-2019					306	0.00	

\*Appointed as Director w.e.f . 26.12.2018

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### 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
<b>Indebtedness at the beginning of the financial year:</b>					
i)	Principal Amount	1407.92	-	-	1407.92
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	7.27	-	-	7.27
<b>Total (i+ii+iii)</b>		<b>1415.19</b>	<b>-</b>	<b>-</b>	<b>1415.19</b>
<b>Change in Indebtedness during the financial year:</b>					
•	<b>Addition</b>	<b>967.48</b>	<b>-</b>	<b>-</b>	<b>967.48</b>
•	<b>Reduction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change</b>					
		Secured Loans Excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the end of the financial year:</b>					
i)	Principal Amount	2377.98	-	-	2377.98
ii)	Interest due but not paid	-	-	-	-
iii)	Interest accrued but not due	4.69	-	-	4.69
<b>Total (i+ii+iii)</b>		<b>2382.67</b>	<b>-</b>	<b>-</b>	<b>2382.67</b>

### 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	21,47,936	21,47,936
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	21,47,936	21,47,936
	(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	-	-
	<b>Total (A)</b>	<b>21,47,936</b>	<b>21,47,936</b>
	Ceiling as per the Act	-	-

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### B. Remuneration to other Directors:

Sitting fee 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
		Prof. Dinesh Mohan	Mr. R.S.Bedi	Mr.Piar Chand Jaswal	Ms.Parmjit Kaur	
1.	Independent Directors					-
	• Fee for attending board / committee meetings	1,00,000	2,20,000	2,10,000	70,000	6,00,000
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (1)</b>	<b>1,00,000</b>	<b>220,000</b>	<b>2,10,000</b>	<b>70,000</b>	<b>6,00,000</b>
2.	Other Non-Executive Directors	-	-	-	-	-
	• Fee for attending board / committee meetings	-	-	-	-	-
	• Commission	-	-	-	-	-
	• Others, please specify	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>Total (B)=(1+2)</b>	<b>1,00,000</b>	<b>2,20,000</b>	<b>2,10,000</b>	<b>70,000</b>	<b>6,00,000</b>
	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	10,00,832	78,30,750	88,31,582
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	76,57,196	76,57,196
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,73,554	1,73,554
	(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	-	-	-
	<b>Total</b>	<b>10,00,832</b>	<b>78,30,750</b>	<b>88,31,582</b>

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### VII. PENALTIES / PUNISHMENT / COMPUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT] Stock Exchange	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty	Section 149 and Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	The Company was in non-compliance with appointment of woman director for 146 days during the financial year 2018-19 due to resignation of Mrs. Parmjit Kaur w.e.f. 02.05.2018. The Company has appointed Mrs. Manju Vira Gupta as Independent Woman Director w. e. f. 26.12.2018	<i>BSE and NSE have imposed penalty on the company in pursuance of SEBI Circular no. SEBI/HO/CFD/ CMD/ CIR/P/2018/77 dated 03.05.2018 for the quarter ended on 30.09.2018 (for 60 days) &amp; 31.12.2018 (for 86 days). The Company has paid the penalty imposed by BSE &amp; NSE and complied by provisions of SEBI (LODR), 2015</i>	Stock Exchange	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. DIRECTORS</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. OTHER OFFICERS IN DEFAULT</b>					
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: 24.05.2019  
Place : New Delhi

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

### CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2019

#### 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 5 Directors. It consists of One Executive Director, Three Directors are Non-Executive and Independent Directors including Woman Director and one director is Non-Executive and Non-Independent Director. The Board of the Company is duly constituted as per the requirements of the Companies Act, 2013 read with rule made there under and Regulation 17 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board members possess the skills, experience and expertise necessary to guide the Company.

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, 2019 and at the last Annual General Meeting held on 17.08.2018 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 9)	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	9	Yes	1	NIL	NIL
• Mr. Piar Chand Jaswal	07100098	Non-Independent Non-Executive	9	Yes	NIL	NIL	NIL
• Mr. Dharam Pal Sharma (Whole Time Director)	07259344	Executive	9	Yes	NIL	NIL	NIL
• Mrs. Parmjit Kaur*	06714249	Independent Non-Executive	-	N.A.	NIL	NIL	NIL
• Mrs. Manju Vira Gupta**	05186954	Independent Non-Executive	3	N.A.	NIL	NIL	NIL

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

\*\*Appointed as an Additional Director of the Company w.e.f. 26.12.2018.

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.

During the period from 2.5.2018 to 25.12.2018, the Company was in non-compliance of requirement of having at least one Woman Director on the Board of Directors as required under Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (LODR) Regulations, 2015.

---

## ANNEXURE - V TO DIRECTORS' REPORT

---

### (b) Number of Board Meetings

During the financial year ended March 31, 2019, nine board meetings were held on 23.5.2018, 9.7.2018, 10.8.2018, 17.8.2018, 26.10.2018, 28.11.2018, 8.2.2019, 8.2.2019 and 25.3.2019. A separate meeting of the Independent Directors of the Company was convened on 25.3.2019 to oversee and review performance of Non-Independent Directors and the Board as a whole. Mr. Ravinder Singh Bedi and Mrs. Manju Vira Gupta, the Independent Directors were present at the meeting.

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

Other than Mrs. Manju Vira Gupta, who holds 306 equity shares of the Company as on the Financial Year ended March 31, 2019, no other Non-Executive Directors holds any equity shares or convertible instrument of the Company during the financial year ended on March 31, 2019.

### (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 Four Directors. One Director is Non-Executive and Non-Independent and three 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, 2019, the Audit Committee met 5 times on 23.5.2018, 9.7.2018, 10.8.2018, 26.10.2018 and 8.2.2019.

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

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 5)
1.	Prof. Dinesh Mohan – Chairman*	Independent / Non-Executive	3
2.	Mr. Ravinder Singh Bedi – Chairman**	Independent / Non-Executive	5
3.	Mr. Piar Chand Jaswal	Non- Independent/ Non-Executive	5
4.	Mrs. Parmjit Kaur***	Independent / Non-Executive	-
5.	Mrs. Manju Vira Gupta****	Independent / Non-Executive	1

\* Ceased to be Chairman of the Committee w.e.f. 8.2.2019.

\*\* Appointed Chairman of the Committee w.e.f. 8.2.2019.

\*\*\* Ceased to be a Member of the Committee w.e.f. 2.5.2018.

\*\*\*\*Appointed as a Member of the Committee w.e.f. 8.2.2019.

### 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 4 Directors. One Director is Non-Executive and Non-Independent and Three 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, 2019, 3 meetings of the Committee were held on 23.5.2018, 9.7.2018 and 8.2.2019.

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	1
2.	Mr. Ravinder Singh Bedi – Chairman**	Independent / Non-Executive	3
3.	Mr. Piar Chand Jaswal	Non- Independent/ Non-Executive	3
4.	Mrs. Manju Vira Gupta****	Independent / Non-Executive	1

\* Ceased to be Chairman of the Committee w.e.f. 8.2.2019.

\*\* Appointed Chairman of the Committee w.e.f. 8.2.2019.

\*\*\*Appointed as a Member of the Committee w.e.f. 8.2.2019.

#### (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.

## ANNEXURE - V TO DIRECTORS' REPORT

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](http://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, 2019 is given below:

(Rupees)

Sl. No.	Name	Salary and Allowances	Perquisites	Contribution to Provident and other Funds	Total
1.	Mr. Dharam Pal Sharma	20,11,233	58,200	78,503	21,47,936

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, 2019 are given below:

Sl. No.	Name	Sitting Fees (Rs.)
1.	Prof. Dinesh Mohan	1,00,000/-
2.	Mr. Ravinder Singh Bedi	2,20,000/-
3.	Mr. Piar Chand Jaswal	2,10,000/-
4.	Mrs. Manju Vira Gupta*	70,000/-

\*Appointed as an Additional Director of the Company w.e.f. 26.12.2018.

The Company has not paid any fixed component and performance linked incentives to the Non –Executive Directors during the financial year ended March 31, 2019.

The Company does not have any Stock Option Scheme.

#### c) Details of the advisory fees paid to the Non-Executive Director

The details of the advisory fees paid to the Non-Executive Director provided as per accounts for the financial year ended March 31, 2019 is given below:

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. Piar Chand Jaswal	7,20,000/-

### 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 4 Directors. One Director is Non-Executive and Non-Independent and Three Directors are Non-Executive and Independent Directors.

During the financial year ended March 31, 2019, the Committee met 4 times on 23.5.2018, 6.8.2018, 20.11.2018 and 25.3.2019.

The Company Secretary acts as the secretary of the Committee.



## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

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	1
2.	Mr. Ravinder Singh Bedi – Chairman**	Independent / Non-Executive	4
3.	Mr. Piar Chand Jaswal	Non- Independent/ Non-Executive	4
4.	Mrs. Manju Vira Gupta****	Independent / Non-Executive	1

\* Ceased to be Chairman of the Committee w.e.f. 8.2.2019.

\*\* Appointed Chairman of the Committee w.e.f. 8.2.2019.

\*\*\*Appointed as a Member of the Committee w.e.f. 8.2.2019

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, Gurugram-122001 (Haryana)  
Tel: 0124-4298000  
E-mail: [corporate@mawanasugars.com](mailto:corporate@mawanasugars.com)

During the financial year ended March 31, 2019, 20 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.

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](http://www.mawanasugars.com).

#### (b) Composition

The CSR Committee of the Board comprises of 4 Directors. One Director is Non-Executive and Non-Independent and Three 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 Director	Category
1.	Prof. Dinesh Mohan – Chairman*	Independent / Non-Executive
2.	Mr. Ravinder Singh Bedi – Chairman**	Independent / Non-Executive
3.	Mr. Piar Chand Jaswal	Non- Independent/ Non-Executive
4.	Mrs. Manju Vira Gupta****	Independent / Non-Executive

\* Ceased to be Chairman of the Committee w.e.f. 8.2.2019.

\*\* Appointed Chairman of the Committee w.e.f. 8.2.2019.

\*\*\*Appointed as a Member of the Committee w.e.f. 8.2.2019

The Company Secretary acts as the Secretary to the Committee.

## ANNEXURE - V TO DIRECTORS' REPORT

### 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
2.	Mr. Ravinder Singh Bedi- Chairman**	Independent /Non-Executive
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
7.	Mr. B.B. Mehta****	Employee

\* Ceased to be Chairman of the Committee w.e.f. 8.2.2019.

\*\* Appointed Chairman of the Committee w.e.f. 8.2.2019.

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

\*\*\*\*Appointed as a member of the Committee w.e.f. 8.2.2019.

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.

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

### 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
2017-18	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	17.8.2018 & 11.00 A.M.	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.
2016-17	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	27.7.2017 & 11.00 A.M.	<ol style="list-style-type: none"> <li>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/-</li> <li>To waive the recovery of excess managerial remuneration paid to Mr. Sunil Kakria, Managing Director for the period from 1.10.2012 to 31.7.2013 for Rs.1,73,32,166/-</li> <li>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/-</li> <li>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/-</li> </ol>
2015-16 (15 months)	Shriram Bharatiya Kala Kendra(Lawn), 1, Copernicus Marg, Mandi House, New Delhi – 110001	13.6.2016 & 10.00 A.M.	<ol style="list-style-type: none"> <li>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.</li> <li>Re-classification of authorized share capital of the Company.</li> </ol>

#### (ii) Resolution passed through Postal Ballot

During the financial year ended March 31, 2019, the Company has passed Special Resolutions through postal ballot process (including e-voting) as prescribed under Sections 108 & 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and the Companies (Management and Administration) Amendment Rules, 2015, and other applicable provisions, if any of the Companies Act, 2013.

The Company has appointed Mr. Nirbhay Kumar of M/s Nirbhay Kumar & Associates, Practicing Company Secretary (M. No. 21093) as the Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner. The voting period for e-voting and postal ballot was commenced on 27.02.2019 (09.00 a.m. IST) and ends on 28.03.2019 (5.00 p.m. IST) and the CDSL e-voting platform was blocked thereafter. The last date of the receipt of Postal Ballot Forms by the Scrutinizer was 28.03.2019. The result of the Postal Ballot (including e-voting) was announced on 30.3.2019. The Resolutions were approved and passed by the members of the Company with requisite majority.

## ANNEXURE - V TO DIRECTORS' REPORT

The details of the Postal Ballot (including e-voting) Results are as under:

Sl. No.	Particulars	Type of resolution (Ordinary/Special)	For the resolution			Against the resolution		
			No. of Voters	No. of votes	% of total valid votes cast	No. of Voters	No. of votes	% of total valid votes cast
1.	Approval for continuation of Mr. Ravinder Singh Bedi, as Director	Special	322	24912281	99.8600	40	34918	0.1399
2.	Approval for continuation of Mrs. Manju Vira Gupta, as Director	Special	320	24912131	99.8594	37	34990	0.1403
3.	Waiver of recovery of the excess Remuneration paid to Mr. Siddharth Shriram, Chairman and Managing Director (CMD) of the Company during the period from 15.10.2012 to 31.7.2014	Special	270	282759	85.9027	86	46403	14.0973
4.	Waiver of recovery of the excess Remuneration paid to Mr. Sunil Kakria, Managing Director (MD) of the Company during the period from 1.10.2012 to 31.7.2013	Special	266	24899774	99.8099	89	47311	0.1896
5.	Waiver of recovery of the excess Remuneration paid to Mr. Ashwani Kumar Mehra, Whole Time Director (WTD) of the Company during the period from 1.10.2012 to 31.7.2014	Special	265	24899770	99.8099	91	47326	0.1897
6.	Waiver of recovery of the excess Remuneration paid to Mr. Rajendra Khanna, Whole Time Director (WTD) of the Company during the period from 1.2.2014 to 31.12.2014	Special	267	24899801	99.8100	88	47284	0.1895
7.	Waiver of recovery of excess Remuneration paid to Mr. Dharam Pal Sharma, Whole Time Director (WTD) of the Company during the period from 13.08.2015 to 12.08.2018	Special	267	24900295	99.8120	87	46783	0.1875
8.	Payment of remuneration to Mr. Dharam Pal Sharma, Whole Time Director (WTD) of the Company for the remaining period of his term of appointment i.e. from 13.08.2018 to 12.08.2020	Special	307	24904107	99.8273	51	43001	0.1724

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

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

---

### 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.

#### (b) Website

The Company maintains a separate dedicated section viz. "Investors" for the information of shareholders and other stakeholders of the Company on the Company's website [www.mawanasugars.com](http://www.mawanasugars.com). Quarterly/ Half-yearly/ Annual Financial Results, Annual Reports, status of unclaimed dividend, various applicable policies of the Company and other required details are available on the Company's website.

#### (c) Stock Exchange

The Company makes timely disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

#### (d) NEAPS (NSE Electronic Application Processing System)

NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings, inter-alia, Shareholding Pattern, Corporate Governance Report, Corporate Announcements, amongst others are filed electronically through NEAPS.

#### (e) BSE Corporate Compliance and Listing Centre

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter-alia, Shareholding Pattern, Corporate Governance Report, Corporate announcements, amongst others are filed electronically on the Listing Centre.

#### (f) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web based complaints redress system.

#### (g) Institutional Investors

There were no presentations made to institutional investors or to the analysts.

#### (h) 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 02.08.2019 at 11.00 A.M. at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001.

#### (ii) Financial Calendar for the Year 2019-20:

Accounting year	April 1, 2019 to March 31, 2020
First Quarter results	Upto 14th August, 2019
Second Quarter results	Upto 14th November, 2019
Third Quarter results	Upto 14th February, 2020
Annual Results	Upto 30th May, 2020 (Audited)

(iii) **Date of Book Closure:** 27.07.2019 to 02.08.2019 (both days inclusive).

## ANNEXURE - V TO DIRECTORS' REPORT

### (iv) Listing on Stock Exchanges:

The equity shares of the Company are listed on following stock exchanges:

Name of the Stock Exchanges	Stock code	ISIN No.
BSE Limited, Mumbai (Physical & Demat)	523371	INE636A01039
National Stock Exchange of India Ltd., Mumbai (Physical & Demat)	MAWANASUG	INE636A01039

The company has paid the Annual Listing fees for the financial year 2019-2020 to the stock exchanges.

### (v) Stock Market Data for the financial year ended March 31, 2019

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-18	54.75	40.85	435540	35213.30	32972.56	54.75	40.50	3437873	10759.00	10111.30
May-18	44.10	30.10	555343	35993.53	34302.89	44.25	29.85	4054987	10929.20	10417.80
Jun-18	41.20	32.45	258248	35877.41	34784.68	41.40	31.85	1687634	10893.25	10550.90
Jul-18	37.50	31.00	121608	37644.59	35106.57	37.50	31.35	1193869	11366.00	10604.65
Aug-18	44.00	36.65	274189	38989.65	37128.99	43.45	36.10	1953168	11760.20	11234.95
Sep-18	73.00	41.65	2659700	38934.35	35985.63	73.50	41.50	13780216	11751.80	10850.30
Oct-18	65.90	46.10	317988	36616.64	33291.58	65.65	46.05	1618181	11035.65	10004.55
Nov-18	57.00	42.55	130916	36389.22	34303.38	56.90	43.05	628730	10922.45	10341.90
Dec-18	51.00	43.25	73506	36554.99	34426.29	51.35	43.00	368998	10985.15	10333.85
Jan-19	49.00	38.75	180441	36701.03	35375.51	49.20	38.65	809097	10987.45	10583.65
Feb-19	45.40	38.00	312559	37172.18	35287.16	45.90	38.00	2104907	11118.10	10585.65
Mar-19	53.00	42.70	431561	38748.54	35926.94	52.60	42.00	2634101	11630.35	10817.00
			<b>5751599</b>					<b>34271761</b>		

### (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](http://www.masserv.com), E-mail: [info@masserv.com](mailto:info@masserv.com).

### (vii) Share Transfer System

In terms of Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Transfer Agent, M/s Mas Services Limited for assistance in this regard.

### (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.

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

### (ix) Distribution of shareholding as on March 31, 2019

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	43153	93.48	2643384	6.76
501-1000	1408	3.05	1128268	2.88
1001-2000	771	1.67	1157316	2.96
2001-3000	269	0.58	685573	1.75
3001-4000	118	0.25	426447	1.09
4001-5000	109	0.24	509446	1.30
5001-10000	180	0.39	1288475	3.29
10001 and above	157	0.34	31277955	79.97
<b>Total</b>	<b>46165</b>	<b>100.00</b>	<b>39116864</b>	<b>100.00</b>

### (x) Categories of shareholders as on March 31, 2019

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	643314	1.64
(b)	Bodies Corporate/NBFC/Individuals	11652297	29.79
(c)	Any Other (NRIs/OCBs/Foreign Nationals/ Trusts/ Suspense A/c)	1985277	5.08
	<b>Total</b>	<b>39116864</b>	<b>100.00</b>

### (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, 2019, a total of 38,599,281 equity shares of the Company, which forms 98.68% of the equity share capital, stand dematerialized.

### (xii) Plant Location:

#### Sugar Factories:

- Mawana Sugar Works, Mawana, Distt. Meerut – 250402 (U.P.)
- Nanglamal Sugar Complex, Garh Road, Village Nanglamal, Distt. Meerut – 250001 (U.P.)

#### 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](http://www.masserv.com), E-mail: [info@masserv.com](mailto: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](http://www.mawanasugars.com).

## ANNEXURE - V TO DIRECTORS' REPORT

(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) Code of Conduct for prevention of Insider Trading

The Company's Code of Conduct for Prevention of Insider Trading covers all its Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to Unpublished Price Sensitive Information ("UPSI") relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/ promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the securities of the Company while in possession of UPSI about the Company as well as during certain periods. All the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and other designated employees of the Company are restricted from entering into opposite transactions, i.e., buy or sell any number of shares during the next six months following the prior transaction. The Board of Directors has adopted the 'Mawana Sugars Limited' - Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has also approved the 'Mawana Sugars Limited - Code for Fair Disclosure' and the same posted on the Company's Website [www.mawanasugars.com](http://www.mawanasugars.com).

### (v) Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company in accordance with the requirements of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Board Members and the Senior Management Personnel have given affirmation of compliance with the said Code of Conduct for the financial year ended 31st March, 2019.

The Code of Conduct has been posted on the website of the Company.

### (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.

### (viii) Anti-Sexual Harassment

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company constituted Internal Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees.

## 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

Place : New Delhi  
Dated : 24.05.2019

(Dharam Pal Sharma)  
Whole Time Director  
(DIN: 07259344)

(Ravinder Singh Bedi)  
Director  
DIN: 01408189



## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

---

### DECLARATION

I, Dharam Pal Sharma, Whole Time Director 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)  
Whole Time Director  
(DIN: 07259344)

Place : New Delhi  
Dated : 24.05.2019

### 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, as amended

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 specified in regulations 17 to 27, clauses (b) to (i) of sub — regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2019 as required by the Company for annual submission to the Stock exchange.

#### Management's Responsibility

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

#### Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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:
  - i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2019 and verified that atleast one woman director was on the Board of Directors throughout the year;

---

## ANNEXURE - V TO DIRECTORS' REPORT

---

- iv. Obtained and read the minutes of the following committee meetings / other meetings held during April 01, 2018 to March 31, 2019:
    - (a) Board of Directors;
    - (b) Audit Committee;
    - (c) Annual General Meeting (AGM);
    - (d) Nomination and Remuneration Committee;
    - (e) Stakeholders Relationship Committee;
    - (f) Risk Management Committee
  - v. Obtained necessary declarations from directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved prior by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
8. The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### Basis for Qualified Opinion

9. The Company has not complied with Section 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires Board of Directors should comprise of at least one Woman Director. The Company did not have any Woman Director on board for the period May 02, 2018 to Dec 26, 2018.

### Qualified Opinion

10. Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, except for the matter stated in paragraph 9 above, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2019, referred to in paragraph 4 above.

### Other matters and Restriction on Use

11. 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.
12. 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

Place of Signature: New Delhi  
Date: May 24, 2019

**Per Anil Gupta**  
Partner  
Membership Number: 87921

## **ANNEXURE - V TO DIRECTORS' REPORT**

---

### **CEO/CFO CERTIFICATION - FINANCIAL YEAR ENDED MARCH 31, 2019**

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 31.3.2019 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 31.03.2019 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

Place: New Delhi  
Date: May 24, 2019

**(Dharam Pal Sharma)**  
Whole Time Director  
(DIN: 07259344)

**(B.B. Mehta)**  
Chief Financial Officer

## ANNEXURE - V TO DIRECTORS' REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### SUGAR BUSINESS

##### Sugar Season 2018-19

Sugar Season 2018-19 opened with Opening stock of 10.2 Mn Tons, with estimated production at 32.5 Mn Tons and domestic consumption at 26 Mn Tons, export of 3.5 Mn Tons, the Closing Stock would be in excess of 13 Mn Tons as on 30th September, 2019 (50% of domestic consumption).

Production in Sugar Season 2019-20 is expected to be at 30 Mn Tons. With the opening stock of 14 Mn Tons and with domestic consumption at 26 Mn Tons, the closing stock will be more than 17 Mn Tons. Exports will be difficult owing to low world prices and may reach 2.0 Mn Tons. Thus closing stock with export will be 16 Mn Tons (more than 60% of domestic consumption).

Due to excessive carryover stocks, liquidity problems will be faced by the sugar mills and cane price arrears to sugarcane farmers will burgeon.

Government of India has also fixed a Minimum Support Price (MSP) of sugar and monthly quota for the mills to sell sugar to control the fall in sugar prices. The MSP of Rs.2900/qtl in June, 2018, owing to industry demand, was revised upwards to Rs.3100/qtl from mid-February, 2019. Industry is asking for revision in MSP to Rs.3500/qtl to cover cost of production.

World sugar production after near balance to 1 Mn Tons surplus in 2018-19 due to excess production in Thailand, China and India is heading for a deficit of 2.1 Mn. Tons in 2019-20.

#### Risk and Concerns

##### 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 subsidizing 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

- Future challenge/threat for UP Sugar Industry is monoculturing of variety Co 0238 variety (MSW 91%, NSC 87%)
- Unfavourable Government regulations towards cane pricing, raw sugar imports and sugar exports and movement of molasses.
- Despite of maintaining ZLD (Zero liquid discharge) environments, threatening pollution norms for Ganga basin distilleries is affecting Ethanol production planning.
- Co-gen tariff is likely to be reduced by 50% resulting in revenue/cash flow significantly.

#### Distillery Business

Government has approved Rs. 4440 crores soft loans for building ethanol production capacity to absorb excess cane. These loans will bear interest subvention of Rs. 1332 crore over a period of 5 years, including moratorium period of one year. Department of Food and Public Distribution, Ministry of Corporate Affairs, Food and Public Distribution, has issued a Notification dated 8th March 2019, notifying the New Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity with additional soft loan of Rs. 7400 crores for pending applications received for soft loan.

This year (2018-19) we have been awarded a quantity of 20661 KL ethanol and dispatches against the same have been started.

Ministry of Environment, Forest & Climate Change (MoEFCC) has issued an OM No. J-11013/55/2017-IA-II(I) dated 25th March 2019, clarifying that no amendment Environment Clearance (EC) shall be required in case of a project involving incineration boilers and / or having covered bio-composting operations to achieve ZLD.

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

Nanglamal distillery has issued a Purchase Order (PO) for Incinerator boiler to M/s ISGEC Heavy Engg. Ltd for designing, engineering, manufacturing and supply of 47 TPH Incineration Boiler. For modification of the existing evaporation system for getting concentration of spent wash (vinasse) from 40% to 60% a PO has been placed to M/s Praj Industries Ltd, Pune.

Ministry of Petroleum and Natural Gas (Mo PNG) vide its Notification No. G.S.R. 107 (E) dated 5th February, 2019 (published in the Gazette No. 91 dated 13th February, 2019) has directed the Oil Marketing Companies to sell ten per cent ethanol blended petrol, or any percentage specified by the Government, as per Bureau of Indian Standards specifications, in all the States and Union Territories (except Andaman & Nicobar and Lakshadweep), in India.

As a statutory requirement, environmental clearance have been required from MOEF& CC for expansion of NSC, distillery from 120 KLPD to 150 KLPD, and a Co-generation project to setup a new 120 KLPD ethanol plant at Mawana Sugar Works.

### Risks and Concerns

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.

### 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, 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, and 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 31.03.2018, there were a total of 32 Caustic Soda plants in operation. The installed capacity of Caustic Soda industry in the Country was 3.88 Million MT as on 31.03.2018, as compared to 3.66 Million MT on 31.03.2017. There was an increase of 5.95% in the installed capacity during the year 2017-18 as compared to the previous year. During the year, the domestic production was 3.24 Million MT Caustic Soda representing 83.6% utilization of the installed capacity, increase of around 1.1% in capacity utilization over the previous year. There was an increase of 7.26% in production by 0.22 Million MT during the year 2017-18 as compared to the previous year. The total demand of Caustic Soda was 3.53 Million MT, which grew by 3.6% over the previous year.

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

Year	2013-14	2014-15	2015-16	2016-17	2017-18
Capacity Utilisation %	79.1	81.5	85.2	82.5	83.6
Production (Million MT)	2.62	2.76	2.87	3.02	3.24

## ANNEXURE - V TO DIRECTORS' REPORT (Contd.)

### C) Market Scenario and Outlook

The Caustic and Chlorine markets during the period Apr'18 – Mar'19 witnessed a volatile scenario; The Caustic demand during first half of the year remained sluggish due to slowdown in consuming industries. Only during 2nd half of the year, demand improved heavily when Caustic Imports got restricted due to non-availability of BIS certificate with exporting countries.

Chlorine demand remained stable during the year except for some hiccups during festival / winter season. Chlorine Consuming Industries operated at full swing during the year that helped to generate good demand. However, Hydrochloric Acid remained under huge pressure due to increased production and lower demand from consuming industries.

2018-19 witnessed increase in demand of Caustic from Paper, Soap, Aluminum and textile segments. Chlorine demand from CPW, Chlormethine, pesticides, Paper and Pulp remained stable.

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 2019-20 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:

Siel Chemical Complex (SCC) is a unit of Mawana Sugars Ltd. It is located at Rajpura, District Patiala and is a large supply Power Intensive Continuous Process Consumer of Punjab State Power Corporation Ltd., (PSPCL). SCC has Contract Demand of 35 MVA with a connected load of 38 MW. It is engaged in production of Caustic Soda, Chlorine and Hydrogen by electrochemical process. Power is the main raw material for a Chloro-Alkali Plant where power costs contribute to around 60-70% of its total manufacturing costs. Our yearly billing of electricity is Rs 120 Cr approximately. Punjab being a surplus power State due to addition of new generation capacities has become

great destination for new projects & having good quality power. Peak load restrictions have also been removed and introduction of TOD (Time of Day tariff) tariff in Punjab is further attracting new investments & revival of existing industry. PSPCL has also introduced Threshold power consumption benefit which allows a particular consumer for lower rate if it consumes more power beyond last two-year annual consumption.

Power availability in the Grid is good. The basic rate of power tariff for the industry is Rs.5/- Kwh for FY 2018-19. The landed cost approximately Rs 6.22 per unit including all taxes and duties. All taxes and duties which comes in the range of 20% which mainly include 15% electricity duty and 5% as Infrastructure development fund. Next year tariff 2019-20 is under process of finalization but held back due to Lok Sabha election. It is expected that hike in tariff next year 2019-20 may be around 7% to 10% (Approximately). However, power Tariff may remain same for large supply consumers as per State Govt. Commitment.

### 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.

### DETAILS OF SIGNIFICANT CHANGES

Details of significant changes as required under SEBI (LODR) Regulations, 2015 are as under:

Sl. No.	Particulars	As on 31.3.2019	As on 31.3.2018
1.	Debtors Turnover	26.34	29.11
2.	Inventory Turnover	2.00	3.13
3.	Interest Coverage Ratio	5.46	2.09
4.	Current Ratio	1.05	0.89
5.	Debt Equity Ratio	0.44:1	0.27:1
6.	Operating Profit Margin (%)	8.1%	1.5%
7.	Net Profit Margin (%)	3.6%	1.2%
8.	Return on net worth	10.6%	4.6%

## **ANNEXURE - V TO DIRECTORS' REPORT (Contd.)**

---

### **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.

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 Audit of the Standalone Ind AS Financial Statements

#### Opinion

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, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013 ("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, 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance

with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Amount of recoverable deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT Credit Entitlement</u></b> (as described in note 18 of the standalone Ind AS financial statements)</p>	
<p>Deferred tax assets are recognized on tax losses carried forward and unabsorbed depreciation when it is probable that taxable profit will be available against which tax losses and unabsorbed depreciation can be utilized. The Company's ability to recognize deferred tax assets on tax losses and unabsorbed depreciation carried forward is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are determined by management.</p> <p>At March 31, 2019, the Company has recognized deferred tax assets amounting to Rs. 1299.26 millions on the tax losses as carry forward and unabsorbed depreciation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the methodology applied by the company. Our audit approach consisted of assessing the business plans used and thus the likelihood that Company would be able to utilize deferred tax assets and MAT credit in the future. In particular, we assessed: <ul style="list-style-type: none"> <li>- the underlying projections and assumptions, and their consistency with the latest management estimates as calculated during the budget process and the reliability of the process by which the estimates were calculated, by assessing the reasons for differences between projected and actual performances;</li> </ul> </li> </ul>



## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Amount of recoverable deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT Credit Entitlement</u></b> (as described in note 18 of the standalone Ind AS financial statements)</p>	
<p>Also, the Company has recognised Rs. 444.49 million as Minimum Alternate Tax (MAT) credit entitlement as at March 31, 2019. The credit of taxes paid under MAT shall be allowed to be set off by the Company in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the Act.</p> <p>The management based on profit earned during the current year and 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.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, tax laws and the management's expansion plans.</p> <p>Given the degree of judgement management's decision to recognize and classify deferred tax assets and MAT credit entitlement as recoverable, we consider this issue to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>- tested sensitivity of key assumptions used in projections.</li> <li>- the schedules for the reversal of temporary differences and therefore the opportunities for off setting deferred tax liabilities.</li> <li>- the schedules for the future taxable profits against which MAT credit can be utilised.</li> </ul> <ul style="list-style-type: none"> <li>• We also understood the income tax computation process for normal tax and minimum alternate tax and review controls around recognition of Deferred tax assets and MAT credit, and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.</li> <li>• We have assessed the disclosures included in the standalone Ind AS financial statements in this regard.</li> </ul>
<p><b><u>Impairment testing of investment in Subsidiaries and Associate</u></b> (as described in note 54 of the standalone Ind AS financial statements)</p>	
<p>Impairment indicators were identified on the investment and recoverable amounts in subsidiaries, namely SIEL Industrial Estate Limited and SIEL Infrastructure &amp; Estate Developers Private Limited and an associate namely Mawana Foods Private Limited. As a result, an impairment assessment was required to be performed by comparing the carrying value of investment in subsidiaries and associate to its recoverable amount to determine whether an impairment was required to be recognised. The recoverable amount was determined to be the higher of the fair value less cost of disposal, and the value in use, determined by discounting future cash flows.</p> <p>The determination of recoverable amount of the Company's investment in subsidiaries and associate relies on management's estimates of future cash flows and their judgement with respect to the subsidiaries' and associates' performance.</p> <p>Due to the uncertainty of forecasting and discounting future cash flows, the level of management's judgement involved and the significance of the Company's investment in subsidiaries and associate of Rs. 678.70 millions as at March 31, 2019, this audit area is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• In conjunction with review by technical and valuation specialists, we assessed the Company's valuation methodology applied in determining the recoverable amount and we assessed the assumptions around the key drivers of the cash flow forecasts.</li> <li>• We tested the Company's internal controls in relation to making and reviewing cash flow projections considering the future business plans.</li> <li>• We discussed potential changes in key drivers with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>• We performed sensitivity analysis on the key assumptions adopted in the impairment assessment to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts.</li> <li>• We assessed the disclosures made in the standalone Ind AS financial statements in this regard.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Impairment of Property, plant and equipment (“PPE”) and other non-current assets of Mawana Sugar Works (MSW) Unit of the Company</u></b> <i>(as described in note 55 of the standalone Ind AS financial statements)</i></p> <p>The Mawana Sugar Works unit a separate Cash Generating Unit' of the Company is continuously incurring losses. This unit manufactures sugar and also generate power from its Cogeneration power plant. The Company is carrying property, plant and equipment and other non-current assets aggregating to Rs. 828.24 million in respect of MSW.</p> <p>The Mawana Sugar Works unit of the Company is incurring losses on a year to year basis.</p> <p>As a result, there is a risk that the carrying value of related property, plant and equipment and other non-current assets may be higher than their recoverable amount.</p> <p>Our audit focused on this area because the assessment of recoverable value requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the said unit including judgements and estimates on future growth rates of sales and the impact of the general economic environment (including competitors).</p> <p>The carrying values of these assets are reviewed annually by management for potential indicators of impairment. For assets where such indicators exist, management performs detailed impairment reviews, taking into account, inter alia, the impact of revenue assumptions and technical factors which may affect the expected remaining useful lives and carrying value of the assets.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood the assessment by the Board of directors of the carrying value of MSW Unit's property, plant and equipment to determine whether any impairment of PPE is required.</li> <li>• In conjunction with review by specialists, we evaluated the Company's assumptions and estimates used to determine the recoverable amount of PPE and other non-current assets of the MSW Unit.</li> <li>• We assessed the disclosures in the standalone Ind AS financial statements in this regard.</li> </ul>
<p><b><u>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2019</u></b> <i>(as described in note 56 of the standalone Ind AS financial statements)</i></p> <p>As on March 31, 2019, the Company is carrying inventory of sugar (finished goods and work in progress) amounting to Rs. 6,957.57 million. The inventory of sugar is valued at lower of cost and net realisable value.</p> <p>The relative size of the inventory of sugar as on March 31, 2019 is significant to the financial statements and also significant judgement was involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the government in determination of net realizable value.</p> <p>Accordingly, determination of net realisable value was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We have tested the controls established by the management in determination of net realizable value of inventory of sugar.</li> <li>• We considered various factors including actual selling price prevailing around and subsequent to the year end, minimum selling price &amp; monthly quota and other notifications of the Government of India with respect to sugar industry as a whole while checking the net realizable value.</li> <li>• We have assessed the disclosures included to the standalone Ind AS Financial Statements in this regard.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

### **Other Information or another title if appropriate, such as "Information Other than the Financial Statements and Auditor's Report Thereon"**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

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

### **Responsibilities of Management 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 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 the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

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

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

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

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;

- (d) In our opinion, the aforesaid 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 the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act read with clause (xi) of our report on the Order issued in terms of Section 143(11) of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its 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 24, 2019

## INDEPENDENT AUDITOR'S REPORT (Contd.)

### 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, provisions of Section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (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, undisputed dues 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 which were outstanding, at the year end, for a period of more than six months from the date they became payable, are as follows:

Nature of Statute	Nature of Dues	Amount (Rs. Million)	Period to which the amount relates	Due Date	Date of Payment	Remarks, if any
The UP Sugarcane (Purchase tax), Act, 1961	Purchase Tax	4.06	2017-18	July 2017	Unpaid	-
Income tax act, 1961	Income tax (including interest)	113.41	2016-17	September 2017	Unpaid	-

## INDEPENDENT AUDITOR'S REPORT (Contd.)

(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
		55.39	5.39	2006-07, 2012-13, 2013-14	Appellate Authority upto Commissioner's level
Central Excise Laws	Service Tax	8.31	0.03	2005-2006 to 2014-15	Appellate Authority upto Commissioner's level
	Excise Duty	10.35	-	2007-08 to 2014-15	High Court
		21.29	0.45	2007-08 to 2009-10	Customs Excise and Service Tax Appellate Tribunal (CESTAT)
		90.86	0.21	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
Punjab Entry Tax Act, 2000	Entry Tax (including Interest)	27.20	-	2013-14	High 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 institution, banks and Government. 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, though surplus funds of Rs. 50 million which were not required for immediate utilisation have been invested in short term fixed deposits. 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) Based on the audit procedures performed for the purposes of reporting the true and fair view of financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud or material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company had applied to Central Government for approval of excess remuneration paid to former Managing Director/Whole Time Director/existing Whole Time Director after seeking the requisite approval of the Shareholders. The Government has during the current year notified the amendment in Section 197 permitting such payment subject to approval of shareholders. The Company's applications to Central Government seeking approval for such excess payment have been abated in the current year and the files have been closed in the current year.
- (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.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

- (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 24, 2019

### **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, 2019 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

---

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

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, 2019, 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 24, 2019



# Mawana Sugars Limited

## BALANCE SHEET AS AT MARCH 31, 2019

		Rs. Million		
		Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>				
(1)	<b>Non-current assets</b>			
	Property, plant and equipment	4	2,961.41	3,129.25
	Capital work in progress	4	78.47	81.80
	Intangible assets under development	4	1.98	1.98
	Financial assets			
	- Investments	5.1	678.70	421.34
	- Loans	5.2	-	-
	- Others	5.3	382.46	156.62
	Deferred tax assets (net)	18	1,405.59	1,473.21
	Income tax assets (net)	19	34.57	41.05
	Other non-current assets	6	98.03	21.91
	<b>Total Non-current assets</b>		<b>5,641.21</b>	<b>5,327.16</b>
(2)	<b>Current assets</b>			
	Inventories	7	7,396.45	4,193.19
	Financial assets			
	- Trade receivables	8	367.48	511.42
	- Cash and cash equivalents	9	311.19	533.72
	- Other Bank Balances	10	154.87	147.17
	- Others	5.3	52.59	68.33
	Other current assets	6	144.28	158.26
	Assets classified as held for sale	11	4.64	7.78
	<b>Total current assets</b>		<b>8,431.50</b>	<b>5,619.87</b>
	<b>Total Assets</b>		<b>14,072.71</b>	<b>10,947.03</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	Equity share capital	12	391.17	391.17
	Other equity		3,597.37	3,174.21
	<b>Total equity</b>		<b>3,988.54</b>	<b>3,565.38</b>
<b>LIABILITIES</b>				
(1)	<b>Non-current liabilities</b>			
	Financial liabilities			
	- Borrowings	13.1	1,758.59	970.44
	- Other financial liabilities	16.1	2.26	4.51
	Other non-current liabilities	17.1	182.33	-
	Provisions	14.1	113.31	111.00
	<b>Total non-current liabilities</b>		<b>2,056.49</b>	<b>1,085.95</b>
(2)	<b>Current liabilities</b>			
	Financial liabilities			
	Trade payables			
	- Total outstanding dues to micro and small enterprises	15	9.44	3.34
	- Total outstanding dues of creditors other than micro and small enterprises	15	6,693.11	5,375.04
	Other financial liabilities	16.2	795.41	623.07
	Other current liabilities	17.2	286.33	165.54
	Provisions	14.2	41.40	37.41
	Current tax liabilities (net)	20	201.99	91.30
	<b>Total current liabilities</b>		<b>8,027.68</b>	<b>6,295.70</b>
	<b>Total equity and liabilities</b>		<b>14,072.71</b>	<b>10,947.03</b>

Summary of significant accounting policies

2

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

B.B. MEHTA  
Chief Financial Officer

ASHOK KUMAR SHUKLA  
Company Secretary

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

RAVINDER SINGH BEDI

Director  
(DIN: 01408189)

DHARAM PAL SHARMA

Whole Time Director  
(DIN: 07259344)

PIAR CHAND JASWAL

Director  
(DIN: 07100098)

Place: New Delhi  
Date: 24.05.2019

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

	Notes	Year ended March 31, 2019	Rs. Million Year ended March 31, 2018
<b>I Income</b>			
Revenue from contracts with customers	21	11,577.13	13,454.73
Other income	22	112.15	123.29
<b>Total income (I)</b>		<b>11,689.28</b>	<b>13,578.02</b>
<b>II Expenses</b>			
Cost of materials consumed	23	10,145.62	9,699.22
Changes in inventories of finished goods and work-in-progress	24	(3,260.42)	172.08
Excise duty		-	12.60
Employee benefits expenses	25	765.99	686.91
Finance costs	26	233.33	209.90
Depreciation expense	27	333.74	239.23
Other expenses	28	2,764.18	2,567.98
<b>Total expenses (II)</b>		<b>10,982.44</b>	<b>13,587.92</b>
<b>III Profit/ (loss) before exceptional items and tax (I-II)</b>		<b>706.84</b>	(9.90)
<b>IV Exceptional Items (Expenses)/Income (net)</b>	29	-	147.59
<b>V Profit before tax (III-IV)</b>		<b>706.84</b>	<b>137.69</b>
<b>VI Tax expense:</b>			
Current tax	18	213.72	92.56
Adjustment of current tax relating to earlier years	18	0.43	(21.14)
Adjustment of deferred tax relating to earlier years	18	20.40	-
Deferred tax charge/(credit)	18	47.89	(96.13)
Total tax expense/(credit) (VI)		<b>282.44</b>	<b>(24.71)</b>
<b>VII Profit for the year</b>		<b>424.40</b>	<b>162.40</b>
<b>VIII Other Comprehensive Income</b>			
Items that will not to be reclassified to statement of profit or loss			
Re-measurement gains/ (losses) on defined benefit plans	34	(1.90)	0.78
Income tax effect (expenses)/credit		0.66	(0.27)
		<b>(1.24)</b>	<b>0.51</b>
<b>IX Total comprehensive income of the year {Comprising profit and other comprehensive income for the year} (VII+VIII)</b>		<b>423.16</b>	<b>162.91</b>
<b>Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2018-Rs.10/-)}</b>	30		
(1) Basic		10.85	4.15
(2) Diluted		10.85	4.15

Summary of significant accounting policies 2

### The accompanying notes form an integral part of these financial statements

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

per **ANIL GUPTA**  
 Partner  
 Membership No.: 87921

**B.B. MEHTA**  
 Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
 Company Secretary

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

**RAVINDER SINGH BEDI**  
 Director  
 (DIN: 01408189)

**DHARAM PAL SHARMA**  
 Whole Time Director  
 (DIN: 07259344)

**PIAR CHAND JASWAL**  
 Director  
 (DIN: 07100098)

Place: New Delhi  
 Date: 24.05.2019

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	Notes	Year ended March 31, 2019	Rs. Million Year ended March 31, 2018
<b>A. Cash flow from operating activities :</b>			
Profit before tax		706.84	137.69
Add : Depreciation expense	4&27	333.74	239.23
Interest expenses	26	233.33	209.90
Provision for doubtful debts and advances /write back	22	(11.10)	3.15
Bad debts written off	28	6.41	8.83
Loss on sale / write off of property, plant and equipment (net)	28	1.14	1.02
Less: Interest income	22	42.06	42.03
Profit on sale of current investments	22	14.29	1.91
Liabilities / provision no longer required written back	22	2.51	65.71
Profit/(Loss) on sale of Titawi unit (refer note 42)	29	-	(43.28)
Write back of Loan Liabilities/Interest Provision (refer note 13(#))	29	-	190.87
<b>Operating profit before working capital changes</b>		<b>1,211.50</b>	<b>342.58</b>
<i>Changes in working capital:</i>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Inventories	7	(3,203.26)	212.73
Trade receivables*	8	(4.56)	(99.83)
Financial assets	5	(241.16)	(61.03)
Other assets	6	8.38	4.57
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade payables	15	1,326.68	1,163.34
Provisions	14	4.40	(5.59)
Other financial liabilities	16	11.19	(27.51)
Other liabilities	17	27.90	(775.91)
<b>Cash generated from operations</b>		<b>(858.93)</b>	<b>753.35</b>
Direct taxes paid		(96.98)	(91.01)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>(955.91)</b>	<b>662.34</b>
<b>B. Cash flow from investing activities :</b>			
Purchase of property, plant and equipment, including capital advances	4	(257.68)	(211.01)
Proceeds from sale of property , plant and equipment	4	6.83	0.11
Movement in other bank balances	10	22.73	58.67
Consideration received on sale of Titawi unit on slump sale		-	942.57
Profit on sale of current investments	22	14.29	1.91
Sale/( purchase) of non-current investments*	5	(100.00)	(80.00)
Interest received	22	41.94	31.66
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(271.89)</b>	<b>743.91</b>
<b>C. Cash flow from financing activities :</b>			
Repayment of long term borrowings- secured (Refer note 9)	13	(568.89)	(1,075.57)
Proceeds from borrowings	13	1,610.00	-
Interest paid	26	(35.84)	(150.72)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>1,005.27</b>	<b>(1,226.29)</b>
<b>D. Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(222.53)</b>	<b>179.96</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>533.72</b>	<b>353.76</b>
<b>F. Cash and cash equivalents at the end of the year (D+E-F)</b>		<b>311.19</b>	<b>533.72</b>

\*Refer note no 49

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

CASH AND CASH EQUIVALENTS	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Balances with banks:		
- Current accounts	154.82	367.46
Cheque on hand	-	0.25
Cash on hand	0.92	1.28
Fixed deposits with banks	155.45	164.73
<b>Total cash and cash equivalents</b>	<b>311.19</b>	<b>533.72</b>

Summary of significant accounting policies 2

The accompanying notes form an integral part of these financial statements

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

**per ANIL GUPTA**  
 Partner  
 Membership No.: 87921

**B.B. MEHTA**  
 Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
 Company Secretary

Place: New Delhi  
 Date: 24.05.2019

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

**RAVINDER SINGH BEDI**  
 Director  
 (DIN: 01408189)

**DHARAM PAL SHARMA**  
 Whole Time Director  
 (DIN: 07259344)

**PIAR CHAND JASWAL**  
 Director  
 (DIN: 07100098)

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Rs. Million

	Equity Share Capital	Other Equity					Total Other Equity	Total Equity
		Reserves and surplus						
		Securities premium*	Capital redemption reserve*	Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account*		
<b>As at March 31, 2017</b>	<b>391.17</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>394.73</b>	<b>3.64</b>	<b>3,011.30</b>	<b>3,402.47</b>
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
<b>As at March 31, 2018</b>	<b>391.17</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>557.22</b>	<b>4.06</b>	<b>3,174.21</b>	<b>3,565.38</b>
Add: Profit for the year	-	-	-	-	424.40	-	424.40	424.40
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	(0.59)	0.59	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	(1.24)	-	(1.24)	(1.24)
<b>As at March 31, 2019</b>	<b>391.17</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>979.79</b>	<b>4.65</b>	<b>3,597.37</b>	<b>3,988.54</b>

\*Refer note no. 12.2

Summary of significant accounting policies 2

The accompanying notes form an integral part of these financial statements

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

**per ANIL GUPTA**  
 Partner  
 Membership No.: 87921

Place: New Delhi  
 Date: 24.05.2019

**B.B. MEHTA**  
 Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
 Company Secretary

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

**RAVINDER SINGH BEDI**  
 Director  
 (DIN: 01408189)

**DHARAM PAL SHARMA**  
 Whole Time Director  
 (DIN: 07259344)

**PIAR CHAND JASWAL**  
 Director  
 (DIN: 07100098)

---



---

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019

---

### 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, 2019, 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, Uttar Pradesh Nanglamal Sugar Complex, Uttar Pradesh
Chlor Alkali Products	Siel Chemical Complex , Punjab
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Uttar Pradesh

The standalone financial statements were approved by the Board of Directors and authorised for issue on 24th May 2019.

### 2. 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.

#### 2.1 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 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

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 standalone financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 2.5.

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.

#### 2.2 Changes in accounting policies and disclosures

##### Ind AS 115 Revenue from Contracts with Customers

Effective April 01, 2018, the Company applied Ind AS 115 "Revenue from contracts with customers". The adoption of this Ind AS 115 did not have any material impact on the financial statement of the Company.

##### Amendments to Ind AS 21 Foreign Currency Transactions and Advance Considerations

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This Interpretation does not have any impact on the Company's financial statements.

### **Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Company's financial statements.

### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Company has evaluated the above amendment and concluded it has no impact in computation of deferred tax assets as Company is already following principles mentioned in the amendment.

### **Amendment to Ind AS 20 Government grant related to non-monetary asset**

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Company continues to present grant relating to asset by setting up the grant as deferred income.

### **Amendment to Ind AS 38 intangible asset acquired free of charge**

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Company's financial statements.

## **2.3 Change in accounting estimate**

During the year, the Company has re-evaluated the pattern of economic benefits derived from Property, Plant and Equipment (PPE) and related cost of maintenance of these PPE. Based on such evaluation, it believes that the amount of maintenance expenditure for the plant is expected to be higher in coming years and therefore to equate the cost of operations of the plant, on its existing efficiency, the management has decided to change the method of providing depreciation on its PPE from straight line method to written down value method with effect from January 1, 2019, considering the overall life to be same as contemplated before such change.

Had the Company followed the same method as followed in previous year, depreciation for current year would have been lower by Rs.104.35 million and PPE would have been higher by Rs.104.35 million.

## **2.4 Summary of Significant Accounting Policies**

### **(i) 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.

### **(ii) 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

### (iii) 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.

### (iv) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in all

---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

---

its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.5.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is around 30 days upon delivery. In determining the transaction price for sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

**I) Variable Consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

**a) Right of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer).

**b) Volume rebate**

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

**II) Significant financing component**

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

**III) Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (t) Financial instruments – initial recognition and subsequent measurement.

### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

## IV) Assets and liabilities arising from rights of return

### Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

### Cost to obtain a contract

The Company pays sales commission to agents for each contract that they obtain for sale of goods. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commission (included under other expenses) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

## (v) 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 recognised 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 01.

**(vi) Taxes**

**Current Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**Deferred Tax**

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.

Goods and Service tax (GST)/Sales/Value added taxes on acquisition of assets or on incurring expenses.

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognised as part of cost of acquisition of the asset or part of the expense item, as applicable. Otherwise, expenses and assets are recognised net of the amount of GST paid. The net amount of GST recoverable from or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### (vii) 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 with effect from January 1, 2019 is provided on written down value 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)	3-6
Furniture and Fixtures	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
Components of certain plant and equipment	3 to 15

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.

**(viii) 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.

**(ix) 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

- 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.

### (x) 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/produced): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing
- (d) By products included under finished goods and work-in-progress: 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.

### (xi) 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.

### (xii) 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,

---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

---

- 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.

**(xiii) 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.

**(xiv) 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.

**(xv) 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.

**(xvi) 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.



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

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.

### **(xvii) 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.

### **(xviii) 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

### (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.

### (ix) 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.

### (xx) 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.

## 2.5. 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.

---

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

### 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation method is used. 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.

The Company is entitled to MIEQ subsidy from Government in the form of government grant and recognise amount receivable from government as subsidy receivable when the Company is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Company records subsidy receivable by discounting it to its present value. The Company uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Company reviews its assumptions periodically, including at each financial year end.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

### **Assumptions used for estimated time for Receipt and Discount Rate:**

The expected date of receipt of such subsidy shall be 13 months from the date of accrual of such subsidy i.e. from March 31, 2019. The Company uses 11% discount rate for such subsidy accrued as on March 31, 2019.

### **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, 2019 amending the following standard:

#### **(i) Ind AS 116 Leases**

Ind AS 116 was notified by the MCA on 30th March 2019. The standard is applicable for the financial year beginning on or after 1 April 2019 to all the companies reporting under Ind AS.

The new standard proposes an overhaul in the accounting for lessees by completely letting go off the previous "dual" finance vs. operating lease model. The guidance in the new standard requires lessees to adopt a single model approach which brings leases on the balance sheet on first day, in the form of a right-of-use asset and a lease liability.

The Company is in the process of making an assessment of the impact of Ind-AS 116 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

#### **(ii) Amendments to existing issues IND AS**

The MCA has also carried out amendments in following accounting standards. These are:

- (a) Ind AS 12 *Income taxes to Appendix C Uncertainty over income tax treatments.*
- (b) Ind AS 19 *Employee Benefits*
- (c) Ind AS 23 *Borrowing Costs*
- (d) Ind AS 28 *Investments in Associates and Joint Ventures*
- (e) Ind AS 109 *Financial Instruments*
- (f) Ind AS 111 *Joint Arrangements*

Application of above standards are not expected to have any significant impact on the Company's financial statements.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (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 <sup>3</sup>	Intangible assets under development
<b>Gross Block (At cost)</b>										
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	149.45	1.98
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	81.80	1.98
Additions	-	16.57	146.61	3.38	0.70	3.47	-	170.73	-	-
Disposals	-	-	(10.01)	(0.36)	(0.26)	-	(18.67)	(29.30)	(3.33)	-
Reclassified from assets held for sale	-	-	0.62	-	-	-	-	0.62	-	-
<b>As at March 31, 2019</b>	<b>252.86</b>	<b>602.77</b>	<b>2,857.47</b>	<b>18.45</b>	<b>2.84</b>	<b>9.18</b>	<b>-</b>	<b>3,743.57</b>	<b>78.47</b>	<b>1.98</b>
<b>Depreciation and impairment</b>										
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 from 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	-	-
Depreciation charge for the year	-	45.69	278.64	3.89	0.32	1.69	3.51	333.74	-	-
Disposals	-	-	(4.57)	(0.35)	(0.26)	-	(18.67)	(23.85)	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>98.71</b>	<b>666.45</b>	<b>12.71</b>	<b>1.31</b>	<b>2.98</b>	<b>-</b>	<b>782.16</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>										
As at March 31, 2019	252.86	504.06	2,191.02	5.74	1.53	6.20	-	2,961.41	78.47	1.98
As at March 31, 2018	252.86	533.18	2,327.87	6.26	1.15	4.42	3.51	3,129.25	81.80	1.98

Notes :

1. Refer note 13 for information on property, plant and equipment pledged as charged on security.
2. Capital work in progress includes below expenses :

**Rs. Million**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal and Professional Expenses	2.75	-
Interest on borrowings	0.53	-
<b>Total</b>	<b>3.28</b>	<b>-</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 5. Financial Assets

Rs. Million

	As at March 31, 2019	As at March 31, 2018
<b>5.1 Investments</b>		
<b>Non-current</b>		
<b>(I) Investment in subsidiaries</b>		
<b>Quoted equity instruments at cost</b>		
10,613,382 (March 31, 2018: 10,613,382) equity shares of Rs. 10 each fully paid up of Siel Financial Services Limited	203.13	203.13
Less: Provision for diminution in value	(203.13)	(203.13)
	-	-
<b>Unquoted equity instruments at cost</b>		
24,025,000 (March 31, 2018: 14,025,000) equity shares of Rs. 10 each fully paid up of Siel Industrial Estate Limited (Refer note 44 (c))	240.25	140.25
13,761,617 (March 31, 2018: 13,761,617) equity shares of Rs. 100 each fully paid up of Siel Infrastructure & Estate Developers Private Limited	152.49	152.49
<b>- Equity portion of compound financial instrument (Preference Shares)</b>		
120,00,000 (March 31, 2018: 120,00,000) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	36.62	36.62
<b>(II) Investment in associates</b>		
6,759,801 (March 31, 2018: NIL) equity shares of Rs. 10 each fully paid up of Mawana Foods Private Limited (Refer note 44 (c))	150.00	-
<b>(III) Other Investments</b>		
<b>Unquoted equity instruments at cost<sup>1</sup></b>		
2 (March 31, 2018: 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, 2018: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10)	#	#
<b>Investments in Unquoted Preference Shares carried at amortized cost</b>		
<b>Investment in subsidiaries</b>		
120,00,000 (March 31, 2018: 120,00,000) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	99.34	91.98
<b>Total</b>	<b>678.70</b>	<b>421.34</b>
<b>Aggregate value of unquoted investments</b>	<b>678.70</b>	<b>421.34</b>
<b>Aggregate value of quoted investments</b>	<b>-</b>	<b>-</b>

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

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

	<b>Rs. Million</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
<b>5.2 Loans</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- current</b>		
Dues from employees-credit impaired	<b>0.04</b>	0.04
Loan and advances to related parties *(Refer note 35)		
- Credit impaired	<b>36.59</b>	36.59
Other Loans and advances		
- Credit impaired	<b>116.49</b>	116.49
	<b>153.12</b>	153.12
Less : Impairment allowance (allowances for bad and doubtful advances)	<b>153.12</b>	153.12
<b>Total</b>	<b>-</b>	-
<b>5.3 Other financial assets</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- current</b>		
Security deposits		
Considered Good	<b>116.17</b>	116.30
Credit impaired	<b>0.53</b>	0.53
Fixed Deposits with banks (Margin money)	<b>7.16</b>	35.94
Fixed Deposits with banks (Earmarked)	<b>1.98</b>	3.63
Subsidies Receivable ( Refer Note 52)	<b>256.50</b>	-
Interest accrued on deposits	<b>0.65</b>	0.75
	<b>382.99</b>	157.15
Less : Impairment allowance (allowances for bad and doubtful advances)	<b>0.53</b>	0.53
	<b>382.46</b>	156.62
<b>Current</b>		
Unsecured Considered Good		
- Security deposits	<b>0.72</b>	0.92
- Dues from employees	<b>0.72</b>	1.04
Other Loans and advances		
- Considered Good	<b>35.04</b>	39.51
- Considered Good- Related Parties* (Refer note 35)	<b>0.31</b>	8.28
- Credit impaired-Others	<b>-</b>	6.61
Subsidies Receivable	<b>4.36</b>	-
Interest accrued on deposits	<b>11.44</b>	18.58
	<b>52.59</b>	74.94
Less : Impairment allowance (allowances for bad and doubtful advances)	<b>-</b>	6.61
	<b>52.59</b>	68.33
<b>Total</b>	<b>435.05</b>	224.95



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### Break up of financial assets carried at amortised cost:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Investments (Refer to note 5.1)	678.70	421.34
Trade receivables (Refer to note 8)	367.48	511.42
Cash and cash equivalents (Refer to note 9)	311.19	533.72
Other Bank Balances (Refer to note 10)	154.87	147.17
Others financial assets (Refer to note 5.3)	435.05	224.95
<b>Total</b>	<b>1,947.29</b>	<b>1,838.60</b>

\* Loans to related parties are interest free in nature.

### 6. Other assets

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- Current</b>		
Capital advances		
'-Other than related party	95.40	21.47
Prepaid expenses	2.63	0.44
Other advances- credit impaired	-	2.99
	<b>98.03</b>	24.90
Less : Impairment allowance (allowances for bad and doubtful debts)	-	2.99
	<b>98.03</b>	21.91
<b>Current</b>		
Unbilled Receivable	57.88	67.35
Taxes and other balances with government authorities	45.73	35.88
Prepaid expenses	15.33	14.84
Advances to vendors	24.25	24.30
Claim recoverable	1.02	13.85
Other advances	0.07	2.04
	<b>144.28</b>	158.26
<b>Total</b>	<b>242.31</b>	180.17

### 7. Inventories

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Raw and packing materials {includes material in transit Rs. 3.19 million (March 31, 2018-Rs. Nil)}	92.66	112.06
Work-in-progress	180.48	136.26
Finished goods {includes material in transit Rs. 6.52 million (March 31, 2018- Rs. 4.34 million)}	6,997.09	3,780.89
Stores and Spares {includes material in transit Rs 10.53 million (March 31, 2018-Rs Nil)}	126.22	163.98
<b>Total</b>	<b>7,396.45</b>	4,193.19

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**8. Trade receivables**

**Rs. Million**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)		
<b>Outstanding for a period exceeding six months from the due date for payment</b>		
Secured - considered good	<b>0.20</b>	0.20
Unsecured - considered good	<b>6.80</b>	6.07
Unsecured - considered good -related party (Refer note 35)	-	16.24
- credit impaired	<b>1.17</b>	2.67
	<b>8.17</b>	25.18
Less: Impairment allowance (allowances for bad and doubtful debts)	<b>1.17</b>	2.67
	<b>7.00</b>	22.51
<b>Other receivables</b>		
Secured - considered good	<b>11.30</b>	6.51
Unsecured - considered good -related party (Refer note 35)	<b>34.66</b>	134.03
- considered good	<b>314.52</b>	348.37
<b>Total</b>	<b>367.48</b>	511.42

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**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Balances with banks:		
- Current accounts	<b>154.82</b>	367.46
Cheque on hand	-	0.25
Cash on hand	<b>0.92</b>	1.28
Fixed deposits with banks (with original maturity of 3 months or less)	<b>155.45</b>	164.73
<b>Total</b>	<b>311.19</b>	533.72

**Changes in liabilities arising from financing activities**

**Rs. Million**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Opening Balance	<b>1,412.50</b>	2,423.58
Cash Flows (Net)	<b>1,041.11</b>	(1,075.57)
Changes in fair values	<b>(75.63)</b>	189.80
Waiver on one time settlement	-	(125.31)
<b>Closing Balance</b>	<b>2,377.98</b>	1,412.50

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 10. Other bank balances

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Balance held as margin money againsts bank guarantee	151.90	144.49
Fixed deposits with banks (Earmarked)	2.97	2.68
<b>Total</b>	<b>154.87</b>	<b>147.17</b>

### 11. Assets classified as held for sale

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Plant and equipment	4.64	7.78
Office equipment	#	#
<b>Total</b>	<b>4.64</b>	<b>7.78</b>

# Office equipments of Rs. 2500/-

### 12.1 Share Capital

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>Authorised :</b>		
100,000,000 (March 31, 2018: 100,000,000) equity shares of Rs. 10 each	1000.00	1,000.00
7,500,000 (March 31, 2018: 7,500,000) preference shares of Rs. 100 each	750.00	750.00
	<b>1,750.00</b>	<b>1,750.00</b>
<b>Issued :</b>		
39,116,864 (March 31, 2018: 39,116,864) equity shares of Rs. 10 each fully paid up	391.17	391.17
<b>Subscribed and fully paid up :</b>		
39,116,864 (March 31, 2017: 39,116,864) equity shares of Rs. 10 each fully paid up	391.17	391.17

#### 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 March 31, 2017	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2018	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>100,000,000</b>	<b>1,000.00</b>
	Preference shares	
	Number of shares	Rs. Million
At March 31, 2017	7,500,000	750.00
Increase/(decrease) during the year	-	-
At March 31, 2018	7,500,000	750.00
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>7,500,000</b>	<b>750.00</b>

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 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
<b>Equity shares of INR 10 each issued, subscribed and fully paid</b>		
At March 31, 2017	39,116,864	391.17
Issued during the year	-	-
At March 31, 2018	39,116,864	391.17
Issued during the year	-	-
<b>At March 31, 2019</b>	<b>39,116,864</b>	<b>391.17</b>

### 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, 2019		As at March 31, 2018	
	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%	24,834,248	63.49%

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

## 12.2 Nature and Purpose of Reserves

<sup>1</sup> Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### <sup>2</sup> Capital redemption reserve

Capital redemption reserve (CRR) is used to record the amount equal to the nominal value of equity shares buy back or redemption of preference shares. As per provisions of the Companies Act, 2013, CRR can be utilised only for paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

### <sup>3</sup> Capital Reserve

Capital reserve includes 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 and Rs. 38.71 million representing the extinguishment of preference share capital.

### <sup>4</sup> Storage fund for molasses account

As per Rule 3(1) of UP Sheera Nyantran Niyamawali, 1974, Molasses Storage Fund is created from the sale price of molasses and shall be utilised for the purpose of construction, erection and repair & maintenance of adequate storage facility of Molasses. Also it may be spent on abatement measures for control of pollution and or any other bonafide development activities which the Controller of molasses consider necessary.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 13. Borrowings<sup>#</sup>

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>13.1 Non current borrowings (at amortised cost)</b>		
<b>Secured (Refer note 13.2)</b>		
<b>Term loans</b>		
-From banks	1,407.53	101.96
-From financial institution	953.35	1,263.84
-From others	17.10	42.12
	<b>2,377.98</b>	<b>1,407.92</b>
Obligation under finance lease (Secured) (Refer note-31a)	-	4.58
<b>Total</b>	<b>2,377.98</b>	<b>1,412.50</b>
Less: Amount clubbed under "other financial liabilities" <sup>1</sup> (Refer Note 16.2)	<b>619.39</b>	442.06
<b>Total borrowings</b>	<b>1,758.59</b>	<b>970.44</b>

#### <sup>1</sup>Details of current maturities of long term borrowings are as under:

	As at March 31, 2019	As at March 31, 2018
<b>Borrowings</b>		
<b>Term loans</b>		
From banks	163.98	101.96
From financial institution	446.86	310.49
From others	8.55	25.03
Current maturity of finance lease obligation	-	4.58
<b>Total</b>	<b>619.39</b>	<b>442.06</b>

# The Company had completely resolved the debts availed from all the lender banks, with debt restructuring/One Time Settlement (OTS) as the case may be. The Company had 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 in the previous year.

During the year ended March 2019, the Company has received a soft loan through a bank under the "Scheme for Extending Financial Assistance to Sugar Undertakings-2018" as notified by UP State Government to clear the outstanding cane dues of the farmers for the sugar season 2017-18.

During the year ended March 2019, the Company has received a loan from a bank for installation of incinerator boiler at distillery plant located at Nanglamal Sugar Complex under the "Scheme for extending financial assistance to Sugar Mills for enhancement and augmentation of Ethanol Production Capacity" as notified by Department of food and public distribution, Government of India.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**13.2 Security Clause**

**A. Term loans**

**1. From Banks:**

	<b>As at March 31, 2019 Rs. Million</b>	<b>As at March 31, 2018 Rs. Million</b>	<b>Rate of interest</b>	<b>Nature of Security</b>
i.	-	101.96	0%	(i) The loans were 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 were further secured by second pari-passu charge on all current assets of the Company. (ii) The 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.
ii.	<b>1257.53</b>	-	5%	The loans are secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Company.
iii.	<b>150.00</b>	-	12%	The loan is secured by first charge by way of Hypothecation of assets (incinerator boiler) and first pari-passu charge on entire fixed assets of the unit Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Company. The Company has accounted for interest subvention from the government at 6% rate of interest.

**2. From financial institutions:**

	<b>As at March 31, 2019 Rs. Million</b>	<b>As at March 31, 2018 Rs. Million</b>	<b>Rate of interest</b>	<b>Nature of Security</b>
i	<b>953.35</b>	1263.84	0%	(i) The loan is 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 loan is further secured by second pari-passu charge on all current assets of the Company. (ii) The loan is 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, 2019 (Contd.)

### 3. From others:

	As at March 31, 2019 Rs. Million	As at March 31, 2018 Rs. Million	Rate of interest	Nature of Security
i	17.10	25.64	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	-	16.48	4%	The loans, taken from Government of India under Sugar Development Fund (SDF), were 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).

### 14. Provisions:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>1 Non-current :</b>		
Provision for employee benefits		
- Provision for gratuity(Refer note 34)	113.31	111.00
<b>Total</b>	<b>113.31</b>	<b>111.00</b>
<b>2 Current :</b>		
- Provision for gratuity(Refer note 34)		
- Provision for compensated absences	16.25	14.60
<b>Total</b>	<b>25.15</b>	<b>22.81</b>
<b>Total</b>	<b>154.71</b>	<b>148.41</b>

### 15. Trade payables:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>Trade payables (including acceptance) :</b>		
- Outstanding dues to micro and small enterprises (Refer note 43) <sup>3</sup>	9.44	3.34
- Outstanding dues to related parties (Refer note 35)	26.25	20.59
- Outstanding dues to others	6,666.86	5,354.45
<b>Total</b>	<b>6,693.11</b>	<b>5,375.04</b>
<b>Total</b>	<b>6,702.55</b>	<b>5,378.38</b>

---



---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**


---

- <sup>1</sup> For maturity profile of trade payable and other financial liabilities refer note 38.
- <sup>2</sup> For explanation on the Company's credit risk management processes, Refer note 38
- <sup>3</sup> Including interest Rs. 0.14 million (March 31, 2018 : Rs. 0.10 million) on outstanding due to Micro and Small enterprises.

**16. Other financial liabilities:**

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>16.1 Non Current at amortised cost :</b>		
Interest accrued but not due on borrowings	2.26	4.51
<b>Total</b>	<b>2.26</b>	<b>4.51</b>

**16.2 Current at amortised cost :**

Current maturities of long term borrowings (Refer note 13)	619.39	442.06
Interest accrued but not due on borrowings	2.43	2.76
Trade deposits -Dealers and others	47.41	47.23
Employees related payables -Related Parties	-	5.62
-Others	65.87	49.01
Payable towards capital goods	26.46	42.80
Interest Payable	7.85	7.36
Miscellaneous payable	26.00	26.23
<b>Total</b>	<b>795.41</b>	<b>623.07</b>

**Breakup of financial liabilities at amortised cost:**

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer to note 13)	1,758.59	970.44
Trade payables (Refer to note 15)	6,702.55	5,378.38
Current maturities of long term borrowings	619.39	442.06
Security deposits received	47.41	47.23
Interest accrued	4.69	7.27
Employees related payables	65.87	54.63
Payable towards capital goods	26.46	42.80
Interest payable	7.85	7.36
Miscellaneous payable	26.00	26.23
<b>Total</b>	<b>9,258.81</b>	<b>6,976.40</b>



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 17. Other liabilities:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>17.1 Non current liabilities</b>		
Others- Government Grants	182.33	-
	<b>182.33</b>	<b>-</b>
<b>17.2 Current liabilities</b>		
Advance received from customers and others	26.68	34.25
Statutory liabilities	149.47	114.21
Interest on statutory dues	69.50	14.86
Others- Government Grants	38.25	-
Miscellaneous	2.43	2.22
<b>Total</b>	<b>286.33</b>	<b>165.54</b>

### 18. Income Tax:

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 :

#### Profit or loss section:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>Tax Expense:</b>		
Current income tax charge	213.72	92.56
Adjustments in respect of current income tax of earlier years	0.43	(21.14)
<b>Deferred tax:</b>		
MAT Credit Entitlement	(214.15)	(92.56)
Relating to origination and reversal of temporary differences	262.04	(3.57)
Adjustments in respect of deferred tax of earlier years	20.40	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>282.44</b>	<b>(24.71)</b>

#### Other Comprehensive Income section

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

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	0.66	(0.27)
<b>Deferred tax charged to OCI</b>	<b>0.66</b>	<b>(0.27)</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**
**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018.**

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax (including item of OCI)	<b>704.94</b>	138.47
Tax expenses @ applicable income tax rate of 34.944% (Previous year -34.608%)	<b>246.33</b>	47.92
Tax effect of change in Tax rate	-	(11.58)
Tax effect of extinguishment of loan	-	(43.79)
Tax effect on Permanent difference	<b>15.05</b>	4.15
Adjustments in respect of current/deferred income tax of earlier years	<b>20.40</b>	(21.14)
<b>Income tax expense/(credit) reported in the statement of profit and loss &amp; OCI</b>	<b>281.78</b>	(24.44)

	Rs. Million		
Deferred tax:	Balance sheet		
	As at March 31, 2018	Provided during the year	As at March 31, 2019
<b>Deferred tax assets relates to the following</b>			
Provision for doubtful debts and advances	57.48	(3.38)	<b>54.10</b>
Disallowances u/s 43 B	275.09	(5.63)	<b>269.46</b>
Unabsorbed depreciation and carry forward tax Loss	1,668.95	(369.69)	<b>1,299.26</b>
MAT credit entitlement	230.34	<b>214.15</b>	<b>444.49</b>
<b>Total deferred tax assets (A)</b>	2,231.86	(164.55)	<b>2,067.31</b>
<b>Deferred tax liabilities relates to the following</b>			
Accelerated depreciation for tax purposes	665.89	(50.85)	<b>615.04</b>
Discounting of financial liabilities	89.76	(45.92)	<b>43.84</b>
Others	3.00	(0.16)	<b>2.84</b>
<b>Total deferred tax liabilities (B)</b>	758.65	(96.93)	<b>661.72</b>
<b>Net Deferred Tax Assets (A-B)</b>	1,473.21	(67.62)	<b>1,405.59</b>

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. 1299.26 million (March 31, 2018 - Rs. 1668.95 million) as deferred tax assets on unabsorbed depreciation and carried forward tax loss. Also, the Company has till date recognised Rs. 444.49 million (March 31, 2018 - Rs. 230.34 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 at the end of each reporting period, assesses Company's ability to recognize deferred tax assets on tax losses and unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. The management based on the future profitability projections considering expected future market, economic conditions, tax laws and the management's expansion plans is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above deferred tax assets on unabsorbed depreciation and carry forward tax losses and MAT credit entitlement.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 19. Income tax assets (net):

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Advance payment of income tax	34.57	41.05
<b>Total</b>	<b>34.57</b>	<b>41.05</b>

### 20. Current tax liabilities:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Provision for taxation	201.99	91.30
<b>Total</b>	<b>201.99</b>	<b>91.30</b>

### 21. Revenue from contracts with customers

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of products (including excise duty)</b>		
Finished Goods	11,509.47	13,243.63
<b>Other operating revenue:</b>		
Sale of REC license	7.74	195.37
Sale of scrap	25.92	13.69
Subsidies Income*(Refer note no 52)	31.86	-
Other operating revenue	2.14	2.04
<b>Total revenue from operations</b>	<b>11,577.13</b>	<b>13,454.73</b>

### Disaggregated revenue information

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Sugar	7,729.26	9,641.52
Industrial Alcohol	470.62	583.82
Power	369.29	349.59
Chlor Alkali	2,910.31	2,568.60
By Products	6.09	56.01
Others	23.90	44.09
<b>Total</b>	<b>11,509.47</b>	<b>13,243.63</b>

\*Net of expenses of Rs. 231.72 million.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**22. Other income:**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Interest income <sup>1</sup>		
- Interest from banks	<b>25.27</b>	17.82
- Interest on income tax refunds	<b>2.27</b>	0.64
- interest from others	<b>7.16</b>	17.99
-Interest income on financial assets valued at amortized cost	<b>7.36</b>	5.58
Rent received	<b>0.55</b>	0.53
Profit on sale of current investments	<b>14.29</b>	1.91
Provision/Liabilities no longer required written back	<b>2.51</b>	65.71
Provision for doubtful debts and advances written back	<b>11.10</b>	-
Net gain on foreign currency transactions	<b>1.35</b>	-
Miscellaneous income <sup>2</sup>	<b>40.29</b>	13.11
<b>Total</b>	<b>112.15</b>	123.29

<sup>1</sup> Total income (calculated using effective interest method) for financial assets that are not at fair value through profit and loss.

In relation to financial assets classified at amortised cost	<b>42.06</b>	42.03
In relation to financial assets classified at fair value through other comprehensive income	-	-
<b>Total</b>	<b>42.06</b>	42.03

<sup>2</sup> Includes Rs. 30.48 million (March 31, 2018 : Rs. 5.51 million) received from Delhi Development Authority (DDA) pursuant to judgment of Honorable Supreme Court of India.(Refer note 41)

**23. Cost of materials consumed:**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Inventory at the beginning of the year	<b>112.06</b>	147.98
Add: Purchase tax receivable written off	<b>13.59</b>	-
Add: Purchases made during the year	<b>10,254.53</b>	9,724.76
	<b>10,380.18</b>	9,872.74
Less :Cane subsidy received (Refer note 45)	<b>141.90</b>	-
Less : Reversal of purchase tax liability provided in earlier years/refund of purchase tax	-	61.46
Less: Inventory at the end of the year	<b>92.66</b>	112.06
<b>Cost of materials consumed</b>	<b>10,145.62</b>	9,699.22

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Details of materials consumed are as under :

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Sugar cane	9,504.59	9,103.61
Salt	313.44	259.01
Hydrated lime	75.92	56.06
Packing Materials	216.12	177.16
Others	35.55	103.38
<b>Total</b>	<b>10,145.62</b>	<b>9,699.22</b>

Details of inventory : Raw Materials and Packing Materials :

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Sugar Cane	18.31	18.93
Salt	14.39	27.41
Hydrated lime	1.07	0.32
Packing Materials	26.49	32.35
Others	32.40	33.05
<b>Total</b>	<b>92.66</b>	<b>112.06</b>

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

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Inventories at the end of the year</b>		
- Finished goods	6,997.09	3,780.89
- Work in progress	180.48	136.26
<b>Total B</b>	<b>7,177.57</b>	<b>3,917.15</b>
<b>Inventories at the beginning of the year</b>		
- Finished goods	3,780.89	3,962.74
- Work in progress	136.26	126.49
<b>Total A</b>	<b>3,917.15</b>	<b>4,089.23</b>
<b>Total (A-B)</b>	<b>(3,260.42)</b>	<b>172.08</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**Details of inventory:**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
<b>Finished Goods</b>		
Sugar	<b>6,811.28</b>	3,720.01
Industrial Alcohol	<b>10.27</b>	1.50
Chlor Alkali	<b>11.02</b>	3.15
By Products	<b>142.68</b>	37.26
Others	<b>21.84</b>	18.97
<b>Total</b>	<b>6,997.09</b>	3,780.89
<b>Work-in-progress</b>		
Sugar	<b>146.29</b>	105.69
Chlor Alkali	<b>6.40</b>	8.46
By Products	<b>6.09</b>	0.02
Others	<b>21.70</b>	22.09
<b>Total</b>	<b>180.48</b>	136.26

**25. Employee benefits expense:**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Salaries, wages and bonus	<b>666.80</b>	595.12
Contribution to provident and other funds	<b>39.94</b>	42.99
Gratuity*	<b>19.61</b>	14.95
Staff welfare expenses	<b>39.64</b>	33.85
<b>Total</b>	<b>765.99</b>	686.91

\* (Refer note 34)

**26. Finance costs:**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Interest on borrowings	<b>175.18</b>	202.81
Interest on others*	<b>57.92</b>	6.23
Finance charges payable under finance lease	<b>0.23</b>	0.86
<b>Total finance cost</b>	<b>233.33</b>	209.90

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

	<b>Rs. Million</b>	
In relation to financial liabilities classified at amortised cost	<b>175.18</b>	202.81
In relation to financial liabilities classified at fair value through other comprehensive income	-	-
<b>Total</b>	<b>175.18</b>	202.81

\*Including interest on income tax Rs. 15.54 million (March 31, 2018 - Rs. 11.86 million) and reversal of Interest liability on dues to Micro, Small and Medium Enterprises of Rs. Nil (March 31, 2018 - Rs. 7.15 million) .

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 27. Depreciation expense:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets (Refer to note 4)	333.74	239.23
<b>Total</b>	<b>333.74</b>	<b>239.23</b>

### 28. Other expenses:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spare parts	648.15	536.20
Power, fuel, water etc.*	1294.80	1,244.17
Commission to indenting and ordering agent	24.57	25.28
Repairs		
- Building	24.79	27.66
- Plant and Equipment	104.28	96.50
- Others	18.15	13.65
Rent paid	26.53	21.48
Payment to statutory auditors (Refer details below)	5.97	5.11
Insurance (net)	15.07	14.92
Rates and taxes	83.11	41.90
Jobs on contract	191.09	155.04
Freight and transport	75.46	91.32
Net loss on foreign currency transactions	-	0.20
Legal and professional expenses	113.10	100.01
Irrecoverable balances written off	6.41	8.83
Loss on sale/write off of Property, plant and equipment(net)	1.14	1.02
CSR Expenditure	-	0.70
Provision for doubtful debts and advances	-	3.15
Miscellaneous expenses	131.56	180.84
<b>Total</b>	<b>2,764.18</b>	<b>2,567.98</b>

\* After adjusting power subsidy Rs. 174.73 million (March 31, 2018 - Rs. 15.73 million)

### Payment to statutory auditors

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
As auditors		
Audit fee	1.70	1.70
Tax audit fee	0.60	0.50
Out of pocket expenses	0.47	0.41
In other capacity		
For limited review of unaudited financial results	1.20	0.90
For verification of statement and other reports	2.00	1.60
<b>Total</b>	<b>5.97</b>	<b>5.11</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**29. Exceptional Items:**

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
(Loss)/Profit on sale of Titawi unit (refer note 42)	-	(43.28)
Write back of loan liabilities/interest provision (refer note 13(#))	-	190.87
<b>Total</b>	-	147.59

**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, 2019	Year ended March 31, 2018
Profit after tax and exceptional item as per the statement of Profit and Loss (Rs. In Millions)	424.40	162.40
Weighted average number of equity shares for basic and diluted EPS	39,116,864	39,116,864
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>10.85</b>	<b>4.15</b>
<b>Face Value per share (in Rs.)</b>	<b>10.00</b>	<b>10.00</b>

**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, 2019	Year ended March 31, 2018
Lease rentals recognized during the year	26.53	21.48

**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, 2019		As at March 31, 2018	
	Minimum Lease Payment (MLP)	Present Value of MLP	Minimum Lease Payment (MLP)	Present Value of MLP
Within one year	-	-	4.81	4.58
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total Minimum Lease Payments	-	-	4.81	4.58
Less: amount representing finance charges	-	-	0.23	-
Present value of Minimum Lease Payments	-	-	4.58	4.58



## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### (b) Commitments

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	245.67	19.70
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#
<b>Total</b>	<b>245.67</b>	<b>19.70</b>

### (c) Contingent Liabilities in respect of Income Taxes/Central Excise/Service Tax/Value Added Tax and other taxes

Rs. Million					
(i)	Nature of Dispute	Description	Period	As at March 31, 2019	As at March 31, 2018
	Income Tax	Regarding Interest on TDS Liability	Assessment Year 2017-18	2.63	2.63
		Regarding Carried Forward of losses for AY 1997-98*	Assessment Year 1997-98	30.28	30.28
	Central Excise and Service Tax	Demand Notice received from Central Excise and Service tax Department towards wrong availment of cenvat credit taken, dispute on levy of service tax and excise duty and penalty/Interest imposed.	1994-95 to 1996-97, 1998-99, 1999-00 to 2002-03, 2006-07 and 2004-05 to 2016-17	131.85	157.71
	Sales Tax	Demand notice received from Commercial tax Department regarding dispute on levy of sales tax	2006-07, 2009-10 to 2013-14	6.36	54.99
		<b>Total</b>		<b>171.12</b>	<b>245.61</b>

\* 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.

### (ii) Other Matters under disputes are as below:

Rs. Million				
Nature of Dispute	Description	Period	As at March 31, 2019	As at March 31, 2018
Land	Land related disputes	2014-15	0.87	0.87
		2007-08	18.10	18.10
		1985-86, 1975-76, 2009-10,	1.05	1.05
		<b>Total</b>	<b>20.02</b>	<b>20.02</b>
Labour	Labour related disputes	2006-07, 2008-09, 2010-11	3.74	2.39
		1997-98, 1999-00 to 2002-03, 2008-09, 2010-11 and 2012-13	8.86	7.85
		1999-00, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15, 2018-19	10.50	10.31
		<b>Total</b>	<b>23.10</b>	<b>20.55</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

Rs. Million				
Nature of Dispute	Description	Period	As at March 31, 2019	As at March 31, 2018
Civil	Appeal has been preferred 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	66.56	63.20
	Arbitration notice received from M/s Prime Industries Ltd in pursuant to High court order dated 08.12.2016.		68.96	42.03
	Others	2010-11	3.11	3.11
		<b>Total</b>	<b>138.63</b>	108.34
Recovery Certificate (Refer note no 53)	Recovery charges against recovery of cane dues.	2006-07, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16	926.88	926.88
		2008-09, 2012-13 and 2013-14	245.10	245.10
		2006-07, 2010-11, 2012-13, 2013-14, 2014-15 and 2015-16	1,031.52	1,031.52
		<b>Total</b>	<b>2,203.50</b>	2,203.50
Interest on cane Price / Commission Arrears (Refer note no 53)	Interest on delay payment of cane dues	2002-03, 2006-07, 2012-13 to 2016-17	3,368.72	2,843.90
Purchase Tax	Purchase tax during period of Sugar Promotion Policy.	2006-07 to 2012-13 and 2016-17	61.46	75.05
<b>Grand Total</b>			<b>5815.43</b>	5,271.36

- (iii) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Private Limited - 70.00
- Other Bank Guarantee issued **0.05** 0.05
- (iv) The Company has provided bank guarantees aggregating Rs. 72.01 million (31 March, 2018 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, 2018 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.
- (vi) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF, dated 28th February, 2019. The Company will make necessary provision on receiving further clarity on the subject.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 32. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 6.54 million (31 March, 2018 Rs. 6.98 million).

### 33. Disclosure of interest in subsidiaries and associate

			Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)	
				As at March 31, 2019	As at March 31, 2018
(i)	Siel Financial Services Limited	Subsidiary	India	93.56%	93.56%
(ii)	Siel Industrial Estate Limited	Subsidiary	India	100.00%	100.00%
(iii)	Siel Infrastructure & Estate Developers Private Limited	Subsidiary	India	100.00%	100.00%
(iv)	Mawana Foods Private Limited	Associate	India	33.74%	-

### 34. Gratuity and other post-employment benefit plans

#### a) Defined Benefits Plans

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

		Rs. Million	
		As at March 31, 2019	As at March 31, 2018
		Gratuity (Funded)	Gratuity (Funded)
<b>Change in the Present value of obligation</b>			
1	Present value of obligation as at the beginning of the year	157.05	158.27
2	Add: Current service cost	10.03	9.48
3	Add: Interest cost	11.98	11.58
4	Add: Actuarial (gain) / loss	1.95	(2.79)
5	Less: Benefits paid	(17.38)	(19.49)
6	<b>Present value of obligation as at the end of the year</b>	<b>163.63</b>	<b>157.05</b>
<b>Change in the fair value of plan assets</b>			
1	Fair value of plan assets at the beginning of the year	31.45	83.52
2	Add: Expected return on plan assets	2.40	6.11
3	Add: Contribution by the Company	0.21	2.07
4	Less: Fund transfer to other party on Slump sale	-	(57.80)
5	Less: Benefits paid	(0.04)	(0.44)
6	Add: Actuarial gain / (loss)	0.05	(2.01)
7	<b>Plan assets at the end of the year</b>	<b>34.07</b>	<b>31.45</b>
<b>Liability/ (Asset) recognized in the financial statements</b>		<b>129.56</b>	<b>125.60</b>
<b>Current</b>		<b>16.25</b>	<b>14.60</b>
<b>Non-current</b>		<b>113.31</b>	<b>111.00</b>

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.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

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:	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	10.03	9.48
Net interest expense	9.58	5.47
<b>Amount recognised in Statement of Profit and Loss</b>	<b>19.61</b>	<b>14.95</b>

Amount recognised in Other Comprehensive Income:	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial gain/(loss) on Present value of obligation	(1.95)	2.79
Actuarial gain/(loss) on Assets	0.05	(2.01)
<b>Amount of gain/(loss) recognised in Other Comprehensive Income</b>	<b>(1.90)</b>	<b>0.78</b>

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

Gratuity Investment Details	As at March 31, 2019	As at March 31, 2018
	<b>Investment with Insurer (LIC)</b>	<b>Funded 100%</b>

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

	As at March 31, 2019	As at March 31, 2018
Discount rate (%)	7.66	7.63
Expected rate of return on Plan assets (%)	7.80	7.65
Future salary increases (%)	5.00	5.00
Retirement Age (Years)	58	58
<b>Withdrawal rate</b>		
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, 2019 is as shown below:

**Gratuity Plan**

Assumptions	Discount rate		Future salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(9.86)	11.17	11.35	(10.18)

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 FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The following payments are expected contributions to the defined benefit plan in future years:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	20.52	18.25
Between 1 and 2 years	3.13	7.47
Between 2 and 3 years	8.35	6.50
Between 3 and 4 years	9.35	6.29
Between 4 and 5 years	13.37	9.78
Between 5 and 6 years	15.01	10.20
Beyond 6 years	93.90	98.56
<b>Total expected payments</b>	<b>163.63</b>	<b>157.05</b>

### 35. Related party transactions

#### l) 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) Associate

Mawana Foods Private Limited (w.e.f. July 24, 2018)

##### d) 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

##### e) Directors

Prof. Dinesh Mohan  
Mr. Piar Chand Jaswal  
Mrs. Parmjit Kaur  
Mr. Ravinder Singh Bedi  
Mrs. Manju Vira Gupta

##### f) Enterprises over which key management personnel have significant influence:

Usha International Limited  
Mawana Foods Private Limited (subsidiary company of Usha International Limited)  
(Till July 23, 2018)

##### g) Enterprises over which the Independent Directors have significant influence

Delhi Golf Club

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**II) Transactions with related parties**

**Rs. Million**

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>A. Promoter</b>		
<b>Siddharth Shriram</b>		
Advisory fees	<b>16.99</b>	12.83
Salary of earlier year charged off during the year (Refer note 40)	<b>70.04</b>	-
<b>B. Subsidiaries</b>		
<b>Siel Financial Services Limited</b>		
Expenses recovered	<b>0.05</b>	0.52
<b>Siel Industrial Estate Limited</b>		
Investment in 10,000,000 equity shares of Rs. 10 each fully paid-up	<b>100.00</b>	-
Investment in 80,00,000 5% Redeemable Cumulative Preference shares of Rs. 10 each fully paid-up	-	80.00
<b>C. Associate</b>		
<b>Mawana Foods Private Limited (w.e.f. July 24, 2018)</b>		
Investment in 6,759,801 equity shares of Rs. 10 each fully paid-up	<b>150.00</b>	-
Sale of Goods	<b>320.53</b>	-
Expenses recovered	<b>0.42</b>	-
Miscellaneous purchases	<b>0.05</b>	-
<b>D. Key Management personnel and their relatives</b>		
<b>Remuneration to key management personnel*:</b>		
Mr. Dharam Pal Sharma	<b>2.15</b>	1.77
Mr. B.B. Mehta	<b>7.82</b>	2.90
Dr. Anil Arora	-	2.72
Mr. Ashok Kumar Shukla	<b>0.98</b>	0.80
* As the future liability for gratuity and leave encashment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and, therefore, not included above.		
<b>E. Director Sitting Fee</b>		
Prof.Dinesh Mohan	<b>0.10</b>	0.15
Mr.Piar Chand Jaswal	<b>0.21</b>	0.21
Mrs.Parmjit Kaur	-	0.13
Mr.Ravinder Singh Bedi	<b>0.22</b>	0.17
Mrs.Manju Vira Gupta	<b>0.07</b>	-

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>F. Enterprises over which key management personnel have significant influence</b>		
<b>(a) Usha International Limited</b>		
Expenses reimbursed	6.23	7.41
Expenses recovered	0.04	0.16
Rent paid	5.16	5.13
Royalty paid	13.10	10.98
Irrecoverable balances written off	1.53	-
<b>(b) Mawana Foods Private Limited</b> (Till July 23, 2018)		
Sale of Goods	123.44	404.37
Interest received	4.95	9.61
Expenses recovered	-	0.02
Miscellaneous purchases	0.01	0.10
<b>G. Enterprises over which the Independent Directors have significant influence</b>		
Delhi Golf Club		
Sponsorship for Brand Promotion	14.14	-
<b>H. Other payment to directors</b>		
Advisory fees paid to Mr. Piar Chand Jaswal	0.72	0.72

### Balance Outstanding as at year end:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>(a) Financials Assets -Loans and others</b>		
Siddharth Shriram	0.31	8.28
Siel Financial Services Limited*	36.59	36.59
<b>(b) Trade and Other Payables</b>		
Usha International Limited	26.25	20.59
Siddharth Shriram	-	5.63
<b>(c) Trade Receivables</b>		
Mawana Foods Private Limited	34.66	150.27
<b>(d) Guarantee given by the Company</b>		
Mawana Foods Private Limited	-	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. 3335.70 million (March 31, 2018 - Rs. 5,243.00 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, 2018 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, 2018 - Rs. 7,869.85 million).

---



---

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**


---

**Transaction with Key management personnel**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Short-term employee benefits	<b>10.95</b>	8.19
Post-employment gratuity and medical benefits	-	-
Termination benefits	-	-
<b>Total compensation paid to key management personnel</b>	<b>10.95</b>	8.19

The amount disclosed in the table are the amounts recognised as expense during the reporting year 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, 2019 (Contd.)

D. Information about business segments

PARTICULARS	Sugar		Power		Chemicals		Distillery		Unallocated		Elimination		(Rs. Million)	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
<b>SEGMENT REVENUE</b>														
External Sales (including excise duty)	7,736.42	9,697.53	369.29	349.59	2,910.31	2,568.60	493.46	627.91	-	-	-	-	11,509.47	13,243.63
Inter segment revenue	1,650.17	1,598.52	2,235.99	2,182.86	13.67	4.40	27.36	-	-	-	(3,927.19)	(3,765.78)	-	-
Other Operating Revenues	58.17	207.08	-	-	3.95	3.17	5.54	0.85	-	-	-	-	67.66	211.10
Other Income	-	-	-	-	-	-	-	-	112.15	123.29	-	-	112.15	123.29
<b>Total revenue</b>	<b>9,444.76</b>	<b>11,503.13</b>	<b>2,605.28</b>	<b>2,532.45</b>	<b>2,927.93</b>	<b>2,576.17</b>	<b>526.36</b>	<b>628.76</b>	<b>112.15</b>	<b>123.29</b>	<b>(3,927.19)</b>	<b>(3,765.78)</b>	<b>11,689.28</b>	<b>13,578.02</b>
<b>EBIT/RESULTS</b>														
Segment results	(327.32)	(902.85)	705.33	755.35	641.96	366.91	96.18	79.83	(218.05)	(141.27)	-	-	1,116.15	299.24
Unallocated income/(expenses) (net of income/expenses)	-	-	-	-	-	-	-	-	(218.05)	(141.27)	-	-	(218.05)	(141.27)
<b>Operating Profit</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(218.05)</b>	<b>(141.27)</b>	<b>-</b>	<b>-</b>	<b>898.11</b>	<b>157.97</b>
Finance Costs	-	-	-	-	-	-	-	-	233.33	209.90	-	-	233.33	209.90
Interest income	-	-	-	-	-	-	-	-	42.06	42.03	-	-	42.06	42.03
<b>Net Profit/(Loss) before tax and exceptional items</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(409.32)</b>	<b>(309.14)</b>	<b>-</b>	<b>-</b>	<b>706.84</b>	<b>(9.90)</b>
Exceptional item- Income (net)	-	-	-	-	-	-	-	-	-	147.59	-	-	-	147.59
<b>Net Profit/(Loss) before tax</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(409.32)</b>	<b>(161.55)</b>	<b>-</b>	<b>-</b>	<b>706.84</b>	<b>137.69</b>
Tax expenses/(credit)	-	-	-	-	-	-	-	-	282.44	(24.71)	-	-	282.44	(24.71)
<b>Net Profit/(Loss) after tax</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(691.76)</b>	<b>(136.84)</b>	<b>-</b>	<b>-</b>	<b>424.40</b>	<b>162.40</b>
<b>OTHER INFORMATION</b>														
<b>A. ASSETS</b>														
Segment assets	8,873.16	5,754.19	1,194.70	1,230.18	700.79	749.37	952.56	927.61	-	-	-	-	11,721.21	8,661.35
Unallocated assets	-	-	-	-	-	-	-	-	2,351.50	2,285.68	-	-	2,351.50	2,285.68
<b>Total Assets</b>	<b>8,873.16</b>	<b>5,754.19</b>	<b>1,194.70</b>	<b>1,230.18</b>	<b>700.79</b>	<b>749.37</b>	<b>952.56</b>	<b>927.61</b>	<b>2,351.50</b>	<b>2,285.68</b>	<b>-</b>	<b>-</b>	<b>14,072.71</b>	<b>10,947.03</b>
<b>B. LIABILITIES</b>														
Segment liabilities	6,571.52	5,284.67	15.60	12.49	293.77	276.67	115.55	61.34	-	-	-	-	6,996.44	5,635.17
Borrowings	-	-	-	-	-	-	-	-	2,377.98	1,412.51	-	-	2,377.98	1,412.51
Unallocated liabilities	-	-	-	-	-	-	-	-	708.74	333.97	-	-	708.74	333.97
<b>Total Liabilities</b>	<b>6,571.52</b>	<b>5,284.67</b>	<b>15.60</b>	<b>12.49</b>	<b>293.77</b>	<b>276.67</b>	<b>115.55</b>	<b>61.34</b>	<b>3,087.72</b>	<b>1,746.48</b>	<b>-</b>	<b>-</b>	<b>10,084.16</b>	<b>7,381.65</b>
<b>C. OTHERS</b>														
Capital expenditure	77.61	133.63	9.68	5.92	25.08	10.59	127.68	60.35	1.35	0.52	-	-	241.40	211.01
Depreciation	138.04	90.43	61.70	46.68	65.68	54.37	66.44	46.69	1.86	1.06	-	-	333.73	239.23

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>				
<b><u>Fair Valuation at Amortized cost:</u></b>				
Investment in preference shares	135.96	128.60	135.96	128.60
Security deposits paid	116.89	117.22	116.89	117.22
Dues from employees	0.72	1.04	0.72	1.04
Loans and advances to related parties	0.31	8.28	0.31	8.28
Subsidies Receivable	260.86	-	260.86	-
Interest accrued on deposits	12.09	19.33	12.09	19.33
<b>Total</b>	<b>526.83</b>	<b>274.47</b>	<b>526.83</b>	<b>274.47</b>
<b>Financial liabilities</b>				
<b><u>Fair Valuation through Statement of Profit &amp; Loss</u></b>				
Borrowings	2,377.98	1,412.50	2,377.98	1,412.50
<b>Total</b>	<b>2,377.98</b>	<b>1,412.50</b>	<b>2,377.98</b>	<b>1,412.50</b>

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.

### 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, 2019 (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, 2019:

	Date of valuation	Fair value measurement using				Rs. Million
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value (Note 37A):</b>						
<b><u>Fair Valuation at Amortized cost :</u></b>						
Investment in preference shares	31-Mar-19	135.96	-	135.96	-	
Security deposit paid	31-Mar-19	116.89	-	116.89	-	
Dues from employees	31-Mar-19	0.72	-	0.72	-	
Loans and advances to related parties	31-Mar-19	0.31	-	0.31	-	
Subsidies Receivable	31-Mar-19	260.86		260.86	-	
Interest accrued on deposits	31-Mar-19	12.09	-	12.09	-	
		<b>526.83</b>	-	<b>526.83</b>	-	
<b>II. Liabilities for which fair value is disclosed (Note 37A):</b>						
<b><u>Fair Valuation through Statement of Profit &amp; Loss</u></b>						
Borrowings	31-Mar-19	2,377.98	-	-	2,377.98	

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2019.

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018:

	Date of valuation	Fair value measurement using				Rs. Million
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value (Note 37A):</b>						
<b><u>Fair Valuation at Amortized cost :</u></b>						
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	-	
		<b>274.47</b>	-	<b>274.47</b>	-	
<b>II. Liabilities for which fair value is disclosed (Note 37A):</b>						
<b><u>Fair Valuation through Statement of Profit &amp; Loss</u></b>						
Borrowings	31-Mar-18	1,412.50	-	-	1,412.50	

There was no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2018.

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**
**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 rate.	Not applicable
Subsidies Recoverable (Other Financial Assets)	Discounted Cash Flow method: The valuation model considers the present value of expected receipt, discounted using a risk adjusted discount rate.	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
<b>Year ended March, 2019</b>	<b>+5%</b>	<b>-4.26</b>
	<b>-5%</b>	<b>4.26</b>
Year ended March, 2018	+5%	-7.04
	-5%	7.04

### 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 extent 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, 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
Provision made during the year 2018-19	-	-	-
Provision charged during the year 2018-19	-	-	-
Provision written back during the year 2018-19	(1.50)	(9.60)	-
<b>Provision as at March 31, 2019</b>	<b>1.17</b>	<b>153.65</b>	<b>203.13</b>

#### (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).

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**As at March 31, 2019**

	<b>Rs. Million</b>			
	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>&gt;3 years</b>	<b>Total</b>
Borrowings	<b>619.39</b>	<b>1078.20</b>	<b>680.39</b>	<b>2,377.98</b>
Trade payables				
- Total outstanding dues to micro and small enterprises	<b>9.44</b>	-	-	<b>9.44</b>
- Total outstanding dues of creditors	<b>6,693.11</b>	-	-	<b>6,693.11</b>
Employees Related Payables	<b>65.87</b>	-	-	<b>65.87</b>
Security deposits received	<b>47.41</b>	-	-	<b>47.41</b>
Interest accrued but not due on borrowings	<b>2.43</b>	<b>2.26</b>	-	<b>4.69</b>
Payable towards Capital Goods	<b>26.46</b>	-	-	<b>26.46</b>
Interest payable	<b>7.85</b>			<b>7.85</b>
Miscellaneous payable	<b>26.00</b>	-	-	<b>26.00</b>
	<b>7,497.96</b>	<b>1,080.46</b>	<b>680.39</b>	<b>9,258.81</b>

**As at March 31, 2018**

	<b>Rs. Million</b>			
	<b>Less than 1 year</b>	<b>1-3 years</b>	<b>&gt;3 years</b>	<b>Total</b>
Borrowings	442.06	970.44	-	1,412.50
Trade payables				
- Total outstanding dues to micro and small enterprises	3.34	-	-	3.34
- Total outstanding dues of creditors	5,375.04	-	-	5,375.04
Employees related payables	54.63	-	-	54.63
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
Interest payable	7.36			7.36
Miscellaneous payable	26.23	-	-	26.23
	6,001.45	974.95	-	6,976.40

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 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, 2019	As at March 31, 2018
Borrowings (Note 13)	2,377.98	1,412.50
Trade Payables (Note 15)	6,702.55	5,378.38
Cash and cash equivalents (Note 9)	(311.19)	(533.72)
<b>Net debts</b>	<b>8,769.34</b>	<b>6,257.16</b>
<b>Total equity</b>	<b>3,988.54</b>	<b>3,565.38</b>
<b>Capital plus net debt</b>	<b>12,757.88</b>	<b>9,822.54</b>
<b>Gearing ratio (%)</b>	<b>68.74%</b>	<b>63.70%</b>

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

40. The Company had applied to Central Government for approval of excess remuneration paid to former Managing Director/Whole Time Director/existing Whole Time Director after seeking the requisite approval of the Shareholders. The Government has now notified the amendment of Section 197 of the Companies Act, 2013 under which the approval of Central Government is no longer required for waiver of excess remuneration paid to the Directors. Accordingly, the Government has communicated to the Company that its pending applications for waiver of payment of excess remuneration stands abated and the files have been closed. Hence, the amount of Rs. 13.65 million earlier recognized as recoverable, has been charged off in the Statement of Profit and Loss.
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') for development of green belt and open spaces as directed by the Court. The Company continued to be the lawful owner of the surrendered land though it was no longer in physical possession thereof.

DDA leased out some portion of the surrendered land to Delhi Metro Rail Corporation ('DMRC') for a commercial consideration. The Company challenged the leasing of surrendered land to DMRC before the Hon'ble Supreme Court. Hon'ble Supreme Court vide its Order dated 25.3.2010 directed that DDA, which held 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.

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

The Court further directed that in the event of any acquisition or development of surrendered land, the land owner will be entitled to share fifty percent (50%) of the compensation. In view of the aforesaid direction, any benefits earned by DDA from the surrendered land are to be shared equally with the Company.

In terms of the above directions of the Hon'ble Supreme Court, the Company has received a sum of Rs. 159.24 million upto 30.09.2018 where after DMRC had vacated the surrendered land leased to it by DDA. Since there were delays in making payments by DMRC, the Company has demanded payment of interest on delayed payments which is pending in the Court.

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 was governed by a Business Transfer Agreement (BTA) which stipulated completion of certain activities within a certain time frame.

During the previous year, the Company had 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 million, thereby reducing the profit from said sale transaction envisaged in previous year. Accordingly, a loss of Rs. 43.28 million was recognized under exceptional items in the Statement of Profit and Loss for the previous year ended March 31, 2018.

A sum of Rs. 27.85 million is recoverable from IPL, Out of which Rs. 20.00 million pertains to transfer of certain portion of freehold land in the name of IPL and balance of Rs. 7.85 million pertains to other matters.

### 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, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	9.30	3.24
- Interest thereon	0.14	0.10
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	-	-
the amount of interest accrued and remaining unpaid	0.14	0.10
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.	0.14	0.10



## 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	2017-18	36.59	-	-	36.59	General Business Purpose
	2018-19	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	2017-18	70.00	-	-	70.00	Corporate Guarantee for securing the working capital limit sanctioned by Punjab National Bank.
	2018-19	70.00	-	70.00	-	

#### c) Particulars of Investments made during the year:

Rs. Million

Name of the Investee	Investment Made	Purpose
Mawana Foods Private Limited (MFPL)	150.00	MFPL is an established player in the retail business of sugar, edible oils and soap and having a very wide range of distribution network. Investment in MFPL will allow the Company to use its distribution network for increase the footprint in retail business.
Siel Industrial Estate Limited (Siel IE)	100.00	Pursuant to an Order of Hon'ble Supreme Court of India, Siel IE was directed to pay additional compensation to the farmers from whom Land was acquired. Having regard to the fact that Siel IE has no business activity/ income of its own and with a view to protect a valuable asset of the Company held through its wholly owned subsidiary, the Company has made additional investment.

45. Pursuant to UP State Government Order dated 1.10.2018, the Company has, during the current year received cane subsidy of Rs. 4.50 per quintal of cane crushed during the sugar season 2017-18 amounting to Rs. 141.90 million and the same has been adjusted in the cost of materials consumed in the current year.
46. During the previous 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 Hon'ble 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 had provided differential amount of Rs. 285.46 million in the accounts during the previous year. UP sugar mill association has approached hon'ble Supreme Court for stay of operation of high court order during the year. The matter is pending before Supreme Court.

---

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

---

48. The Company has received a soft loan of Rs.1460 million from a bank with interest rate of 5% per annum under the "Scheme for Extending Financial Assistance to Sugar Undertakings-2018" as notified by UP State Government for clearing the outstanding cane dues of the farmers for the sugar season 2017-18. The Company has recognized benefit to the extent pertaining to current period of soft loan under State Government Scheme, being interest rate at below applicable market rate, as a Government grant.
49. The Board of Directors of the Company in its meeting held on 9th July, 2018 has approved the conversion of outstanding dues of Rs. 150 million owed by Mawana Foods Private Limited into 67,59,801 equity shares of Rs. 10 each at a price of Rs. 22.19 per share in said company. On its conversion, the Company holds 33.74% equity of Mawana Foods Private Limited.
50. Pursuant to an Order of Hon'ble Supreme Court of India, Siel Industrial Estate Limited (Siel IE), a wholly owned subsidiary of the Company, was directed to pay additional compensation to the farmers from whom Land had been acquired. Having regard to the fact that Siel IE has no business activity/ income of its own and with a view to protect a valuable asset of the Company held through its wholly owned subsidiary, the Company has subscribed to a Right Issue of 100,00,000 Equity Shares of Rs.10 each fully paid amounting to Rs.100 million .
51. The Company is eligible for interest concession under Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of Ethanol Production Capacity i.e. SAFAESU for Ethanol. Accordingly, the Company has availed interest concession of Rs. 0.76 million ( March 31,2018-Rs. Nil) during the year and reduced the same from interest expenses in capital work in progress and statement of profit and loss to the extent it pertains.
52. During the year, Department of Food and Public Distribution (DFPD), Govt. of India vide its notification dated 28.9.2018 has allocated the Minimum Indicative Export Quota (MIEQ) to sugar mills for export of sugar. Company has undertaken the export for sugar mill i.e. Mawana Sugar Works and it has partly exported sugar through Merchant Exporters and incurred expenses of Rs. 231.72 millions during the current year. DFPD also issued two further notifications both dated 5.10.2018 for giving financial assistance to sugar mills with a view to offset the cost of cane and facilitate timely cane payment to farmers for sugar season 2018-19 with providing assistance at the rate of Rs. 13.88 per qtl of cane crushed for sugar production and reimbursement of internal transport charges. Company shall be entitled for this assistance from Government of India on completion of entire MIEQ as per the conditions laid down in the notifications. The Company has contracts of balance sugar allocated under MIEQ. However, the Company has accounted for an amount of Rs.256.50 million on fair value basis as receivable for sugar exported till 31st March, 2019 by netting off MIEQ expenses as above under the head other operating revenue.
53. In the earlier years, Company has received demand from State Government Authorities for collection charges amounting to Rs. 2203.50 million against Recovery Certificate issued to Company for recovery of cane dues. The said demand has been stayed by Hon'ble High Court of Allahabad. The said amount has been disclosed under contingent liabilities (Refer note 31(c)(ii) above).

There is demand of interest on delayed payments of cane price of Rs. 3368.72 million from Cooperative Cane Societies, which has been disclosed under contingent liabilities (Refer note no. 31(c)(ii) above). Company has given its representation to State Government for waiver the same. Matter is yet to be decided by the State Government. The Company is hopeful to get the waiver from State Government.

54. Impairment indicators were identified on the investment and recoverable amounts in subsidiaries, namely Siel Industrial Estate Ltd. and Siel Infrastructure & Estate Developers Pvt. Ltd. and an associate Mawana Foods Private Ltd. The Company at the year end invested a sum of Rs. 678.70 million in said subsidiaries and associate.

An impairment assessment has been carried out by comparing the carrying value of investment in subsidiaries and associate to its recoverable amount for determining whether an impairment was required to be recognized. There is no impairment as determined by applying discounting future cash flows, being higher of the fair value and the carrying value.

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

---

55. Mawana Sugar Works is a separate cash generating unit and is incurring losses. The Company is at the year end carrying Property, plant and equipment and other non-current assets aggregating to Rs. 828.64 million in respect of said unit. As a result there is risk that carrying value of related property, plant and equipment and further non current assets may be higher than its recoverable amount. Impairment testing was carried out by getting the assets valuation from bank approved valuer and there is no impairment loss required to be recognized.

56. During the year, Central Government has reintroduced sugar sales mechanism by allotting monthly sale quota to all the sugar mills in the country. With the result, sales revenue has come down and inventory of sugar has significantly increased. As on March 31, 2019, the Company is carrying inventory of sugar of Rs. 6,957.57 million (comprising finished goods Rs. 6,811.28 million and work in progress Rs. 146.29 million) with valuation at lower of cost and net realizable value.

Future net realizable shall be dependent upon the factors on minimum support price, monthly sale quota and sugar production in the Country. The Company is hopeful to get the value at least stated in the accounts.

57. Excise duty realized is included in Revenue from operations of periods upto June 30, 2017 and Revenue from operations pertains for the subsequent periods are net of Goods and service tax (GST).

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:24.05.2019

**B.B. MEHTA**  
Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
Company Secretary

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

**RAVINDER SINGH BEDI**  
Director  
(DIN: 01408189)

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)

**PIAR CHAND JASWAL**  
Director  
(DIN: 07100098)

**Form AOC-I**

**Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014  
Statement containing salient features of the financial statement of subsidiaries and associate:**

**Amount Rs. In million**

S.N	Name of Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investment	Turnover	Profit / (Loss) before taxation	Provision for taxation w/back	Profit / (Loss) after taxation	Proposed dividend	% of shareholding
1	Siel Industrial Estate Limited *	376.55	(128.58)	501.78	630.36	-	3.00	(15.57)	(1.48)	(14.09)	-	100
2	Siel Financial Services Limited	113.23	(157.85)	7.84	165.69	-	0.44	(0.58)	-	(0.58)	-	93.56
3	Siel Infrastructure & Estate Developers Private Limited	1,376.16	(10.20)	1,366.00	1,376.20	1,365.75	0.01	(0.03)	-	(0.03)	-	100
4	Mawana Foods Private Limited	200.37	(158.00)	152.08	310.08	-	936.04	(7.99)	-	(7.99)	-	33.74

\*Includes 49.29% (Previous year 49.29%) held by Siel Infrastructure & Estate Developers Private Limited. (SIEL-IED), a wholly owned subsidiary.

For and on behalf of the Board of Directors

**RAVINDER SINGH BEDI**  
Director  
(DIN: 01408189)

**B.B. MEHTA**  
Chief Financial Officer

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)

**ASHOK KUMAR SHUKLA**  
Company Secretary

**PIAR CHAND JASWAL**  
Director  
(DIN: 07100098)

Place: New Delhi  
Date: 24.05.2019

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Mawana Sugars Limited

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

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") and its associate comprising of the consolidated Balance sheet as at March 31, 2019, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

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 and an associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2019, their consolidated profit/loss including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further

described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and informing our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b><u>Amount of recoverable deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT Credit Entitlement (as described in note 18 of the Consolidated Ind AS financial statements)</u></b>	
<p>Deferred tax assets are recognized on tax losses carried forward and unabsorbed depreciation when it is probable that taxable profit will be available against which tax losses and unabsorbed depreciation can be utilized. The Parent Company's ability to recognize deferred tax assets on tax losses and unabsorbed depreciation carried forward is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are determined by management.</p> <p>At March 31, 2019, the Parent Company has recognized deferred tax assets amounting to Rs. 1299.26 millions on the tax losses as carry forward and unabsorbed depreciation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>We assessed the methodology applied by the Holding Company. Our audit approach consisted of assessing the business plans used and thus the likelihood that Parent Company would be able to utilize deferred tax assets and MAT credit in the future. In particular, we assessed: <ul style="list-style-type: none"> <li>the underlying projections and assumptions, and their consistency with the latest management estimates as calculated during the budget process and the reliability of the process by which the estimates were calculated, by assessing the reasons for differences between projected and actual performances;</li> </ul> </li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Amount of recoverable deferred tax assets with respect to tax losses as carry forward and unabsorbed depreciation and MAT Credit Entitlement</u></b> (as described in note 18 of the standalone Ind AS financial statements)</p>	
<p>Also, the Parent Company has recognised Rs. 444.49 million as Minimum Alternate Tax (MAT) credit entitlement as at March 31, 2019. The credit of taxes paid under MAT shall be allowed to be set off by the Company in subsequent years when tax becomes payable on the total income in accordance with the normal provisions of the Act.</p> <p>The management based on profit earned during the current year and future profitability projections is confident that there would be sufficient taxable profits in future which will enable the Parent Company to utilize the above MAT credit entitlement.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, tax laws and the management's expansion plans.</p> <p>Given the degree of judgement management's decision to recognize and classify deferred tax assets and MAT credit entitlement as recoverable, we consider this issue to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>- tested sensitivity of key assumptions used in projections.</li> <li>- the schedules for the reversal of temporary differences and therefore the opportunities for off setting deferred tax liabilities.</li> <li>- the schedules for the future taxable profits against which MAT credit can be utilised.</li> </ul> <ul style="list-style-type: none"> <li>• We also understood the income tax computation process for normal tax and minimum alternate tax and review controls around recognition of Deferred tax assets and MAT credit, and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.</li> <li>• We have assessed the disclosures included in the Consolidated Ind AS financial statements.</li> </ul>
<p><b><u>Impairment testing of investment in Associate</u></b> (as described in note 52 of the consolidated Ind AS financial statements)</p>	
<p>Impairment indicators were identified on the investment and recoverable amounts in associate namely Mawana Foods Private Limited. As a result, an impairment assessment was required to be performed by comparing the carrying value of investment in associate to its recoverable amount to determine whether an impairment was required to be recognised. The recoverable amount was determined to be the higher of the fair value less cost of disposal, and the value in use, determined by discounting future cash flows.</p> <p>The determination of recoverable amounts of the Parent Company's investment in associate relies on management's estimates of future cash flows and their judgement with respect to the associates' performance.</p> <p>Due to the uncertainty of forecasting and discounting future cash flows, the level of management's judgement involved and the significance of the Parent Company's investment in associate of Rs. 147.24 million as at March 31, 2019, this audit area is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• In conjunction with review by technical and valuation specialists, we assessed the the Parent Company's valuation methodology applied in determining the recoverable amount and we assessed the assumptions around the key drivers of the cash flow forecasts.</li> <li>• We tested the Parent Company's internal controls in relation to making and reviewing cash flow projections considering the future business plans.</li> <li>• We discussed potential changes in key drivers with management in order to evaluate whether the inputs and assumptions used in the cash flow forecasts were suitable.</li> <li>• We performed sensitivity analysis on the key assumptions adopted in the impairment assessment to understand the impact of reasonable changes in assumptions on the estimated recoverable amounts.</li> <li>• We assessed the disclosures made in the consolidated Ind AS financial statements in this regard.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p><b><u>Impairment of Property, plant and equipment (“PPE”) and other non-current assets of Mawana Sugar Works (MSW) Unit of the Parent Company (as described in note 53 of the consolidated Ind AS financial statements)</u></b></p>	
<p>The Mawana Sugar Works unit a separate Cash Generating Unit' of the Parent Company is continuously incurring losses. This unit manufactures sugar and also generate power from its Cogeneration power plant. The Parent Company is carrying property, plant and equipment and other non-current assets aggregating to Rs. 828.24 million in respect of MSW.</p> <p>The Mawana Sugar Works unit of the Parent Company is incurring losses on a year to year basis.</p> <p>As a result, there is a risk that the carrying value of related property, plant and equipment and other non-current assets may be higher than their recoverable amount.</p> <p>Our audit focused on this area because the assessment of recoverable value requires management to make a number of key judgements and estimates with respect to the future performance and profitability of the said unit including judgements and estimates on future growth rates of sales and the impact of the general economic environment (including competitors).</p> <p>The carrying values of these assets are reviewed annually by management for potential indicators of impairment. For assets where such indicators exist, management performs detailed impairment reviews, taking into account, inter alia, the impact of revenue assumptions and technical factors which may affect the expected remaining useful lives and carrying value of the assets.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We understood the assessment by the Board of directors of the carrying value of MSW Unit's property, plant and equipment to determine whether any impairment of PPE is required.</li> <li>• In conjunction with review by specialists, we evaluated the Company's assumptions and estimates used to determine the recoverable amount of PPE and other non-current assets of the MSW Unit.</li> <li>• We have assessed the disclosures made in the Consolidated Ind AS financial statements in this regard.</li> </ul>
<p><b><u>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2019 (as described in note 54 of the consolidated Ind AS financial statements)</u></b></p>	
<p>As on March 31, 2019, the Parent Company is carrying inventory of sugar (finished goods and work in progress) amounting to Rs. 6957.57 million. The inventory of sugar is valued at lower of cost and net realisable value.</p> <p>The relative size of the inventory of sugar as on March 31, 2019 is significant to the financial statements and also significant judgement was involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the government in determination of net realizable value.</p> <p>Accordingly, determination of net realisable value was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We have tested the controls established by the management in determination of net realizable value of inventory of sugar.</li> <li>• We considered various factors including actual selling price prevailing around and subsequent to the year end, minimum selling price &amp; monthly quota and other notifications of the Government of India with respect to sugar industry as a whole while checking the net realizable value.</li> <li>• We have assessed the disclosures included in the consolidated Ind AS Financial statements in this regard.</li> </ul>

---

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

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

### Responsibilities of Management for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of 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 including its associate in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate 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 of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS 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.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

### Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing



## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

our opinion on whether the Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters,

the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of three subsidiaries, whose Ind AS financial statements include total assets of Rs 1875.62 million as at March 31, 2019, and total revenues of Rs. 3.45 million and net cash outflows of Rs. 7.64 million for the year ended on that date. These Ind AS financial statement 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. The consolidated Ind AS financial statements also include the Group's share of net loss of Rs. 2.76 million for the year ended March 31, 2019, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose 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 associate, 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 and associate, is based solely on the reports of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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 and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:

- (a) We/the other auditors whose report 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 purposes 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, the 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 Standards) Rules, 2015, as amended;
- (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 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 and associate company, none of the directors of the Group's companies and its associate incorporated in India is disqualified as on March 31, 2019 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 and associate company incorporated in India, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and associate incorporated in India, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Holding Company, its subsidiaries and associate incorporated in India to their directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us 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 and associate, as noted in the 'Other matter' paragraph:
  - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 31 (c) to the consolidated Ind AS financial statements;
  - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2019;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company its subsidiaries and associate incorporated in India during the year ended March 31, 2019.

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 24, 2019

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

### ANNEXURE 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, 2019, 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 and its associate company, 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, its subsidiary companies and its associate company, 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.

---

## INDEPENDENT AUDITOR'S REPORT (Contd.)

---

### **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, its subsidiary companies and its associate company, which are companies incorporated in India, have, maintained in all material respects, 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 31,2019, 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, insofar as it relates to these three subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate 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 24, 2019

# Mawana Sugars Limited

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

		Rs. Million		
		Notes	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>				
(1)	<b>Non-current assets</b>			
	Property, plant and equipment	4	2,961.95	3,129.80
	Capital work in progress	4	78.47	81.80
	Intangible assets under development	4	1.98	1.98
	Investment in Associates	5A	147.24	-
	Financial assets			
	- Investments	5B	-	-
	- Loans	5B	-	-
	- Other	5B	382.47	156.62
	Deferred tax assets (net)	18	1,405.59	1,473.21
	Income tax assets (net)	19	34.86	42.01
	Other non-current assets	6	98.03	21.92
	<b>Total Non-current assets</b>		<b>5,110.59</b>	<b>4,907.34</b>
(2)	<b>Current assets</b>			
	Inventories	7	7,921.65	4,694.87
	Financial assets			
	- Trade receivables	8	367.48	511.41
	- Cash and cash equivalents	9	322.71	552.89
	- Other Bank Balances	10	155.08	149.38
	- Others	5B	52.81	69.01
	Other current assets	6	144.28	158.26
	Assets classified as held for sale	11	4.64	7.78
	<b>Total current assets</b>		<b>8,968.65</b>	<b>6,143.60</b>
	<b>Total Assets</b>		<b>14,079.24</b>	<b>11,050.94</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	Equity share capital	12.1	391.16	391.16
	Other equity		3,418.64	3,016.50
	Equity attributable to equity holder of the Parent		3,809.80	3,407.66
	Non Controlling Interest		1.25	1.29
	<b>Total Equity</b>		<b>3,811.05</b>	<b>3,408.95</b>
(1)	<b>LIABILITIES</b>			
	<b>Non-current liabilities</b>			
	Financial liabilities			
	- Borrowings	13.1	1,758.59	970.44
	- Other financial liabilities	16.1	2.26	4.51
	Other non-current liabilities	17.1	182.33	-
	Provisions	14.1	113.31	111.00
	<b>Total non-current liabilities</b>		<b>2,056.49</b>	<b>1,085.95</b>
(2)	<b>Current liabilities</b>			
	Financial liabilities			
	Borrowings	13.2	15.70	15.70
	Trade payables			
	- Total outstanding dues to micro and small enterprises	15	9.44	3.34
	- Total outstanding dues of creditors other than micro and small enterprises	15	6,735.79	5,438.16
	Other financial liabilities	16.2	920.60	804.12
	Other current liabilities	17.2	286.78	166.01
	Provisions	14.2	41.40	37.41
	Current tax liabilities (net)	20	201.99	91.30
	<b>Total current liabilities</b>		<b>8,211.70</b>	<b>6,556.04</b>
	<b>Total equity and liabilities</b>		<b>14,079.24</b>	<b>11,050.94</b>
	Summary of significant accounting policies	2		
<b>The accompanying notes form an integral part of these financial statements</b>				
As per our report of even date <b>For S.R. Batliboi &amp; Co. LLP</b> Chartered Accountants Firm Registration No.: 301003E/E300005			For and on behalf of the Board of Directors of Mawana Sugars Limited	
per <b>ANIL GUPTA</b> Partner Membership No.: 87921			<b>RAVINDER SINGH BEDI</b> Director (DIN: 01408189)	
			<b>DHARAM PAL SHARMA</b> Whole Time Director (DIN: 07259344)	
			<b>ASHOK KUMAR SHUKLA</b> Company Secretary	
			<b>PIAR CHAND JASWAL</b> Director (DIN: 07100098)	
Place: New Delhi Date: 24.05.2019				

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2019

		Rs. Million	
		Year ended March 31, 2019	Year ended March 31, 2018
<b>I</b>	<b>Income</b>		
	Revenue from contracts with customers	11,577.13	13,454.73
	Other income	105.58	120.98
	<b>Total income (I)</b>	<b>11,682.71</b>	<b>13,575.71</b>
<b>II</b>	<b>Expenses</b>		
	Cost of materials consumed	10,145.62	9,699.22
	Purchase of traded goods	-	54.65
	Changes in inventories of finished goods, work-in-progress and traded goods	(3,283.94)	(14.72)
	Excise duty	-	12.60
	Employee benefits expenses	765.99	686.91
	Finance costs	241.36	383.20
	Depreciation expense	333.74	239.23
	Other expenses	2,791.40	2,588.70
	<b>Total expenses (II)</b>	<b>10,994.17</b>	<b>13,649.79</b>
<b>III</b>	<b>Share of profit/(loss) of associate</b>	<b>(2.69)</b>	<b>-</b>
<b>IV</b>	<b>Profit/ (loss) before exceptional items and tax (I-II+III)</b>	<b>685.85</b>	<b>(74.08)</b>
<b>V</b>	<b>Exceptional Items (Expenses)/Income (net)</b>	<b>-</b>	<b>147.59</b>
<b>VI</b>	<b>Profit before tax (III-IV)</b>	<b>685.85</b>	<b>73.51</b>
<b>VII</b>	<b>Tax expense:</b>		
	Current tax	213.72	93.01
	Adjustment of current tax relating to earlier years	0.43	(20.96)
	Adjustment of deferred tax relating to earlier years	20.40	-
	Deferred tax charge/(credit)	47.89	(96.13)
	<b>Total tax expense/(credit) (VI)</b>	<b>282.44</b>	<b>(24.08)</b>
<b>VIII</b>	<b>Profit for the year</b>	<b>403.41</b>	<b>97.59</b>
<b>IX</b>	<b>Other Comprehensive Income</b>		
	Items that will not to be reclassified to statement of profit or loss		
	Re-measurement gains/ (losses) on defined benefit plans	(1.90)	0.78
	Income tax effect (expenses)/credit	0.66	(0.27)
	Share of OCI of associate (net of tax)	(0.07)	-
		<b>(1.31)</b>	<b>0.51</b>
<b>X</b>	<b>Total comprehensive income of the year {Comprising profit and other comprehensive income for the year} (VII+VIII)</b>	<b>402.10</b>	<b>98.10</b>
	<b>Profit for the year</b>		
	<b>Attributed to</b>		
	Equity holders of the Parent	403.45	97.51
	Non Controlling Interest	(0.04)	0.08
	<b>Total Comprehensive Income</b>		
	<b>Attributed to</b>		
	Equity holders of the Parent	402.14	98.02
	Non Controlling Interest	(0.04)	0.08
	<b>Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2018-Rs.10/-)}</b>		
	(1) Basic	10.31	2.49
	(2) Diluted	10.31	2.49

Summary of significant accounting policies 2  
**The accompanying notes form an integral part of these financial statements**

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

**per ANIL GUPTA**  
 Partner  
 Membership No.: 87921

**B.B. MEHTA**  
 Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
 Company Secretary

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

**RAVINDER SINGH BEDI**  
 Director  
 (DIN: 01408189)

**DHARAM PAL SHARMA**  
 Whole Time Director  
 (DIN: 07259344)

**PIAR CHAND JASWAL**  
 Director  
 (DIN: 07100098)

Place: New Delhi  
 Date: 24.05.2019

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	Notes	Year ended March 31, 2019	Rs. Million Year ended March 31, 2018
<b>A. Cash flow from operating activities :</b>			
Profit before tax		685.85	73.51
Add : Depreciation expense	4&27	333.74	239.23
Interest expenses	26	241.36	383.20
Share of loss in associate		2.69	-
Bad debts written off		6.41	-
Provision for doubtful debts and advances /write back	28	(11.10)	3.15
Loss on sale / write off of property, plant and equipment (net)	28	1.14	1.02
Less: Interest income	22	35.50	39.64
Profit on sale of current investments	22	14.29	1.91
Liabilities / provision no longer required written back	22	2.51	65.75
Profit/(Loss) on sale of Titawi unit (refer note 42)	29	-	(43.28)
Write back of Loan Liabilities/Interest Provision (refer note 13(#))	29	-	190.87
<b>Operating profit before working capital changes</b>		<b>1,207.79</b>	<b>445.22</b>
<i>Changes in working capital:</i>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Inventories	7	(3,226.78)	25.80
Trade receivables*	8	(4.57)	(99.78)
Financial assets	5B	(241.17)	(61.02)
Other assets	6	8.39	13.39
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade payables	15	1,306.24	1,207.78
Provisions	14	4.40	(5.60)
Other financial liabilities	16	11.20	(27.51)
Other liabilities	17	27.88	(775.62)
<b>Cash generated/(used in) from operations</b>		<b>(906.62)</b>	<b>722.66</b>
Direct taxes paid		(96.31)	(91.38)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>(1,002.93)</b>	<b>631.28</b>
<b>B. Cash flow from investing activities :</b>			
Purchase of property, plant and equipment, including capital advances	4	(257.68)	(210.98)
Proceeds from sale of property , plant and equipments	4	6.83	0.11
Profit on sale of current investments		14.29	1.91
Movement in other bank balances	10	24.73	63.68
Consideration received on sale of Titawi unit on slump sale		-	942.57
Interest received	22	43.20	34.58
<b>Net cash flow from/(used in) investing activities (B)</b>		<b>(168.63)</b>	<b>831.87</b>
<b>C. Cash flow from financing activities :</b>			
Repayment of long term borrowings- secured (Refer note 9)	13	(568.89)	(1,075.57)
Proceeds from borrowings	13	1,610.00	-
Interest paid	26	(99.73)	(195.22)
<b>Net cash flow (used in) financing activities (C)</b>		<b>941.38</b>	<b>(1,270.79)</b>
<b>D. Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>		<b>(230.18)</b>	<b>192.36</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>552.89</b>	<b>360.53</b>
<b>F. Cash and cash equivalents at the end of the year (D+E-F)</b>		<b>322.71</b>	<b>552.89</b>

\*Refer note no 50

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

CASH AND CASH EQUIVALENTS	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Balances with banks:		
- Current accounts	157.67	371.62
Cheque on hand	-	0.25
Cash on hand	0.93	1.29
Fixed deposits with banks	164.11	179.73
<b>Total cash and cash equivalents</b>	<b>322.71</b>	<b>552.89</b>

Summary of significant accounting policies 2

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

**B.B. MEHTA**  
 Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
 Company Secretary

Place: New Delhi  
 Date: 24.05.2019

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

**RAVINDER SINGH BEDI**  
 Director  
 (DIN: 01408189)

**DHARAM PAL SHARMA**  
 Whole Time Director  
 (DIN: 07259344)

**PIAR CHAND JASWAL**  
 Director  
 (DIN: 07100098)



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

Rs. Million

	Equity Share Capital	Other Equity							Total Equity	
		Reserves and surplus						Attributable to 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*			
<b>As at March 31, 2017</b>	<b>391.16</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>4.54</b>	<b>297.37</b>	<b>3.64</b>	<b>2,918.48</b>	<b>1.21</b>	<b>3,310.85</b>
Add: Profit/(Loss) for the year	-	-	-	-	-	97.51	-	97.51	0.08	97.59
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
<b>As at March 31, 2018</b>	<b>391.16</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>4.54</b>	<b>394.97</b>	<b>4.06</b>	<b>3,016.50</b>	<b>1.29</b>	<b>3,408.95</b>
Add: Profit/(Loss) for the year	-	-	-	-	-	403.45	-	403.45	(0.04)	403.41
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	(0.59)	0.59	-	-	-
Add: Remeasurement of defined benefit obligation (net of tax)	-	-	-	-	-	(1.31)	-	(1.31)	-	(1.31)
<b>As at March 31, 2019</b>	<b>391.16</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>4.54</b>	<b>796.52</b>	<b>4.65</b>	<b>3,418.64</b>	<b>1.25</b>	<b>3,811.05</b>

\*Refer note no. 12.2

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: 24.05.2019

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

**RAVINDER SINGH BEDI**

Director

(DIN: 01408189)

**DHARAM PAL SHARMA**

Whole Time Director

(DIN: 07259344)

**B.B. MEHTA**  
Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
Company Secretary

**PIAR CHAND JASWAL**  
Director  
(DIN: 07100098)

---



---

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

---

### 1. Group Overview

The consolidated financial statements comprises financial statements of Mawana Sugars Limited and its subsidiaries (collectively, the Group) and associate for the year ended March 31, 2019

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, 2019, 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, Uttar Pradesh Nanglamal Sugar Complex, Uttar Pradesh
Chlor Alkali Products	Siel Chemical Complex , Punjab
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Uttar Pradesh

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 24th May 2019.

### 2. 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.

#### 2.1 Basis of preparation

The consolidated 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 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The consolidated financial statements of the Group 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 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 2.6.

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

#### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries and associate as at March 31, 2019. 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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

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.

- (d) An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investment in Associates has been accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the Associate as at the date of acquisition of stake has been identified as Goodwill and included in the carrying value of the Investment in the Associate. Amortisation of that goodwill is not permitted. Similarly, the excess of proportionate share in equity of the associate over the cost of investment as at the date of acquisition of stake has been recognised directly in equity as Capital Reserve in the period in which the investment is acquired. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. The statement of profit and loss includes the Group's share of the results of operations of the associate. Any change in OCI of the investee is presented

---

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

as part of the Company's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies of associate in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.3 Changes in accounting policies and disclosures

#### **Ind AS 115 Revenue from Contracts with Customers**

Effective April 01, 2018, the Group applied Ind AS 115 "Revenue from contracts with customers". The adoption of this Ind AS 115 did not have any material impact on the financial statement of the Group.

#### **Amendments to Ind AS 21 Foreign Currency Transactions and Advance Considerations**

The amendment clarifies that, in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine the date of the transactions for each payment or receipt of advance consideration. This interpretation does not have any impact on the Group's financial statements.

#### **Amendments to Ind AS 40 Transfers of Investment Property**

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use. These amendments do not have any impact on the Group's financial statements.

#### **Amendments to Ind AS 12 Recognition of Deferred Tax Assets for Unrealised Losses**

The amendments clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference. Furthermore, the amendments provide guidance on how an entity should determine future taxable profits and explain the circumstances in which taxable profit may include the recovery of some assets for more than their carrying amount.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

Entities are required to apply the amendments retrospectively. However, on initial application of the amendments, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity. Entities applying this relief must disclose that fact.

The Group has evaluated the above amendment and concluded it has no impact in computation of deferred tax assets as Group is already following principles mentioned in the amendment.

### **Amendment to Ind AS 20 Government grant related to non-monetary asset**

The amendment clarifies that where the government grant related to asset, including non-monetary grant at fair value, shall be presented in balance sheet either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying amount of the asset. Prior to the amendment, Ind AS 20 did not allow the option to present asset related grant by deducting the grant from the carrying amount of the asset. These amendments do not have any impact on the financial statements as the Group continues to present grant relating to asset by setting up the grant as deferred income.

### **Amendment to Ind AS 38 intangible asset acquired free of charge**

The amendment clarifies that in some cases, an intangible asset may be acquired free of charge, or for nominal consideration, by way of a government grant. In accordance with Ind AS 20 Accounting for Government Grants and Disclosure of Government Assistance, an entity may choose to recognise both the intangible asset and the grant initially at fair value. If an entity chooses not to recognise the asset initially at fair value, the entity recognises the asset initially at a nominal amount plus any expenditure that is directly attributable to preparing the asset for its intended use. The amendment also clarifies that revaluation model can be applied for asset which is received as government grant and measured at nominal value. These amendments do not have any impact on the Group's financial statements.

## **2.4 Change in accounting estimate**

During the year, the Parent Company has re-evaluated the pattern of economic benefits derived from Property, Plant and Equipment (PPE) and related cost of maintenance of these PPE. Based on such evaluation, it believes that the amount of maintenance expenditure for the plant is expected to be higher in coming years and therefore to equate the cost of operations of the plant, on its existing efficiency, the management has decided to change the method of providing depreciation on its PPE from straight line method to written down value method with effect from January 1, 2019, considering the overall life to be same as contemplated before such change.

Had the Parent Company followed the same method as followed in previous year, depreciation for current year would have been lower by Rs.104.35 million and fixed assets would have been higher by Rs.104.35 million.

## **2.5 Summary of Significant Accounting Policies**

### **(i) 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

---

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

- 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.

### (ii) 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 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 statement of profit and loss.

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

### (iii) 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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

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 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 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.

### **(iv) Revenue from contracts with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.6.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is around 30 days upon delivery. In determining the transaction price for sale of goods, the Group considers the effect of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

**I) Variable Consideration**

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

**a) Right of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer).

**b) Volume rebate**

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

**II) Significant financing component**

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

**III) Contract balances****Contract assets**

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

**Trade receivables**

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (xviii) Financial instruments – initial recognition and subsequent measurement.

**Contract liabilities**

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

### (iv) Assets and liabilities arising from rights of return

#### Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

#### Cost to obtain a contract

The Group pays sales commission to agents for each contract that they obtain for sale of goods. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commission (included under other expenses) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

### (v) 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 recognised 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 01.

### (vi) Taxes

#### Current Income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. 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. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### **Deferred Tax**

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 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.

Goods and Service tax (GST)/Sales/Value added taxes on acquisition of assets or on incurring expenses.

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognised as part of cost of acquisition of the asset or part of the expense item, as applicable. Otherwise, expenses and assets are recognised net of the amount of GST paid. The net amount of GST recoverable from or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **(vii) 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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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 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 Group, it is included in the asset's carrying value or as a separate asset, as appropriate.

**Depreciation** on property, plant and equipment with effect from January 1, 2019 is provided on written down value 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)	3-6
Furniture and Fixtures	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
Components of certain plant and equipment	3 to 15

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.

### (viii) 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.

---

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

---

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 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 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.

**(ix) 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 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 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 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.

### (x) 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/produced): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing
- (d) By products included under finished goods and work-in-progress: 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.

### (xi) 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 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.

### (xii) Non-Current Asset held for sale:

The Group 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 Group 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.

---

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

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.

### **(xiii) 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.

### **(xiv) 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.

### **(xv) 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 Group 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 Group and the weighted average number of shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares.

### **(xvi) 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 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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

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 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 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.

### (xvii) **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.

### (xviii) **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 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 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 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.

**(xix) 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.

**(xx) Cash dividend**

The Group recognises a liability to make cash distributions to equity holders of the Group 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.

**2.6. Significant accounting judgements, estimates and assumptions**

The preparation of the Group'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 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. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation method is used. 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 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.

The Group is entitled to MIEQ subsidy from Government in the form of government grant and recognise amount receivable from government as subsidy receivable when the Group is entitled to receive it to match them with expenses incurred for which they are intended to compensate. The Group records subsidy receivable by discounting it to its present value. The Group uses assumptions in respect of discount rate and estimated time for receipt of funds from government. The Group reviews its assumptions periodically, including at each financial year end.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

### **Assumptions used for estimated time for Receipt and Discount Rate:**

The expected date of receipt of such subsidy shall be 13 months from the date of accrual of such subsidy i.e. from March 31, 2019. The Group uses 11% discount rate for such subsidy accrued as on March 31, 2019.

### **(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, 2019 amending the following standard:

#### **(i) Ind AS 116 Leases**

Ind AS 116 was notified by the MCA on 30th March 2019. The standard is applicable for the financial year beginning on or after 1 April 2019 to all the companies reporting under Ind AS.

The new standard proposes an overhaul in the accounting for lessees by completely letting go off the previous "dual" finance vs. operating lease model. The guidance in the new standard requires lessees to adopt a single model approach which brings leases on the balance sheet on first day, in the form of a right-of-use asset and a lease liability.

The Group is in the process of making an assessment of the impact of Ind-AS 116 upon initial application, which is subject to changes arising from a more detailed ongoing analysis.

#### **(ii) Amendments to existing issues IND AS**

The MCA has also carried out amendments in following accounting standards. These are:

- (a) Ind AS 12 Income taxes to Appendix C Uncertainty over income tax treatments.
- (b) Ind AS 19 Employee Benefits
- (c) Ind AS 23 Borrowing Costs
- (d) Ind AS 28 Investments in Associates and Joint Ventures
- (e) Ind AS 109 Financial Instruments
- (f) Ind AS 111 Joint Arrangements

Application of above standards are not expected to have any significant impact on the Group's financial statements.

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (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 <sup>3</sup>	Intangible assets under development
<b>Gross Block</b>										
<b>(At cost)</b>										
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	149.45	1.98
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	81.80	1.98
Additions	-	16.57	146.61	3.38	0.70	3.47	-	170.73	-	-
Disposals	-	-	(10.01)	(0.36)	(0.26)	-	(18.67)	(29.30)	(3.33)	-
Reclassified from assets held for sale	-	-	0.62	-	-	-	-	0.62	-	-
<b>As at March 31, 2019</b>	<b>253.44</b>	<b>602.76</b>	<b>2,857.47</b>	<b>18.44</b>	<b>2.81</b>	<b>9.18</b>	<b>-</b>	<b>3,744.10</b>	<b>78.47</b>	<b>1.98</b>
<b>Depreciation and impairment</b>										
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	-	-
Depreciation charge for the year	-	45.69	278.64	3.89	0.32	1.69	3.51	333.74	-	-
Disposals	-	-	(4.57)	(0.35)	(0.26)	-	(18.67)	(23.85)	-	-
<b>As at March 31, 2019</b>	<b>-</b>	<b>98.71</b>	<b>666.45</b>	<b>12.71</b>	<b>1.31</b>	<b>2.96</b>	<b>-</b>	<b>782.14</b>	<b>-</b>	<b>-</b>
<b>Net book value</b>										
<b>As at March 31, 2019</b>	<b>253.44</b>	<b>504.05</b>	<b>2,191.02</b>	<b>5.73</b>	<b>1.50</b>	<b>6.22</b>	<b>-</b>	<b>2,961.95</b>	<b>78.47</b>	<b>1.98</b>
As at March 31, 2018	253.44	533.17	2,327.87	6.25	1.12	4.44	3.51	3,129.80	81.80	1.98

Notes :

1. Refer note 13 for information on property, plant and equipment pledged as charged on security.
2. Capital work in progress includes below expenses :

**Rs. Million**

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Legal and Professional Expenses	2.75	-
Interest on borrowings	0.53	-
<b>Total</b>	<b>3.28</b>	<b>-</b>

# Mawana Sugars Limited

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 5A. Investment in associates

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
6,759,801 (March 31, 2018: NIL) equity shares of Rs. 10 each fully paid up of Mawana Foods Private Limited (Including Goodwill of Rs. 132.95 million)	150.00	-
Add/Less : Share of profit/(loss) for the period	(2.69)	-
Add/Less : Share of OCI of profit/(loss) for the period	(0.07)	-
<b>Total</b>	<b>147.24</b>	-

### 5B. Financial assets

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>1 Investments</b>		
(i) <b>Other Investments</b>		
<b>Unquoted equity instruments at cost</b>		
2 (March 31, 2018: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Mawana Co-operative Development Union Limited (# Rs. 10) <sup>1</sup>	#	#
2 (March 31, 2018: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10) <sup>1</sup>	#	#
54 (March 31, 2018 : 54) equity shares of Rs. 10 each fully paid-up of SFSL Investments limited (# Rs. 540)	#	#
Less : Provision for diminution in value (# 540)	#	#
295700 (March 31, 2018 : 295700) equity shares of Rs. 10 each fully paid-up of MSD Industrial Enterprises Limited	10.82	10.82
Less : Provision for diminution in value in the value of above investment	10.82	10.82
<b>Total</b>	-	-
<b>Aggregate value of unquoted investments</b>	-	-
<b>Aggregate value of quoted investments</b>	-	-

<sup>1</sup> Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Parent Company.

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>2 Loans</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non-current</b>		
Dues from employees-Credit impaired	0.04	0.04
Other Loans and advances		-
-Credit impaired	125.74	125.74
	125.78	125.78
Less : Impairment allowance (allowances for bad and doubtful advances)	125.78	125.78
<b>Total</b>	-	-

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

		Rs. Million	
		As at March 31, 2019	As at March 31, 2018
<b>3</b>	<b>Other financial assets</b>		
	(Unsecured, considered good except, unless otherwise stated)		
	<b>Non- current</b>		
	Security deposits		
	Considered Good	116.18	116.30
	Credit impaired	0.53	0.53
	Fixed Deposits with banks (Margin money)	7.16	35.94
	Fixed Deposits with banks (Earmarked)	1.98	3.63
	Subsidies Receivable	256.50	-
	Interest accrued on deposits	0.65	0.75
		<b>383.00</b>	157.15
	Less : Impairment allowance (allowances for bad and doubtful advances)	0.53	0.53
		<b>382.47</b>	156.62
	<b>Current</b>		
	Unsecured Considered Good		
	-Security deposits	0.72	0.92
	-Dues from employees	0.72	1.04
	Other Loans and advances		
	-Considered Good	35.04	39.51
	-Considered Good- Related Parties* (Refer note 35)	0.31	8.28
	-Credit impaired-Others	-	6.61
	Subsidies Receivable	4.36	-
	Interest accrued on deposits	11.66	19.26
		<b>52.81</b>	75.62
	Less : Impairment allowance (allowances for bad and doubtful advances)	-	6.61
		<b>52.81</b>	69.01
	<b>Total</b>	<b>435.28</b>	225.63

**Break up of financial assets carried at amortised cost:**

		Rs. Million	
		As at March 31, 2019	As at March 31, 2018
	Investments (# Rs. 560) {Refer note 5B}	#	#
	Trade receivables (Refer note 8)	367.48	511.41
	Cash and cash equivalents (Refer note 9)	322.71	552.89
	Other bank balances (Refer note 10)	155.08	149.38
	Other financial assets# (Refer note 5B)	435.28	225.63
	<b>Total</b>	<b>1,280.55</b>	1,439.31

\* Loans to related parties are interest free in nature.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 6. Other assets

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- Current</b>		
Capital advances		
-Other than related party	95.40	21.47
Prepaid expenses	2.63	0.45
Other advances- credit impaired	-	2.99
	<b>98.03</b>	24.91
Less : Impairment allowance (allowances for bad and doubtful debts)	-	2.99
	<b>98.03</b>	21.92
<b>Current</b>		
Unbilled Receivable	57.88	67.35
Taxes and other balances with government authorities	45.73	35.88
Prepaid expenses	15.33	14.84
Advances to vendors	24.25	24.30
Claim Recoverable	1.02	13.85
Other advances	0.07	2.04
	<b>144.28</b>	158.26
<b>Total</b>	<b>242.31</b>	180.18

### 7. Inventories

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Raw and packing materials {includes material in transit Rs. 3.19 million (March 31, 2018-Rs. Nil)}	92.66	112.06
Work-in-progress	180.48	136.26
Finished goods {includes material in transit Rs. 6.52 million (March 31, 2018- Rs. 4.34 million)}	6,997.09	3,780.89
Stock in Trade	525.20	501.68
Stores and Spares {includes material in transit Rs 10.53 million (March 31, 2018-Rs Nil)}	126.22	163.98
<b>Total</b>	<b>7,921.65</b>	4,694.87

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**8. Trade receivables**

**Rs. Million**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)		
<b>Outstanding for a period exceeding six months from the due date for payment</b>		
Secured - considered good	<b>0.20</b>	0.20
Unsecured - considered good -related party (Refer note 35)	-	16.24
Unsecured - considered good	<b>6.80</b>	6.07
- credit impaired	<b>1.17</b>	2.67
	<b>8.17</b>	25.18
Less: Impairment allowance (allowances for bad and doubtful debts)	<b>1.17</b>	2.67
	<b>7.00</b>	22.51
<b>Other receivables</b>		
Secured - considered good	<b>11.30</b>	6.51
Unsecured - considered good -related party (Refer note 35)	<b>34.66</b>	134.03
- considered good	<b>314.52</b>	348.36
<b>Total</b>	<b>367.48</b>	511.41

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**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Balances with banks:		
- Current accounts	<b>157.67</b>	371.62
Cheque on hand	-	0.25
Cash on hand	<b>0.93</b>	1.29
Fixed deposits with banks (with original maturity of 3 months or less)	<b>164.11</b>	179.73
<b>Total</b>	<b>322.71</b>	552.89

**Changes in liabilities arising from financing activities**

**Rs. Million**

	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Opening Balance	<b>1,428.20</b>	2,439.28
Cash Flows (net)	<b>1,041.11</b>	(1,075.57)
Changes in fair values	<b>(75.63)</b>	189.81
One time settlement impact	-	(125.32)
<b>Closing Balance</b>	<b>2,393.68</b>	1,428.20



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 10. Other bank balances

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Balance held as margin money or security against borrowings, guarantees and other commitments	151.95	144.59
Fixed deposits (Having remaining maturity more than 3 month but within 12 month )	-	2.00
Fixed deposits with banks (Earmarked)	3.13	2.79
<b>Total</b>	<b>155.08</b>	<b>149.38</b>

### 11. Assets classified as held for sale

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Plant and equipment	4.64	7.78
Office equipment	#	#
<b>Total</b>	<b>4.64</b>	<b>7.78</b>

# Office equipments of Rs. 2500/-

### 12.1 Share Capital

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>Authorised :</b>		
100,000,000 (March 31, 2018: 100,000,000) equity shares of Rs.10 each	1000.00	1,000.00
7,500,000 (March 31, 2018: 7,500,000) preference shares of Rs. 100 each	750.00	750.00
	<b>1,750.00</b>	<b>1,750.00</b>
<b>Issued :</b>		
39,115,672 (March 31, 2018: 39,115,672) equity shares of Rs. 10 each fully paid up	391.16	391.16
<b>Subscribed and fully paid up :</b>		
39,115,672 (March 31, 2018: 39,115,672) equity shares of Rs.10 each fully paid up	391.16	391.16
	<b>391.16</b>	<b>391.16</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (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
<b>At March 31, 2017</b>	<b>100,000,000.00</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2018</b>	<b>100,000,000.00</b>	<b>1,000.00</b>
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>100,000,000.00</b>	<b>1,000.00</b>

	Preference shares	
	Number of shares	Rs. Million
<b>At March 31, 2017</b>	<b>7,500,000.00</b>	<b>750.00</b>
Increase/(decrease) during the year	-	-
<b>At March 31, 2018</b>	<b>7,500,000.00</b>	<b>750.00</b>
Increase/(decrease) during the year	-	-
<b>As at March 31, 2019</b>	<b>7,500,000.00</b>	<b>750.00</b>

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

	Number of shares	Rs. Million
<b>At March 31, 2017</b>	<b>39,115,672.00</b>	<b>391.16</b>
Issued during the year	-	-
<b>At March 31, 2018</b>	<b>39,115,672.00</b>	<b>391.16</b>
Issued during the year	-	-
<b>At March 31, 2019</b>	<b>39,115,672.00</b>	<b>391.16</b>

**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, 2019		As at March 31, 2018	
	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)	<b>24,834,248</b>	<b>63.49%</b>	24,834,248	63.49%

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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 12.2 Nature and Purpose of Reserves

#### Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

#### Capital redemption reserve

Capital redemption reserve (CRR) is used to record the amount equal to the nominal value of equity shares buy back or redemption of preference shares. As per provisions of the Companies Act, 2013, CRR can be utilised only for paying up unissued shares of the Parent Company to be issued to members of the Parent Company as fully paid bonus shares.

#### Capital Reserve

Capital reserve includes 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 and Rs. 38.71 million representing the extinguishment of preference share capital.

#### Storage fund for molasses account

As per Rule 3(1) of UP Sheera Niyamtran Niyamawali, 1974, Molasses Storage Fund is created from the sale price of molasses and shall be utilized for the purpose of construction, erection and repair & maintenance of adequate storage facility of Molasses. Also it may be spent on abatement measures for control of pollution and or any other bonafide development activities which the Controller of molasses consider necessary.

### 13. Borrowings#

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>13.1 Non current borrowings (at amortised cost)</b>		
<b>Secured (Refer note 13.2)</b>		
<b>Term loans</b>		
-From banks	1,407.53	101.96
-From financial institution	953.35	1,263.84
-From others	17.10	42.12
	<b>2,377.98</b>	1,407.92
Obligation under finance lease (Secured) {Refer note-31a}	-	4.58
<b>Total</b>	<b>2,377.98</b>	1,412.50
Less: Amount clubbed under "other financial liabilities" 1 (Refer Note 16.2)	<b>619.39</b>	442.06
<b>Total borrowings</b>	<b>1,758.59</b>	970.44
<b>Current borrowings</b>		
<b>Unsecured##</b>		
Loan -others	15.70	15.70
<b>Total current borrowings</b>	<b>15.70</b>	15.70
<b>Total borrowings</b>	<b>1,774.29</b>	986.14

---



---

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**


---

<sup>1</sup>Details of current maturities of long term borrowings are as under:

Rs. Million

	As at March 31, 2019	As at March 31, 2018
<b>Borrowings</b>		
<b>Term loans</b>		
From banks	163.98	101.96
From financial institutions	446.86	310.49
From others	8.55	25.03
Current maturity of finance lease obligation	-	4.58
<b>Total</b>	<b>619.39</b>	<b>442.06</b>

# The Parent Company had completely resolved the debts availed from all the lender banks, with debt restructuring/ One Time Settlement (OTS) as the case may be. The Parent Company had 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 in the previous year.

During the year ended March 2019, the Parent Company has received a soft loan through a bank under the “Scheme for Extending Financial Assistance to Sugar Undertakings-2018” as notified by UP State Government to clear the outstanding cane dues of the farmers for the sugar season 2017-18.

During the year ended March 2019, the Parent Company has received a loan from a bank for installation of incinerator boiler at distillery plant located at Nanglamal Sugar Complex under the “Scheme for extending financial assistance to Sugar Mills for enhancement and augmentation of Ethanol Production Capacity” as notified by Department of food and public distribution, Government of India.

## 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 its holding company. SFSL Investments Limited had been disposed off by holding company on 31st January, 2011 and is no longer a step down subsidiary of its holding 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 company 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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 13.2 Security Clause

#### A. Term loans

##### 1. From Banks:

	As at March 31, 2019 Rs. Million	As at March 31, 2018 Rs. Million	Rate of interest	Nature of Security
i.	-	101.96	0%	(i) The loans were secured by first pari-passu charge on all movable and immovable property, plant and equipment (other than cylinder on finance lease)s of the Parent Company inclusive of equitable mortgage of land and buildings. The loans were further secured by second pari-passu charge on all current assets of the Parent Company.  (ii) The 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.	1257.53	-	5%	The loans are secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex of the Parent Company and also secured by corporate guarantee provided by the Parent Company.
iii.	150	-	12%	The loan is secured by first charge by way of Hypothecation of assets (incinerator boiler) and first pari-passu charge on entire fixed assets of the unit Nanglamal Sugar Complex of the Parent Company and also secured by corporate guarantee provided by the Parent Company.  The Parent Company has accounted for interest subvention from the government at 6% rate of interest.

##### 2. From financial institutions:

	As at March 31, 2019 Rs. Million	As at March 31, 2018 Rs. Million	Rate of interest	Nature of Security
i	953.35	1263.84	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.

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**
**3. From others:**

	As at March 31, 2019 Rs. Million	As at March 31, 2018 Rs. Million	Rate of interest	Nature of Security
i	17.10	25.64	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	-	16.48	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).

**14. Provisions:**
**Rs. Million**

	As at March 31, 2019	As at March 31, 2018
<b>1 Non- current :</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity(Refer note 34)	113.31	111.00
<b>Total</b>	<b>113.31</b>	<b>111.00</b>
<b>2 Current :</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity(Refer note 34)	16.25	14.60
- Provision for compensated absences	25.15	22.81
	<b>41.40</b>	<b>37.41</b>
<b>Total</b>	<b>154.71</b>	<b>148.41</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 15. Trade payables:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>Trade payables (including acceptance) :</b>		
- Outstanding dues to micro and small enterprises (Refer note 43) <sup>3</sup>	9.44	3.34
- Outstanding dues to related parties (Refer note 35)	17.49	17.49
- Outstanding dues to others <sup>4</sup>	6,718.30	5,420.67
	<b>6,735.79</b>	5,438.16
<b>Total</b>	<b>6,745.23</b>	5,441.50

- Trade payables are normally non-interest bearing. For maturity profile of trade payable and other financial liabilities refer note 38.
- For explanation on the Group's credit risk management processes, Refer note 38
- Including interest of Rs. 0.14 million (March 31, 2018 : Rs. 0.10 million) outstanding due to Micro and Small enterprises.
- Includes 'As per Enhancement compensation order dated 22.11.2017 of Hon'ble Supreme Court, an amount of 'Rs. 41.97 million (March 31, 2018- 63.11 million) is payable Land to Collector Aquisition/ADJ, District Court Patiala, against the legal case which shall ultimately be paid to beneficiary farmers.

### 16. Other financial liabilities:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>16.1 Non Current at amortised cost :</b>		
Interest accrued but not due on borrowings	2.26	4.51
<b>Total</b>	<b>2.26</b>	4.51

### 16.2 Current at amortised cost :

Current maturities of long term borrowings (Refer note 13)	619.39	442.06
Interest accrued but not due on borrowings	2.43	2.76
Trade deposits -Dealers and others	47.42	47.23
Employees related payables-Related Parties	-	5.63
-Others	65.87	49.01
Payable towards Capital goods	26.46	42.81
Interest payable*	133.03	188.40
Miscellaneous payable	26.00	26.22
<b>Total</b>	<b>920.60</b>	804.12

\* Includes interest payable on Enhancement land compensation referred in note 15 above amounting of 'Rs. 125.18 million (March 31, 2018- 181.04 million).

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**Breakup of financial liabilities at amortised cost:**

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Borrowings (Refer to note 13)	1,774.29	986.14
Trade payables (Refer to note 15)	6,745.23	5,441.50
Employees related payables	65.87	54.64
Current maturities of long term borrowings	619.39	442.06
Security deposits received	47.42	47.23
Interest accrued	4.69	7.27
Payable towards Capital goods	26.46	42.81
Interest payable	133.03	188.40
Miscellaneous payable	26.00	26.22
<b>Total</b>	<b>9,442.38</b>	<b>7,236.27</b>

**17. Other liabilities:**

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>1 Non current liabilities</b>		
Others- Government Grants	182.33	-
	<b>182.33</b>	-
<b>2 Current liabilities</b>		
Advance received from customers and others	26.93	34.50
Statutory liabilities	149.67	114.22
Interest on statutory dues	69.50	14.86
Others- Government Grants	38.25	
Miscellaneous	2.43	2.43
<b>Total</b>	<b>286.78</b>	<b>166.01</b>



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 18. Income Tax:

The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 :

#### Profit or loss section:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>Tax Expense:</b>		
Current income tax charge	213.72	93.01
Adjustments in respect of current income tax of previous year	0.43	(20.96)
<b>Deferred tax:</b>		
MAT Credit Entitlement	(214.15)	(92.56)
Relating to origination and reversal of temporary differences	262.04	(3.57)
Adjustments in respect of current deferred tax of earlier years	20.40	-
<b>Income tax expense reported in the statement of profit or loss</b>	<b>282.44</b>	<b>(24.08)</b>

#### Other Comprehensive Income section

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

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	0.66	(0.27)
<b>Deferred tax charged to OCI</b>	<b>0.66</b>	<b>(0.27)</b>

#### Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2019 and March 31, 2018.

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Accounting profit before tax (including item of OCI)	683.95	74.29
Tax expenses @ applicable income tax rate of 34.944% (Previous year -34.608%)	239.00	25.71
Losses of subsidiaries on which no tax liability was created (net of consolidation adjustments)	7.33	22.67
Tax effect of change in Tax rate	-	(11.58)
Tax effect of extinguishment of loan	-	(43.79)
Tax effect on Permanent difference	15.05	4.14
Adjustments in respect of current/deferred income tax of earlier years	20.40	(20.96)
<b>Income tax expense/(credit) reported in the statement of profit and loss</b>	<b>281.78</b>	<b>(23.81)</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**
**Rs. Million**

Deferred tax:	Balance sheet		
	As at March 31, 2018	Provided during the year	As at March 31, 2019
<b>Deferred tax assets relates to the following</b>			
Provision for doubtful debts and advances	57.48	(3.38)	54.10
Disallowances u/s 43 B	275.09	(5.63)	269.46
Unabsorbed depreciation and carry forward tax Loss	1,668.95	(369.69)	1,299.26
MAT credit entitlement	230.34	214.15	444.49
<b>Total deferred tax assets (A)</b>	<b>2,231.86</b>	<b>(164.55)</b>	<b>2,067.31</b>
<b>Deferred tax liabilities relates to the following</b>			
Accelerated depreciation for tax purposes	665.89	(50.85)	615.04
Discounting of financial liabilities	89.76	(45.92)	43.84
Others	3.00	(0.16)	2.84
<b>Total deferred tax liabilities (B)</b>	<b>758.65</b>	<b>(96.93)</b>	<b>661.72</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>1,473.21</b>	<b>(67.62)</b>	<b>1,405.59</b>

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.1299.26 million (March 31, 2018 Rs. 1668.95 million) as deferred tax assets on unabsorbed depreciation and carried forward tax loss. Also, the Group has till date recognised Rs. 444.49 million (March 31, 2018 Rs. 230.34 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 at the end of each reporting period, assesses Group's ability to recognize deferred tax assets on tax losses and unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. The management based on the future profitability projections considering expected future market, economic conditions, tax laws and the management's expansion plans is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above deferred tax assets on unabsorbed depreciation and carry forward tax losses and MAT credit entitlement.

**19. Income tax assets (net):**
**Rs. Million**

	As at March 31, 2019	As at March 31, 2018
Advance payment of income tax	34.86	42.01
<b>Total</b>	<b>34.86</b>	<b>42.01</b>

**20. Current tax liabilities:**
**Rs. Million**

	As at March 31, 2019	As at March 31, 2018
Provision for taxation	201.99	91.30
<b>Total</b>	<b>201.99</b>	<b>91.30</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 21. Revenue from contracts with customers

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Sale of products (including excise duty)</b>		
Finished Goods	11,509.47	13,243.63
<b>Other operating revenue:</b>		
Sale of REC license	7.74	195.37
Sale of scrap	25.92	13.69
Subsidy Income*(Refer note no 63)	31.86	-
Other operating revenue	2.14	2.04
<b>Total revenue from operations</b>	<b>11,577.13</b>	<b>13,454.73</b>

### Details of products sold

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Sugar	7729.26	9,641.52
Industrial Alcohol	470.62	583.82
Power	369.29	349.59
Chlor Alkali	2910.31	2,568.60
By Products	6.09	56.01
Others	23.90	44.09
<b>Total</b>	<b>11,509.47</b>	<b>13,243.63</b>

\*Net of expenses of Rs. 231.72 million.

### 22. Other income:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest income <sup>1</sup>		
- Interest from banks	26.01	18.52
- Interest on income tax refunds	2.33	3.13
- interest from others	7.16	17.99
Rent received	0.55	0.53
Profit on sale of current investments	14.29	1.91
Provision/Liabilities no longer required written back	2.51	65.75
Provision for doubtful debts and advances written back	11.10	-
Net gain on foreign currency transactions	1.34	-
Miscellaneous income <sup>2</sup>	40.29	13.15
<b>Total</b>	<b>105.58</b>	<b>120.98</b>

<sup>1</sup>Total income (calculated using effective interest method) for financial assets that are not at fair value through profit and loss.

In relation to financial assets classified at amortised cost	35.50	39.64
In relation to financial assets classified at fair value through other comprehensive income	-	-
<b>Total</b>	<b>35.50</b>	<b>39.64</b>

<sup>2</sup>Includes Rs. 30.48 million (March 31, 2018 : Rs. 5.51 million) received from Delhi Development Authority (DDA) pursuant to judgment of Honorable Supreme Court of India.(Refer note 41)

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**23. Cost of materials consumed:**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Inventory at the beginning of the year	<b>112.06</b>	147.98
Add: Purchase tax receivable written off	<b>13.59</b>	-
Add: Purchases made during the year	<b>10,254.53</b>	9,724.76
	<b>10,380.18</b>	9,872.74
Less :Cane subsidy received (Refer note 46)	<b>141.90</b>	-
Less : Reversal of purchase tax liability provided in earlier years/refund of purchase tax	-	61.46
Less: Inventory at the end of the year	<b>92.66</b>	112.06
<b>Cost of materials consumed</b>	<b>10,145.62</b>	9,699.22

**Details of materials consumed are as under :**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Sugar cane	<b>9504.59</b>	9,103.61
Salt	<b>313.44</b>	259.01
Hydrated lime	<b>75.92</b>	56.06
Packing Materials	<b>216.12</b>	177.16
Others	<b>35.55</b>	103.38
<b>Total</b>	<b>10,145.62</b>	9,699.22

**Details of inventory : Raw materials and Packing Materials :**

	<b>Rs. Million</b>	
	<b>Year ended March 31, 2019</b>	Year ended March 31, 2018
Sugar Cane	<b>18.31</b>	18.93
Salt	<b>14.39</b>	27.41
Hydrated lime	<b>1.07</b>	0.32
Packing Materials	<b>26.49</b>	32.35
Others	<b>32.40</b>	33.05
<b>Total</b>	<b>92.66</b>	112.06

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 24. Changes in inventories of finished goods, work-in-progress and stock in trade :

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Inventories at the end of the year</b>		
- Finished goods	6,997.09	3,780.89
- Work in progress	180.48	136.26
- Stock in trade	525.20	501.68
<b>Total B</b>	<b>7,702.77</b>	<b>4,418.83</b>
<b>Inventories at the beginning of the year</b>		
- Finished goods	3,780.89	3,962.74
- Work in progress	136.26	126.49
- Stock in trade	501.68	314.88
<b>Total A</b>	<b>4,418.83</b>	<b>4,404.11</b>
<b>Total (A-B)</b>	<b>(3,283.94)</b>	<b>(14.72)</b>

### Details of inventory:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>Finished Goods</b>		
Sugar	6,811.28	3,720.01
Industrial Alcohol	10.27	1.50
Chlor Alkali	11.02	3.15
By Products	142.68	37.26
Others	21.84	18.97
<b>Total</b>	<b>6,997.09</b>	<b>3,780.89</b>
<b>Work-in-progress</b>		
Sugar	146.29	105.69
Chlor Alkali	6.40	8.46
By Products	6.09	0.02
Others	21.70	22.09
<b>Total</b>	<b>180.48</b>	<b>136.26</b>
<b>Traded Goods</b>		
Land	525.09	501.55
Shares	0.11	0.13
	<b>525.20</b>	<b>501.68</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**25. Employee benefits expense:**

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Salaries, wages and bonus	<b>666.80</b>	596.48
Contribution to provident and other funds	<b>39.94</b>	41.62
Gratuity*	<b>19.61</b>	14.95
Staff welfare expenses	<b>39.64</b>	33.86
<b>Total</b>	<b>765.99</b>	686.91

\* (Refer note 34)

**26. Finance costs:**

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Interest on borrowings*	<b>175.18</b>	202.81
Interest on others	<b>65.95</b>	179.53
Finance charges payable under finance lease	<b>0.23</b>	0.86
<b>Total finance cost</b>	<b>241.36</b>	383.20

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	<b>175.18</b>	202.81
In relation to financial liabilities classified at fair value through other comprehensive income	-	-
<b>Total</b>	<b>175.18</b>	202.81

\*including interest on income tax Rs. 15.54 million (31st March 2018: Rs. 11.86 million) and reversal of Interest liability on dues to Micro, Small and Medium Enterprises of Rs. Nil (March 31, 2018 : 7.15 million) .

**27. Depreciation expense:**

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of tangible assets (Refer to note 4)	<b>333.74</b>	239.23
<b>Total</b>	<b>333.74</b>	239.23

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 28. Other expenses:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores and spare parts	648.15	536.20
Power, fuel, water etc.	1294.80	1,244.17
Commission to indenting and ordering agent	24.57	25.28
Repairs		
- Building	24.79	27.66
- Plant and Equipment	104.28	96.50
- Others	18.15	13.65
Rent paid	26.55	21.50
Payment to statutory auditors (Refer details below)	6.19	5.24
Insurance	15.07	14.92
Rates and taxes	85.76	42.78
Jobs on contract	192.85	156.11
Freight and transport	75.46	91.32
Net loss on foreign currency transactions	-	0.20
Legal and professional expenses	116.69	101.94
Provision for doubtful debts and advances	-	3.15
Irrecoverable balances written off	6.41	8.83
Land Development Expense	18.38	-
Loss on sale/write off of Property, plant and equipment (net)	1.14	1.02
Enhancement of compensation in respect of Land sold in earlier years	-	14.34
CSR Expenditure	-	0.70
Miscellaneous expenses	132.16	183.19
<b>Total</b>	<b>2,791.40</b>	<b>2,588.70</b>

### Payment to statutory auditors:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
As auditors		
Audit fee	1.91	1.83
Tax audit fee	0.60	0.50
Out of pocket expenses	0.47	0.41
In other capacity		
For limited review of unaudited financial results	1.20	0.90
For verification of statement and other reports	2.01	1.60
<b>Total</b>	<b>6.19</b>	<b>5.24</b>

### 29. Exceptional Items:

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
(Loss)/Profit on sale of Titawi unit (refer note 42)	-	(43.28)
Write back of Loan Liabilities/Interest Provision (refer note 13(#))	-	190.87
<b>Total</b>	<b>-</b>	<b>147.59</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 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:

	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to equity holders of the Parent	403.45	97.51
Weighted average number of equity shares for basic and diluted EPS	39,115,672	39,115,672
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>10.31</b>	2.49
<b>Face Value per share (in Rs.)</b>	<b>10.00</b>	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	
	Year ended March 31, 2019	Year ended March 31, 2018
Lease rentals recognized during the year	26.55	21.50

##### 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, 2019		As at March 31, 2018	
	Minimum Lease Payments(MLP)	Present Value of MLP	Minimum Lease Payments(MLP)	Present Value of MLP
Within one year	-	-	4.81	4.58
After one year but not more than five years	-	-	-	-
More than five years	-	-	-	-
Total Minimum Lease Payments	-	-	4.81	4.58
Less: amount representing finance charges	-	-	(0.23)	-
Present value of Minimum Lease Payments	-	-	4.58	4.58

#### (b) Commitments

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	245.67	19.70
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#
<b>Total</b>	<b>245.67</b>	19.70



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### (c) Contingent Liabilities in respect of Income Taxes/Central Excise/Service Tax/Value Added Tax and other taxes

Rs. Million

(i)	Nature of Dispute	Description	Period#	Rs. Million	
				As at March 31, 2019	As at March 31, 2018
	Income Tax	Regarding Interest on TDS Liability	Assessment Year 2017-18	2.63	2.63
	Income Tax	Regarding Carried Forward of losses for AY 1997-98*	Assessment Year 1997-98	30.28	30.28
	Central Excise and Service Tax	Demand Notice received from Central Excise and Service tax Department towards wrong availment of cenvat credit taken, dispute on levy of service tax and excise duty and penalty/Interest imposed.	1994-95 to 1996-97, 1998-99, 1999-00 to 2002-03, 2006-07 and 2004-05 to 2016-17	131.85	157.71
	Sales Tax	Demand notice received from Commercial tax Department regarding dispute on levy of sales tax	2006-07, 2009-10 to 2013-14	6.36	54.99
		<b>Total</b>		<b>171.12</b>	<b>245.61</b>

\* 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.

### (ii) Other Matters under disputes are as below:

Rs. Million

Nature of Dispute	Description	Period	Rs. Million	
			As at March 31, 2019	As at March 31, 2018
Land	Land related disputes	2014-15	0.87	0.87
		2007-08	18.10	18.10
		1985-86, 1975-76, 2009-10,	1.05	1.05
		<b>Total</b>	<b>20.02</b>	<b>20.02</b>
Labour	Labour related disputes	2006-07 and 2008-09	3.74	2.39
		1997-98, 1999-00 to 2002-03, 2008-09, 2010-11 and 2012-13	8.86	7.85
		1999-00, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15, 2018-19	10.50	10.31
		<b>Total</b>	<b>23.10</b>	<b>20.55</b>
Civil	Appeal has been preferred 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	66.56	63.20
		Arbitration notice received from M/s prime industries ltd in pursuant to High court order dated 08.12.2016.	68.96	42.03
	Others	2010-11	3.11	3.11
	<b>Total</b>	<b>138.63</b>	<b>108.34</b>	

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

Nature of Dispute	Description	Period	As at March 31, 2019	As at March 31, 2018
Recovery Certificate (Refer note no 51)	Recovery charges against recovery of cane dues.	2006-07, 2010-11, 2012-13, 2013-14, 2014-15, 2015-16	<b>926.88</b>	926.88
		2008-09, 2012-13 and 2013-14	<b>245.10</b>	245.10
		2006-07, 2010-11, 2012-13, 2013-14, 2014-15 and 2015-16	<b>1,031.52</b>	1,031.52
		<b>Total</b>	<b>2,203.50</b>	2,203.50
Interest on cane Price / Commission Arrears (Refer note no 51)	Interest on delay payment of cane dues	2002-03, 2006-07, 2012-13 to 2016-17	<b>3,368.72</b>	2,843.90
Purchase Tax	Purchase tax during period of Sugar Promotion Policy.	2006-07 to 2012-13 and 2016-17	<b>61.46</b>	75.05
<b>Grand Total</b>			<b>5,788.50</b>	5,271.36

- (iii) Guarantee given to bank for repayment of financial facilities provided to Mawana Foods Private Limited - 70.00  
Other Bank Guarantee issued **0.05** 0.05
- (iv) The Parent Company has provided bank guarantees aggregating Rs. 72.01 million (31 March, 2018 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, 2018 Rs. 43.68 million) have been received. These demands are presently under various stages of appeal.
- (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.
- (vi) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF, dated 28th February, 2019. The Group will make necessary provision on receiving further clarity on the subject.
- (vii) Contingent Liabilities of Associate-Mawana Foods Private Limited

		Rs. Million	
Nature of Dispute	Description	As at March 31, 2019	As at March 31, 2018
Sales tax matters, disputed and under appeal/ rectification (refer note a)	Associate has pending litigations relating to non deposit of forms with the department pending at various levels/rectification. Associate is confident about the outcome of the case as they have all forms those are required to be deposited with the department.	4.64	-

**32. Research and development costs**

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 6.54 million (31 March, 2018 Rs. 6.98 million).

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 33. Disclosure of interest in subsidiaries and associate

	Name		Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)		Method of accounting of Investment
				As at March 31, 2019	As at March 31, 2018	
(i)	Siel Financial Services Limited,	Subsidiary	India	93.56%	93.56%	Deemed cost
(ii)	Siel Industrial Estate Limited,	Subsidiary	India	100.00%	100.00%	Deemed cost
(iii)	Siel Infrastructure & Estate Developers Private Limited	Subsidiary	India	100.00%	100.00%	Deemed cost
(iv)	Mawana Foods Private Limited	Associate	India	33.74%	-	Deemed cost

### 34. Gratuity and other post-employment benefit plans

#### a) Defined Benefits Plans

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

		Rs. Million	
		As at March 31, 2019	As at March 31, 2018
		Gratuity (Funded)	Gratuity (Funded)
<b>Change in the Present value of obligation</b>			
1	Present value of obligation as at the beginning of the year	157.05	158.27
2	Add: Current service cost	10.03	9.48
3	Add: Interest cost	11.98	11.58
4	Add: Actuarial (gain) / loss	1.95	(2.79)
5	Less: Benefits paid	(17.38)	(19.49)
6	<b>Present value of obligation as at the end of the year</b>	<b>163.63</b>	<b>157.05</b>
<b>Change in the fair value of plan assets</b>			
1	Fair value of plan assets at the beginning of the year	31.45	83.52
2	Add: Expected return on plan assets	2.40	6.11
3	Add: Contribution by the Parent Company	0.21	2.07
4	Less: Fund transfer to other party on Slump sale	-	(57.80)
5	Less: Benefits paid	(0.04)	(0.44)
6	Add: Actuarial gain / (loss)	0.05	(2.01)
7	<b>Plan assets at the end of the year</b>	<b>34.07</b>	<b>31.45</b>
<b>Liability/ (Asset) recognized in the financial statements</b>		<b>129.56</b>	<b>125.60</b>
<b>Current</b>		<b>16.25</b>	<b>14.60</b>
<b>Non-current</b>		<b>113.31</b>	<b>111.00</b>

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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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:

	Rs. Million	
Amount recognised in Statement of Profit and Loss:	Year ended March 31, 2019	Year ended March 31, 2018
Current service cost	10.03	9.48
Net interest expense	9.58	5.47
<b>Amount recognised in Statement of Profit and Loss</b>	<b>19.61</b>	<b>14.95</b>

	Rs. Million	
Amount recognised in Other Comprehensive Income:	Year ended March 31, 2019	Year ended March 31, 2018
Actuarial gain/(loss) on Present value of obligation	(1.95)	2.79
Actuarial gain/(loss) on Assets	0.05	(2.01)
<b>Amount of gain/(loss) recognised in Other Comprehensive Income</b>	<b>(1.90)</b>	<b>0.78</b>

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

	As at March 31, 2019	As at March 31, 2018
<b>Gratuity</b>		
Investment Details	<b>Funded</b>	Funded
<b>Investment with Insurer (LIC)</b>	<b>100%</b>	100%

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

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Discount rate (%)	7.66	7.63
Expected rate of return on Plan assets (%)	7.80	7.65
Future salary increases (%)	5.00	5.00
Retirement Age (Years)	58	58
<b>Withdrawal rate</b>		
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, 2019 is as shown below:

### Gratuity Plan

Assumptions	Discount rate		Future salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(9.86)	11.17	11.35	(10.18)

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, 2019 (Contd.)

The following payments are expected contributions to the defined benefit plan in future years:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Within the next 12 months (next annual reporting period)	20.52	18.25
Between 1 and 2 years	3.13	7.47
Between 2 and 3 years	8.35	6.50
Between 3 and 4 years	9.35	6.29
Between 4 and 5 years	13.37	9.78
Between 5 and 6 years	15.01	10.20
Beyond 6 years	93.90	98.56
<b>Total expected payments</b>	<b>163.63</b>	<b>157.05</b>

### 35. Related party transactions

#### i) List of related parties

##### a) Promoter:

Mr. Siddharth Shriram

##### b) Associate

Mawana Foods Private Limited (w.e.f. July 24, 2018)

##### c) 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

##### d) Directors

Prof. Dinesh Mohan

Mr. Piar Chand Jaswal

Mrs. Parmjit Kaur

Mr. Ravinder Singh Bedi

Mrs. Manju Vira Gupta

##### e) Enterprises over which key management personnel have significant influence:

Usha International Limited

Mawana Foods Private Limited (subsidiary company of Usha International Limited)  
(Till July 23, 2018)

##### f) Enterprises over which the Independent Directors have significant influence

Delhi Golf Club

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

**II) Transactions with related parties**

**Rs. Million**

	<b>Year ended March 31, 2019</b>	<b>Year ended March 31, 2018</b>
<b>A. Promoter</b>		
<b>Siddharth Shriram</b>		
Advisory fees	<b>16.99</b>	12.83
Salary of earlier year charged off during the year (Refer note 40)	<b>70.04</b>	-
<b>B. Associate</b>		
<b>Mawana Foods Private Limited (w.e.f. July 24, 2018)</b>		
Investment in 6,759,801 equity shares of Rs. 10 each fully paid-up	<b>150.00</b>	-
Sale of Goods	<b>320.53</b>	-
Expenses recovered	<b>0.42</b>	-
<b>Miscellaneous purchases</b>	<b>0.05</b>	-
<b>C. Key Management personnel and their relatives</b>		
<b>Remuneration to key management personnel*:</b>		
Mr. Dharam Pal Sharma	<b>2.15</b>	1.77
Mr. B.B. Mehta	<b>7.82</b>	2.90
Dr. Anil Arora	-	2.72
Mr. Ashok Kumar Shukla	<b>0.98</b>	0.80
<b>D. Director Sitting Fee</b>		
Prof. Dinesh Mohan	<b>0.10</b>	0.15
Mr. Piar Chand Jaswal	<b>0.21</b>	0.21
Mrs. Parmjit Kaur	-	0.13
Mr. Ravinder Singh Bedi	<b>0.22</b>	0.17
Mrs. Manju Vira Gupta	<b>0.07</b>	-

\* As the future liability for gratuity and leave encashment benefits is provided on an actuarial basis for the Parent Company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and, therefore, not included above.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

	Rs. Million	
	Year ended March 31, 2019	Year ended March 31, 2018
<b>E. Enterprises over which key management personnel have significant influence</b>		
<b>(a) Usha International Limited</b>		
Expenses reimbursed	6.23	7.41
Expenses recovered	0.04	0.16
Rent paid	5.16	5.13
Royalty paid	13.10	10.98
Irrecoverable balances written off	1.53	-
<b>(b) Mawana Foods Private Limited</b>		
Sale of Goods	123.44	404.37
Interest received	4.95	9.61
Expenses recovered	-	0.02
Miscellaneous purchases	0.01	0.10
<b>F Enterprises over which the Independent Directors have significant influence</b>		
<b>Delhi Golf Club</b>		
Sponsorship for Brand Promotion	14.14	-
<b>G. Other payment to directors</b>		
Advisory fees paid to Mr. Piar Chand Jaswal	0.72	0.72

### Balance Outstanding as at year end:

	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
<b>(a) Financials Assets -Loans and others</b>		
Siddharth Shriram	0.31	8.28
<b>(b) Trade and Other Payables</b>		
Usha International Limited	26.25	20.59
Siddharth Shriram	-	5.63
<b>(c) Trade Receivables</b>		
Mawana Foods Private Limited	34.66	150.27
<b>(d) Guarantee given by the Parent Company</b>		
Mawana Foods Private Limited	-	70.00

Erstwhile Chairman and Managing Director of the Parent Company has given personal Guarantees Rs. 3335.70 million (March 31, 2018-Rs. 5,243.00 million) as collateral security in favour of lenders of the Parent Company.

---



---

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**


---

**Transaction with Key management personnel**
**Rs. Million**

	Year ended March 31, 2019	Year ended March 31, 2018
Short-term employee benefits	10.95	8.19
Post-employment gratuity and medical benefits	-	-
Termination benefits	-	-
<b>Total compensation paid to key management personnel</b>	<b>10.95</b>	<b>8.19</b>

The amount disclosed in the table are the amounts recognised as expense during the reporting year 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, 2019 (Contd.)

D. Information about business segments

PARTICULARS	Sugar		Power		Chemicals		Distillery		Unallocated		Elimination		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)
<b>SEGMENT REVENUE</b>														
External Sales (including excise duty)	7,736.42	9,697.53	369.29	349.59	2,910.31	2,568.60	493.46	627.91	-	-	-	-	11,509.47	13,243.63
Intra segment revenue	1,650.17	1,598.52	2,235.99	2,182.86	13.67	4.40	27.36	-	-	-	(3,927.19)	(3,785.78)	67.66	211.10
Other Operating Revenues	68.17	207.08	-	-	3.95	3.17	5.54	0.85	105.59	120.99	-	-	105.58	120.98
Other income	-	-	-	-	-	-	-	-	105.59	120.99	-	-	105.58	120.98
<b>Total revenue</b>	<b>9,444.76</b>	<b>11,503.13</b>	<b>2,605.28</b>	<b>2,532.45</b>	<b>2,927.93</b>	<b>2,576.17</b>	<b>526.36</b>	<b>628.76</b>	<b>105.59</b>	<b>120.99</b>	<b>(3,927.19)</b>	<b>(3,785.78)</b>	<b>11,682.71</b>	<b>13,575.71</b>
<b>EBIT/RESULTS</b>														
Segment results	(327.32)	(902.85)	705.33	755.35	641.96	366.91	96.18	79.83	(221.75)	(29.76)	-	-	1,116.15	299.24
Unallocated income/(expenses) (net of income/expenses)	-	-	-	-	-	-	-	-	(221.75)	(29.76)	-	-	(221.75)	(29.76)
<b>Operating Profit</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(221.75)</b>	<b>(29.76)</b>	<b>-</b>	<b>-</b>	<b>894.40</b>	<b>269.48</b>
Finance Costs	-	-	-	-	-	-	-	-	241.36	383.20	-	-	241.36	383.20
Interest income	-	-	-	-	-	-	-	-	35.50	39.64	-	-	35.50	39.64
Share of profit/(loss) of associate	-	-	-	-	-	-	-	-	(2.69)	-	-	-	(2.69)	-
<b>Net Profit/(Loss) before tax and exceptional items</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(430.31)</b>	<b>(373.32)</b>	<b>-</b>	<b>-</b>	<b>685.85</b>	<b>(74.08)</b>
Exceptional item- Income/net	-	-	-	-	-	-	-	-	-	147.59	-	-	-	147.59
<b>Net Profit/(Loss) before tax</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(430.31)</b>	<b>(225.73)</b>	<b>-</b>	<b>-</b>	<b>685.85</b>	<b>73.51</b>
Tax expenses/(credit)	-	-	-	-	-	-	-	-	282.44	(24.06)	-	-	282.44	(24.06)
<b>Net Profit/(Loss) after tax</b>	<b>(327.32)</b>	<b>(902.85)</b>	<b>705.33</b>	<b>755.35</b>	<b>641.96</b>	<b>366.91</b>	<b>96.18</b>	<b>79.83</b>	<b>(712.74)</b>	<b>(201.66)</b>	<b>-</b>	<b>-</b>	<b>403.41</b>	<b>97.59</b>
<b>OTHER INFORMATION</b>														
<b>A. ASSETS</b>														
Segment assets	8,873.17	5,754.19	1,194.70	1,230.18	700.79	749.37	952.56	927.61	-	-	-	-	11,721.22	8,661.35
Unallocated assets	-	-	-	-	-	-	-	-	2,358.02	2,389.59	-	-	2,358.02	2,389.59
<b>Total Assets</b>	<b>8,873.17</b>	<b>5,754.19</b>	<b>1,194.70</b>	<b>1,230.18</b>	<b>700.79</b>	<b>749.37</b>	<b>952.56</b>	<b>927.61</b>	<b>2,358.02</b>	<b>2,389.59</b>	<b>-</b>	<b>-</b>	<b>14,079.24</b>	<b>11,050.94</b>
<b>B. LIABILITIES</b>														
Segment liabilities	6,571.52	5,284.67	15.60	12.49	293.77	276.67	115.55	61.34	-	-	-	-	6,996.44	5,635.17
Borrowings	-	-	-	-	-	-	-	-	2,393.68	1,428.20	-	-	2,393.68	1,428.20
Unallocated liabilities	-	-	-	-	-	-	-	-	878.07	578.62	-	-	878.07	578.62
<b>Total Liabilities</b>	<b>6,571.52</b>	<b>5,284.67</b>	<b>15.60</b>	<b>12.49</b>	<b>293.77</b>	<b>276.67</b>	<b>115.55</b>	<b>61.34</b>	<b>3,271.75</b>	<b>2,006.82</b>	<b>-</b>	<b>-</b>	<b>10,268.19</b>	<b>7,641.99</b>
<b>C. OTHERS</b>														
Capital expenditure	77.61	133.63	9.68	5.92	25.08	10.59	127.68	60.35	1.35	0.52	-	-	241.40	211.01
Depreciation	138.04	90.43	61.70	46.68	65.68	54.37	66.44	46.69	1.86	1.06	-	-	333.73	239.23

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
<b>Financial assets</b>				
<b><u>Fair Valuation at Amortized cost :</u></b>				
Security deposits paid	116.90	117.22	116.90	117.22
Dues from employees	0.72	1.04	0.72	1.04
Loans and advances to related parties	0.31	8.28	0.31	8.28
Subsidies Receivable	260.86	-	260.86	-
Interest accrued on deposits	12.31	20.01	12.31	20.01
<b>Total</b>	<b>391.10</b>	<b>146.55</b>	<b>391.10</b>	<b>146.55</b>
<b>Financial liabilities</b>				
<b><u>Fair Valuation through Statement of Profit &amp; Loss</u></b>				
Borrowings	2,393.68	1,428.20	2,393.68	1,428.20
<b>Total</b>	<b>2,393.68</b>	<b>1,428.20</b>	<b>2,393.68</b>	<b>1,428.20</b>

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.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019:

						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)	
<b>I. Assets measured at fair value (Note 37A):</b>						
<b>Fair Valuation at Amortized cost :</b>						
Security deposit paid	31-Mar-19	116.90	-	116.90	-	
Dues from employees	31-Mar-19	0.72	-	0.72	-	
Loans and advances to related parties	31-Mar-19	0.31	-	0.31	-	
Subsidies Receivable	31-Mar-19	260.86	-	260.86	-	
Interest accrued on deposits	31-Mar-19	12.31	-	12.31	-	
<b>II. Liabilities for which fair value is disclosed (Note 37A):</b>						
<b>Fair Valuation through Statement of Profit &amp; Loss</b>						
Borrowings	31-Mar-19	2,393.68	-	-	2,393.68	

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2019.

### 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)	
<b>I. Assets measured at fair value</b>						
<b>Fair Valuation at Amortized cost :</b>						
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	-	
<b>II. Liabilities for which fair value is disclosed (Note 37A):</b>						
<b>Fair Valuation through Statement of Profit &amp; Loss</b>						
Borrowings	31-Mar-18	1,428.20	-	-	1,428.20	

There was no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2018.

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**
**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
Subsidies Recoverable (Other Financial Assets)	Discounted Cash Flow method: The valuation model considers the present value of expected receipt, discounted using a risk adjusted discount rate.	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, 2019	+5%	-4.26
	-5%	4.26
Year ended March, 2018	+5%	-7.04
	-5%	7.04

### 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 extent 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.

### 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.

#### Movement in provisions of doubtful debts

	Rs. Million		
	Trade Receivables	Loans/other assets	Investments
Provision as at March 31, 2017	1.25	134.17	10.82
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	135.91	10.82
Provision made during the year 2018-19	-	-	-
Provision charged during the year 2018-19	-	-	-
Provision written back during the year 2018-19	(1.50)	(9.60)	-
<b>Provision as at March 31, 2019</b>	<b>1.17</b>	<b>126.31</b>	<b>10.82</b>

#### (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).

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**
**As at March 31, 2019**

	Rs. Million			
	Less than 1 year	1-3 years	>3 years	Total
Borrowings	635.09	1078.20	680.39	2,393.68
Trade payables	6,745.23	-	-	6,745.23
Employees related payables	65.87	-	-	65.87
Security deposits received	47.42	-	-	47.42
Interest accrued but not due on borrowings	2.43	2.26	-	4.69
Payable towards Capital Goods	26.46	-	-	26.46
Interest payable	133.03	-	-	133.03
Miscellaneous payable	26.00	-	-	26.00
	<b>7,681.53</b>	<b>1,080.46</b>	<b>680.39</b>	<b>9,442.38</b>

**As at March 31, 2018**

	Rs. Million			
	Less than 1 year	1-3 years	>3 years	Total
Borrowings	457.76	970.45	-	1,428.21
Trade payables	5,441.50	-	-	5,441.50
Employees related payables	54.64	-	-	54.64
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
Interest payable	188.40	-	-	188.40
Miscellaneous payable	26.22	-	-	26.22
	<b>6,261.32</b>	<b>974.96</b>	<b>-</b>	<b>7,236.28</b>

**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.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

Rs. Million

	As at March 31, 2019	As at March 31, 2018
Borrowings (Note 13)	2,393.68	1,428.20
Trade Payables (Note 15)	6,745.23	5,441.50
Cash and cash equivalents (Note 9)	(322.71)	(552.89)
<b>Net debts</b>	<b>8,816.20</b>	<b>6,316.81</b>
<b>Total equity</b>	<b>3,809.80</b>	<b>3,407.66</b>
<b>Capital plus net debt</b>	<b>12,626.00</b>	<b>9,724.47</b>
<b>Gearing ratio (%)</b>	<b>69.83%</b>	<b>64.96%</b>

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, 2019 and March 31, 2018.

40. The Parent Company had applied to Central Government for approval of excess remuneration paid to former Managing Director/Whole Time Director/existing Whole Time Director after seeking the requisite approval of the Shareholders. The Government has now notified the amendment of Section 197 of the Companies Act, 2013 under which the approval of Central Government is no longer required for waiver of excess remuneration paid to the Directors. Accordingly, the Government has communicated to the Parent Company that its pending applications for waiver of payment of excess remuneration stands abated and the files have been closed. Hence, the amount of Rs. 13.65 million earlier recognized as recoverable, has been charged off in the Consolidated Statement of Profit and Loss.
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') for development of green belt and open spaces as directed by the Court. The Parent Company continued to be the lawful owner of the surrendered land though it was no longer in physical possession thereof.

DDA leased out some portion of the surrendered land Delhi Metro Rail Corporation ('DMRC') for a commercial consideration. The Parent Company challenged the leasing of surrendered land to DMRC before the Hon'ble Supreme Court. Hon'ble Supreme Court vide its Order dated 25.3.2010 directed that DDA, which held 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. The Court further directed that in the event of any acquisition or development of surrendered land, the land owner will be entitled to share fifty percent (50%) of the compensation. In view of the aforesaid direction, any benefits earned by DDA from the surrendered land are to be shared equally with the Parent Company.

In terms of the above directions of the Hon'ble Supreme Court, the Parent Company has received a sum of Rs. 159.24 million upto 30.09.2018 where after DMRC had vacated the surrendered land leased to it by DDA. Since there were delays in making payments by DMRC, the Parent Company has demanded payment of interest on delayed payments which is pending in the Court.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

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.

During the previous 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 Consolidated Statement of Profit and Loss for the year ended March 31, 2018

A sum of Rs. 27.85 million is recoverable from IPL, Out of which Rs. 20.00 million pertains to transfer of certain portion of freehold land in the name of IPL and balance of Rs. 7.85 million pertains to other matters.

### 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, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	9.30	3.24
- Interest thereon	0.14	0.10
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		
the amount of interest accrued and remaining unpaid	0.14	0.10
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	0.14	0.10

### 44. Disclosure required under Section 186 (4) of the Companies Act 2013.

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	2017-18	70.00	-	-	70.00	Corporate Guarantee for securing the working capital limits sanctioned by Punjab National Bank .
	2018-19	70.00	-	70.00	-	



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

### 45. Mawana Sugars Limited

#### Notes to financial statements of Group as at and for the year ended March 31, 2019

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
<b>Parent</b>								
Mawana Sugars Limited								
<b>As at March 31, 2019</b>	<b>104.69%</b>	<b>3,988.56</b>	<b>105.19%</b>	<b>424.40</b>	<b>100.00%</b>	<b>(1.24)</b>	<b>105.23%</b>	<b>423.16</b>
As at March 31, 2018	104.63%	3,565.38	168.65%	162.40	99.63%	0.51	168.28%	162.91
<b>Subsidiaries</b>								
1) Siel Industrial Estate Limited								
<b>As at March 31, 2019</b>	<b>6.51%</b>	<b>247.96</b>	<b>(3.49%)</b>	<b>(14.09)</b>	<b>0.00%</b>	<b>-</b>	<b>(3.50%)</b>	<b>(14.09)</b>
As at March 31, 2018	4.76%	162.05	(62.50%)	(60.95)	0.00%	-	(62.18%)	(60.95)
2) Siel Financial Services Limited								
<b>As at March 31, 2019</b>	<b>(1.17%)</b>	<b>(44.62)</b>	<b>(0.14%)</b>	<b>(0.58)</b>	<b>0.00%</b>	<b>-</b>	<b>(0.14%)</b>	<b>(0.58)</b>
As at March 31, 2018	(1.29%)	(44.04)	1.32%	1.28	0.00%	-	1.31%	1.28
3) Siel Infrastructure & Estate Developers Private Limited								
<b>As at March 31, 2019</b>	<b>35.85%</b>	<b>1,365.96</b>	<b>(0.01%)</b>	<b>(0.03)</b>	<b>0.00%</b>	<b>-</b>	<b>(0.01%)</b>	<b>(0.03)</b>
As at March 31, 2018	40.09%	1,366.01	(0.25%)	(0.24)	0.00%	-	(0.25%)	(0.24)
<b>Minority Interest in Subsidiaries</b>								
Siel Financial Services Limited								
<b>As at March 31, 2019</b>	<b>(0.03%)</b>	<b>(1.25)</b>	<b>(0.01%)</b>	<b>(0.04)</b>	<b>0.00%</b>	<b>-</b>	<b>(0.01%)</b>	<b>(0.04)</b>
As at March 31, 2018	(0.04%)	(1.29)	(0.08%)	(0.08)	0.00%	-	(0.08%)	(0.08)
<b>Eliminations and adjustments due to Consolidation</b>								
<b>As at March 31, 2019</b>	<b>(45.88%)</b>	<b>(1,748.06)</b>	<b>(1.55%)</b>	<b>(6.25)</b>	<b>4.81%</b>	<b>(0.06)</b>	<b>(1.57%)</b>	<b>(6.32)</b>
As at March 31, 2018	(48.18%)	(1,641.72)	(5.11%)	(4.99)	0.39%	0.00	(5.08%)	(4.98)
<b>Total</b>								
<b>As at March 31, 2019</b>	<b>100.00%</b>	<b>3809.80</b>	<b>100.00%</b>	<b>403.45</b>	<b>100.00%</b>	<b>(1.31)</b>	<b>100.00%</b>	<b>402.14</b>
As at March 31, 2018	100.00%	3407.66	100.00%	97.51	100.00%	0.51	100.00%	98.02

46. Pursuant to UP State Government Order dated 1.10.2018, the Parent Company has, during the current year received cane subsidy of Rs. 4.50 per quintal of cane crushed during the sugar season 2017-18 amounting to Rs. 141.90 million and the same has been adjusted in the cost of materials consumed in current year.

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

---

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

---

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 Hon'ble 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 had provided differential amount of Rs. 285.46 million in the accounts during the previous year. UP sugar mill association has approached hon'ble Supreme Court for stay of operation of high court order during the year. The matter is pending before Supreme Court.
49. The Parent Company has received a soft loan of Rs.1460 million from a bank with interest rate of 5% per annum under the "Scheme for Extending Financial Assistance to Sugar Undertakings-2018" as notified by UP State Government for clearing the outstanding cane dues of the farmers for the sugar season 2017-18. The Parent Company has recognized benefit to the extent pertaining to current period of soft loan under State Government Scheme, being interest rate at below applicable market rate, as a Government grant.
50. The Board of Directors of the Parent Company in its meeting held on 9th July 2018 has approved the conversion of outstanding dues of Rs. 150 million owed by Mawana Foods Private Limited into 67,59,801 equity shares of Rs. 10 each at a price of Rs. 22.19 per share in said company. On its conversion, the Parent Company holds 33.74% equity of Mawana Foods Private Limited.
51. In the earlier years, Parent Company has received demand from State Government Authorities for collection charges amounting to Rs. 2203.50 million against Recovery Certificate issued to Parent Company for recovery of cane dues. The said demand has been stayed by Hon'ble High Court of Allahabad. The said amount has been disclosed under contingent liabilities (Refer note 31(c)(ii) above).

There is demand of interest on delayed payments of cane price of Rs. 3368.72 million from Cooperative Cane Societies, which has been disclosed under contingent liabilities (Refer note no. 31(c)(ii)) above. Parent Company has given its representation to State Government for waiver the same. Matter is yet to be decided by the State Government. The Parent Company is hopeful to get the waiver from State Government.

52. Impairment indicators were identified on the investment and recoverable amounts in associate Mawana Foods Private Ltd. The Parent Company at the year end carried a sum of Rs. 147.24 million as an investment in the consolidated financials statement.

An impairment assessment has been carried out by comparing the carrying value of investment in associate to its recoverable amount for determining whether an impairment was required to be recognized. There is no impairment as determined by applying discounting future cash flows, being higher of the fair value and the carrying value.

53. Mawana Sugar Works is a separate cash generating unit and is incurring losses. The Parent Company at the year end, is carrying Property, plant and equipment and other non-current assets aggregating to Rs. 828.64 million in respect of said unit. As a result there is risk that carrying value of related property, plant and equipment and further non current assets may be higher than its recoverable amount. Impairment testing was carried out by getting the assets valuation from bank approved valuer and there is no impairment loss required to be recognized.
54. During the year, Central Government has reintroduced sugar sales mechanism by allotting monthly sale quota to all the sugar mills in the country. With the result, sales revenue has come down and inventory of sugar has significantly increased. As on March 31, 2019, the Parent Company is carrying inventory of sugar of Rs. 6957.57 million (comprising finished goods Rs. 6,811.28 million and work in progress Rs. 146.29 million) with valuation at lower of cost and net realizable value.

Future net realizable shall be dependent upon the factors on minimum support price, monthly sale quota and sugar production in the Country. The Parent Company is hopeful to get the value at least stated in the accounts.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

- 55.** 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) was 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 of 462.1552 acres as Industrial with the provision of required infrastructure.

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 change of land use for the land parcel of 462.1552 acres was issued on 10.10.2017.

Based on this M/s Ranjit Sabhiki Architect finalized the Master plan for submission to Punjab Urban Development Agency (PUDA) for approval. The Master plan was submitted to PUDA and was approved on 23.01.2019.

Zoning plan for SIEL Industrial Estate has been prepared by M/s Dham Consultant. Discussion was held on first draft of zoning plan in Mohali and changes are being incorporated. The Zoning plan for review has submitted on 03.04.2019. After required changes are incorporated, the Zoning plan will be submitted to PUDA for approval.

As mentioned in CLU letter dated 10.10.17, SIEL IE is required to take approval/ NOC from competent authority to fulfill the requirement of notification dated 14.09.2006 of Ministry of Environment and Forest. As project of SIEL IE is under 500Ha not housing any Industry of category A & B, Environmental Clearance for the SIEL IE shall be granted by State Environment Impact Assessment Authority (SEIAA). Environmental Clearance has been applied from SEIAA, Punjab (Ministry of Environment, Forest & Climate Change 'MoEFCC') under EIA Notification September 2006.

As per conditions in CLU letter dated 10.10.17, NOC from Forest Department under Forest Act, 1980, Patiala has been received on 13.11.18 as SIEL IE does not fall under designated forest area.

SIEL IE is required to register our project with RERA, Punjab under The Real Estate (Regulation and Development) Act, 2016. SIEL IE is required to open an ESCROW account with the scheduled bank where seventy percent of the amount shall be deposited and will be solely used for the development purpose. Once the account is opened, SIEL IE will proceed for RERA registration.

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.

M/s JLL has also prepared the SIEL iHUB brochure, advertisements and emailer for marketing., M/s JLL will help us in exploring the prospective Buyers/ Developers.

- 56.** Pursuant to MOU signed with Govt. of Punjab, as at the close of the year, the SIEL IE has possession of 456.39 acres (Previous year 456.39 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 towards the said enhancement and the Company 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 SIEL IE.

---

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

---

An Appeal was filed by SIEL IE before Punjab & Haryana High Court at Chandigarh against the order dated 12.11.2005 passed by Additional District Judge, Patiala whereby the cost of land was enhanced from Rs. 1,45,000/- to Rs. 1,75,000/- per acre.

An Appeal was also filed by the landowners before the Hon'ble Punjab & Haryana High Court against order dated passed by Sh. Surinder Kumar Gupta, Additional District Judge, Patiala, claiming further enhancement i.e. 5 to 15 Lacs per acre with regard to land acquired.

Hon'ble High Court vide order dated 15.07.2015 dismissed the appeals filed by SIEL IE and the appeals filed by the land owners were allowed.

The Hon'ble High Court while upholding the order of ADJ, Patiala has made modification 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 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. 99.68 million up to 31.03.2019.

SIEL IE and the Landowners filed appeals in the Hon'ble Supreme Court of India against the order of the High Court.

The appeals filed by SIEL IE and the Landowners in the Hon'ble Supreme Court of India came up for hearing on 21.11.2017.

The Supreme Court partly allowed the appeals filed by the landowners and increase the amount of compensation to landowners from Rs.2,10,000/- per acre to Rs.2,81,400/- by reducing the cut of 50% towards development in the area from 50% to 33%. All other statutory benefits have also been awarded.

The total liability as on date including interest up to 31.03.2019 is to the tune of Rs. 241.70 million. SIEL IE has made payment of a sum of Rs. 85.00 million till date and balance outstanding as on date is Rs.156.70 million.

Some landowners have filed Revision Petitions in the Punjab and Haryana High Court challenging the orders of the Execution Court on the ground that they have not been awarded interest. The Hon'ble court disposed off the said matters on 06.05.2019 & have been remanded back to executing court.

Some landowners have filed petitions before the Collector seeking redetermination of the amount of compensation payable to them based on the Judgment of the High Court of Punjab and Haryana. No date of hearing has been notified.

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 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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

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 the company received clear & unencumbered possession of land.

57. 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 Devepolers 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 SIEL IED as Core Investment Company (CIC).
58. SIEL Infrastructure & Estate Devepolers 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 a 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.

59. SIEL Financials 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.
60. The Group has a 33.74% interest in Mawana Foods Private Limited, an associate which is an established player in retail business of sugar, edible oils and soap. The Group's interest in Mawana Foods Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the Associate, based on its Ind AS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)**

Particulars	Rs. Million	
	As at March 31, 2019	As at March 31, 2018
Current assets	148.82	-
Non - Current assets	3.26	-
Current Liabilities	103.15	-
Non - Current Liabilities	6.57	-
Total equity	42.36	-
<b>Proportion of the Group's ownership</b>	<b>33.74</b>	-
Proportionate Investment	14.29	-
Add : Goodwill on acquisition of associate	132.95	-
<b>Carrying amount of Investment</b>	<b>147.24</b>	-

**Summarised statement of profit and loss :**

Particulars	Rs. Million	
	Period ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	934.04	-
Other income	2.00	-
<b>Total Revenue (I)</b>	<b>936.04</b>	-
<b>Expenses:</b>		
Purchase of traded goods	821.93	-
Change in inventory of traded goods	7.89	-
Employee benefits expenses	43.04	-
Depreciation expense	0.35	-
Other expenses	70.20	-
Finance costs	0.62	-
<b>Total Expenses (II)</b>	<b>944.02</b>	-
<b>Loss Before Tax</b>	<b>(7.99)</b>	-
<b>Income Tax</b>	-	-
Current Tax	-	-
Deferred Tax	-	-
<b>Loss for the Period</b>	<b>(7.99)</b>	-
<b>Other Comprehensive Income</b>		
Item that will not be reclassified to statement of PL	0.20	-
<b>Total Other Comprehensive income</b>	<b>(8.19)</b>	-
<b>Proportion of the Group's ownership</b>	<b>33.74%</b>	-
<b>Proportionate (Loss)*</b>	<b>(2.76)</b>	-

\* Figure has been derived from the audited financial statement of associate for the current year, after adjusting loss for the period on the date of acquisition based on management certified accounts.

61. The Parent Company is eligible for interest concession under Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of Ethanol Production Capacity i.e. SAFAESU for Ethanol. Accordingly, the Parent Company has availed interest concession of Rs. 0.76 million ( March 31,2018 Rs. Nil) during the year and reduced the same from interest expenses in capital work in progress and statement of consolidated profit and loss to the extent it pertains.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2019 (Contd.)

---

- 62.** During the year, Department of Food and Public Distribution (DFPD), Govt. of India vide its notification dated 28.9.2018 has allocated the Minimum Indicative Export Quota (MIEQ) to sugar mills for export of sugar. Parent Company has undertaken the export for sugar mill i.e. Mawana Sugar Works and it has partly exported sugar through Merchant Exporters and incurred expenses of Rs. 231.72 millions during the current year. DFPD also issued two further notifications both dated 5.10.2018 for giving financial assistance to sugar mills with a view to offset the cost of cane and facilitate timely cane payment to farmers for sugar season 2018-19 with providing assistance at the rate of Rs. 13.88 per qtl of cane crushed for sugar production and reimbursement of internal transport charges. Parent Company shall be entitled for this assistance from Government of India on completion of entire MIEQ as per the conditions laid down in the notifications. The Parent Company has contracts of balance sugar allocated under MIEQ. However, the Parent Company has accounted for an amount of Rs.256.50 million on fair value basis as receivable for sugar exported till 31st March 2019 by netting off MIEQ expenses as above under the head other operating revenue.
- 63.** Excise duty realized is included in Revenue from operations of periods upto June 30, 2017 and Revenue from operations for the subsequent periods are net of Goods and service tax (GST).

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

**per ANIL GUPTA**  
Partner  
Membership No.: 87921

Place: New Delhi  
Date: 24.05.2019

**B.B. MEHTA**  
Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
Company Secretary

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

**RAVINDER SINGH BEDI**  
Director  
(DIN: 01408189)

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)

**PIAR CHAND JASWAL**  
Director  
(DIN: 07100098)

# 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 me/us and on my/our behalf at the 55th Annual General Meeting of the Company, to be held on Friday, the 2nd August, 2019 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*	
		FOR	AGAINST
<b>Ordinary Business:</b>			
1.	To consider and adopt: (a) the audited financial statements of the Company for the financial year ended 31st March, 2019 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, 2019 and the report of Auditors thereon.		
2.	Re-appointment of Mr. Dharam Pal Sharma (DIN-07259344), Director who retires by rotation and, being eligible, offers himself for re-appointment.		
<b>Special Business:</b>			
3.	Approval for ratification of remuneration payable to the Cost Auditors for financial year 2019-20		
4.	Appointment of Mrs. Manju Vira Gupta (DIN-05186954), as an Independent Director		
5.	Re-appointment of Mr. Ravinder Singh Bedi (DIN-01408189), as an Independent Director		
6.	Re-appointment of Prof. Dinesh Mohan (DIN-00077959), as an Independent Director		

Signed this .....day of ..... 2019

Signature of Shareholder(s) .....



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 55th 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.





# 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](mailto:corporate@mawanasugars.com), Website: [www.mawanasugars.com](http://www.mawanasugars.com)



--

## REMOTE ELECTRONIC VOTING PARTICULARS

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 July 30, 2019
End of remote e-voting	Upto 05:00 p.m. (IST) on August 1, 2019

The cut-off date (i.e. the relevant date) for the purpose of remote e-voting is July, 26, 2019.

.....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](mailto:corporate@mawanasugars.com), Website: [www.mawanasugars.com](http://www.mawanasugars.com)



## ATTENDANCE SLIP

Regd. Folio No./DP ID – Client ID	
Name & Address of First/Sole Shareholder	
No of Shares held	

I/We hereby record my/our presence at the 55th Annual General Meeting of the Company to be held on Friday, the 2nd August, 2019 at 11.00 A.M. at Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001.

\_\_\_\_\_  
Signature of 1<sup>st</sup> holder/Proxy

\_\_\_\_\_  
Signature of 1<sup>st</sup> Joint holder

\_\_\_\_\_  
Signature of 2<sup>nd</sup> Joint holder

### Notes:

- Only Member/Proxy can attend the meeting. No minors would be allowed at the meeting.
- Member/Proxy holders wish to attending the meeting must bring the 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](http://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](mailto: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](mailto: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](mailto:nirbhaykumar77@gmail.com).

### General Instructions:

- (A). The remote e-voting period commences on July 30, 2019 (9.00 a.m.) and ends on August 1, 2019 (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 July 26, 2019, 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](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto: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 July 26, 2019.
- (D). The Company has appointed Mr. Nirbhay Kumar (M.No.21093) of M/s. Nirbhay Kumar & Associates (Company Secretary in practice), as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (E). The Scrutinizer will after the conclusion of voting at the AGM, will first count the votes cast at the AGM and thereafter unblock the votes cast through remote e-voting and will make, not later than 48 hours from the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman of the meeting or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (F). The Results declared along with the report of the Scrutinizer will be placed on the website of the Company [www.mawanasugars.com](http://www.mawanasugars.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results will also be immediately submitted to the BSE Limited, Mumbai & The National Stock Exchange of India Ltd., Mumbai.