Refer: MSL/BSE/NSE/ 30 August, 2021

BSE Limited	National Stock Exchange of India Ltd
25th Floor,	Exchange Plaza, Plot no. C/1, G Block,
Phiroze Jeejeebhoy Towers,	Bandra-Kurla Complex,
Dalal Street,	Bandra (E),
Mumbai 400 001	Mumbai 400 051
Scrip Code: **523371**	Scrip Code: **MAWANASUG**

Sub. : Submission of Annual Report for the Financial Year ended 2020-21

Dear Sir/Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report for the Year ended 31.03.2021.

You are requested to take the above information on your records and disseminate the same on your website.

Thanking You,

Yours Faithfully,
For Mawana Sugars Limited

AShukla

(ASHOK KUMAR SHUKLA)
COMPANY SECRETARY

Enc : a/a

MAWANA SUGARS LIMITED
CIN : L74100DL1961PLC003413
Corporate Office:
Plot No. 03, 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-110025 (India)
T 91-11-25739103 F 91-11-25743659

E corporate@mawanasugars.com
www.mawanasugars.com

SHRIRAM

57th
ANNUAL
REPORT

2020-2021

MAWANA SUGARS LIMITED

BOARD OF DIRECTORS

Mr. Ravinder Singh Bedi - Chairman
Mr. Dharam Pal Sharma - Whole Time Director
Mr. Krishna Shriram
Mrs. Manju Vira Gupta
Mr. Piar Chand Jaswal
Mr. Satish Agrawal

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)
4th Floor, Office 405, Worldmark-2,
Asset No.8, IGI Airport Hospitality
District Aerocity, New Delhi -110037

BANKERS

U.P. Co-operative Bank
State Bank of India
Punjab National Bank
Indian Overseas Bank

REGISTERED OFFICE

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

CORPORATE OFFICE

Plot No.3, Institutional Area
Sector - 32, 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.)

REGISTRAR & SHARE TRANSFER AGENT

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

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

NOTICE

NOTICE is hereby given that 57th Annual General Meeting of the shareholders of Mawana Sugars Limited (the "Company"/ "MSL") will be held on Friday, the 24th day of September, 2021 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") 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, 2021 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, 2021 and the report of Auditors thereon.

2. To declare Dividend of Rs.3/- (30%) per equity share of face value of Rs.10/- each for the financial year ended 31.3.2021.

3. 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:

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

   "RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs.1,75,000/- (Rupees One Lacs Seventy Five 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 2021-22, 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."

5. 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 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Satish Agrawal (DIN: 00167589), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from 9th December, 2020 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

6. 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 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Krishna Shriram (DIN-00031783), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from 31st May, 2021 under section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive Non-Independent Director of the Company, liable to retire by rotation.

   RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 25.06.2021

NOTICE (Contd.)

Notes:

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No. 20/2020 dated May 05, 2020 and Circular No. 02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.

3. Members may note that the Board of Directors, in its meeting held on June 25, 2021 has recommended a dividend of 30 % i.e., Rs. 3/- per Equity Share of face value of Rs.10/- each for the financial year ended 31.3.2021. The record date for the purpose of dividend is 17.09.2021. The dividend, if declared by the members in this AGM, will be paid within 30 days from the date of AGM, electronically through various online transfer modes to those members who have updated their bank account details. For members who have not updated their bank account details, dividend warrants / demand drafts / cheques will be sent out at their registered addresses.

4. The register of members and share transfer books of the Company shall remain closed from 18.09.2021 to 24.09.2021 (both days inclusive).

5. Members holding shares in electronic form are advised to notify the changes, if any, in their address/ bank details/ mandate to their respective depository participants.

6. Members holding shares in physical form, may write to the Company or to the registrar and share transfer agent Mas Services Limited (“RTA”) for any change in their addresses and bank mandate.

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their Demat accounts. Members holding shares in physical form can submit their PAN details to the Company or to the RTA.

8. The statutory register maintained under Section 189 of the Companies Act, 2013 and Section 170 of the Companies Act, 2013, and all documents referred to in the Notice and accompanying explanatory statements will be available for inspection by members in electronic mode. Members can inspect the same by sending an email to corporate@mawanasugars.com.

9. In terms of Section 72 of the Companies Act, 2013 and related Rules thereunder, Member(s) of the Company may nominate a person to whom the Shares held by him/her shall vest in the event of his/ her death. Member(s) desirous of availing this facility may submit nomination in the prescribed Form SH-13 to the RTA/ Company in case shares are held in Physical form, and to their respective DP if held in electronic form. The Form SH-13 can be downloaded from the website of RTA.

10. Additional information, pursuant to Regulation 36(3), of the Listing Regulations, in respect of directors reappointing at the Annual General Meeting and Explanatory Statement as required under Section 102 of the Companies Act, 2013, in respect of special business under item numbers 4 to 6 of the Notice is appended hereto and forms part of this Notice.

11. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

NOTICE (Contd.)

12. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

13. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose,the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

14. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.mawanasugars.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

15. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

16. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DPID and Client ID/folio number, PAN, mobile number and number of shares at corporate@mawanasugars.com latest by 18.09.2021. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

17. M/s Nirbhay Kumar & Associates, Company Secretaries, has been appointed as the Scrutinizer carrying out the remote e-voting process at the forth coming Annual General Meeting of the Company.

18. The Scrutinizer shall after the conclusion of voting at the AGM, will unblock the votes cast through e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

19. The results of remote e-voting and voting during AGM on the resolutions shall be aggregated and declared on or after the AGM of the Company. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM.

20. The Results shall be declared within two working days after the AGM of the Company. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e. www.mawanasugars.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges i.e.BSE Limited and National Stock Exchange of India Limited.

21. Details as required in Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/re- appointment at the AGM is enclosed as Annexure-A to this notice.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on Tuesday 21st September, 2021 at 09:00 A.M. and ends on Thursday 23rd September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 17th September, 2021 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 17th September, 2021.

NOTICE (Contd.)

How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. If you are already registered for **NSDL IDeAS facility**, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "**Beneficial Owner**" icon under "Login" which is available under "**IDeAS**" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or **e-Voting service provider - NSDL** and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "**Register Online for IDeAS**"Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to **e-Voting website of NSDL** for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of **e-Voting service provider i.e. NSDL**. Click on **NSDL** to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. **NSDL** where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or **e-Voting service provider-NSDL** and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

NOTICE (Contd.)

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/ Member’ section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.
   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

c) How to retrieve your 'initial password'?

(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

(ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to nirbhaykumar77@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Mr. Amit Vishal at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please send signed request with Folio No., Name of shareholder, scanned copy of any one share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to info@masserv.com.
2. In case shares are held in demat mode, please update your email id with your depository. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e.Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/ OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/ Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at corporate@mawanasugars.com. The same will be replied by the company suitably.

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. 4 to 6 of the accompanying Notice:

ITEM NO. 4

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Bahadur Murao & Co., Cost Accountants (Membership No. 4941), New Delhi as Cost Auditors to conduct audit of the cost records of the Company for the financial year 2021-2022 at the remuneration as provided in the resolution.

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

The Cost Auditors had rendered satisfactory service during their tenure and therefore the Board of Directors recommend the Ordinary Resolution set out at item No. 4 of the Notice for approval of the shareholders.

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

ITEM NO. 5

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee has appointed Mr. Satish Agrawal (DIN: 00167589) as an Additional Director (Non-Executive & Non-Independent) of the Company with effect from 9th December, 2020. He holds office upto the date of the ensuing Annual General Meeting pursuant to Section 161 of the Companies Act, 2013 ("the Act") and Articles of Association of the Company.

The Company has received notice in writing from a Member under Section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Satish Agrawal aged about 38 years is a Chartered Accountant (CA) having good knowledge in Audit, Assurance, Risk Management, Direct and Indirect Tax and Corporate Law. He is the Managing Partner in S. R. K. A. & Co., Chartered Accountants, New Delhi since 2005. Presently, Mr. Satish Agrawal provides professional consultation to the Company in GST related matters.

Mr. Agrawal is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Mr. Agrawal is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

The Board is of the view that Mr. Agrawal's knowledge and experience will be of benefit and value to the Company.

Save and except Mr. Satish Agrawal, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No. 5 of the Notice.

Brief resume of Mr. Agrawal, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding in the Company, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are stated herein, and are also provided in the Corporate Governance Report forming part of the Annual Report.

The Board recommends the Ordinary Resolution set out at item No. 5 of the Notice for approval of the Members.

ITEM NO. 6

The Board of Directors of the Company, pursuant to the recommendation of the Nomination and Remuneration Committee has appointed Mr. Krishna Shriram (DIN-00031783) as an Additional Director (Non-Executive & Non-Independent) of the Company with effect from 31st May, 2021. He holds office upto the date of the ensuing Annual General Meeting pursuant to section 161 of the Companies Act, 2013 ("the Act") and Articles of Association of the Company.

The Company has received notice in writing from a Member under section 160 of the Act, proposing his candidature for the office of Director of the Company.

Mr. Krishna Shriram aged about 51 years an English (Hons) degree from St. Stephan College of Delhi University. Mr. Krishna Shriram had held the office of the Chairman and Director of the Company in the past and made significant strategic contribution to the development of sugar business of the Company including setting up of Nanglamal Sugar Complex and the distillery. He has honed his business acumen skills and is well regarded as a content provider and strategic business thinker.

Mr. Krishna Shriram is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. Mr. Shriram is not debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority.

The Board is of the view that Mr. Shriram's knowledge and experience will be of immense benefit and value to the Company.

Save and except Mr. Krishna Shriram, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No. 6 of the Notice.

Brief resume of Mr. Krishna Shriram, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding in the Company, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are stated herein, and are also provided in the Corporate Governance Report forming part of the Annual Report.

The Board recommends the Ordinary Resolution set out at item No. 6 of the Notice for approval of the Members.

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 25.06.2021

ANNEXURE-A

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTENT/ CONTINUATION IN TERMS OF REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

Name of the Director	Mr. Krishna Shriram	Mr. Dharam Pal Sharma	Mr. Satish Agrawal
DIN	00031783	07259344	00167589
Date of Birth	3.6.1970	6.1.1953	24.03.1982
Date of appointment	31.05.2021	13.8.2015	09.12.2020
Nationality	Indian	Indian	Indian
Qualification	B.A.(English) (Hons)	B.Sc (Ag) (Hons)	Chartered Accountant
Expertise in specific functional area	Mr. Krishna Shriram had held the office of the Chairman and Director of the Company in the past and made significant strategic contribution to the development of sugar business of the Company including setting up of Nanglamal Sugar Complex and the distillery. He has honed his business acumen skills and is well regarded as a content provider and strategic business thinker.	Mr. Dharam Pal Sharma having a sound knowledge of Sugar Industry. Over the years, he has developed various other management skills. His experience of more than 39 years with various sugars Company like Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills and from last 21 years he is associated with the Company	Mr. Satish Agrawal is a Chartered Accountant (CA) having good knowledge in Audit, Assurance, Risk Management, Direct and Indirect Tax and Corporate Law. He is the Managing Partner in S. R. K. A. & Co., Chartered Accountants, New Delhi since 2005. Presently, Mr. Satish Agrawal is associated with the Company as a GST Consultant.
Shareholding in the Company (including HUF)	Nil	Nil	Nil
No. of Meetings of Board attended during the year	N.A.	For details, please refer to the Corporate Governance Report, forming part of this Annual Report)	For details, please refer to the Corporate Governance Report, forming part of this Annual Report)
Directorship held in other public companies (excluding foreign companies)	Usha International Limited	Nil	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

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

(Ashok Kumar Shukla)
Company Secretary
ACS-29673

Place : New Delhi
Dated : 25.06.2021

DIRECTORS' REPORT

Your Directors hereby present the 57th Annual Report along with Audited Accounts of the Company for the financial year ended March 31, 2021.

Demise of Late Shri Siddharth Shriram, Special Advisor/ promoter and Prof. Dinesh Mohan, Director of the Company

Your Directors are deeply saddened to report the sad and sudden demise of Late Shri Siddharth Shriram, Special Advisor/promoter of the Company on 17.5.2021 and Prof. Dinesh Mohan, Director of the Company on 21.05.2021.

Your Directors place on record their profound respect and great appreciation for the services rendered by both these gentlemen in development and growth of the Company over the long years of their association with the Company.

FINANCIAL RESULTS

(Rs. Million)

Sl. No.	Particulars	Amount	
		31.3.2021	31.3.2020
1	Profit before interest, depreciation, exceptional items and tax	**1013.22**	627.02
2.	Interest	**351.61**	266.51
3.	Depreciation	**475.72**	555.50
4.	Exceptional Items – Income*	**1070.27**	-
5.	Profit before tax (1-2-3+4)	**1256.16**	(194.98)
6.	Tax expenses	**322.25**	695.64
7.	Profit after tax from continuing operations (5-6)	**933.71**	(890.62)
8.	Profit/(Loss) before tax from discontinued operations	**(233.43)**	125.34
9.	Tax credit/(expense) of discontinued operations	**43.55**	(31.54)
10.	Profit/(Loss) from discontinued operations (8+9)	**(189.88)**	93.80
11.	Profit/(Loss) for the year (7+10)	**743.83**	(796.82)
12.	Other Comprehensive Income	**1.33**	(18.06)
13.	Total Comprehensive Income (11+12)	**745.16**	(814.88)

*Exceptional items include:

a) Gain on transfer of Company's Undertaking of Chemical Business on slump sale basis as a 'going concern' to Bodal Chemicals Limited for a lumpsum consideration of Rs.1484.44 million including net current assets of Rs 114.44 million which has resulted in gain of Rs. 1118.65 million (Net of expenses related to sale of Undertaking).

b) Provision for impairment in value of its investment in associate Company namely "Mawana Foods Private Limited" impairment to the extent of excess of carrying value over its value in use by Rs 52.66 million.

c) Gain of Rs. 4.28 million on sale of entire shareholding held in Siel Financial Services Limited, a subsidiary of the Company, after adjusting provision for diminution in value of Company's investment.

TRANSFER TO RESERVES

No amount is proposed to be transferred to the General Reserve.

DIVIDEND

The Company had not been able to declare any dividend for its shareholders for last many years due to absence of any distributable profits. Your Directors however consider it appropriate to pay some token dividend and recommend a dividend @ 30% i.e. Rs.3/- per Equity Share of face value of Rs.10/- each for the Financial Year ended 31.03.2021.

COVID-19

The black swan event 'COVID-19', declared a 'Global Pandemic' by the World Health Organisation (WHO), caused massive global disruption in all forms of economic activity in the world including in India. The nationwide lockdown caused complete shutdown of Company's Chemical Business, but Sugar manufacturing operations continued without any significant disruption. However, Sugar sale was adversely affected due to lack of demand. Ethanol supply was limited in view of low requirement of petroleum products during this period.

The situation is fast returning to normal during the current period.

OPERATIONS

1. SUGAR DIVISION (2020-21)

The Sugarcane crush during season 2020-21 was 30.69 Lac Ton as compared to 31 Lac Ton in the last season. Recovery was lower than the previous year due to operating both the plants on 'B' heavy molasses which resulted into lower sugar production. Government of India had announced Minimum Support Price (MSP) for sugar which together with sugar sales quota mechanism brought stability to sugar sale price in the market. The prospect of excessive national level stocks will continue for a foreseeable future and export will only be possible with Government support.

There has been pressure on cane dues payment even though sufficient sugar stocks are available in the Company to pay the sugarcane dues. All efforts, including sale of assets, are being made to fasten the cane payments and it is felt that relaxation in restriction to sell limited quantity of sugar could further facilitate faster cane payment to the farmers.

DIRECTORS' REPORT (Contd.)

The Company has still not received its legitimate dues from U.P. Government under the Sugar Industry Promotion Policy of 2004, despite there being a comprehensive judgment by the Allahabad High Court in favour of the Company.

2. DISTILLERY DIVISION

Distillery has recorded the highest ever ethanol production in the financial year 2020-21 since its inception. During the year, the distillery was allocated 38271 KL ethanol for supply to various Oil Marketing Companies and dispatches against the same have been started.

Company has received the Environmental Clearance from MOEF & Climate Change to set up a new 120 KLPD Distillery at Mawana Sugar Works and has also received Environmental clearance for enhancement of NSC distillery capacity from 120 KLPD to 150 KLPD.

3. CHLOR ALKALI DIVISION:

The operations at the Chlor-alkali Division were not satisfactory. The Undertaking of Chemical Business of the Company operating as Siel Chemical Complex was transferred to Bodal Chemical Limited for a valuable consideration and the Company is now out of Chemical Business.

MATERIAL CHANGES AND COMMITMENTS

TRANSFER AND EXIT FROM CHEMICAL BUSINESS

During the year, Company has exited from the Chemical Business and has transferred its chemical manufacturing undertaking operating under the name and style of 'Siel Chemical Complex'(SCC) located at Rajpura, Punjab for a valuable consideration to Bodal Chemicals Limited.

SUBSIDIARY/ASSOCIATE COMPANIES

a) SUBSIDIARY COMPANIES

The Company has following subsidiary companies:

i) Siel Financial Services Limited (SFSL)

SFSL is a listed Company but has not been doing any business for last about 18 years. The Company has exited out of SFSL by selling its entire shareholding held in SFSL for a negotiated consideration by duly following the procedure prescribed by SEBI. As on the date of this report, SFSL ceases to be subsidiary of the Company.

ii) Siel Industrial Estate Limited (Siel IE)

Siel IE was established to develop an Industrial Estate in Punjab and holds a large chunk of industrial land at Rajpura, Punjab for development of an Industrial Estate. Siel IE shall initiate steps for development after receiving clearance under various statutory requirements.

iii) Siel Infrastructure & Estate Developers Pvt. Ltd (Siel IED)

Siel IED had been created for assisting in the development of Siel IE and will get activated after Siel IE commences action.

b) ASSOCIATE COMPANY

Mawana Foods Private Limited (MFPL), is an associate of the Company which is engaged in retail business of sugar, edible oils and soap.

Pursuant to provisions of Section 129 and other applicable provisions of the Companies Act 2013 (the Act) Act read with Rules made there under, the performance and financial position of the subsidiaries/ associate company are annexed in Form AOC-I to the Annual Financial Statements.

There has been no change in the relationship of subsidiaries/associate Company during the current financial year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2020-2021, are prepared in compliance with applicable provisions of the Act, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

(a) APPOINTMENTS / RE-APPOINTMENTS/ CONTINUATION

Mr. Dharam Pal Sharma (DIN:07259344), Whole Time Director of the Company will retire by rotation at the forthcoming Annual General Meeting ('AGM') and being eligible, offers himself for re-appointment.

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC), the Board appointed Mr. Satish Agrawal (DIN:00167589) as an Additional Director of the Company with effect from 9th December, 2020, and Mr. Krishna Shriram (DIN: 00031783) as an Additional Director of the Company with effect from 31st May, 2021, to hold office up to the date of the AGM. Mr. Satish Agarwal and Mr. Krishna Shriram are eligible to be appointed as a Non-Executive- Non-Independent Directors, liable to retire by rotation at the AGM. Company has received the requisite Notices from Member in writing proposing their name for appointment as a Director of the Company.

Particulars of the Directors 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 Act and SEBI (LODR) Regulations, 2015.

(b) KEY MANAGERIAL PERSONNEL

During the financial year ended March 31, 2021, the following persons were the Whole Time Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Act:

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 U/S 149 (6) OF THE ACT

The Independent Directors (IDs) have given declarations u/s 149(6) of the Act and Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015, confirming that they meet the criteria of independence as laid down under the said Section/ Regulation.

The Directors of the Company have also confirmed that they were not disqualified to be appointed as Directors as per Section 164(2) of the Act and they have not been debarred by SEBI to hold an office of Director.

(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 SEBI (LODR) Regulations 2015.

DIRECTORS' RESPONSIBILITY STATEMENT

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

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

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

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

d) the Directors had prepared the Annual Accounts on a going concern basis;

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

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

MEETINGS OF THE BOARD

During the financial year ended March 31, 2021, nine Board meetings were held. In case of urgent business, 4 resolutions were passed by circulation by the Board with requisite majority. Compliance reports of various laws applicable to the Company were reviewed by the Audit Committee and the Board of Directors. The intervening gap between the Meetings was within the period prescribed under the Act and the SEBI (LODR), Regulations, 2015. The details of meetings held and attended by the Directors during the year are provided in the Corporate Governance Report.

All statutory and other important items/ information were placed before the Board for approval/review.

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

Pursuant to the Section 139 of the Act, appointment of the Statutory Auditors M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) was made by the members of the Company in its 53rd Annual General Meeting held on July 27, 2017 for a period of 5 years till the conclusion of 58th Annual General Meeting of the Company on the recommendation of the Audit Committee and the Board of Directors.

The Report given by the Auditors on the financial statements of the Company is part of the Annual

DIRECTORS' REPORT (Contd.)

Report. There has been no qualification, reservation, adverse remark, or disclaimer given by the Auditors in their Report.

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, Industrial Alcohol, Power) for the financial year 2021-22 at a total remuneration of Rs.1,75,000/- 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 in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2022.

The Cost Audit Report for the financial year ended March 31, 2020 was filed 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 Act, the Company has appointed Mr. Nirbhay Kumar (CP No.7887) of M/s Nirbhay Kumar Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2020-21.

The Secretarial Audit Report for the financial year ended 31st March, 2021 is attached as Annexure I of this Board's Report.

PUBLIC DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act during the financial year ended March 31, 2021.

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

As on date of this report, the Audit Committee comprises of four Directors, two of whom are non-executive independent directors, and two are non-executive Non-independent directors, viz., Mr. Ravinder Singh Bedi as Chairman, and Mrs. Manju Vira Gupta, Mr. Piar Chand Jaswal and Mr. Satish Agrawal 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 Act read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration. The aforesaid policy can be accessed on the Company's website: www. mawanasugars.com.

REMUNERATION POLICY

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

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 Act read with Rule 8(3) 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 Act 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 Act are given in the notes to Financial Statements.

RELATED PARTY TRANSACTIONS

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

The related party transactions between the Company and the Directors, Key Management Personnel, the subsidiaries, or the relatives have been disclosed in the financial statements in Notes to Financial Statements and compliance of Section 188(1) of the Act have been duly made wherever applicable.

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.

ANNUAL RETURN

A copy of Annual Return for the year 2019-20, is available on the Company's web link www.mawanasugars.com/annual-reports . The Annual Return for the year 2020-21 will be uploaded after filing with the Registrar of Companies in due course

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 annexed herewith and marked as Annexure IV.

SHARE CAPITAL

During the financial year ended 31.3.2021, 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 regarding the unclaimed equity shares, transferred to the Demat Suspense Account as required under SEBI (LODR) Regulations, is as under:

Balance as on 1.4.2020		No. of Members who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2021	
No. of holders	No. of shares	No. of holders	No. of Shares	No. of Holders	No. of Shares
6666	150043	7	220	6659	149823

The voting rights on the shares in the suspense account as on 31st March, 2021 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 has constituted Internal Complaints Committees at all its workplaces. There has been no 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

(Ravinder Singh Bedi)
Chairman of the Board
DIN: 01408189

Place : New Delhi
Dated : 25.06.2021

ANNEXURE - I TO DIRECTORS' REPORT

FORM NO. MR - 3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

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

To

The Members,
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, 2021 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, 2021 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.;

(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 Oder, 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.**

On the basis of documents and information provided by the Company we are in opinion that 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. *Company has not complied with the provisions of Regulation 17 (1) (c) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. As per this provision "The board of directors of the top 1000 listed entities (with effect from April 1, 2019) and the top 2000 listed entities (with effect from April 1, 2020) shall comprise of not less than six directors." Dated 09th December 2020 Company has appointed one more director on Board and complied with this provision.*

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 meetings of the Board of of the 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. Merger / amalgamation / reconstruction, etc.

iv. Foreign technical collaborations/Joint Ventures etc.

For **Nirbhay Kumar & Associates**
Company Secretaries

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

Place: New Delhi
Date: 18.06.2021
UDIN: A021093C000481960

'Annexure A'

To,

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis of my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules, and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficiency or effectiveness with which the management has conducted the affairs of the company.

For **Nirbhay Kumar & Associates**
Company Secretaries

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

Place: New Delhi
Date: 18.06.2021
UDIN - A021093C000481960

ANNEXURE - II TO DIRECTORS' REPORT

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

A. CONSERVATION OF ENERGY:	
(i). The steps are taken or impact on the conservation of energy;	a) Phase wise change of plant & colony lighting system to LED to reduce power consumption b) Refurbishment of electrolysers in Cell House (1 Nos) operating at higher voltage. c) Refurbishment of Cell House cooling tower d) Refurbishment of Evaporator House cooling tower e) Refurbishment of Rectifier House cooling tower f) Cleaning of Chlorine liquefier 1 g) Replacement of chlorine compressor A with the refurbished one. h) Replacement of Tower packing of WAD 1
(ii) The steps are taken by the company for utilizing alternate sources of energy;	Nil
(iii) The capital investment on energy conservation equipment's;	Rs. 8 lacs (approximately)
B. TECHNOLOGY ABSORPTION:	
(i) The efforts made towards technology absorption	a) Installation of high efficiency magnetic separator in fine grain sugar line. b) Installation of steam & condensate filters in the refinery. c) Installation of Heat ventilation and air conditioning system (HVAC) in fine grain re-sieving section.
(ii) The benefits derived like product improvement, cost reduction, product development or import substitution;	a) Elimination of magnetic particles to reduce extraneous matter in refined sugar b) Fine filtration of direct contact steam and condensate will help in controlling extraneous matter in refined sugar. c) To avoid microbiological cross contamination in fine grain re-sieving section.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	N.A.
(a) the details of technology imported;	N.A.
(b) the year of import;	N.A.
(c) whether the technology been fully absorbed;	Yes. The Company is fulfilling the sugar quality requirement on request of its pharmaceutical customers which leads to extra revenue generation.
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	N.A.
(iv) The expenditure incurred on Research and Development.	Nil
C. FOREIGN EXCHANGE EARNINGS AND OUTGO 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.	The information is given in Notes of Accounts.

Ravinder Singh Bedi
Chairman of the Board
DIN: 01408189

Place : New Delhi
Dated : 25.06.2021

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:-

1. The median remuneration of employees of the Company during the financial year was Rs.3,39,432/-. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2020-21 are as under:

Directors	Designation	Remuneration of Directors in Financial Period 2020-21 (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. 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	23,64,000/-	6.96%
Mr. Satish Agrawal*	Non-Executive & Non Independent Director	N.A.	N.A.

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

2. **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 2020-21 (Rs.)	% Increase in Remuneration
Mr. Ravinder Singh Bedi*	N.A.	N.A.
Prof. Dinesh Mohan*	N.A.	N.A.
Mrs. Manju Vira Gupta*	N.A.	N.A.
Mr. Piar Chand Jaswal*	N.A.	N.A.
Mr. Satish Agrawal*	N.A.	N.A.
Mr. Dharam Pal Sharma, Whole Time Director	23,64,000/-	Nil

*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 the median remuneration of the employees of the company is not applicable.

Key Managerial Personnel's (KMPs)

Directors	Remuneration of KMP in Financial Period 2020-21 (Rs.)	% Increase in Remuneration
Mr. Dharam Pal Sharma, Whole Time Director	23,64,000 /-	Nil
Mr. B.B. Mehta, Chief Financial Officer	1,00,17,000/-	12.98%
Mr. Ashok Kumar Shukla, Company Secretary	12,94,148/-	11.10%

ANNEXURE - III TO DIRECTORS' REPORT (Contd.)

3. The percentage increase in the Median Remuneration of Employees in the financial period was 5.67%

4. The number of Permanent Employees on the Rolls of Company:

   The number of Permanent Employees on the Rolls of Company as on 31st March, 2021 was 1519.

5. 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 2020-21 was 5%

6. 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:

Name	Designation /Nature of Duty	Remu- neration (Rs.)	Quali- fication	Experience (Yrs)	Date of Commenc- ement	Age Yrs	Particulars of last Employment
Mr. R K Gangwar	Executive Director -Operations Head 4C (Corporate Coordination and Control Cell)	10,660,716	B.Sc Agriculture & Animal Husbandary (Hons) Agronomy	28	10-04-2009	51	DCM Shriram Limited

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**

Ravinder Singh Bedi
Chairman of the Board
DIN: 01408189

Place : New Delhi
Dated : 25.06.2021

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2021

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.

The Company ensures full compliance with the requirements of Corporate Governance under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR Regulations).

2. Board of Directors

(a) Composition

The Board of Directors of the Company consisting of 6 Directors. It consists of One Executive Director, two Directors are Non-Executive and Independent Directors including Woman Director and three directors are Non-Executive and Non-Independent Directors. 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.

During the financial year, the company was in non-compliance with Regulation 17(1)(c) of SEBI (LODR), 2015 from April 1, 2020 to December 8,2020. However, the regulation has been duly complied with.

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, 2021 and at the last Annual General Meeting held on 10.8.2020 and also the other directorship and membership/ chairmanship of Board committees are as follows:

Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attended last AGM	No. of other Directorship*	Name of the listed Companies (holding position of Director and category of Directorship)	No. of other Committee Membership**	
							Member (including Chairman ship)	Chairman/ Chairperson
Mr. Ravinder Singh Bedi (Chairman)[1]	01408189	NE- I-D	9	YES	1	Nil	Nil	Nil
Mr. Dharam Pal Sharma (Whole Time Director)	07259344	ED	9	YES	Nil	Nil	Nil	Nil
Prof. Dinesh Mohan[2]	00077959	NE- I-D	9	YES	1	Nil	Nil	Nil
Mr. Krishna Shriram[3]	00031783	NE- NI-D	NA	NA	1	Nil	Nil	Nil
Mrs. Manju Vira Gupta	05186954	NE- I-D	8	YES	Nil	Nil	Nil	Nil
Mr. Piar Chand Jaswal	07100098	NE- NI-D	9	YES	Nil	Nil	Nil	Nil
Mr. Satish Agrawal[4]	00167589	NE- NI-D	4	NA	Nil	Nil	Nil	Nil

*ED-Executive Director, NE- I-D-Non-Executive Independent Director, NE-NI-D -Non-Executive Non-Independent Director

1. Appointed as a Chairman of the Board w.e.f. 31.5.2021.
2. Deceased on 21.5.2021.
3. Appointed as an Additional Director of the Company w.e.f. 31.5.2021.
4. Appointed as an Additional Director of the Company w.e.f. 9.12.2020.

Note:

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

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

(b) Number of Board Meetings

During the financial year ended March 31, 2021, 9 board meetings were held on 10.4.2020, 26.6.2020, 3.7.2020, 10.8.2020, 11.11.2020, 9.12.2020, 9.2.2021, 25.2.2021 and 6.3.2021.

Meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was convened on 25.3.2021 to oversee and review the performance of Non-Independent Directors and the Board as a whole. Mr. Ravinder Singh Bedi, Prof. Dinesh Mohan 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, 2021, no other Non-Executive Directors holds any equity shares or convertible instrument of the Company during the financial year ended on March 31, 2021.

(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) Core Skills, expertise and competence of Board of Directors

The Board comprises of qualified and experienced members who possesses required skills, expertise and competence which allow them to make effective contributions to the functioning of the Board and its Committees. The core skills/expertise/ competencies required in the Board in the context of the Company's business functioning effectively, as identified by the Nomination and Remuneration Committee and the Board of Directors of the Company are tabulated below:

Name of Director	Core Skills / Expertise /Competencies				
	Leadership/ Operational Experience	Strategic Planning	Sector/Industry Knowledge & Experience, R&D Innovation	Technology	Financial, Regulatory/ Legal & risk Mgmt.
Mr. Ravinder Singh Bedi	•	•	•	•	•
Mr. Dharam Pal Sharma	•	•	•	•	•
Mr. Krishna Shriram	•	•	•	•	•
Mrs. Manju Vira Gupta	•	•	•	•	•
Mr. Piar Chand Jaswal	•	•	•	•	•
Mr. Satish Agrawal	•	•	•	•	•

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

(f) Confirmation

Based on the declaration received from the Independent Directors, the Board confirms that in their opinion the Independent Directors of the Company fulfill the conditions specified in the SEBI Listing Regulations 2015 and are independent of the management.

(g) 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.

During the year, none of the Independent Director has resigned before the expiry of his/her tenure as Independent Director of the Company.

2. Audit Committee

(a) Terms of Reference

The role and terms of reference of the Audit Committee shall cover areas mentioned under SEBI Listing Regulations/ and Section 177 of the Companies Act, 2013 and rules related thereto/other SEBI Laws/Regulations, as applicable from time to time besides other matters as may be delegated by the Board of Directors from time to time.

(b) Composition

The Audit Committee was constituted in 1992. As at 31.03.2021, 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 at the invitation of the Company.

During the financial year ended March 31, 2021, the Audit Committee met 5 times on 26.6.2020, 10.8.2020, 11.11.2020, 9.12.2020 and 9.2.2021.

The attendance at the Committee meetings held during the financial year is as under:

Sl.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi	Chairman	5
2.	Prof. Dinesh Mohan*	Member	5
3.	Mrs. Manju Vira Gupta	Member	5
4.	Mr. Piar Chand Jaswal	Member	5

* Deceased on 21.5.2021.

3. Nomination and Remuneration Committee

(a) Terms of Reference

The role and terms of reference of Nomination and Remuneration Committee shall cover areas mentioned under SEBI Listing Regulations/and Section 178 of the Companies Act, 2013 and rules related thereto/other SEBI Laws/ Regulations, as applicable from time to time and other matters as may be delegated by the Board of Directors from time to time.

(b) Composition

As at 31.03.2021, 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, 2021, 3 meetings of the Committee were held on 26.6.2020, 11.11.2020 and 9.12.2020.

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 is as under:

Sl.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi*	Chairman	3
2.	Mrs. Manju Vira Gupta**	Chairman	3
3.	Mr. Piar Chand Jaswal	Member	3
4.	Prof. Dinesh Mohan***	Member	3

* Ceased to be Chairman of the Committee w.e.f. 25.6.2021.
** Appointed Chairman of the Committee w.e.f. 25.6.2021.
*** Deceased on 21.5.2021.

(c) Performance Evaluation criteria for Independent Directors

The performance evaluation criteria for Independent Directors were such as qualification, experience, knowledge, competency, availability, attendance, commitment, contribution of the individual directors to the Board and Committee meetings and fulfillment of independence criteria by them and their independence from the management. The performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation the directors who are subject to evaluation had not participated.

(d) Remuneration Policy

In terms of the provisions of the Companies Act, 2013 and the Listing Regulations, 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 the Nomination and Remuneration Committee.

The remuneration so approved is subject to the approval by the shareholders and such other authorities as the case may be.

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

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

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

4. Remuneration to Directors

a) Remuneration to Executive Director

The remuneration to the Executive Director/s is recommended by the Nomination and Remuneration Committee to the Board and after approval by the Board, the same is put up for the Shareholders' approval. Executive Director/s do not receive any sitting fees for attending the Board and Committee meetings.

The details of the remuneration to the Executive Director/s provided as per accounts for the financial year ended March 31, 2021 is given below:

(Rupees)

Sl. No.	Name	Salary and Allowances	Perquisites	Contribution to Provident and other Funds	Total
1.	Mr. Dharam Pal Sharma	22,19,400	58,200	86,400	23,64,000

1. Refer note no.36 of the financial statements

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

i) Sitting Fees:

The details of the sitting fees to the Non-Executive Directors provided as per accounts for the financial year ended March 31, 2021 is given below:

Sl. No.	Name of the Director	Sitting Fees (Rs.)
1.	Mr. Ravinder Singh Bedi	2,00,000/-
2.	Prof. Dinesh Mohan*	2,00,000/-
3.	Mrs. Manju Vira Gupta	1,90,000/-
4.	Mr. Piar Chand Jaswal	1,90,000/-
5.	Mr. Satish Agrawal	40,000/-

* Deceased on 21.5.2021.

ii) Advisory fees:

The details of the advisory fees paid to the Non-Executive Director provided as per accounts for the financial year ended March 31, 2021 is given below:

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. Piar Chand Jaswal	Rs. 8,25,000/-

The Company has not paid any fixed component and performance linked incentives to the Non –Executive Directors during the financial year ended March 31, 2021.

The Company does not have any Stock Option Scheme.

5. 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

As at 31.03.2021, 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, 2021, the Committee met 2 times on 10.8.2020 and 11.11.2020.

The Company Secretary acts as the secretary of the Committee.

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

Sl.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi	Chairman	2
2.	Prof. Dinesh Mohan*	Member	2
3.	Mrs. Manju Vira Gupta	Member	2
4.	Mr. Piar Chand Jaswal	Member	2

* Deceased on 21.05.2021.

Mr. Ashok Kumar Shukla, Company Secretary is the Compliance Officer for complying with the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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

During the financial year ended March 31, 2021, 17 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.

6. 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.

(b) Composition

As at 31.03.2021, 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 Member	Status
1.	Mr. Ravinder Singh Bedi	Chairman
2.	Prof. Dinesh Mohan*	Member
3.	Mrs. Manju Vira Gupta	Member
4.	Mr. Piar Chand Jaswal	Member

* Deceased on 21.5.2021

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

7. **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 of 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**

As at 31.03.2021, 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	Status
1.	Mr. Ravinder Singh Bedi	Chairman
2.	Prof. Dinesh Mohan*	Member
3.	Mr. Piar Chand Jaswal	Member
4.	Mr. Dharam Pal Sharma (Whole Time Director)	Member
5.	Mr. R.K. Gangwar	Member - Employee
6.	Mr. B.B. Mehta	Member - Employee

*Deceased on 21.5.2021.

8. **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 the 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 inappropriate or exceptional cases.

9. **General Body Meeting**

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

Financial Year	Location	Date & Time	Special Resolution Passed
2019-20	Through Video Conferencing at Plot No.3, Institutional Area, Sector-32, Gurugram - 122001	10.8.2020 & 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 13.08.2020 to 12.08.2022.

2018-19	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	2.8.2019 & 11.00 A.M.	1. Appointment of Mrs. Manju Vira Gupta as an Independent Director of the Company for a period of 5 years w.e.f. 26.12.2018 (1st term). 2. Appointment of Mr. Ravinder Singh Bedi as an Independent Director of the Company for a period of 5 years w.e.f. 1.1.2020 (2nd term). 3. Appointment of Prof. Dinesh Mohan as an Independent Director of the Company for a period of 5 years w.e.f. 1.1.2020 (2nd term).
2017-18	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	17.8.2018 & 11.00 A.M.	1. 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.

(ii) Resolution passed through Postal Ballot

During the financial year ended March 31, 2021, the Company has passed a Special Resolution through postal ballot process (e-voting) as prescribed under Sections 108 & 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Special Resolution was passed through the Remote E-voting system only in accordance with the Ministry of Corporate Affairs ("MCA") General Circulars No. 14/2020 dated 8th April, 2020, 17/2020 dated 13th April, 2020, 22/2020 dated 15th June, 2020, 33/2020 dated 28th September, 2020 and 39/2020 dated 31st December, 2020 respectively.

Mr. Nirbhay Kumar of M/s Nirbhay Kumar & Associates, Practicing Company Secretary (C.P. No.7887) has been appointed as the Scrutinizer for conducting the postal ballot process in accordance with the applicable laws in a fair and transparent manner. The voting period for e-voting and the postal ballot was commenced on 11.2.2021 (09.00 a.m. IST) and ends on 12.3.2021(5.00 p.m. IST) and the CDSL e-voting platform was blocked thereafter. The last date of the receipt of the Postal Ballot Forms by the Scrutinizer was 12.3.2021. The result of the Postal Ballot (including e-voting) was announced on 12.3.2021. The Resolution was approved and passed by the members of the Company with requisite majority.

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

Sl. No.	Description of the Resolution	Type of Resolution	No. of Votes Cast	No. of Votes	No. of Voters	No. of votes	% of total valid votes cast
1.	To sell/dispose off one of the Company's operating unit under the name and style of "Siel Chemical Complex" (SCC) situated at Villages Damanheri, Khandauli and Sardargarh, Tehshil Rajpura, District Patiala, Punjab ("the Undertaking").	Special	25914810	25913313	1497	99.99	0.01

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

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

10. 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. Quarterly/ Half-yearly/ Annual Financial Results, Annual Reports, various applicable policies of the Company and other required details are available on the Company's website.

(c) Stock Exchange

The Company makes timely the 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.

11. General Shareholders' Information

(i) Annual General Meeting is proposed to be held on Friday, the 24th day of September, 2021 at 11: 00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").

(ii) Financial Year: 1st April to 31st March.

(iii) Dividend: Dividend, if declared in the ensuing Annual General Meeting, will be paid within 30 days from the date of declaration to those Members whose names appear in the Register of Members on the date of book closure

(iv) Date of Book Closure: 18.09.2021 to 24.09.2021 (both days inclusive).

(v) Listing on Stock Exchanges:

The names of the Stock Exchanges on which the equity shares of the Company are listed, and the respective stock codes are as under:

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

Listing fees for the financial year 2021-2022 has been paid to BSE & NSE respectively.

(vi) Stock Market Data for the financial year ended March 31, 2021

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-20	30.00	22.25	72564	33887.25	27500.79	30.20	22.15	1528136	9889.05	8055.80
May-20	24.55	20.95	83692	32845.48	29968.45	24.70	20.75	1031386	9598.85	8806.75
Jun-20	34.40	22.50	237892	35706.55	32348.10	33.95	22.40	2343081	10553.15	9544.35
Jul-20	30.95	25.65	112888	38617.03	34927.20	31.20	25.35	687638	11341.40	10299.60
Aug-20	31.55	25.50	378345	40010.17	36911.23	31.90	25.20	2076680	11794.25	10882.25
Sep-20	31.15	23.50	171149	39359.51	36495.98	31.00	23.00	1753533	11618.10	10790.20
Oct-20	25.95	22.75	128584	41048.05	38410.20	25.60	22.65	931855	12025.45	11347.05
Nov-20	28.50	22.15	247400	44825.37	39334.92	28.55	22.30	1797451	13145.85	11557.40
Dec-20	43.80	27.10	977181	47896.97	44118.10	44.00	27.10	6656244	14024.85	12962.80
Jan-21	36.95	30.15	193179	50184.01	46160.46	36.50	30.00	815564	14753.55	13596.75
Feb-21	42.50	29.40	489163	52516.76	46433.65	42.45	29.50	3593557	15431.75	13661.75
Mar-21	44.15	34.00	273251	51821.84	48236.35	44.25	34.00	2439672	15336.30	14264.40
			3365288					**25654797**		

(vii) Registrar and Share Transfer Agent

M/s Mas Services Limited is the Registrar and Share Transfer Agent for the shares of the Company – both in physical and electronic mode.

(viii) Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in DEMAT mode, 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.

(ix) 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.

(x) Distribution of shareholding as on March 31, 2021

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	41708	93.14	2584884	6.61
501-1000	1440	3.22	1166671	2.98
1001-2000	785	1.75	1188650	3.04
2001-3000	282	0.63	731708	1.87
3001-4000	114	0.25	410030	1.05
4001-5000	105	0.23	492129	1.26
5001-10000	193	0.43	1378692	3.52
10001 and above	155	0.35	31164100	79.67
Total	**44782**	**100.00**	**39116864**	**100.00**

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

(xi) Categories of shareholders as on March 31, 2021

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	619886	1.58
(b)	Bodies Corporate/NBFC/Individuals	13185514	33.71
(c)	Any Other (NRIs/OCBs/Foreign Nationals/ Trusts/ Suspense A/c)	475488	1.22
	Total	**39116864**	**100.00**

(xii) 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, 2021, a total of 3,86,18,864 equity shares of the Company, which forms 98.73% of the equity share capital, stands dematerialized

(xiii) Plant Location:

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

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

Chemical Factory:

Siel Chemical Complex (SCC), Charatrampur, Vill. Khadauli/Sardargarh, P.O. Box No.52, Rajpura, Distt. Patiala, Punjab– 140401: The Company has exited from the Chemical Business and has transferred its chemical manufacturing undertaking operating under the name and style of 'Siel Chemical Complex'(SCC) located at Rajpura, Punjab for a valuable consideration to M/s Bodal Chemicals Limited.

(xiv) Investors' correspondence may be addressed to:

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

(xv) Credit Ratings:

Credit rating obtained for Long Term Facilities is CARE BB+ from CARE Ratings Limited.

12. Other Disclosures

(a) 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 was 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.

(b) 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.

(c) 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 have 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.

(d) 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.

(e) The Company has established a Vigil Mechanism/Whistle Blower Policy as per the requirement of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. It is affirmed that no personnel were denied access to the Board/ Audit Committee.

(f) The Company is complying with all the mandatory requirements of SEBI Listing Regulations, 2015 as applicable.

(g) The Company has formulated a Policy for determining 'Material' Subsidiaries, which is also available on the Company's website www.mawanasugars.com.

(h) The Company has formulated a Policy on dealing with Related Party transactions, which is also available on the Company's website www.mawanasugars.com.

(i) The Company is not engaged in commodity trading on the Commodity Exchange/s.

(j) The Company has not raised any funds through preferential allotment / qualified institutions placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations, during the year 2020-21.

(k) The Company has obtained a certificate from Mr. Nirbhay Kumar (CP No.7887) of M/s Nirbhay Kumar Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority.

(l) There has been no case where the Board did not accept any recommendation of any of the Committees of the Board.

(m) The details of total fees for all services paid to the Statutory Auditors during the year ended 31.3.2021 are as below:

Sl. No.	Particulars	Amount (Rs. Million) (2020-21)
As Auditors		
1.	Audit Fee	1.70
2.	Tax Audit Fee	0.60
3.	Out of pocket expenses	0.19
In Other Capacity		
4.	For Limited review of unaudited financial results	2.20
5.	For verification of statement and other reports	0.50
	TOTAL	**5.19**

(n) 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.

13. 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, 2021. The Code of Conduct has been posted on the website of the Company.

14. CEO/CFO Certification

Mr. Dharam Pal Sharma, Whole Time Director and Mr. B. B. Mehta, Chief Financial Officer of the Company have furnished a certificate certifying the correctness of the financial statements for the financial year ended 31.3.2021 as per the format prescribed under SEBI (LODR), Regulations, 2015 was placed before the Board and the Board took the same on record.

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

15. 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.

On behalf of the Board of Directors

(Ravinder Singh Bedi)
Chairman of The Board
DIN: 01408189

Place : New Delhi
Dated : 25.06.2021

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 have 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 : 25.06.2021

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 of
Mawana Sugars Limited
5th floor, Kirti Mahal 19,
Rajendra Place, New Delhi 110125

1. The Corporate Governance Reportprepared by Mawana Sugars Limited (herein after the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub – regulation(2) of regulation 46 and para C,D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2021 as required by the Company for annual submission to the Stock exchange.

Management's Responsibility

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

Auditor's Responsibility

4. Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
5. We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by 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 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, 2021.

iv. Obtained and read the minutes of the following committee meetings/other meetings held April 1, 2020 to March 31, 2021:

(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 the directors of the Company.

vi. Obtained and read the policy adopted by the Company for related party transactions.

vii. Obtained the schedule of related party transactions during the year and balances at the year end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approvedby the audit committee.

viii. Performed necessary inquiries with the managementand 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 a listed Company to have minimum 6 Directors on the Board.The Company did not meet the requirement for the period April 01, 2020 to December 09, 2020.

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 the 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, 2021, 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

Per Anil Gupta
Partner
Membership Number: 87921
UDIN: 21087921AACC1239

Place of Signature: New Delhi
Date: June 25, 2021

ANNEXURE - IV TO DIRECTORS' REPORT

CEO/CFO CERTIFICATION - FINANCIAL YEAR ENDED MARCH 31, 2021

The Board of Directors
Mawana Sugars Limited
5th Floor, Kirti Mahal
19, Rajendra Place
New Delhi – 110125

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 31.3.2021 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 31.03.2021 which are fraudulent, illegal or violative of the Company's code of conduct.

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

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

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

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

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

For Mawana Sugars Limited

	(Dharam Pal Sharma)	**(B.B. Mehta)**
Place: New Delhi	Whole Time Director	Chief Financial Officer
Date: June 25, 2021	(DIN: 07259344)	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

SUGAR BUSINESS

Sugar Season 2020-21

Sugar season 2020-21, started with opening stocks of 10.7 Mn Tons. With estimated production of 30.8 Mn Tons and domestic consumption of 26.0 Mn Tons and export of 7.00 Mn Tons during the current year, the closing stock is expected to be more than 8.5 Mn Tons as on September 30, 2021.

The black swan event 'COVID-19', declared a 'Global Pandemic' by the World Health Organisation (WHO), caused massive global disruption in all forms of economic activity in the world including in India. The Government of India announced several preventive measures to control the spread of COVID -19, though it did get controlled to great extent but once again since end February, 21, Coronavirus is spreading fast and again most of the States have imposed lockdown that has impacted the demand for sugar in ice cream, beverages, juices, cakes, sweets, confectionaries etc. in the coming months.

All India Production in sugar season 2021-22 is expected to be again to 30.1 Mn. Tons. With the expected opening stock of 8.5 Mn Tons and domestic consumption at normal level of 26.5 Mn. Tons, the expected closing stock would be 12.1 Mn Tons. To get rid of surplus stocks, export of sugar will continue from India and it is expected that GOI may continue to announce its export policy for minimum 6.0 Mn Tons with financial assistance as announced in previous years.

The MSP of sugar was revised in mid-February, 2019 at Rs 3100/Qtls. Sugar Industry is continuously representing to the GOI to revise the MSP to cover the increased cost of production. Inspite of Niti Aayog recommendations for revision in MSP to Rs.3300/Qtl, still it is not revised probably to control the inflation.

Despite continuous exports, increased domestic consumption and diversion of sugar to ethanol, there would still be excessive stocks that may create liquidity problems for the mills in clearing the cane payment to farmers.

World sugar scenario, after Global sugar deficit of 9.5 Mn. Tons in 2019-20 due to reduced production in Thailand, China and India, is once again slated to have global deficit of 1 Mn Ton in 2020-21 due to decline in Brazil production (higher diversion to ethanol) and Thailand (deficit monsoon impacted the area under sugarcane) offsetting the entire increase in sugar production in India. Season 2021/22 seen with deficit of 1.5 Mn Tons depending upon production in Thailand and Brazil which will get clear once the season will start.

DISTILLERY BUSINESS

The Average All India blending percentage is 7.40% in the tender year 2020-21 (as on 26.04.21) however blending levels achieved in some States, including Uttar Pradesh, Haryana, Punjab, Uttarakhand, Bihar and Karnataka, are much higher and ranged between 8.5 per cent and 9.8 per cent.

To increase ethanol blending percentage, Rajasthan Govt. has removed import fees in the state, the move has been taken by government as distilleries were not offering quantities in the state due to impose of import duty.

Government has fixed target of 10% blending of fuel grade ethanol with petrol by 2022, 20% blending by 2025.

Distillery has recorded the highest ever ethanol production in the financial year 2020-21 since its inception.During the year, the distillery was allocated 38271 KL ethanol for supply to various Oil Marketing Companies and dispatches against the same have been started.

Company has received the Environmental Clearance from MOEF & Climate Change to set up a new 120 KLPD Distillery at Mawana Sugar Works and has also received Environmental clearance for enhancement of NSC distillery capacity from 120 KLPD to 150 KLPD.

Risks and Concerns

As impact of Lockdown imposed all over India due to spread of Covid-19, UP distilleries are desperate to offload ethanol supplies as storage runs out but oil marketing companies have their storage full as well, and in nearby states too, so mills are asking for OMCs to take ethanol to states like "Gujarat, Rajasthan, Chhattisgarh, Assam, Odisha, Kerala, AP and Telangana".

CHLOR ALKALI DIVISION

The operations at the Chlor-alkali Division were not satisfactory. The Undertaking of Chemical Business of the Company operating as Siel Chemical Complex was

ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

transferred to Bodal Chemical Limited for a valuable consideration and the Company is now out of Chemical Business.

TRANSFER AND EXIT FROM CHEMICAL BUSINESS

During the year, Company has exited from the Chemical Business and has transferred its chemical manufacturing undertaking operating under the name and style of 'Siel Chemical Complex'(SCC) located at Rajpura, Punjab for a valuable consideration to Bodal Chemicals Limited.

DETAILS OF SIGNIFICANT CHANGES

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

Sl. No.	Particulars	As on 31.3.2021*	As on 31.3.2020*
1.	Debtors Turnover	**34.33**	29.23
2.	Inventory Turnover	**1.91**	1.52
3.	Interest Coverage Ratio	**2.88**	2.35
4.	Current Ratio	**1.11**	1.08
5.	Debt Equity Ratio**	**0.19: 1**	0.61: 1
6.	Operating Profit Margin (%)	**3.7%**	0.6%
7.	Net Profit Margin (%)	**6.2%**	-7.6%
8.	Return on net worth	**23.4%**	-28.1%

*Ratio has been worked out for Continuing Operations.
** Only Long-Term debt has been considered.

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 to acquire, retain, nurture, and grow human resources who can cater to the industry, society and to the Nation at large. We have a structured training scheme which articulate professional Managerial quality into the young and energetic recruits.

Industrial relations remain cordial during the year based on mutual trust and respect for each other.

Various employee engagement and training & development activities could not be organized due to the pandemic broke out because of Chinese virus Covid-19. Nevertheless a few programs organized virtually to continue 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 2021, 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 standalone Ind AS 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, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, 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.

Emphasis of Matter

We draw attention to Note 55 to the standalone Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic (including second wave of Covid-19) on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2021. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the 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
Recognition of Deferred Tax Asset *(as described in Note 19 of the standalone Ind AS financial statements)*	
Deferred tax assets are recognized on unabsorbed depreciation when it is probable that taxable profit will be available against which unabsorbed depreciation can be utilized. The Company's ability to recognize deferred tax assets on 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. At March 31, 2021, the Company has recognized deferred tax assets amounting to Rs. 523.76 million on the unabsorbed depreciation.	Our audit procedures included the following: • We assessed the methodology applied by the Company with applicable accounting standards and taxation laws along with the future business forecast of taxable profits. Our audit approach consisted of assessing the business plans of the Company's assessment to utilize deferred tax assets. In particular, we assessed: - the underlying projections and assumptions used for management estimates as calculated during the budget process by analyzing projected and actual performances;

INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<u>Recognition of Deferred Tax Asset</u> *(as described in Note 19 of the standalone Ind AS financial statements)*	
Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, tax laws. Given the degree of judgement management's decision to recognize and classify deferred tax assets as recoverable, we consider this issue to be a key audit matter.	- tested sensitivity of key assumptions used in projections which are based on profits earned and after considering expected future market economic conditions, tax laws, management's expansion plans and lower interest costs due to repayment/ payment of certain borrowings out of proceeds of sale of chemical unit. - the schedules for the reversal of temporary differences • We also understood the income tax computation process and review controls around recognition of Deferred tax assets and evaluated the design and tested the effectiveness of controls in this area relevant to our audit. • Engaged tax specialists to assist us in assessing the management prepared schedule for computation of tax and deferred taxes. • We have assessed the adequacy of disclosures included in the standalone Ind AS financial statements in this regard.
<u>Impairment testing of investment in Subsidiaries and Associate</u> (as described in note 50 of the standalone Ind AS financial statements)	
Impairment indicators were identified on the investment and recoverable amount in subsidiaries, namely Siel Industrial Estate Limited and Siel Infrastructure & Estate Developers Private Limited and an associate namely Mawana Foods Private Limited. As a result, an impairment assessment was 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 recognized. In case of Subsidiaries, impairment testing was carried out by getting the assets valuation from approved valuer. 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. In case of Associate, the recoverable amount was determined to be the higher of the fair value, and the value in use, determined by discounting future cash flows. The determination of recoverable amount of the Company's investment in associate relies on management's estimates of future cash flows and their judgement with respect to the associates' performance. 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. 877.27 million as at March 31, 2021, this audit area is considered a key audit matter.	Our audit procedures included the following: • 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 of the cash flow forecasts. • We tested the Company's internal controls in relation to preparing and reviewing cash flow projections considering the future business plans. • We discussed potential changes in assumptions with management in order to evaluate the inputs and assumptions used in the cash flow forecasts. • We performed sensitivity analysis on the key assumptions adopted in the impairment assessment to understand the impact of changes in assumptions on the estimated recoverable amounts. • We assessed the adequacy of disclosures made in the standalone Ind AS financial statements in this regard.

INDEPENDENT AUDITOR'S REPORT (Contd.)

<table>
<tr><td colspan="2"><u>Impairment of Property, plant and equipment ("PPE") and other non-current assets of Mawana Sugar Works (MSW) Unit of the Company</u> (as described in note 51 of the standalone Ind AS financial statements)</td></tr>
<tr><td>The Mawana Sugar Works unit a separate Cash Generating Unit' of the Company had negative cash flows in earlier years. However, during the current year and previous year, MSW has earned profit before depreciation.This unit manufactures sugar and generate power from its Cogeneration power plant. The Company is carrying property, plant and equipment and other non-current assets aggregating to Rs. 595.41 million in respect of MSW.

Due to the uncertainty of forecasting, the level of management's judgement involved and the significance of the carrying value of property, plant and equipment and other non-current assets in MSW, 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.

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).

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, the impact of revenue assumptions and technical factors which may affect the expected remaining useful lives and carrying value of the assets.</td><td>Our audit procedures included the following:

• We obtained an understanding of the assessment by the Board of directors of carrying value of MSW Unit's property, plant and equipment to determine whether any impairment of Property, plant and equipment and other non-current assets is required.

• In conjunction with review by specialists, we evaluated the Company's assumptions and estimates used to determine the recoverable amount of Property, plant and equipment and other non-current assets of the MSW Unit.

• We tested the Company's internal controls in relation to the Company's evaluation of assumptions and estimates to determine the recoverable amount of Property, plant and equipment and other non-current assets.

• We assessed the disclosures in the standalone Ind AS financial statements in this regard.</td></tr>
<tr><td colspan="2"><u>Determination of net realizable value of inventory of sugar at the year ended March 31, 2021</u> (as described in note 52 of the standalone Ind AS financial statements)</td></tr>
<tr><td>As on March 31, 2021, the Company is carrying inventory of sugar (finished goods and work in progress) amounting to Rs. 6,495.29 million. The inventory of sugar is valued at lower of cost and net realisable value.

The relative size of the inventory of sugar as on March 31, 2021 is significant to the financial statements and 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.

Accordingly, determination of net realisable value was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</td><td>Our audit procedures included the following:

• We have tested the controls established by the management in determination of net realizable value of inventory of sugar.

• We considered various factors including actual selling price prevailing around and subsequent to the year end, minimum selling price & monthly quota and other notifications of the Government of India with respect to sugar industry as a whole while assessing the net realizable value.

• We have assessed the disclosures included to the standalone Ind AS Financial Statements in this regard.</td></tr>
</table>

INDEPENDENT AUDITOR'S REPORT (Contd.)

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

Responsibilities of Management for the 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 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 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 judgment 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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, 2021 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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

   `(f) With respect to the adequacy of the internal financial controls with reference to 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, 2021 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32(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
UDIN: 21087921AAAABY8724

Place of Signature: New Delhi
Date: June 25, 2021

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 and investments made have been complied with by the Company. The Company has not given any guarantees or securities in respect of entities covered under Section 185 and 186 of the Companies Act, 2013.

(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:

Name of the 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	-

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	63.12	5.39	2006-07, 2012-13, 2013-14	Appellate Authority upto Commissioner's level
Central Excise Laws	Service Tax	7.86	0.03	2005-2006 to 2014-15	Appellate Authority upto Commissioner's level
Central Excise Laws	Excise Duty	1.45	-	2007-08 to 2014-15	High Court
Central Excise Laws	Excise Duty	84.15	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
Income tax Act, 1961	Income tax (including interest)	138.99	42.79	2016-17	Commissioner of Income Tax(Appeals)
Income tax Act, 1961	Income tax (including interest)	0.40	-	2006-07	Assessing officer

(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowing or debentures to a financial institution or banks. Further, the Company did not have any outstanding loan from Government during the year. The Reserve Bank of India vide its circular dated March 27, 2020 permitted the lenders to allow a moratorium for three months of EMI (Equated Monthly Instalments), falling due between March 01, 2020 and May 31, 2020 for various categories of loans. The Company had availed the permitted moratorium for its one of the borrowing. The Company has paid all its due EMI's within the extended moratorium period.

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

(x) 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 by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.

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

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

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

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

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

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

per **Anil Gupta**
Partner
Membership Number: 87921
UDIN: 21087921AAAABY8724

Place of Signature: New Delhi
Date: June 25, 2021

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

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, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

A Company's internal financial control over financial reporting with reference to these standalone Ind AS financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting with reference to these standalone Ind AS 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 Ind AS financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone Ind AS financial statements were operating effectively as at March 31, 2021, 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 ICAI.

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

per **Anil Gupta**
Partner
Membership Number: 87921
UDIN: 21087921AAAABY8724

Place of Signature: New Delhi
Date: June 25, 2021

BALANCE SHEET AS AT MARCH 31, 2021

Rs. Million

		Notes	As at March 31, 2021	As at March 31, 2020
	ASSETS			
(1)	**Non-current assets**			
	Property, plant and equipment	3A	**2,298.31**	2,955.41
	Capital work in progress	3A	**125.18**	12.81
	Intangible assets	3B	**0.33**	0.85
	Right of use assets	4	**11.75**	21.45
	Financial assets			
	- Investments	5.1	**805.27**	783.85
	- Loans	5.2	**1.54**	169.92
	- Others	5.3	**108.09**	27.44
	Income tax assets (net)	20	**21.96**	14.52
	Deferred tax assets (net)	19	**431.63**	710.98
	Other non- current assets	6	**12.56**	5.27
	Total Non-current assets		**3,816.62**	4,702.50
(2)	**Current assets**			
	Inventories	7	**7,479.39**	8,000.14
	Financial assets			
	- Trade receivables	8	**387.34**	487.49
	- Cash and cash equivalents	9	**896.51**	464.17
	- Other Bank Balances	10	**92.33**	154.22
	- Loans	5.2	**1.73**	2.24
	- Others	5.3	**1,159.84**	923.49
	Other current assets	6	**167.13**	107.51
	Assets held for sale	11	**6.64**	2.23
	Total current assets		**10,190.91**	10,141.49
	Total Assets		**14,007.53**	14,843.99
	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	12	**391.17**	391.17
	Other equity		**3,527.65**	2,782.49
	Total equity		**3,918.82**	3,173.66
	LIABILITIES			
(1)	**Non- current liabilities**			
	Financial liabilities			
	- Borrowings	13.1	**745.77**	1,943.98
	- Lease Liabilities	14.1	**7.84**	8.12
	Other non current liabilities	18.1	**42.21**	84.12
	Provisions	15.1	**96.27**	132.53
	Total non- current liabilities		**892.09**	2,168.75
(2)	**Current liabilities**			
	Financial liabilities			
	- Borrowings	13.2	**1,714.21**	1,648.81
	- Lease Liabilities	14.2	**4.56**	14.73
	Trade payables			
	- Total outstanding dues to micro and small enterprises	16	**22.55**	21.68
	- Total outstanding dues of creditors other than micro and small enterprises	16	**6,538.83**	5,882.76
	Other financial liabilities	17	**515.48**	1,487.99
	Other current liabilities	18.2	**298.98**	330.10
	Provisions	15.2	**38.11**	51.61
	Current tax liabilities (net)	21	**63.90**	63.90
	Total current liabilities		**9,196.62**	9,501.58
	Total equity and liabilities		**14,007.53**	14,843.99
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

Place: New Delhi
Date: June 25, 2021

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)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

Rs. Million

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
	Continuing Operations			
I	**Income**			
	Revenue from contracts with customers	22	**14,689.11**	11,609.44
	Other income	23	**36.67**	87.09
	Total income (I)		**14,725.78**	11,696.53
II	**Expenses**			
	Cost of materials consumed	24	**11,423.49**	9,887.53
	Purchase of stock-in-trade		**90.16**	85.49
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**431.62**	(605.01)
	Employee benefits expenses	26	**687.47**	639.05
	Finance costs	27	**351.61**	266.51
	Depreciation and amortisation expense	28	**475.72**	555.50
	Other expenses	29	**1,079.82**	1,062.44
	Total expenses (II)		**14,539.89**	11,891.51
III	**Profit/ (Loss) before tax and exceptional items (I-II)**		**185.89**	(194.98)
IV	**Exceptional Items (Expenses)/Income (net)**	30	**1,070.27**	-
V	**Profit/(loss) before tax (III-IV)**		**1,256.16**	(194.98)
VI	**Tax expense:**			
	Adjustment of current tax relating to earlier years	19	**-**	30.28
	Deferred tax charge	19	**322.45**	665.36
	Total tax expense (VI)		**322.45**	695.64
VII	**Profit/(Loss) from continuing operations**		**933.71**	(890.62)
VIII	**Discontinued Operations**	53		
	Profit/(Loss) before tax from discontinued operations		**(233.43)**	125.34
	Tax credit/(expense) of discontinued operations	19	**43.55**	(31.54)
	Profit/(Loss) from discontinued operations		**(189.88)**	93.80
IX	**Profit/(Loss) for the year**		**743.83**	(796.82)
X	**Other Comprehensive Income**			
	Items that will not to be reclassified to statement of profit or loss			
	Re-measurement gain/(loss) on defined benefit plans	35	**1.78**	(20.35)
	Income tax effect credit/(charge)	19	**(0.45)**	2.29
			1.33	(18.06)
XI	**Total comprehensive income/(expenses) of the year {Comprising profit/(Loss) and other comprehensive income for the year} (IX+X)**		**745.16**	(814.88)
XII	**Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2020-Rs.10/-)}**			
	(1) Basic and diluted from continuing operations	31	**23.87**	(22.77)
	(2) Basic and diluted from discontinued operations	31	**(4.85)**	2.40
	(3) Basic and diluted from continuing operations and discontinued operations	31	**19.02**	(20.37)

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

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

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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: June 25, 2021

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Rs. Million

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
A.	**Cash flow from operating activities :**			
	Profit/(Loss) before tax from continuing operations		**1,256.16**	(194.98)
	Profit/(Loss) before tax from discontinued operations		**(233.43)**	125.34
Add :	Depreciation and amortisation expense	3,4,53	**548.29**	660.82
	Interest expenses	27,53	**353.01**	247.19
	Provision for doubtful debts and advances	29	**7.59**	-
	Irrecoverable balances written off	29	**0.54**	0.05
	Provision for diminution in value of investment	30	**52.66**	-
Less:	Interest income	23,53	**34.55**	65.16
	Profit on sale of current investments	23	**0.18**	8.61
	Liabilities / provision no longer required written back	23,53	**0.45**	0.11
	Profit on sale of non-current investment (net of provision write back/loss on sale)	30	**4.28**	-
	Profit on sale of chemcial unit (refer note 53)	30	**1,118.65**	-
	Profit on sale of property, plant and equipment(Net)	23,29,53	**25.97**	1.33
	Operating profit before working capital changes		**800.74**	763.21
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories	7	**430.21**	(603.69)
	Trade receivables	8	**78.78**	(114.55)
	Financial assets	5	**(299.41)**	(567.35)
	Other assets	6	**(76.07)**	36.07
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables	16	**747.50**	(797.99)
	Provisions	15	**14.30**	9.08
	Other financials liabilities	17	**(11.64)**	36.73
	Other liabilities	18	**(32.60)**	36.80
	Cash from/(used in) operations		**1,651.81**	(1,201.69)
	Direct taxes paid		**(7.44)**	(148.32)
	Net cash flow from/(used in) operating activities (A)		**1,644.37**	(1,350.01)
B.	**Cash flow from investing activities :**			
	Purchase of property, plant and equipment, including capital advances	3A,3B	**(244.19)**	(434.65)
	Proceeds from sale of property, plant and equipment	3A,3B	**63.54**	3.18
	Movement in fixed deposits with banks	10	**53.60**	(16.61)
	Net proceeds from sale of chemical unit		**1,471.99**	-
	Proceeds from sale of subsidiary		**4.28**	-
	Sale/(purchase) of current investments (net)		**0.18**	8.61
	Investment in subsidiary	5	**(137.50)**	(97.20)
	Interest received	23,53	**26.41**	24.28
	Net cash flow from/(used in) investing activities (B)		**1,238.31**	(512.39)
C.	**Cash flow from financing activities :**			
	Lease payments		**(17.04)**	(21.09)
	Repayment of long term borrowings- secured	13	**(2,240.80)**	(648.36)
	Net increase in working capital borrowings	13	**65.40**	1,648.81
	Proceeds from long term borrowings	13	**-**	1,314.00
	Interest paid	27,53	**(233.00)**	(277.98)
	Net cash flow from/(used in) financing activities (C)		**(2,425.44)**	2,015.38
D.	**Net increase in Cash and cash equivalents (A+B+C)**		**457.24**	152.98
E.	**Cash and cash equivalents at the beginning of the year**		**464.17**	311.19
F.	**Cash and cash equivalents transferred on sale of chemical unit (Refer note 53)**		**24.90**	-
G.	**Cash and cash equivalents at the end of the year (D+E-F)**		**896.51**	464.17

Cash Flow Statement for the year ended March 31, 2021 (Contd.)

Rs. Million

CASH AND CASH EQUIVALENTS	Year ended March 31, 2021	Year ended March 31, 2020
Balances with banks:		
- Current accounts	**853.08**	315.61
Cash on hand	**0.69**	1.04
Fixed deposits with banks	**42.74**	147.52
Total cash and cash equivalents	**896.51**	464.17

Notes :

1. The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (IndAS-7) "Statement of Cash Flow".
2. Cash flow statement for the year ended March 31, 2021 has been prepared by including assets and liabilities transferred on sale of Chemical unit (Refer note 53).
3. Negative figures have been shown in brackets.

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

Place: New Delhi
Date: June 25, 2021

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)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Rs. Million

	Equity Share Capital	Other Equity						Total Equity
		Reserves and surplus					Total Other Equity	
		Securities premium*	Capital redemption reserve*	Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account*		
As at March 31, 2019	391.17	1495.04	87.72	1030.17	979.79	4.65	3597.37	3988.54
Add: Profit/(Loss) for the year	-	-	-	-	(796.82)	-	(796.82)	(796.82)
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	(1.27)	1.27	-	-
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	-	-	-	-	(18.06)	-	(18.06)	(18.06)
As at March 31, 2020	391.17	1495.04	87.72	1030.17	163.64	5.92	2782.49	3173.66
Add: Profit/(Loss) for the year	**-**	**-**	**-**	**-**	**743.83**	**-**	**743.83**	**743.83**
Add: Transfer to/(from) storage fund for molasses	**-**	**-**	**-**	**-**	**(2.87)**	**2.87**	**-**	**-**
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	**-**	**-**	**-**	**-**	**1.33**	**-**	**1.33**	**1.33**
As at March 31, 2021	**391.17**	**1495.04**	**87.72**	**1030.17**	**905.93**	**8.79**	**3527.65**	**3918.82**

*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.Batliboi & Co. LLP**
Chartered Accountants
Firm Registration No.: 301003E/E300005

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

Place: New Delhi
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PIAR CHAND JASWAL
Director
(DIN: 07100098)

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 31,2021, 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 Companyare 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 (Classified as discontinued business, refer Note No. 53)
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Uttar Pradesh

Pursuant to approval of the board of directors in its meeting held on February 9, 2021, subsequently approved by the shareholders through postal ballot and vide business transfer agreement dated February 9, 2021, the Company has transferred assets and liabilities of its Chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021, on a going concern basis. (Refer note 53)

The standalone financial statements were approved by the Board of Directors and authorised for issue on June 25, 2021.

*since expired

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 2.3.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.'), except number of shares, face value of share, earning per share or wherever otherwise indicated.

New and amended standards and interpretations

The Ministry of Corporate Affairs ("MCA") has carried out amendments to the following accounting standards.

The effect on adoption of following mentioned amendments had no impact on the standalone Ind AS financial statements of the Company. The Company has not early adopted any standards or amendments that have been issued but are not yet effective.

(i) Ind AS 116: Covid-19-Related Rent Concessions

(ii) Ind AS 103: Business Combinations

(iii) Ind AS 1 and Ind AS 8: Definition of Material

(iv) Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

MCA issued notification dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by a company in its financial statements. These amendments are effective for financial years starting on or after April 01, 2021.

2.2 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.

(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 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 2.3.

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(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.

The Company receives interest subvention from the government on the loans which are availed at market rate of interest from the Banks. The interest subvention is netted off from the interest expenses.

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.The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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.

The Company offsests deferred tax assets and deferred tax liabilities if and only if a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authorities.

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 the transition date 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.

PPE are initially recognised at cost, net of accumulated depreciation and accumulated impairment loss, if any. Capital work in progress are stated at cost, net of impairment loss, if any. Cost comprises the purchase price, including import duties and non- refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. Freehold land is carried at historical cost When significant parts are required to be replaced at regular intervals, the Company recognises such parts as separate component of assets and depreciates separately based on their specific useful life. When an item of PPE is replaced, then its carrying amount is de-recognised and cost of the new item of PPE is recognised.

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

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

Depreciation on property, plant and equipment is provided on 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	10-40
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) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a written down value basis over the estimated useful economic life. The estimated useful life and amortisation method are reviewed at the end of each reporting period.

Development expenditures on an individual project are recognised as an intangible asset when the Company can demonstrate:

- ► The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ► Its intention to complete and its ability and intention to use or sell the asset
- ► How the asset will generate future economic benefits
- ► The availability of resources to complete the asset
- ► The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on the straight-line method as per the useful life assessed based on expected future benefit, taking into account the nature of the asset, the estimated usage of the asset:

	As per management estimate
Software	- 3 years

During the period of development, the asset is tested for impairment annually.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss. when the asset is derecognised.

(ix) Impairment of non-financial assets

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

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

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

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

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

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

(x) Leases

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

Company as a lessee

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

i) Right-of-use assets

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (ix) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.The cost and the accumulated depreciation for Right of use assets where the lease gets matured or disposed off before maturity 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. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases except leases taken from related parties and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases except leases taken from related parties of all assets that have a lease term of 12 months or less and leases of low-value assets. In case of lease contracts with related parties, there exist economic incentive for the Company to continue using the leased premises for a period longer than the 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economics of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased asset (i.e. reasonable certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. The management has assessed period of arrangements with related parties as 2 years. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease.

(xi) Inventories

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

The Cost is determined as follows:

(a) Stores and spares, Packing Materials, Raw Materials and Stock in trade: 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 raw materials, finished goods and work-in-progress: Net realisable Value except for BH Molasses wherein cost of lower yield of sugar for the same is included as part of cost of this product.

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

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

(xii) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(xiii) Non-Current Asset held for sale and Discontinued Operations:

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

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

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

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

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

A discontinued operation is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 53. All other notes to the financial statements mainly include amounts for continuing operation, unless otherwise mentioned.

(xiv) Borrowing Costs

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

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

(xv) Contingent assets and liabilities

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

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

(xvi) Earnings per share

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

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

(xvii) Employee benefits

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

(a) Defined contribution plans

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

(b) Defined benefit plans

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

The gratuity liability for the Chemical unit has been computed on actual basis as at date of disposal of that unit.

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) except for the Chemical unit 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.

The liability of Compensated absences benefits for the Chemical unit has been computed on actual basis as at date of disposal of that unit.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Company presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(xviii) Research and Development

Revenue Expenditure on research and development is expensed out under respective heads of account in the year in which it is incurred.

Development expenditure is recognised as an asset at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and asset is available for use. It is amortised over the period of expected future benefits.

(xix) Segment Reporting

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Company's operating segments are established on the basis of those components of the Company that are evaluated regularly by the Board of Directors ('the Chief Operating Decision Maker' as defined in IND AS 108 – Operating Segments). These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The analysis of geographical segments is based on the locations of customers.

(xx) Financial instruments

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

(a) Financial assets

Initial recognition 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.

Investment in Subsidiaries and Associates

Investment in Subsidiaries and Associates is carried at deemed cost in the separate financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(b) Financial liabilities

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

i) Financial guarantee contracts

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

ii) Borrowings

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

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

(c) Derecognition of financial instruments

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

(d) Fair value of financial instruments

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

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

(e) Impairment of financial assets

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

(f) Reclassification

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

(g) Offsetting of financial instruments

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

(xxi) Cash and cash equivalents

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

(xxii) Cash dividend

The 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.

2.3. Significant accounting judgements, estimates and assumptions

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

a) Contingencies

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

b) Impairment of non-financial assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. 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 35.

e) Fair value measurement of financial instruments

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

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

f) Useful life of Property, plant and equipment

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

g) Useful life of Intangible assets

The intangible assets are amortised over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

h) Leases - Estimating the period of lease contracts with related parties

In case of lease contracts with related parties, there exist economic incentive for the Company to continue using the leased premises for a period longer than the 11 months. The period of expected lease in these cases is a matter of estimation by the management. The estimate of lease period impacts the recognition of ROU asset, lease liability and its impact of statement of profit and loss. The lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased asset (i.e. reasonably certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. The management has assessed period of arrangements with related parties as 2 years.

i) Determining the lease term of contracts with renewal and termination options - Lessee

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has some lease contracts that include extension and termination options. The Company applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

j) Estimation uncertainty relating to the global health pandemic on COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS statements.

The Company will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

3A. Property, plant and equipment

Rs. Million

Particulars	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Gross Block								
(At cost)								
As at March 31, 2019	252.86	602.77	2,857.47	18.45	2.84	9.18	3,743.57	78.47
Additions	-	62.94	554.16	3.71	0.15	-	620.96	-
Borrowing cost	-	-	12.46	-	-	-	12.46	-
Disposals	-	-	(4.61)	-	-	-	(4.61)	(65.66)
Reclassified from assets held for sale	-	-	1.05	-	-	-	1.05	-
As at March 31, 2020	252.86	665.71	3,420.53	22.16	2.99	9.18	4,373.43	12.81
Additions	**2.00**	**10.06**	**72.84**	**6.19**	**0.07**	**3.46**	**94.62**	**196.61**
Disposals	**(2.84)**	**-**	**(10.95)**	**(0.01)**	**-**	**(0.26)**	**(14.06)**	**(75.14)**
Transferred to discontinued operations	**(60.90)**	**(40.79)**	**(440.74)**	**(4.57)**	**(0.30)**	**(2.04)**	**(549.34)**	**(9.10)**
Reclassified to assets held for sale	**(3.30)**						**(3.30)**	**-**
As at March 31,2021	**187.82**	**634.98**	**3,041.68**	**23.77**	**2.76**	**10.34**	**3,901.35**	**125.18**
Depreciation								
As at March 31, 2019	-	98.71	666.45	12.71	1.31	2.98	782.16	-
Depreciation charge for the year	-	94.76	535.76	5.78	0.64	3.04	639.98	-
Disposals	-	-	(4.47)	-	-	-	(4.47)	-
Reclassified from assets held for sale	-	-	0.35	-	-	-	0.35	-
As at March 31, 2020	-	193.47	1,198.09	18.49	1.95	6.02	1,418.02	-
Depreciation charge for the year	**-**	**81.27**	**445.81**	**3.89**	**0.37**	**1.93**	**533.27**	**-**
Disposals	**-**	**-**	**(10.05)**	**-**	**-**	**(0.26)**	**(10.31)**	**-**
Transferred to discontinued operations	**-**	**(22.64)**	**(309.46)**	**(4.04)**	**(0.28)**	**(1.52)**	**(337.94)**	**-**
As at March 31,2021	**-**	**252.10**	**1,324.39**	**18.34**	**2.04**	**6.17**	**1,603.04**	**-**
Net book value								
As at March 31,2021	**187.82**	**382.88**	**1,717.29**	**5.43**	**0.72**	**4.17**	**2,298.31**	**125.18**
As at March 31, 2020	252.86	472.24	2,222.44	3.67	1.04	3.16	2,955.41	12.81

Notes :

1. Refer note 13 for information on property, plant and equipment pledged as charged on security.
2. Depreciation charge for the year includes :
   a. Rs. 64.17 million (March 31, 2020 Rs 92.89 million) related to discontinued operations and,
   b. Rs 469.10 million (March 31, 2020 Rs 547.09 million) related to continuing operations.
3. Capital work in progress includes below expenses :

Rs. Million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance brought forward	-	3.28
Legal and Professional Expenses	-	0.34
Interest on borrowings (Net of interest subvention of Rs. Nil (March 31, 2020 Rs. 11.93 million))*	-	11.93
Insurance	-	0.49
Miscellaneous expenses	-	0.05
Total	-	16.09
Less : Capitalised during the year	-	(16.09)
Carried forward	-	-

* The rate used in previous year to determine the amount of borrowing costs eligible for capitalisation was 12% p.a, gross of interest subvention, which is the effective interest rate of the specific borrowing.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

3B. Intangible Assets

Rs. Million

Particulars	Software	Total	Intangible assets under development
Gross Block			
(At cost)			
As at March 31, 2019	-	-	1.98
Additions	2.46	2.46	-
Disposals	-	-	(1.98)
As at March 31, 2020	2.46	2.46	-
Additions	**0.49**	**0.49**	**-**
Transferred to discontinued operations	**(2.59)**	**(2.59)**	**-**
As at March 31, 2021	**0.36**	**0.36**	**-**
Amortisation			
As at March 31, 2019	-	-	-
Amortisation for the year	1.61	1.61	-
As at March 31, 2020	1.61	1.61	-
Amortisation for the year	**0.69**	**0.69**	**-**
Transferred to discontinued operations	**(2.27)**	**(2.27)**	**-**
As at March 31, 2021	**0.03**	**0.03**	**-**
Net book value			
As at March 31, 2021	**0.33**	**0.33**	-
As at March 31, 2020	0.85	0.85	-

1. Amortisation for the year includes :
   a. Rs. 0.67 million (March 31, 2020 Rs 1.61 million) related to discontinued operations and,
   b. Rs 0.02 million (March 31, 2020 Rs Nil) related to continuing operations.

4. Right-of-use Asset

The Company has lease contracts for various Warehouses, corporate office and equipment's used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of assets with lease terms of 12 months or less. The Company applies the short-term leases recognition exemptions for these leases other than leases from related parties.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Rs. Million

Particulars	Right of use Assets
Gross carrying amount	
Opening gross carrying amount April 01, 2019	-
Additions	40.68
Disposals	(12.11)
Closing Gross carrying amount March 31, 2020	**28.57**
Gross carrying amount	
Opening gross carrying amount April 01, 2020	28.57
Additions	15.46
Disposals	(30.35)
Closing Gross carrying amount March 31, 2021	**13.68**

4. Right-of-use Asset (Contd.)

Rs. Million

Particulars	Right of use Assets
Amortisation	
Opening amortisation April 01, 2019	-
Charge for the year	19.23
Disposals	(12.11)
Closing accumulated amortisation	**7.12**
Amortisation	
Opening amortisation April 01, 2020	7.12
Amortisation for the year	14.33
Disposals	(19.52)
Closing accumulated amortisation	**1.93**
Net Carrying amount March 31, 2021	**11.75**
Net Carrying amount March 31, 2020	21.45

1. Amortisation for the year includes :
   a. Rs. 7.73 million (March 31, 2020 Rs 10.82 million) related to discontinued operations and,
   b. Rs 6.60 million (March 31, 2020 Rs 8.41 million) related to continuing operations.

5. Financial Assets

Rs. Million

		As at March 31, 2021	As at March 31, 2020
5.1	**Investments**		
	Non- current		
(I)	**Investment in subsidiaries**		
	Quoted equity instruments at cost[1]		
	Nil (March 31, 2020: 10,613,382) equity shares of Rs. 10 each fully paid up of Siel Financial Services Limited	-	203.13
	Less: Provision for diminution in value	-	203.13
		-	-
	Unquoted equity instruments at cost		
	40,295,000 (March 31, 2020: 33,745,000) equity shares of Rs. 10 each fully paid up of Siel Industrial Estate Limited (Refer note 44 (b))	**402.95**	337.45
	13,761,617 (March 31, 2020: 13,761,617) equity shares of Rs. 100 each fully paid up of Siel Infrastructure & Estate Developers Private Limited	**152.49**	152.49
	-Equity portion of compound financial instrument (Preference Shares)		
	120,00,000 (March 31, 2020: 120,00,000) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	**36.62**	36.62
(II)	**Investment in associates**		
	6,759,801 (March 31, 2020: 6,759,801) equity shares of Rs. 10 each fully paid up of Mawana Foods Private Limited	**150.00**	150.00
	Less: Provision for diminution in value (Refer note 50)	**(52.66)**	-
		97.34	150.00
(III)	**Other Investments**		
	Unquoted equity instruments at cost[2]		
	2 (March 31, 2020: 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, 2020: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10)	**#**	#
	Investments in Unquoted Preference Shares carried at amortized cost		
	Investment in subsidiaries		
	120,00,000 (March 31, 2020: 120,00,000) 5% Redeemable Cumulative Preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	**115.87**	107.29
	Total	**805.27**	783.85
	Aggregate value of unquoted investments	**805.27**	783.85
	Aggregate value of quoted investments	**-**	-

[1]Represent investments in Siel Financial Services Limited classified as assets held for sale. Refer note 45.

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

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

5. Financial Assets (Contd.)

Rs. Million

		As at March 31, 2021	As at March 31, 2020
5.2	**Loans**		
	(Unsecured, considered good except, unless otherwise stated)		
	Non- current		
	Security deposits		
	-Considered Good	**1.54**	169.92
	-Credit impaired	**0.53**	0.53
	Dues from employees-credit impaired	**0.04**	0.04
	Loan and advances to related parties *(Refer note 36)		
	-Credit impaired (Refer note 44(a))	**36.59**	36.59
	Other Loans and advances		
	- Credit impaired	**116.49**	116.49
		155.19	323.57
	Less : Impairment allowance (allowances for bad and doubtful advances)	**153.65**	153.65
		1.54	169.92
	Current		
	Security deposits		
	-Considered Good	**1.73**	2.24
		1.73	2.24
	Total	**3.27**	172.16
5.3	**Other financial assets**		
	(Unsecured and considered good)		
	Non- current		
	Subscription for Investment in Optionally Convertible Cumulative Preference Shares pending for allotment (Refer Note 44(b))		
	-Related Party (Refer note-36)	**72.00**	-
	Fixed deposits with banks (Margin money)	**31.37**	25.70
	Fixed deposits with banks (Earmarked)	**3.21**	0.70
	Interest accrued on deposits	**1.51**	1.04
		108.09	27.44
	Current		
	Dues from employees	**0.88**	1.33
	Buffer stock interest subsidy receivable {Refer note 48(b)}	**74.87**	78.89
	Buffer stock subsidy receivable {Refer note 48(b)}	**8.74**	16.01
	Export subsidy receivable {Refer note 48(a)}	**1,019.74**	704.43
	Interest subvention receivable	**14.79**	75.71
	Interest receivable from related party (Refer note 36)	**0.37**	1.10
	Interest accrued on deposits	**3.28**	10.49
	Other Loans and advances		
	-Related Party (Refer note-36)	**0.76**	0.73
	-Others	**36.41**	34.80
		1,159.84	923.49
	Total	**1,267.93**	950.93

5 Financial Assets (Contd.)

Break up of financial assets carried at amortised cost:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Investments (Refer note 5.1)	**805.27**	783.85
Loans (Refer note 5.2)	**3.27**	172.16
Other financial assets (Refer note 5.3)	**1,267.93**	950.93
Trade receivables (Refer note 8)	**387.34**	487.49
Cash and cash equivalents (Refer note 9)	**896.51**	464.17
Other Bank Balances (Refer note 10)	**92.33**	154.22
Total	**3,452.65**	3,012.82

* Loans to related parties are interest free in nature.

6. Other assets

Rs. Million

	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good except, unless otherwise stated)		
Non- Current		
Capital advances		
-Other than related parties	**12.42**	2.25
Prepaid expenses	**0.14**	3.02
	12.56	5.27
Current		
Unbilled revenue	**36.57**	28.44
Taxes and other balances with government authorities		
-Considered Good	92.46	39.56
-Credit impaired	7.15	-
Prepaid expenses	19.23	21.94
Advances to vendors	16.76	16.65
Other advances	2.11	0.92
	174.28	107.51
Less : Impairment allowance (allowances for bad and doubtful advances)	**7.15**	-
	167.13	107.51
Total	**179.69**	112.78

7. Inventories

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Raw and packing materials {includes material in transit Rs. Nil (March 31, 2020-Rs. 3.48 million)}	**38.68**	72.47
Work-in-progress	**273.66**	233.85
Finished goods {includes material in transit Rs. 15.16 million (March 31, 2020- Rs. 0.97 million)}	**7,059.88**	7,561.28
Stock in Trade	**9.15**	8.11
Stores and Spares {includes material in transit Rs 1.90 million (March 31, 2020-Rs 2.83 million)}	**98.02**	124.43
Total*	**7,479.39**	8,000.14

*Cost of inventories recognize as expenses of Rs 42.29 million (March 31, 2020 Rs 273.44 million) is in respect of write down of inventories to Net realisable value.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

8. Trade receivables

Rs. Million

	As at March 31, 2021	As at March 31, 2020
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)		
Outstanding for a period exceeding six months from the due date for payment		
Secured - considered good	**0.21**	0.40
Unsecured - considered good	**1.93**	60.11
Unsecured - considered good - related party (Refer note 36)	**-**	0.13
- credit impaired	**1.61**	1.17
	3.75	61.81
Less: Impairment allowance (allowances for bad and doubtful debts)	**1.61**	1.17
	2.14	60.64
Other receivables		
Secured - considered good	**0.67**	10.13
Unsecured - considered good - related party (Refer note 36)	**56.44**	50.07
- considered good - others	**328.09**	366.65
Total	**387.34**	487.49

No trade or other receivables are due from directors of the Company.

9. Cash and cash equivalents

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- Current accounts	**853.08**	315.61
Cash on hand	**0.69**	1.04
Fixed deposits with banks (with original maturity of 3 months or less)	**42.74**	147.52
Total	**896.51**	464.17

Changes in liabilities arising from financing activities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Opening balance	**4,845.96**	2,377.98
Cash flows (Net)	**(2,175.40)**	2,314.45
Changes in fair values	**90.25**	153.53
Closing balance	**2,760.81**	4,845.96

10. Other bank balances

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Balance held as margin money against bank guarantee	**82.53**	147.48
Fixed deposits with banks (Earmarked)	**9.80**	6.74
Total	**92.33**	154.22

11. Assets held for sale

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Plant and equipment	**2.23**	2.23
Land (Refer note 47(c))	**3.30**	-
Investment in subsidiary (Refer note 45)	**1.11**	-
Total	**6.64**	2.23

12.1 Share Capital

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Authorised :		
100,000,000 (March 31, 2020: 100,000,000) equity shares of Rs. 10 each	**1,000.00**	1,000.00
7,500,000 (March 31, 2020: 7,500,000) preference shares of Rs. 100 each	**750.00**	750.00
	1,750.00	1,750.00
Issued :		
39,116,864 (March 31, 2020: 39,116,864) equity shares of Rs. 10 each fully paid up	**391.17**	391.17
Subscribed and fully paid up :		
39,116,864 (March 31, 2020: 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, 2019	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2020	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	**100,000,000**	**1,000.00**

	Preference shares	
	Number of shares	**Rs. Million**
At March 31, 2019	7,500,000	750.00
Increase/(decrease) during the year	-	-
At March 31, 2020	7,500,000	750.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	**7,500,000**	**750.00**

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

12.1 Share Capital (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
Equity shares of INR 10 each issued, subscribed and fully paid		
At March 31, 2019	39,116,864	391.17
Issued during the year	-	-
At March 31, 2020	39,116,864	391.17
Issued during the year	-	-
As at March 31, 2021	**39,116,864**	**391.17**

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.

Detail of final dividend proposed

The Board of Directors of the Company has recommended final dividend of 30% on equity shares (Rs 3.00 per equity share of Rs.10 each), subject to approval of shareholders in ensuing Annual General Meeting, the liability of which would be recognised once this is approved by shareholders in the ensuing Annual General Meeting.

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

Name of the shareholder	**As at March 31, 2021**		As at March 31, 2020	
	No. of shares held	**% holding in the equity shares**	No. of shares held	% holding in the equity shares
Mr. 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.
*since expired.

12.2 Nature and Purpose of Reserves

1 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.

2 **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.

12.2 Nature and Purpose of Reserves (Contd.)

[3] **Capital Reserve**

Capital reserve includes:

a. 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,

b. Rs. 38.71 million representing the extinguishment of preference share capital.

[4] **Storage fund for molasses account**

As per Rule 3(1) of UP Sheera Niyantran 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 considers necessary.

13. Borrowings

Rs. Million

	As at March 31, 2021	As at March 31, 2020
13.1 Non current borrowings (at amortised cost)		
Secured (Refer note 13.3)		
Term loans		
-From bank	**1,046.60**	2,548.12
-From financial institution	**-**	640.48
-From others	**-**	8.55
Total	**1,046.60**	3,197.15
Less: Amount clubbed under “other financial liabilities” [1] (Refer note 17)	**300.83**	1,253.17
Total non current borrowings	**745.77**	1,943.98
13.2 Current borrowings		
Secured (Refer note 13.3)		
Loans repayable on demand - Cash credit/overdrafts from bank	**1,714.21**	1,648.81
Total current borrowings	**1,714.21**	1,648.81
Total borrowings	**2,459.98**	3,592.79

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

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Borrowings		
Term loans		
From banks	**300.83**	604.14
From financial institution	**-**	640.48
From others	**-**	8.55
Total	**300.83**	1,253.17

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

13. Borrowings (Contd.)

During the financial year 2019-20, the Company had received soft loans of Rs. 1,164 million through a bank under the "Scheme of Soft loan to Sugar mills to facilitate payment of cane dues of the farmers for the Sugar season 2018-19" as notified by Department of Food and Public Distribution,Government of India. The same have been fully repaid during the year ended March 31, 2021.

During the financial year 2018-19, the Company had received soft loans of Rs. 1,460 million 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. Outstanding at the end of year Rs. 840.35 million (March 31, 2020 Rs 1,102.87 million)

During the financial year 2018-19, the Company was sanctioned a term loan of Rs. 300 million 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.- Outstanding at end of year Rs 206.25 million (March 31, 2020 Rs 281.25 million)

During the previous year ending March 31, 2020, In view of COVID-19 Disruptions, Reserve Bank of India vide its notification dated March 27, 2020 announced for relaxation in repayment schedule with giving moratorium of three months to ease the financial stress on the borrowers. On request of the Company, Financial Institution allowed to extend the instalment due on March 31, 2020 for a period of 3 months with payment of interest at the rate of 8% per annum.

13.3 Security Clause

A. Term loans

1. From Banks:

	As at March 31, 2021 Rs. Million	As at March 31, 2020 Rs. Million	Rate of interest	**Nature of Security**
i.	**-**	1,164.00	12%	The soft loans were secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex except on Incinerator Boiler at Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Company. Interest subvention upto 7% was provided to the Company through banks for a maximum period of one year by Government of India and the Company had accounted for the same. The loans have been fully repaid during year ending March 31, 2021.
ii.	**840.35**	1102.87	5%	The soft loans are secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex except on Incinerator Boiler at Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Company.
iii.	**206.25**	281.25	12%*	The loan is secured by first exclusive charge by way of hypothecation of Incinerator Boiler and first pari-passu charge on entire fixed assets of the unit Nanglamal Sugar Complex (other than Incinerator Boiler). The loan is also secured by Corporate Guarantee provided by the Company. The Company has accounted for interest subvention from the Government at 6% per annum.

13. Borrowings (Contd.)

2. From financial institution:

	As at March 31, 2021 Rs. Million	As at March 31, 2020 Rs. Million	Rate of interest	**Nature of Security**
i	**-**	640.48	0%	(i) The loan was secured by first pari-passu charge on all movable and immovable fixed assets (except on Incinerator Boiler at Nanglamal Sugar Complex) of the Company inclusive of equitable mortgage of land and buildings. The loan was further secured by second pari-passu charge on all current assets of the Company. (ii) The loan was also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Company. (iii) The loan has been fully repaid during year ending March 31, 2021 and all securities have been released.

3. From others:

	As at March 31, 2021 Rs. Million	As at March 31, 2020 Rs. Million	Rate of interest	**Nature of Security**
i	**-**	8.55	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 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). These loans have been fully repaid during year ending March 31, 2021.

B. Loans repayable on demand

1. From Banks

i	**1714.21**	1,648.81	10.25%**	Cash credit/overdrafts from banks are secured by way of pledge of Sugar stocks, first charge and lien on the semi- finished sugar including sugar in process, raw materials, first pari passu charge on the fixed assets (other than Incinerator Boiler at Nanglamal sugar complex), hypothecation of book debts of the respective sugar units Nanglamal Sugar Complex and Mawana Sugar Works and also secured by the corporate guarantee of the Company.

* w.e.f. April 01, 2021, Interest rate revised to 11% per annum.
** w.e.f. April 01, 2021, Interest rate revised to 9.50% per annum.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

14. Lease Liabilities

Rs. Million

		As at March 31, 2021	As at March 31, 2020
14.1	**Non- current :**		
	Lease Liabilities		
	- Related party (Refer note 36)	**4.12**	-
	- Others	**3.72**	8.12
	Total	**7.84**	8.12
14.2	**Current :**		
	Lease Liabilities		
	- Related party (Refer note 36)	**3.70**	4.12
	- Others	**0.86**	10.61
	Total	**4.56**	14.73
	Total	**12.40**	22.85

15. Provisions

Rs. Million

		As at March 31, 2021	As at March 31, 2020
15.1	**Non- current :**		
	Provision for employee benefits		
	- Provision for gratuity (Refer note 35)	**96.27**	132.53
	Total	**96.27**	132.53
15.2	**Current :**		
	- Provision for gratuity (Refer note 35)	**13.39**	21.02
	- Provision for compensated absences	**24.72**	30.59
	Total	**38.11**	51.61
	Total	**134.38**	184.14

16. Trade payables

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Trade payables :		
- Outstanding dues to micro and small enterprises (Refer note 43)[3]	**22.55**	21.68
- Outstanding dues to related parties (Refer note 36)	**3.83**	31.08
- Outstanding dues to others	**6,535.00**	5,851.68
	6,538.83	5,882.76
Total	**6,561.38**	5,904.44

[1] For maturity profile of trade payable and other financial liabilities Refer note 39.

[2] For explanation on the Company's credit risk management processes, Refer note 39.

[3] Including interest Rs.0.14 million (March 31, 2020 : Rs. 0.14 million) on outstanding dues to micro and small enterprises.

17 Other financial liabilities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Current at amortised cost :		
Current maturities of long term borrowings (Refer note 13)	**300.83**	1,253.17
Interest accrued but not due on borrowings	**6.90**	2.34
Trade deposits -Dealers and others	**28.84**	65.63
Employees related payables - Others	**89.20**	84.38
Payable towards capital goods (Refer note 43)	**34.36**	54.97
Interest payable	**2.21**	1.50
Other payables	**53.14**	26.00
Total	**515.48**	1,487.99

Breakup of financial liabilities at amortised cost:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Borrowings (Refer note 13)	**2,459.98**	3,592.79
Lease liabilities (Refer note 14)	**12.40**	22.85
Trade payables (Refer note 16)	**6,561.38**	5,904.44
Current maturities of long term borrowings	**300.83**	1,253.17
Interest accrued but not due on borrowings	**6.90**	2.34
Trade deposits received	**28.84**	65.63
Employees related payables	**89.20**	84.38
Payable towards capital goods	**34.36**	54.97
Interest payable	**2.21**	1.50
Other payables	**53.14**	26.00
Total	**9,549.24**	11,008.07

18. Other liabilities:

Rs. Million

		As at March 31, 2021	As at March 31, 2020
18.1	**Non current liabilities**		
	Government Grants	**42.21**	84.12
	Total	**42.21**	84.12
18.2	**Current liabilities**		
	Advance received from customers and others (Refer note 45)	**36.41**	90.24
	Statutory liabilities	**114.35**	124.54
	Interest on statutory dues	**72.30**	60.77
	Government Grants	**41.91**	53.95
	Advance received for sale of land (Refer note 47(c))		
	-Related Party (Refer note 36)	**33.82**	-
	Others	**0.19**	0.60
	Total	**298.98**	330.10

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

19. Income Tax:

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 :

Profit or loss section:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Tax Expense:		
Adjustments in respect of current income tax of earlier years	**-**	30.28
Deferred tax:		
MAT credit reversal	**-**	444.49
Relating to origination and reversal of temporary differences	**278.90**	252.41
Income tax expense reported in the statement of profit or loss	**278.90**	727.18

Other Comprehensive Income section
Deferred tax related to items recognised in OCI during the year:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Net gain/(loss) on remeasurements of defined benefit plans	**(0.45)**	5.12
Tax effect of change in Tax rate	**-**	(2.83)
Deferred tax credit/(charge) to OCI	**(0.45)**	2.29

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020.

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Profit/(Loss) before tax (including item of OCI and Profit/(Loss) before tax from discontinued operations)	**1,024.51**	(89.99)
Tax expenses/(credit) @ applicable income tax rate of 25.168% (March 31, 2020 : 25.168%)	**257.85**	(22.65)
Tax effect of change in income tax rate	**-**	268.83
Tax effect of diminution in the value of investment	**13.25**	-
Tax effect on reversal of MAT Credit	**-**	444.49
Tax effect on Permanent differences	**19.61**	3.94
Adjustments in respect of current/deferred income tax of earlier years	**-**	30.28
Tax effect on Capital gains/(losses)	**(11.36)**	-
Income tax expense reported in the statement of profit and loss & OCI	**279.35**	724.89

19. Income Tax:(Contd.)

Rs. Million

Deferred tax:	Balance sheet		
	As at March 31, 2020	**Provided during the year**	**As at March 31, 2021**
Deferred tax assets relates to the following			
Provision for doubtful debts and advances	38.96	**1.92**	**40.88**
Disallowances u/s 43 B	161.14	**(34.79)**	**126.35**
Unabsorbed depreciation	848.76	**(325.00)**	**523.76**
Recognition of lease liability	0.35	**(0.19)**	**0.16**
Total deferred tax assets (A)	1,049.21	**(358.06)**	**691.15**
Deferred tax liabilities relates to the following			
Accelerated depreciation for tax purposes	326.31	**(73.00)**	**253.31**
Discounting of financial liabilities	9.14	**(9.14)**	**-**
Others	2.78	**3.43**	**6.21**
Total deferred tax liabilities (B)	338.23	**(78.71)**	**259.52**
Net Deferred Tax Assets (A-B)	710.98	**(279.35)**	**431.63**

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.

During the previous year, pursuant to The Taxation Laws (Amendment) Act, 2019 dated September 20, 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Company had evaluated and made an assessment of the impact of Ordinance and decided to opt for reduced rates as per Section 115BAA of the Income Tax Act, 1961. The Company remeasured its deferred tax balances as on March 31, 2020 and consequential deferred tax expense of Rs. 268.83 million was charged to Statement of Profit or Loss and MAT assets of Rs. 444.49 million were written off during the previous year.

The management at the end of each reporting period, assesses Company's ability to recognize deferred tax assets on 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 profit earned during the year and future profitability projections considering expected future market, economic conditions, tax laws and lower interest cost due to repayment/prepayment of certain borrowings out of proceeds of sale of chemical unit, 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.

20. Income tax assets (net):

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Advance payment of income tax	**21.96**	14.52
Total	**21.96**	14.52

21. Current tax liabilities:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Provision for taxation	**63.90**	63.90
Total	**63.90**	63.90

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

22. Revenue from contracts with customers

Rs. Million

	Year Ended March 31, 2021	Year Ended March 31, 2020
Sale of products		
Finished Goods	**13,932.17**	10,868.31
Traded Goods	**88.12**	85.95
Other operating revenue:		
Sale of scrap	**40.85**	26.00
Subsidies income* (Refer note 48(a))	**627.97**	629.18
Total revenue from operations	**14,689.11**	11,609.44

Disaggregated revenue information

Sugar	**11,870.51**	9,617.94
Industrial Alcohol	**1,735.45**	807.60
Power	**222.87**	203.03
By Products	**85.74**	220.74
Others	**105.72**	104.95
Total	**14,020.29**	10,954.26

*Net of expenses of Rs. 61.95 million (March 31, 2020 : Rs. 106.57 million).

Timing of revenue recognition

Products transferred at a point in time	**14,689.11**	11,609.44

Reconciliation of amount of revenue recognised with contract price

Revenue as per contracted price	**14,061.14**	10,980.26
Adjustments		
- Subsidies Income	**627.97**	629.18
Total	**14,689.11**	11,609.44

For detail of contract balances, refer note 8 and 18.2. Also refer note 37 for segment information.

23. Other income:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income[1]		
- Interest from banks	**15.95**	11.97
- interest from others	**1.24**	1.21
-Interest income on financial assets valued at amortized cost	**8.58**	40.34
Rent received	**0.80**	0.68
Profit on sale of current investments	**0.18**	8.61
Provision/Liabilities no longer required written back	**0.43**	0.07
Profit on sale of property, plant and equipment (net)	**-**	1.40
Net gain on foreign currency transactions	**0.24**	-
Insurance claims income	**-**	4.05
Buffer stock subsidy (Refer note 48(b))	**6.33**	14.37
Miscellaneous income	**2.92**	4.39
Total	**36.67**	87.09

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

In relation to financial assets classified at amortised cost	**25.77**	53.52
Total	**25.77**	53.52

24. Cost of materials consumed:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	**49.21**	70.82
Add: Purchases made during the year *	**11,412.96**	9,865.92
	11,462.17	9,936.74
Less : Inventory at the end of the year	**38.68**	49.21
Cost of materials consumed	**11,423.49**	9,887.53

* includes incidental expenses of Rs 102.10 million (March 31, 2020 : Rs 89.85 million) related to procurement of sugarcane.

Details of materials consumed are as under :

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sugar cane	**11,144.06**	9,680.62
Packing Materials	**175.08**	171.93
Others	**104.35**	34.98
Total	**11,423.49**	9,887.53

Details of inventory : Raw and Packing Materials :

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sugar Cane	**8.36**	13.37
Packing Materials	**27.81**	30.88
Others	**2.51**	4.96
Total	**38.68**	49.21

Inventories of raw and packing materials as at April 01, 2020 excluded Rs. 23.26 million related to discontinued operations.

25. Changes in inventories of finished goods, stock-in-trade and work-in-progress

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year*		
- Finished goods	**7,059.88**	7,543.83
- Stock in trade	**9.15**	8.11
- Work in progress	**273.66**	222.37
Total B	**7,342.69**	7,774.31
Inventories at the beginning of the year		
- Finished goods	**7,543.83**	6,987.92
- Stock in trade	**8.11**	8.31
- Work in progress	**222.37**	173.07
Total A	**7,774.31**	7,169.30
Total (A-B)	**431.62**	(605.01)

* Inventories as at April 01, 2020 excluded finished goods amounting to Rs 17.45 million and work in progress amounting to Rs 11.48 million related to discontinued operations.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

25. Changes in inventories of finished goods, stock-in-trade and work-in-progress (Contd.)

Details of inventory:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Finished goods		
Sugar	**6,386.63**	7,219.03
Industrial Alcohol	**76.45**	23.11
By Products	**589.21**	265.58
Others	**7.59**	36.11
Total	**7,059.88**	7,543.83
Stock in trade		
Others	**9.15**	8.11
Total	**9.15**	8.11
Work-in-progress		
Sugar	**108.66**	127.01
By Products	**161.01**	87.21
Others	**3.99**	8.15
Total	**273.66**	222.37

26. Employee benefits expense:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	**595.40**	564.68
Contribution to provident and other funds	**40.24**	37.60
Gratuity (Refer note 35)	**20.54**	7.79
Staff welfare expenses	**31.29**	28.98
Total	**687.47**	639.05

27. Finance costs:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on borrowings*	**335.99**	243.35
Interest on others**	**14.49**	21.15
Finance charges payable under leases	**1.13**	2.01
Total	**351.61**	266.51

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

Rs. Million

In relation to financial liabilities classified at amortised cost	**351.61**	266.51
Total	**351.61**	266.51

* net of buffer subsidy / subvention of Rs 76.18 million (March 31, 2020 : Rs. 141.91 million).

**Including interest on income tax Rs. 7.67 million (March 31, 2020 : Rs. 13.79 million).

28. Depreciation and amortisation expense

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets (Refer note 3A)	**469.10**	547.09
Amortisation of intangible assets (Refer note 3B)	**0.02**	-
Amortisation of right of use assets (Refer note 4)	**6.60**	8.41
Total	**475.72**	555.50

29. Other expenses

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	**314.94**	285.83
Power, fuel, water etc.	**31.26**	82.24
Other manufacturing expenses	**108.90**	117.85
Commission to indenting and ordering agent	**28.39**	24.57
Repairs		
- Building	**24.87**	26.00
- Plant and Equipment	**116.75**	97.11
- Others	**30.54**	28.90
Rent paid	**14.31**	11.74
Payment to statutory auditors (Refer details below)	**5.19**	6.26
Insurance	**22.43**	11.72
Rates and taxes	**16.67**	27.83
Freight and transport	**143.42**	77.52
Legal and professional expenses	**102.09**	110.95
Irrecoverable balances written off	**0.54**	0.05
Loss on sale/write off of Property, plant and equipment (net)	**0.35**	-
Donation other than Political Party	**4.02**	-
Provision for doubtful debts and advances	**7.59**	-
Business promotion expenses (Refer note 36)	**-**	10.00
Miscellaneous expenses	**107.56**	143.87
Total	**1,079.82**	1,062.44

Payment to statutory auditors

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
As auditors		
Audit fee	**1.70**	1.70
Tax audit fee	**0.60**	0.60
Out of pocket expenses	**0.19**	0.68
In other capacity		
For limited review of unaudited financial results	**2.20**	2.20
For verification of statement and other reports	**0.50**	1.08
Total	**5.19**	6.26

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

30. Exceptional Items

Rs. Million

		Year ended March 31, 2021	Year ended March 31, 2020
Profit on sale of chemical unit (Refer note 53)		**1,118.65**	-
Profit on sale of investment in subsidiary (Net of provision write back) (Refer note 45)			
Reversal of provision for diminution in value of investment	Rs. 203.13 million		
Less : Loss on sale off of Investments	Rs. 198.85 million	**4.28**	-
Provision for diminution in value of investment in Associate (Refer note 50)		**(52.66)**	-
Total		**1,070.27**	-

31. 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:

	Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(i)	**Continuing Operations**		
	Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	**933.71**	(890.62)
	Weighted average number of equity shares for basic and diluted EPS	**39,116,864**	39,116,864
	Basic and diluted earnings per share (in Rs.)	**23.87**	(22.77)
	Face Value per share (in Rs.)	**10.00**	10.00
(ii)	**Discontinued Operations**		
	Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	**(189.88)**	93.80
	Weighted average number of equity shares for basic and diluted EPS	**39,116,864**	39,116,864
	Basic and diluted earnings per share (in Rs.)	**(4.85)**	2.40
	Face Value per share (in Rs.)	**10.00**	10.00
(iii)	**Continuing and Discontinued Operations**		
	Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	**743.83**	(796.83)
	Weighted average number of equity shares for basic and diluted EPS	**39,116,864**	39,116,864
	Basic and diluted earnings per share (in Rs.)	**19.02**	(20.37)
	Face Value per share (in Rs.)	**10.00**	10.00

32. Commitments and Contingencies

(a) Leases

Lease — as lessee

The Company has lease contracts for various Warehouses, corporate office and equipment's used in its operations. Generally, the Company is restricted from assigning and subleasing the leased assets. The Company also has certain leases of assets with lease terms of 12 months or less. The Company applies the short-term leases recognition exemptions for these leases, other than lease from related parties.

As on transition date i.e. April 1, 2019, Right-of use assets of Rs 40.68 million were recognised, presented separately in the balance sheet. Lease liabilities of Rs. 40.68 million were recognised and presented separately in the balance sheet.

Rs. Million

Particulars	**Year ended March 31, 2021**
As at April 01, 2019	-
Additions	40.68
Amortisation expense	(19.23)
As at March 31, 2020	21.45
Additions	**15.46**
Amortisation expense	**(14.33)**
Disposals	**(10.83)**
As at March 31, 2021	**11.75**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Opening Balance	**22.85**	-
Additions	**15.46**	40.68
Accretion of interest	**1.96**	3.26
Lease surrendered	**(10.83)**	-
Payments	**(17.04)**	(21.09)
Closing balance	**12.40**	22.85
Current lease liabilities	**4.56**	14.73
Non current lease liabilities	**7.84**	8.12

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11%

32. Commitments and Contingencies (Contd.)

The following are the amounts recognised in statement of profit and loss:

Rs. Million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations		
Amortisation expense of right-of-use assets	**6.60**	8.41
Interest expense on lease liabilities	**1.13**	2.01
Expense relating to short-term leases (included in other expenses)	**14.31**	11.74
Total amount recognised in statement of profit or loss related to continuing operations	**22.04**	22.16
Discontinued Operations		
Amortisation expense of right-of-use assets	**7.73**	10.82
Interest expense on lease liabilities	**0.83**	1.25
Expense relating to short-term leases	**2.52**	4.62
Total amount recognised in statement of profit or loss related to discontinued operations	**11.08**	16.69

For maturity analysis of lease liability, refer note 39 Financial risk management framework and policies under maturities of financial liabilities.

The Company had total cash outflows for leases of Rs. 17.04 Million (March 31, 2020 Rs 21.09 million). There are no future cash outflows relating to leases that have not yet commenced.

Payments associated with short-term leases other than leases from related parties are recognised on a straight-line basis as an expense in statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less.

(b) Commitments

Rs. Million

Particulars	As at March 31, 2021	As at March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	**55.67**	8.00
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	**#**	#
Total	**55.67**	8.00

(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, 2021	As at March 31, 2020
Central Excise, State 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, 1999-2000 to 2002-03 ,2006-07 and 2004-05 to 2016-17	**22.69**	23.02
		Total (i)	**22.69**	23.02

32. Commitments and Contingencies (Contd.)

(ii) Other Matters under disputes are as below:

Rs. Million

Nature of Dispute	Description	Period	As at March 31, 2021	As at March 31, 2020
Land	Land related disputes	2014-15	**0.86**	0.86
		1985-86, 1975-76, 2009-10,	**1.05**	1.05
		Total	**1.91**	1.91
Labour	Labour related disputes	2006-07, 2008-09, 2010-11	**4.65**	4.16
		1997-98, 1999-2000 to 2002-03, 2008-09, 2010-11 and 2012-13	**10.20**	9.53
		1999-2000, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15, 2018-19	**12.29**	11.21
		Total	**27.14**	24.90
	Others	2010-11	**3.11**	3.11
		Total	**3.11**	3.11
Interest on cane Price / Commission Arrears	Interest on delay payment of cane dues (Refer note 49)	2002-03, 2006-07, 2012-13 to 2019-20	**4,415.99**	3,871.94
		Total	**4,415.99**	3,871.94
		Total (ii)	**4,448.15**	3,901.86
Grand Total ((i)+(ii))			**4,470.84**	3,924.88

(iii) The Company has provided bank guarantees aggregating Rs. 72.01 Million (March 31, 2020 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 on and prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, central excise and civil matters are pending. These demands are presently under various stages of appeal.

(iv) 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.

(v) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF, dated February 28, 2019. The Company will make necessary provision on receiving further clarity on the subject.

(vi) During the previous year, Income Tax department had passed an assessment order for the assessment year 2017-18 under Section 143(3) of the Income Tax Act, 1961, wherein the assessing officer had disallowed / added back certain items resulting into adjustment of brought forward losses/unabsorbed depreciation by Rs. 3363.97

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

32. Commitments and Contingencies (Contd.)

million under normal provisions of the Income Tax Act. Under Section 115 JB (MAT), the assessing officer raised demand of Rs. 138.99 million (including interest of Rs. 45.27 million) against which the Company is carrying provision of Rs. 121.98 million (March 31, 2020 Rs. 121.98 million) ((including interest of Rs. 30.28 Million (March 31, 2020 Rs.30.28 million)). However, based on the legal opinion taken by the Company, additions/demands are not sustainable under the provisions of the Income Tax Act. An appeal had been filed by the Company in the previous year against the above said order with CIT(Appeal) which is under hearing and an application under Section 154 of the Income Tax Act for the rectification of the said additions/demand had also been filed in the previous year with the Assessing Officer. The Company has already deposited (including adjustment of refund of subsequent years) a sum of Rs 42.79 million under protest against the above demand amount.

(vii) During the current year, Income Tax department has passed an assessment order for the assessment year 2018-19 under Section 143(3) of the Income Tax Act, 1961, wherein the assessing officer has disallowed / added back certain items resulting into adjustment of brought forward losses/unabsorbed depreciation by Rs. 203.04 million under normal provisions of the Income Tax Act. An appeal has been filed by the Company in the current year against the above said order with CIT(Appeal).

(viii) Other Income tax demand for the assessment year 2007-08 amounting to Rs. 0.40 million (March 31, 2020 Rs Nil).

33. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 9.46 million (March 31, 2020 Rs. 7.32 million).

34. Disclosure of interest in subsidiaries and associate

			Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)	
				As at March 31, 2021	As at March 31, 2020
(i)	Siel Financial Services Limited (Refer note 45)	Subsidiary	India	**75.00%**	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%**	33.74%

35. 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, 2021	As at March 31, 2020
		Gratuity	Gratuity
		(Funded)	(Funded)
Change in the Present value of obligation			
1	Present value of obligation as at the beginning of the year	**190.41**	163.63
2	Add: Current service cost	**10.08**	11.99
3	Less: Adjustment on transfer of chemical unit	**(48.53)**	-
4	Add: Interest cost	**12.95**	12.53
5	Add/(Less): Actuarial (gain) / loss	**(1.71)**	20.30
6	Less: Benefits paid	**(14.35)**	(18.04)
7	**Present value of obligation as at the end of the year**	**148.85**	190.41

35. Gratuity and other post-employment benefit plans (Contd.)

Change in the fair value of plan assets

Rs. Million

		As at March 31, 2021	As at March 31, 2020
		Gratuity	Gratuity
		(Funded)	(Funded)
1	Fair value of plan assets at the beginning of the year	36.86	34.07
2	Less : Adjustment in opening balance	(0.23)	-
3	Add: Expected return on plan assets	2.49	2.61
4	Add: Contribution by the Company	-	0.45
5	Less: Benefits paid	-	(0.22)
6	Add/(Less): Actuarial gain/(loss)	0.07	(0.05)
7	**Plan assets at the end of the year**	39.19	36.86
	Liability recognized in the financial statements	109.66	153.55
	Current	13.39	21.02
	Non-current	96.27	132.53

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

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

Rs. Million

Amount recognised in Statement of Profit and Loss:	March 31, 2021	March 31, 2020
Current service cost	10.08	11.99
Net interest expense	10.46	9.92
Amount recognised in Statement of Profit and Loss *	20.54	21.91

*Amount recognised for the year ended March 31, 2020 includes Rs 14.12 million related to discontinued operations.

Rs. Million

Amount recognised in Other Comprehensive Income:	March 31, 2021	March 31, 2020
Actuarial gain/(loss) on Present value of obligation	1.71	(20.30)
Actuarial gain/(loss) on Assets	0.07	(0.05)
Amount of gain/(loss) recognised in Other Comprehensive Income	1.78	(20.35)

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

	March 31, 2021	March 31, 2020
Gratuity		
Investment Details	Funded	Funded
Investment with Insurer (LIC)	100%	100%

35. Gratuity and other post-employment benefit plans (Contd.)

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

	As at March 31, 2021	As at March 31, 2020
Discount rate (%)	**6.80**	6.80
Future salary increases (%)	**5.00**	5.00
Retirement Age (Years)	**58**	58
Withdrawal rate		
Up to 30 years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

` **A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:**
Gratuity Plan

Rs. Million

Assumptions	**Discount rate**		**Future salary increase**	
Discount rate	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation	(5.05)	5.40	5.47	(5.16)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:
Gratuity Plan

Rs. Million

Assumptions	**Discount rate**		**Future salary increase**	
Discount rate	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation	(5.92)	6.32	6.40	(6.05)

The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	**18.17**	26.07
Between 1 and 2 years	**32.59**	38.94
Between 2 and 3 years	**8.91**	17.61
Between 3 and 4 years	**10.78**	12.76
Between 4 and 5 years	**6.97**	13.45
Between 5 and 6 years	**6.94**	7.03
Beyond 6 years	**64.49**	74.55
Total expected payments	**148.85**	190.41

36. Related party transactions

I) List of related parties

a) Promoter:
Mr. Siddharth Shriram*

b) Subsidiaries

Siel Financial Services Limited,
Siel Industrial Estate Limited,
Siel Infrastructure & Estate Developers Private Limited

36. Related party transactions (Contd.)

c) Associate

Mawana Foods Private Limited

d) Key management personnel

Mr. Dharam Pal Sharma –Whole Time Director

Mr. B.B. Mehta – Chief Financial Officer

Mr. Ashok Kumar Shukla- Company Secretary

e) Directors

Prof. Dinesh Mohan*

Mr. Piar Chand Jaswal

Mr. Ravinder Singh Bedi

Mrs. Manju Vira Gupta

Mr. Satish Agarwal (Appointed w.e.f December 09, 2020)

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

Usha International Limited

g) Enterprises over which the Independent Directors have significant influence

Delhi Golf Club

Delhi Policy Group

Caddies Welfare Trust

S R K A & COMPANY

*since expired.

II) Transactions with related parties

Rs. Million

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**Promoter**		
	Mr. Siddharth Shriram		
	Advisory fees	**14.40**	14.40
B.	**Subsidiaries**		
	Siel Financial Services Limited		
	Expenses recovered	**1.61**	0.07
	Siel Industrial Estate Limited		
	Investment in 6,550,000 equity shares (March 31, 2020 9,720,000 equity shares) of Rs. 10 each fully paid-up	**65.50**	97.20
	Sale of Land	**29.19**	-
	Sale of Property, Plant and Equipment	**0.47**	-
	Purchase of Land	**1.84**	-
	Advance received against sale of land	**33.82**	-
	Subscription for Investment in Optionally Convertible Cumulative Preference Shares pending for allotment	**72.00**	-
C.	**Associate**		
	Mawana Foods Private Limited		
	Sale of Goods	**436.40**	548.09
	Interest received	**1.24**	1.21
	Business promotion expenses	**-**	10.00
	Expenses recovered	**0.33**	1.11
	Miscellaneous purchases	**0.03**	0.05
	Provision for diminution in value of investment	**52.66**	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

36. Related party transactions (Contd.)

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
D. Key Management personnel and their relatives		
Remuneration to key management personnel:**		
Mr. Dharam Pal Sharma	**2.36**	2.36
Mr. B.B. Mehta	**10.02**	8.72
Mr. Ashok Kumar Shukla	**1.29**	1.15
E. Director Sitting Fee		
Prof. Dinesh Mohan	**0.20**	0.13
Mr. Piar Chand Jaswal	**0.19**	0.12
Mr. Satish Agarwal	**0.04**	-
Mr. Ravinder Singh Bedi	**0.20**	0.16
Mrs. Manju Vira Gupta	**0.19**	0.16
F. Enterprises over which key management personnel have significant influence		
Usha International Limited		
Expenses reimbursed	**2.31**	2.98
Miscellaneous purchases	**0.21**	0.81
Rent paid***	**4.37**	4.37
Royalty paid	**11.38**	13.45
G. Enterprises over which the Independent Directors have significant influence		
Delhi Golf Club		
Sponsorship for Brand Promotion	**0.40**	-
Caddies Welfare Trust		
Sponsorship for Brand Promotion	**1.00**	-
Delhi Policy Group		
Sponsorship for Brand Promotion	**17.50**	12.00
S R K A & COMPANY		
Professional Charges	**0.07**	-
H. Other payment to directors		
Advisory fees paid to Mr. Piar Chand Jaswal	**0.83**	0.75

Balance Outstanding as at year end:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
(a) Financials Assets -Loans and others		
Mr. Siddharth Shriram	**0.76**	0.73
Siel Financial Services Limited****	**36.59**	36.59
(b) Trade and Other Payables		
Usha International Limited	**3.83**	31.08
(c) Trade Receivables		
Mawana Foods Private Limited	**56.44**	50.20
(d) Interest Receivables		
Mawana Foods Private Limited	**0.37**	1.10
(e) Lease liability payable		
Usha International Limited	**7.82**	4.12
(f) Advance received for sale of land		
Siel Industrial Estate Limited	**33.82**	-
(g) Advance for investment in Optionally Convertible Cumulative Preference Shares pending for allotment		
Siel Industrial Estate Limited	**72.00**	-

**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.

*** included under finance costs and amortisation as per IndAS-116.

**** provided for as doubtful advances.

36. Related party transactions (Contd.)

Siel Industrial Estate Limited (Siel IE) and erstwhile Chairman, Managing Director of the Company had given Corporate/personal Guarantees of Rs. 3,335.70 million (March 31, 2020 Rs. 3,335.70 million) as a collateral security in favour of some lenders of the Company to secure the repayment of all debt due to them. Siel IE had also mortgaged its industrial land measuring 455.23 acres (March 31, 2020 455.23 acres) as collateral security. During the year ended March 31, 2021, the Company has repaid all loans. Consequently, all the securities including guarantees given earlier to the lenders have been released and charges with Registrar of Companies have been got cleared/satisfied. (March 31, 2020, gross outstanding dues were Rs. 676.80 million).

Transaction with Key management personnel

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	**13.67**	12.23
Total compensation paid to key management personnel	**13.67**	12.23

The amount disclosed in the table are the amounts recognised as expense during the reporting year related to key management personnel.

37. Segment Information

A. <u>Operating Segment</u>

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. The Chemical business has been classified as discontinued operations.

B. Geographical Segment

The Company mainly caters to domestic markets. However, there is export/deemed export of Sugar which has been presented in 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 AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

D. Information about business segments

(Rs. Million)

PARTICULARS	Sugar		Power		Chemicals (Discontined Operations) (Refer Note. 53)		Distillery		Unallocated		Elimination		Total	
	March 31, 2021	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020	**March 31, 2021**	March 31, 2020
SEGMENT REVENUE														
External Sales	**12,040.08**	9,931.67	**229.13**	203.03	-	-	**1,751.08**	819.56	-	-	-	-	**14,020.29**	10,954.26
Inter segment revenue	**2,885.50**	2,188.84	**2,328.10**	2,182.70	-	-	**69.35**	20.16	-	-	**(5,282.95)**	(4,391.70)	-	-
Other Operating Revenues	**648.01**	646.04	-	-	-	-	**20.81**	9.14	-	-	-	-	**668.82**	655.18
Other income	**10.68**	20.02	**0.05**	0.35	-	-	-	2.02	**25.94**	64.70	-	-	**36.67**	87.09
Total revenue	**15,584.27**	12,786.57	**2,557.28**	2,386.08	-	-	**1,841.24**	850.88	**25.94**	64.70	**(5,282.95)**	(4,391.70)	**14,725.78**	11,696.53
EBIT/RESULTS														
Segment results	**302.08**	36.07	**388.26**	302.08	-	-	**69.25**	(92.40)	-	-	-	-	**759.59**	245.69
Unallocated income/ (expenses) (net of income/ expenses)	-	-	-	-	-	-	-	-	**(247.86)**	(227.69)			**(247.86)**	(227.69)
Operating Profit	**302.08**	36.07	**388.26**	302.08	-	-	**69.25**	(92.40)	**(247.86)**	(227.69)	-	-	**511.73**	18.00
Finance Costs													**351.61**	266.51
Interest income													**25.77**	53.52
Profit/(Loss) before tax and exceptional items													**185.89**	(194.99)
Exceptional item- Income (net)													**1,070.27**	-
Profit/(Loss) before tax from continuing operations													**1,256.16**	(194.99)
Tax expenses/(credit)													**322.45**	695.64
Profit/(Loss) from continuing operations													**933.71**	(890.63)
Discontinued operations														
Profit/(Loss) before tax for the year from discontinued operations													**(233.43)**	125.34
Tax credit/(expenses) of discontinued operations													**43.55**	(31.54)
Profit/(Loss) from discontinued operations													**(189.88)**	93.80
Profit/(loss) for the year													**743.83**	(796.83)
OTHER INFORMATION														
A. ASSETS														
Segment assets	**9,651.70**	9,705.78	**911.51**	1,064.63	-	568.92	**1,151.03**	1,183.78	-	-	-	-	**11,714.24**	12,523.11
Unallocated assets	-	-	-	-	-	-	-	-	**2,293.29**	2,320.88	-	-	**2,293.29**	2,320.88
Total Assets	**9,651.70**	9,705.78	**911.51**	1,064.63	-	568.92	**1,151.03**	1,183.78	**2,293.29**	2,320.88	-	-	**14,007.53**	14,843.99
B. LIABILITIES														
Segment liabilities	**6,811.16**	6,009.97	**18.65**	15.43	-	289.79	**100.74**	152.21	-	-	-	-	**6,930.55**	6,467.40
Borrowings	-	-	-	-	-	-	-	-	**2,760.82**	4,845.96	-	-	**2,760.82**	4,845.96
Unallocated liabilities	-	-	-	-	-	-	-	-	**397.34**	356.97			**397.34**	356.97
Total Liabilities	**6,811.16**	6,009.97	**18.65**	15.43	-	289.79	**100.74**	152.21	**3,158.16**	5,202.93	-	-	**10,088.71**	11,670.33
C. OTHERS														
Capital expenditure	**120.96**	105.43	**27.46**	1.20		10.60	**47.94**	357.70	**7.96**	0.15	-	-	**204.32**	475.08
Depreciation	**215.47**	276.91	**102.77**	125.68	-	-	**150.44**	144.89	**7.04**	8.02	-	-	**475.72**	555.50

37 Segment Information (Contd.)

Geographical information :

(i) Revenue from external customers: The Company's revenue from external customers by location of operation are as under:

Rs. Million

Particulars	Year	India	Outside India	Total
External revenue	**2020-21**	**12,055.20**	**1,965.09**	**14,020.29**
	2019-20	9,494.79	1,459.47	10,954.26

(ii) Non-current assets: The Company has common property, plant and equipment for manufacturing goods, hence, these are not separately identifiable.

Information about major customer :

Revenue from Contracts with customers includes Rs 1,823.08 million (March 31, 2020 Rs. 704.01 million) arising from Garden Court Distilleries Private Limited which contributes approx. 13.00% (March 31, 2020 6.43%) of revenue.

38. 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, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Financial assets				
Fair Valuation at Amortized cost:				
Investment in Redeemable Cumulative Preference shares	**152.49**	143.91	**152.49**	143.91
Subscription for investment in Optionally Convertible Cumulative Preference Shares pending for allotment	**72.00**	-	**72.00**	-
Security deposits paid	**3.27**	172.16	**3.27**	172.16
Dues from employees	**0.88**	1.33	**0.88**	1.33
Loans and advances to related parties	**0.76**	0.73	**0.76**	0.73
Loans and advances to others	**36.41**	34.80	**36.41**	34.80
Subsidies receivable	**1,103.35**	799.33	**1,103.35**	799.33
Interest subvention receivable	**14.79**	75.71	**14.79**	75.71
Interest accrued on deposits	**5.16**	12.63	**5.16**	12.63
Total	**1,389.11**	1,240.60	**1,389.11**	1,240.60
Financial liabilities				
Fair Valuation through Statement of Profit & Loss				
Borrowings	**2,760.81**	4,845.96	**2,760.81**	4,845.96
Fair Valuation at Amortized cost :				
Lease Liabilities	**12.40**	22.85	**12.40**	22.85
Total	**2,773.21**	4,868.81	**2,773.21**	4,868.81

The management assessed that cash and cash equivalents, other bank balances, 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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

38B. 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 Company's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

Rs. Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I. Assets measured at fair value (Note 38A):					
Fair Valuation at Amortized cost :					
Investment in Redeemable Cumulative Preference shares	31-Mar-21	152.49	-	152.49	-
Subscription for investment in Optionally Convertible Cumulative Preference Shares pending for allotment	31-Mar-21	72.00	-	72.00	-
Security deposit paid	31-Mar-21	3.27	-	3.27	-
Dues from employees	31-Mar-21	0.88	-	0.88	-
Loans and advances to related parties	31-Mar-21	0.76	-	0.76	-
Loans and advances to others	31-Mar-21	36.41	-	36.41	-
Subsidies receivable	31-Mar-21	1,103.35	-	1,103.35	-
Interest subvention receivable	31-Mar-21	14.79	-	14.79	-
Interest accrued on deposits	31-Mar-21	5.16	-	5.16	-
		1,389.11	-	1,389.11	-
II. Liabilities for which fair value is disclosed (Note 38A):					
Fair Valuation through Statement of Profit & Loss					
Borrowings	31-Mar-21	2,760.81	-	-	2,760.81
Fair Valuation at Amortized cost :					
Lease Liabilities	31-Mar-21	12.40	-	-	12.40

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2021.

38 Fair Value (Contd.)

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020:

Rs. Million

		Date of valuation	Fair value measurement using			
			Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I.	**Assets measured at fair value (Note 38A):**					
	Fair Valuation at Amortized cost :					
	Investment in Redeemable Cumulative Preference shares	31-Mar-20	143.91	-	143.91	-
	Security deposit paid	31-Mar-20	172.16	-	172.16	-
	Dues from employees	31-Mar-20	1.33	-	1.33	-
	Loans and advances to related parties	31-Mar-20	0.73	-	0.73	-
	Loans and advances to others	31-Mar-20	34.80	-	34.80	-
	Subsidies receivable	31-Mar-20	799.33	-	799.33	-
	Interest subvention receivable	31-Mar-20	75.71	-	75.71	-
	Interest accrued on deposits	31-Mar-20	12.63	-	12.63	-
			1,240.60	-	1,240.60	-
II.	**Liabilities for which fair value is disclosed (Note 38A):**					
	Fair Valuation through Statement of Profit & Loss					
	Borrowings	31-Mar-20	4,845.96	-	-	4,845.96
	Fair Valuation at Amortized cost :					
	Lease Liabilities	31-Mar-20	22.85	-	-	22.85

There were no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2020.

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

39. 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.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

39. Financial risk management objectives and policies (Contd.)

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. The Company also exports finished goods which exposes it to foreign currency risk.

Below is the Company's exposure to foreign currency risk changes

Rs. Million

	Change in conversion rate	Effect on profit before tax
Year ended March, 2021	**+5%**	**1.18**
	-5%	**(1.18)**
Year ended March, 2020	+5%	(0.72)
	-5%	0.72

Commodity price risk

Sugar industry being cyclical in nature, realisations get adversely affected during downturn. Higher cane price or higher production than the demand ultimately affect profitability. The Company has mitigated this risk to some extant by well integrated business model by diversifying into co-generation and distillation, thereby utilizing the by-products. The Company 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.

39. Financial risk management objectives and policies (Contd.)

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, 2019	1.17	153.65	203.13
Provision as at March 31, 2020	1.17	153.65	203.13
Provision made during the year 2020-21	**0.44**	**7.15**	**52.66**
Provision written back during the year 2020-21	**-**	**-**	**(203.13)**
Provision as at March 31, 2021	**1.61**	**160.80**	**52.66**

(ii) Financial instruments and cash deposits

Credit risk from balances with banks is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Company's Board of Directors on an annual basis, and may be updated throughout the year subject to approval of the Company's finance committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

Liquidity risk

The Company manages its liquidity for working capital requirement to ensure smooth operation of the business.

The Company also ensures the long term funds requirement like capex or otherwise are met through adequate availability of long term capital (debt/equity).

As at March 31, 2021

Rs. Million

	Less than 1 year	1-3 years	>3 years	Total
Borrowings	**2015.04**	**673.87**	**71.90**	**2,760.81**
Lease Liabilities	**4.56**	**7.24**	**0.60**	**12.40**
Trade payables				
- Total outstanding dues to micro and small enterprises	**22.55**	**-**	**-**	**22.55**
- Total outstanding dues of creditors	**6,538.83**	**-**	**-**	**6,538.83**
Interest accrued but not due on borrowings	**6.90**	**-**	**-**	**6.90**
Employees Related Payables	**89.20**	**-**	**-**	**89.20**
Trade deposits received	**28.84**	**-**	**-**	**28.84**
Payable towards Capital Goods	**34.36**	**-**	**-**	**34.36**
Interest payable	**2.21**	**-**	**-**	**2.21**
Other payables	**53.14**	**-**	**-**	**53.14**
	8,795.63	**681.11**	**72.50**	**9,549.24**

39. Financial risk management objectives and policies (Contd.)

As at March 31, 2020

Rs. Million

	Less than 1 year	**1-3 years**	**>3 years**	**Total**
Borrowings	2,901.98	1,439.96	504.02	4,845.96
Lease Liabilities	14.73	6.44	1.68	22.85
Trade payables				
- Total outstanding dues to micro and small enterprises	21.68	-	-	21.68
- Total outstanding dues of creditors	5,882.76	-	-	5,882.76
Interest accrued but not due on borrowings	2.34	-	-	2.34
Employees related payables	84.38	-	-	84.38
Trade deposits received	65.63	-	-	65.63
Payable towards Capital Goods	54.97	-	-	54.97
Interest payable	1.50	-	-	1.50
Other payables	26.00	-	-	26.00
	9,055.97	1,446.40	505.70	11,008.07

40. 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, 2021	As at March 31, 2020
Borrowings (Note 13)	**2,760.81**	4,845.96
Trade Payables (Note 16)	**6,561.38**	5,904.44
Cash and cash equivalents (Note 9)	**(896.51)**	(464.17)
Net debts	**8,425.68**	10,286.23
Total equity	**3,918.82**	3,173.66
Capital plus net debt	**12,344.50**	13,459.89
Gearing ratio (%)	**68.25%**	76.42%

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, 2021 and March 31, 2020.

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 continues 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 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 Company.

In terms of the above directions of the Hon'ble Supreme Court, the Company had 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.

A sum of Rs. 20.83 million (March 31, 2020 Rs. 21.20 million) is recoverable from IPL, Out of which Rs. 20.00 million (March 31, 2020 Rs 20.00 million) pertains to pending transfer of certain portion of freehold land in the name of IPL and balance of Rs. 0.83 million (March 31, 2020 Rs. 1.20 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 On the basis of supplier information available with the Company who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the following are the details.

Rs. Million

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount*	**23.66**	23.46
- Interest thereon	**0.14**	0.14
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**	0.14
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**	0.14

* including Rs 1.25 million (March 31, 2020 : Rs. 1.92 million) on account of capital goods supplier.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (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 (Subsidiary held for disposal)*	2019-20	36.59	-	-	36.59	General Business Purpose
	2020-21	**36.59**	**-**	**-**	**36.59**	General Business Purpose

* In respect of above loans given to Siel Financial Services Limited ("SFSL"), the Company has received an offer for conversion of Rs 36.59 million into 00.01% Redeemable Cumulative Preference Shares at a price of Rs 100/- (face value) each on preferential basis. However, the conversion of the same is pending due to approval of the members of SFSL.

b) Particulars of Investments made during the year:

Rs. Million

Name of the Investee	Investment Made	Purpose
Siel Industrial Estate Limited (Siel IE) (Subsidiary)	65.50	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.
Siel Industrial Estate Limited (Siel IE) (Subsidiary)	72.00	During the year, the Company has subscribed for investment amounting to Rs. 72 million in wholly owned subsidiary namely Siel IE for the subscription of Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs.10 each against the total investment of Rs. 100 million to meet the following needs : a. To buy a parcel of land admeasuring about 13.266 acre from Holding Company, b. To established the new office building and related infrastructure and, c. For other provisions to arrange supply of water to prospective new client. Allotment of OCCPS is made subsequently on April 28, 2021.

45 The Company reduced its shareholding in the Siel Financial Services Limited ("SFSL"), a subsidiary of the Company during the current year from 93.56% to 75% by sale of 2,105,568 equity shares of Rs 10 each at BSE through process of 'offer for Sale' to comply with the 'Minimum Public Shareholding' requirement of SFSL. The Company has also entered into a Share Purchase Agreement (SPA) dated February 25, 2021 to sell its entire remaining shareholding at a mutually agreed consideration of Rs 1.11 million. The same has been received by the Company.

The resultant gain of Rs. 4.28 million after adjusting provision for diminution in the value of above investment of Rs. 203.13 million has been shown in the statement of profit and loss, under the head ""Exceptional Items"".

However, the necessary compliances as required in regulation 31A of the SEBI LODR Regulation have been made subsequent to the close of the year, therefore the Company has shown Rs. 1.11 million as advance received against sale of investment (Refer note 18.2) and investment in the subsidiary company has been shown as " Assets held for sale" (Refer note 11).

46 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 earlier years. UP sugar mill association had approached hon'ble Supreme Court for stay of operation of high court order during an earlier year. The matter is pending before Supreme Court.

47 (a) 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 65,50,000 Equity Shares of Rs.10 each fully paid amounting to Rs. 65.50 million during the year ended March 31, 2021 (March 31, 2020 9,720,000 Equity Shares of Rs.10 each fully paid amounting to Rs 97.20 million).

(b) During the year, the Company has given as advance for investment amounting to Rs. 72.00 million in wholly owned subsidiary namely Siel IE for the subscription of Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs.10 each against the total investment of Rs. 100 million to meet the following needs :

a. To buy a parcel of land admeasuring about 13.266 acre from Holding Company,

b. To establish the new office building and related infrastructure and,

c. For other provisions to arrange supply of water to prospective new client.

Allotment of OCCPS made subsequently on April 28, 2021.

(c) During the year, the Company has entered into an agreement to sell land admeasuring about 13.266 acres situated at Rajpura, Punjab to Siel Industrial Estate Limited, a subsidiary of the Company at a consideration of Rs 63.01 million, which has been fully received during the year. However, out of 13.266 acres of land, 7.120 acres of land has not been transferred by the end of the year. Therefore, the Company has shown Rs. 33.82 million as advance received for sale of land (Refer note 18.2) and value of land has been shown as " Assets held for sale" (Refer note 11).

48 (a) During the year, the Company has recognised an income of Rs 627.97 million net of expense of Rs.61.95 million (March 31, 2020 Rs 629.18 million net of expense of Rs.106.57 million) as assistance on export of sugar as per Maximum Admissible Export Quantity (MAEQ) allotted in terms of notifications dated December 29, 2020 read with notifications dated December 31, 2020 and notifications dated September 12, 2019 read with notifications dated September 16, 2019, issued by Department of Food and Public Distribution, Government of India. The Company based on contracts completed against MAEQ and as per agreements signed with merchant exporters has accounted for receivable of Rs 1019.74 million (March 31, 2020 Rs. 704.43 million) against above assistance from Government of India as per the conditions laid down in said notifications. However, in respect of export incentive of Rs. 37.88 million (March 31, 2020 Rs. 152.38 million), merchant exporters have not made the export till March 31, 2021. Exports in respect of export incentives of Rs. 6.02 million (March 31, 2020 Rs. 134.12 million) have been made subsequent to the year end.

(b) During the year, the Company has also recongnised an amount of Rs 46.52 million (March 31, 2020 Rs 93.26 million) on account of Buffer Stock Subsidy in terms of notifications dated July 31, 2019 and August 1, 2019 issued by Department of Food and Public Distribution, Ministry of Consumer Affairs, Foods and Public Distribution, Government of India. The Company is eligible to get carrying cost in terms of interest, insurance and storage charges for maintenance of buffer stocks in terms of said notifications. As at March 31, 2021, Rs. 83.61 million (March 31, 2020 Rs 94.90 million) is receivable as buffer stock subsidy.

49 In the earlier years, Recovery Certificates (RC) were issued by the Cane Commissioner for payment of Cane Dues, society commission, interest on delayed payments etc. for previous crushing seasons. The RC also mentioned that the recovery officer shall also collect 'collection charges' as per Rules. Company had paid all the dues of the farmers on its own and challenged the levy of 'collection charges' before the Hon'ble High Court of Allahabad. Hon'ble High Court stayed the recovery of 'collection charges'.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

During an earlier year, Hon'ble High Court of Allahabad following the principle of law laid down by Full Bench of the High Court in the case of Maharajwa Sugar Mills Vs State of UP, allowed all the writ petitions filed by the Company and quashed the levy of the collection charges and consequent demand for the same by the State Government. There are some other cases relating to the same issue of levy of 'collection charges' for other years which are still pending and the total demand of collection charges for those years was Rs. 1,413.33 million as on March 31, 2021 (March 31, 2020 Rs 1,413.33 million). The Company had paid the entire dues of the farmers and the Society commission for these years on its own without any further action by the State Government.

The Company had been legally advised that after the authoritative Full Bench Judgment by the Hon'ble High Court of Allahabad in Maharajwa Sugar Mills case, which has attained finality as the State Government has not challenged the said judgment in any superior court, no 'collection charges' could be recovered where the State Government had taken no further steps for recovery of the dues mentioned in RC except issuing the 'demand notice' and 'citation' and such amount had been directly paid by the sugar mills to the farmers on its own.

There is demand of interest on delayed payments of cane price of Rs 4,415.99 million (March 31, 2020 Rs. 3,871.94 million) from Cooperative Cane Societies, which has been disclosed under contingent liabilities (Refer note 32(c)(ii) above). The 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.

50 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. 929.93 million (March 31, 2020 Rs 783.85 million) in said subsidiaries and associate. Also, amount of Rs. 56.81 million (March 2020 Rs. 51.30 million) is receivable from the associate.

In case of Subsidiaries, impairment assessment has been carried out by getting the assets valuation from bank approved valuer and there is no impairment loss required to be recognized.

In case of Associate, the Management has done impairment assessment on the value of investments. On account of excess of carrying value of investment in associate over the net worth as per standalone financial statement of the associate Company namely "Mawana Foods Private Limited", the Company has performed an impairment test to ascertain the recoverable amount of investment. The recoverable amount is determined based on value in use calculation. These calculation uses management assumptions and pre-tax cash flow projections based on financed budgets approved by management of the associate company covering a 5-year period. Cash flow projection beyond 5 years' time period are extrapolated using the estimated growth rates which is in line with industry growth rate. The Management has determined following assumptions for impairment testing of investment:

Assumption	March 31, 2021	Approach used in determining value
Cost of capital % before tax (discount rate)	19.85%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	4.00%	Long term growth rate has been taken basis financial budgets and projections approved by management which is in line with industry growth rate

On the basis of calculations performed, the Company assessed the recoverable amount of the investment being lower than its carrying value and consequently the Company has recognised provision for impairment to the extent of excess of carrying value over its value in use by Rs 52.66 million (March 31, 2020: Rs Nil) in the statement of profit and loss under the head ""Exceptional Items"".

51 Mawana Sugar Works is a separate cash generating unit and had negative cash flows in the earlier years. However, during the current year and previous year, Mawana Sugar Works has earned profit before depreciation. The Company is at the year end carrying Property, plant and equipment and other non-current assets aggregating to Rs. 595.41 million (March 31, 2020 Rs 698.29 million) in respect of said unit. As a result, there is risk that carrying value of related property, plant and equipment and other non-current assets may be higher than its recoverable amount. Impairment assessment has been carried out by getting the assets valuation from approved valuer and there is no impairment loss required to be recognized.

52 During the earlier years, Central Government had 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, 2021, the Company is carrying inventory of sugar of Rs. 6,495.29 million (comprising finished goods Rs. 6,386.63 million and work in progress Rs. 108.66 million) ((March 31, 2020 Rs 7,346.04 million (comprising finished goods Rs. 7,219.03 million and work in progress Rs. 127.01 million)) with valuation at lower of cost and net realizable value.

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

53 Discontinued operations

Chemical Unit

Pursuant to approval of the board of directors in its meeting held on February 9, 2021, subsequently approved by the shareholders through postal ballot and vide business transfer agreement dated February 9, 2021, the Company has transferred assets and liabilities of its Chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021, on a going concern basis at a lumpsum consideration of Rs.1,370 million subject to adjustment of net working capital amounting to Rs. 114.44 million related to said unit. Consequently, the Company's net assets of Rs. 335.14 million mainly representing property, plant and equipment, inventories, trade receivables and trade payables have been transferred which has resulted in gain of Rs. 1,118.65 million (Net of expenses incurred related to sale of said unit of Rs. 30.65 million). The same has been included under exceptional items in the standalone financial statements of the Company. The consideration of Rs.1,475.50 million has been received till March 31, 2021 and balance of Rs. 8.94 million has been received subsequent to year end.

Financial performance and cash flow information

(a) The Results of discontinued operations for the year are presented below:

Rs Million

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Revenue including other income {including Profit on sale of Property, plant and equipment Rs 26.32 million (March 31, 2020 Rs Nil), Provision no longer required written back Rs 0.02 million (March 31, 2020 Rs 0.04 million), Interest income Rs 8.78 million (March 31, 2020 Rs 11.65 million) and inter segment revenue of Rs 12.53 million (March 31, 2020 Rs 16.19 million)}	**1,554.34**	2,378.92
Less: Expense (including Loss on sale of Property, plant and equipment Rs Nil (March 31, 2020 Rs 0.07 million)	**1,713.81**	2,167.57
Less: Finance costs	**1.40**	(19.31)
Less: Depreciation and amortisation expenses	**72.56**	105.32
Profit/(Loss) before tax	**(233.43)**	125.34
Tax credit/(expense)*	**43.55**	(31.54)
Profit / (Loss) from discontinued operations	**(189.88)**	93.80

*Excluding tax credit/(expense) due to tax effect on reversal of MAT Credit and change in tax rate.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

(b) The net cash flows incurred by discontinued operations are as follows:

Rs Million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities	**(261.75)**	159.28
Cash flow from investing activities	**(5.52)**	(39.11)
Cash flow from financing activities (including movement in head office balances)	**262.22**	(180.45)
Net Cash inflows/(outflows)	**(5.05)**	(60.28)

(c) The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows:

Rs Million

Particulars	As at March 31, 2021
ASSETS	
(1) Non-current assets	
(a) Property, plant and equipment	**211.41**
(b) Capital work- in- progress	**9.10**
(c) Intangible assets	**0.31**
(d) Financial assets-Loans	**167.87**
(e) Other non- current assets	**1.70**
Total Non-current assets	**390.39**
(2) Current assets	
(a) Inventories	**90.54**
(b) Financial assets	
- Trade receivables	**20.93**
- Cash and cash equivalents	**24.90**
-Other bank balances	**0.11**
-Others	**7.17**
(c) Other current assets	**10.75**
Total current assets	**154.40**
Total Assets	**544.79**
LIABILITIES	
(1) **Non- current liabilities**	
(a) Provisions	**37.88**
Total non- current liabilities	**37.88**
(2) **Current liabilities**	
(a) Financial liabilities	
Trade payables	
- Total outstanding dues to micro and small enterprises	**16.81**
- Total outstanding dues of creditors other than micro and small enterprises	**73.31**
Other financial liabilities	**24.31**
(b) Other current liabilities	**32.94**
(c) Provisions	**24.40**
Total current liabilities	**171.77**
Total liabilities	**209.65**

54 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

55 The Company has taken into account all the possible impacts of COVID-19 (including second wave of COVID-19) in preparation of these standalone financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these standalone financial statements and believes that the impact of COVID-19 is not material to these standalone financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the standalone financial statements may differ from that estimated as at the date of approval of these standalone financial statements and the Company will continue to closely monitor any material changes in future economic conditions.

56. During the current year, the Company has disposed off its chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021. Therefore, the balance sheet figures for the current year excludes figures related to chemical unit and are not comparable with the previous year. Also, the statement of Profit and Loss for the year ended March 31, 2020 has been restated by excluding figures of chemical unit which have been included in discontinued operations for comparison purposes.

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: June 25, 2021

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-1

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 associates

S. No.	Name of Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (loss) before taxation	Provision for taxation w/back	Profit/ (Loss) after taxation	Proposed dividend	% of share-holding
1	Siel Industrial Estate Limited*	539.25	(76.31)	613.44	150.50	-	8.09	(9.49)	1.81	(7.68)	-	100
2	Siel Financial Services Limited**	-	-	-	-	-	-	-	-	-	-	75
3	Siel Infrastructure & Estate Developers Private Limited*	1,376.16	(891.84)	484.48	0.16	484.26	0.04	(881.55)	-	(881.55)	-	100
4	Mawana Foods Private Limited	200.37	(215.30)	81.31	96.24		1,059.89	(10.98)	-	(10.98)	-	33.74

* Includes 25.28 % (Previous year 28.77%) held by Siel Infrastructure & Estate Developers Private Limited (SIEL-IED), a wholly owned subsidiary.

** Mawana Sugars Limied has entered into a Share Purchase Agreement (SPA) to sell its entire shareholding representing 75% of total paid up equity share capital of Siel Financial Services Ltd. However, the necessary compliances as required in regulation 31A of the SEBI LODR Regulation have not been completed by the close of the year, therefore the Company has shown investment in the subsidiary company as “Assets held for sale” and accordingly business of subsidiary company has classified as discontinued operations.

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

RAVINDER SINGH BEDI
Director
(DIN: 01408189)

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

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: June 25, 2021

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") its associate comprising of the consolidated Balance Sheet as at March 31 2021, 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 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, 2021, their consolidated profit 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 and associate 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.

Emphasis of Matter

We draw attention to Note 59 to the consolidated Ind AS financial statements, which describes the uncertainties and the impact of Covid-19 pandemic (including second wave of Covid-19) on the Group and its associate's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

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, 2021. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the 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
Recognition of Deferred Tax Asset *(as described in note 19 of the Consolidated Ind AS financial statements)*	
Deferred tax assets are recognized on unabsorbed depreciation when it is probable that taxable profit will be available against which unabsorbed depreciation can be utilized. The Holding Company's ability to recognize deferred tax assets on 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.	Our audit procedures included the following: • We assessed the methodology applied by the Holding Company with applicable accounting standards and taxation laws along with the future business forecast of taxable profits. Our audit approach consisted of assessing the business plans of the Holding Company's assessment to utilize deferred tax assets. In particular, we assessed: - the underlying projections and assumptions used for management estimates as calculated during the budget process by analyzing projected and actual performances;

INDEPENDENT AUDITOR’S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
Recognition of Deferred Tax Asset *(as described in note 19 of the Consolidated Ind AS financial statements)*	
At March 31, 2021, the Holding Company has recognized deferred tax assets amounting to Rs. 523.76 million on the unabsorbed depreciation. Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, tax laws. Given the degree of judgement management’s decision to recognize and classify deferred tax assets as recoverable, we consider this issue to be a key audit matter.	- tested sensitivity of key assumptions used in projections which are based on profits earned and after considering expected future market economic conditions, tax laws, management’s expansion plans and lower interest costs due to repayment/ payment of certain borrowings out of proceeds of sale of chemical unit. - the schedules for the reversal of temporary differences • We also understood the income tax computation process and review controls around recognition of Deferred tax assets and evaluated the design and tested the effectiveness of controls in this area relevant to our audit. • Engaged tax specialists to assist us in assessing the management prepared schedule for computation of tax and deferred taxes. • We have assessed the adequacy of disclosures included in the consolidated Ind AS financial statements in this regard.
Impairment testing of investment in Associate (as described in note 49 of the consolidated Ind AS financial statements)	
Impairment indicators were identified on the investment and recoverable amounts in associate namely Mawana Foods Private Limited. As a result, an impairment assessment was performed by comparing the carrying value of investment in associate to its recoverable amount to determine whether an impairment was required to be recognized. The recoverable amount was determined to be the higher of the fair value, and the value in use, determined by discounting future cash flows. The determination of recoverable amount of the Holding Company’s investment in associate relies on management’s estimates of future cash flows and their judgement with respect to the associate’s performance. Due to the uncertainty of forecasting and discounting future cash flows, the level of management’s judgement involved and the significance of the Holding Company’s investment in associate of Rs. 97.34 million as at March 31, 2021, this audit area is considered a key audit matter.	Our audit procedures included the following: • In conjunction with review by technical and valuation specialists, we assessed the Holding Company’s valuation methodology applied in determining the recoverable amount and we assessed the assumptions of the cash flow forecasts. • We tested the Holding Company’s internal controls in relation to preparing and reviewing cash flow projections considering the future business plans. • We discussed potential changes in assumptions with management in order to evaluate the inputs and assumptions used in the cash flow forecasts. • We performed sensitivity analysis on the key assumptions adopted in the impairment assessment to understand the impact of changes in assumptions on the estimated recoverable amounts. • We assessed the adequacy of disclosures made in the consolidated Ind AS financial statements in this regard.

<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Impairment of Property, plant and equipment ("PPE") and other non-current assets of Mawana Sugar Works (MSW) Unit of the Holding Company</u> (as described in note 50 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>The Mawana Sugar Works unit a separate Cash Generating Unit' of the Holding Company and had negative cash flows in earlier years. However, during the current year and previous year, MSW has earned profit before depreciation. This unit manufactures sugar and also generate power from its Cogeneration power plant. The Holding Company is carrying property, plant and equipment and other non-current assets aggregating to Rs. 595.41 million in respect of MSW

Due to the uncertainty of forecasting, the level of management's judgement involved and the significance of the carrying value of property, plant and equipment and other non-current assets in MSW, 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.

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).

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, the impact of revenue assumptions and technical factors which may affect the expected remaining useful lives and carrying value of the assets.</td><td>Our audit procedures included the following:
We obtained an understanding of the assessment by the Board of directors of carrying value of MSW Unit's property, plant and equipment to determine whether any impairment of Property, plant and equipment and other non-current assets is required.
In conjunction with review by specialists, we evaluated the Holding Company's assumptions and estimates used to determine the recoverable amount of Property, plant and equipment and other non-current assets of the MSW Unit.
We tested the Holding Company's internal controls in relation to the Holding Company's evaluation of assumptions and estimates to determine the recoverable amount of Property, plant and equipment and other non-current assets.
We have assessed the disclosures made in the Consolidated Ind AS financial statements in this regard.</td></tr>
<tr><td colspan="2"><u>Determination of net realizable value of inventory of sugar at the year ended March 31, 2021</u> (as described in note 51 of the consolidated Ind AS financial statements)</td></tr>
<tr><td>As on March 31, 2021, the Holding Company is carrying inventory of sugar (finished goods and work in progress) amounting to Rs. 6,495.29 million. The inventory of sugar is valued at lower of cost and net realisable value.

The relative size of the inventory of sugar as on March 31, 2021, is significant to the financial statements and 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.

Accordingly, determination of net realisable value was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements.</td><td>Our audit procedures included the following:
We have tested the controls established by the management in determination of net realizable value of inventory of sugar.
We considered various factors including actual selling price prevailing around and subsequent to the year end, minimum selling price & monthly quota and other notifications of the Government of India with respect to sugar industry as a whole while checking the net realizable value.
We have assessed the disclosures included to the consolidated Ind AS Financial Statements in this regard.</td></tr>
</table>

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 Ind AS 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 Ind AS 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 our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 associate 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS 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, 2021 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.

INDEPENDENT AUDITOR'S REPORT (Contd.)

Other Matter

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 1097.93 million as at March 31, 2021, and total revenues of Rs 8.13 million and net cash inflows of Rs 0.65 million for the year ended on that date. These 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.3.71 million for the year ended March 31, 2021, 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 report(s) of such other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries 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 accountas 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, 2021 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, 2021 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 with reference to 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 the managerial remuneration for the year ended March 31, 2021 has been paid / provided by the Holding Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. On the basis of reports of other statutory auditors of subsidiaries and associate, incorporated in India, the provisions of Section 197 read with Schedule V of the Act are not applicable;

(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 32(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, 2021;

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, 2021.

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

per **Anil Gupta**
Partner
Membership Number: 87921
UDIN: 21087921AAAABZ8227

Place of Signature: New Delhi
Date: June 25, 2021

INDEPENDENT AUDITOR'S REPORT (Contd.)

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MAWANA SUGARS LIMTED

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 Ind AS financial statements of Mawana Sugars Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") 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 companies included in the Group and its associate, 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated Ind AS 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both, issued by ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated Ind AS financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS 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 obtainedand 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 Ind AS financial statements.

Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS financial statements

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Consolidated Ind AS financial statements

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS 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 Group 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 Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31,2021, 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 issued by the ICAI.

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 Ind AS 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
UDIN: 21087921AAAABZ8227

Place of Signature: New Delhi
Date: June 25, 2021

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2021

Rs. Million

		Notes	**As at March 31, 2021**	As at March 31, 2020
	ASSETS			
(1)	**Non-current assets**			
	Property, plant and equipment	3A	**2,305.20**	2,955.96
	Capital work in progress	3A	**125.18**	12.81
	Intangible assets	3B	**0.33**	0.85
	Right of use assets	4	**11.75**	21.45
	Investment in Associates	5A	**97.34**	131.57
	Financial assets			
	- Investments	5B	**#**	#
	- Loans	5B	**1.58**	169.93
	- Others	5B	**36.09**	27.44
	Income tax assets (net)	20	**21.96**	14.57
	Deferred tax assets (net)	19	**431.63**	710.98
	Other non- current assets	6	**12.56**	5.27
	Total Non-current assets		**3,043.62**	4,050.83
(2)	**Current assets**			
	Inventories	7	**8,046.98**	8,535.78
	Financial assets			
	- Trade receivables	8	**387.34**	487.49
	- Cash and cash equivalents	9	**898.29**	466.91
	- Other Bank Balances	10	**92.39**	159.25
	- Loans	5B	**1.73**	2.24
	- Others	5B	**1,159.84**	923.69
	Other current assets	6	**169.75**	107.61
	Assets held for sale	11	**3.34**	2.23
	Total current assets		**10,759.66**	10,685.20
	Total Assets		**13,803.28**	14,736.03
	EQUITY AND LIABILITIES			
	Equity			
	Equity share capital	12	**391.16**	391.16
	Other equity		**3,305.70**	2,571.62
	Equity attributable to equity holder of the Parent		**3,696.86**	2,962.78
	Non Controlling Interest		**-**	1.15
	Total Equity		**3,696.86**	2,963.93
	LIABILITIES			
(1)	**Non- current liabilities**			
	Financial liabilities			
	Borrowings	13.1	**745.77**	1,943.98
	Lease liabilities	14.1	**7.84**	8.12
	Other non current liabilities	18.1	**42.21**	84.12
	Provisions	15.1	**96.27**	132.53
	Total non- current liabilities		**892.09**	2,168.75
(2)	**Current liabilities**			
	Financial liabilities			
	Borrowings	13.2	**1,714.21**	1,664.51
	Lease liabilities	14.2	**4.56**	14.73
	Trade payables			
	- Total outstanding dues to micro and small enterprises	16	**22.55**	21.68
	- Total outstanding dues of creditors other than micro and small enterprises	16	**6,552.49**	5,905.24
	Other financial liabilities	17	**552.72**	1,551.28
	Other current liabilities	18.2	**265.79**	330.40
	Provisions	15.2	**38.11**	51.61
	Current tax liabilities (net)	21	**63.90**	63.90
	Total current liabilities		**9,214.33**	9,603.35
	Total equity and liabilities		**13,803.28**	14,736.03

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

Place: New Delhi
Date: June 25, 2021

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

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)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2021

Rs. Million

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
	Continuing Operations			
I	**Income**			
	Revenue from contracts with customers	22	**14,689.11**	11,609.44
	Other income	23	**31.08**	79.20
	Total income (I)		**14,720.19**	11,688.64
II	**Expenses**			
	Cost of materials consumed	24	**11,423.49**	9,887.53
	Purchase of stock-in-trade		**93.47**	85.49
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	**399.13**	(615.48)
	Employee benefits expenses	26	**687.47**	639.05
	Finance costs	27	**353.34**	269.88
	Depreciation and amortisation expense	28	**475.74**	555.50
	Other expenses	29	**1,117.12**	1,076.64
	Total expenses (II)		**14,549.76**	11,898.61
III	**Profit/(loss) before share of (profit)/loss of an associate, exceptional items and tax from continuing operations**		**170.43**	(209.97)
IV	**Share of (loss) of associate**	56	**(3.71)**	(15.73)
V	**Profit/ (loss) before exceptional items and tax (III+IV)**		**166.72**	(225.70)
VI	**Exceptional Items (Expenses)/Income (net)**	30	**1,106.23**	-
VII	**Profit/(Loss) before tax (V+VI)**		**1,272.95**	(225.70)
VIII	**Tax expense:**			
	Adjustment of current tax relating to earlier years	19	**-**	30.28
	Deferred tax charge	19	**322.45**	665.36
	Total tax expense (VIII)		**322.45**	695.64
IX	**Profit/(Loss) from continuing operations**		**950.50**	(921.34)
X	**Discontinued Operations**	57		
	Profit/(Loss) before tax from discontinued operations		**(261.72)**	123.92
	Tax credit/(expense) of discontinued operations	19	**43.55**	(31.70)
	Profit/(Loss) from discontinued operations		**(218.17)**	92.22
XI	**Profit/(Loss) for the year**		**732.33**	(829.12)
XII	**Other Comprehensive Income**			
	Items that will not to be reclassified to statement of profit or loss			
	Re-measurement gain/(loss) on defined benefit plans	35	**1.78**	(20.35)
	Income tax effect credit/(charge)	19	**(0.45)**	2.29
	Share of OCI of associate (net of tax)	56	**0.05**	0.06
			1.38	(18.00)
XIII	**Total comprehensive income/(expenses) of the year {Comprising profit/ (loss) and other comprehensive income for the year} (XI+XII)**		**733.71**	(847.12)
XIV	**Profit/(Loss) for the year from continuing operations**			
	Attributed to			
	Equity holders of the Parent		**950.50**	(921.34)
	Non Controlling Interest		**-**	-
XV	**Profit/(Loss) for the year from discontinued operations**			
	Attributed to			
	Equity holders of the Parent		**(217.80)**	92.32
	Non Controlling Interest		**(0.37)**	(0.10)
XVI	**Profit/(Loss) for the year**			
	Attributed to			
	Equity holders of the Parent		**732.70**	(829.02)
	Non Controlling Interest		**(0.37)**	(0.10)
XVII	**Total Comprehensive Income/(expenses)**			
	Attributed to			
	Equity holders of the Parent		**734.08**	(847.02)
	Non Controlling Interest		**(0.37)**	(0.10)
XVIII	**Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2020-Rs.10/-)}**	31		
	(1) Basic and diluted from continuing operations		**24.30**	(23.55)
	(2) Basic and diluted from discontinued operations		**(5.57)**	2.36
	(3) Basic and diluted from continuing operations and discontinued operations		**18.73**	(21.19)
	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

Place: New Delhi
Date: 25 June, 2021

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

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)

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Rs. Million

		Notes	Year ended March 31, 2021	Year ended March 31, 2020
A.	**Cash flow from operating activities :**			
	Profit/(Loss) before tax from continuing operations		**1,272.95**	(225.70)
	Profit/(Loss) before tax from discontinued operations		**(261.72)**	123.92
Add :	Depreciation and amortisation expense	28,57	**548.30**	660.82
	Interest expenses	27,57	**354.74**	250.56
	Share of loss of associate		**3.71**	15.73
	Provision for doubtful debts and advances	29	**7.59**	-
	Irrecoverable balances written off	29	**0.54**	0.05
	Provision for diminution in value of investment	30	**30.57**	-
	Loss/(Profit) on sale / write off of property, plant and equipment (net)	23,29,57	**0.33**	(1.33)
Less:	Interest income	23,57	**26.23**	57.67
	Gain on fair value of stock in trade	23,57	**0.03**	-
	Profit on sale of current investments	23	**0.18**	8.61
	Liabilities / provision no longer required written back	23,57	**0.48**	0.11
	Profit on sale of non-current investment	30	**16.62**	-
	Profit on sale of chemical unit (refer note 57)	30	**1,120.18**	-
	Operating profit before working capital changes		**793.30**	757.66
	Changes in working capital:			
	Adjustments for (increase) / decrease in operating assets:			
	Inventories	7	**400.56**	(614.13)
	Trade receivables	8	**78.78**	(114.55)
	Financial assets	5	**(299.44)**	(567.35)
	Other assets	6	**(78.60)**	35.97
	Adjustments for increase / (decrease) in operating liabilities:			
	Trade payables	16	**738.72**	(818.22)
	Provisions	15	**14.30**	9.08
	Other financials liabilities	17	**(11.39)**	36.72
	Other liabilities	18	**(32.12)**	36.65
	Cash from/(used in) operations		**1,604.10**	(1,238.17)
	Direct taxes paid		**(7.45)**	(148.24)
	Net cash flow from/(used in) operating activities (A)		**1,596.66**	(1,386.41)
B.	**Cash flow from investing activities :**			
	Purchase of property, plant and equipment, including capital advances	3A,3B	**(246.63)**	(434.64)
	Proceeds from sale of property, plant and equipment	3A,3B	**0.17**	3.18
	Movement in fixed deposits with banks	10	**57.29**	(21.43)
	Net proceeds from sale of chemical unit		**1,471.99**	-
	Sale/(purchase) of current investments (net)		**0.18**	8.61
	Proceeds from sale of subsidiary		**4.28**	-
	Interest received	23,57	**26.85**	24.77
	Net cash flow from/(used in) investing activities (B)		**1,314.13**	(419.51)
C.	**Cash flow from financing activities :**			
	Lease payments		**(17.04)**	(21.09)
	Repayment of long term borrowings- secured	13	**(2,240.80)**	(648.36)
	Net increase in working capital borrowings	13	**65.40**	1,648.81
	Proceeds from long term borrowings	13	**-**	1,314.00
	Interest paid	27,57	**(260.87)**	(343.24)
	Net cash flow from/(used in) financing activities (C)		**(2,453.31)**	1,950.12
D.	**Net increase in Cash and cash equivalents (A+B+C)**		**457.48**	144.20
E.	**Cash and cash equivalents at the beginning of the year**		**466.91**	322.71
F.	**Cash and cash equivalents transferred on sale of chemical unit and subsidiary (Refer note 57)**		**26.10**	-
G.	**Cash and cash equivalents at the end of the year (D+E-F)**		**898.29**	466.91

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Rs. Million

CASH AND CASH EQUIVALENTS	Year ended March 31, 2021	Year ended March 31, 2020
Balances with banks:		
- Current accounts	**854.85**	318.33
Cash on hand	**0.70**	1.06
Fixed deposits with banks	**42.74**	147.52
Total cash and cash equivalents	**898.29**	466.91

Notes :

1. The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS 7) “Statement of Cash Flow”.
2. Cash flow statement for the year ended March 31, 2021 has been prepared by including assets and liabilities transferred on sale of Chemical unit and a subsidiary held for disposal (Refer note 29 and 57).
3. Negative figures have been shown in brackets.

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

Place: New Delhi
Date: 25 June, 2021

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

RAVINDER SINGH BEDI
Director
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Whole Time Director
(DIN: 07259344)

ASHOK KUMAR SHUKLA
Company Secretary

PIAR CHAND JASWAL
Director
(DIN: 07100098)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021

Rs. Million

	Equity Share Capital	Other Equity							Non Controlling Interest	Total Equity
		Reserves and surplus						Attributable to the equity holders of the Parent		
		Securities premium reserve*	Capital redemption reserve*	Capital reserve*	General Reserve	Surplus in the Statement of profit and loss	Storage fund for molasses account*			
As at March 31, 2019	391.16	1,495.04	87.72	1,030.17	4.54	796.52	4.65	3,418.64	1.25	3,811.05
Add: Profit/(Loss) for the year	-	-	-	-	-	(829.02)	-	(829.02)	(0.10)	(829.12)
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	(1.27)	1.27	-	-	-
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	-	-	-	-	-	(18.00)	-	(18.00)	-	(18.00)
As at March 31, 2020	391.16	1,495.04	87.72	1,030.17	4.54	(51.77)	5.92	2,571.62	1.15	2,963.93
Add: Profit/(Loss) for the year	-	-	-	-	-	**732.70**	**-**	**732.70**	**(0.37)**	**732.33**
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	**(2.87)**	**2.87**	**-**	**-**	**-**
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	-	-	-	-	-	**1.38**	**-**	**1.38**	**-**	**1.38**
Adjustment on disposal of subsidiary								**-**	**(0.78)**	**(0.78)**
As at March 31, 2021	**391.16**	**1,495.04**	**87.72**	**1,030.17**	**4.54**	**679.44**	**8.79**	**3,305.70**	**-**	**3,696.86**

*Refer note 12.2

Summary of significant accounting policies 2

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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: June 25, 2021

B.B. MEHTA
Chief Financial Officer

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For and on behalf of the Board of Directors
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Whole Time Director
(DIN: 07259344)

PIAR CHAND JASWAL
Director
(DIN: 07100098)

1. Group Overview

The consolidated financial statements comprises financial statements of Mawana Sugars Limited ("the Parent Company") and its subsidiaries (collectively, the Group) and associate for the year ended March 31, 2021

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 31,2021, 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 Sugar Works, Uttar Pradesh Nanglamal Sugar Complex, Uttar Pradesh
Chlor Alkali Products	Siel Chemical Complex, Punjab (Classified as discontinued business, refer Note No. 57)
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Uttar Pradesh

Pursuant to approval of the board of directors in its meeting held on February 9, 2021, subsequently approved by the shareholders through postal ballot and vide business transfer agreement dated February 9, 2021, the Company has transferred assets and liabilities of its Chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021, on a going concern basis (Refer note 57).

In the current year, the Parent company being the sole promotor of its listed subsidiary company namely, Siel Financial Services Limited has sold 21,05,568 shares of face value of Rs. 10/- each representing 18.56% of total paid up equity share capital of the subsidiary company. The Parent Company has also entered into a Share Purchase Agreement (SPA) dated February 25, 2021 to sell its entire shareholding i.e. 85,07,814 equity shares of face value of Rs. 10/- each representing 75% of total paid up equity share capital of the subsidiary company. (Refer Note 57).

*since expired

The consolidated financial statements were approved by the Board of Directors and authorised for issue on June 25, 2021.

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 2.4.

All the amounts included in the financial statements are reported in millions of Indian Rupees ('Rupees' or 'Rs.'), except number of shares, face value of share, earning per share or wherever otherwise indicated.

New and amended standards and interpretations

The Ministry of Corporate Affairs ("MCA") has carried out amendments to the following accounting standards. The effect on adoption of following mentioned amendments had no impact on the consolidated Ind AS financial statements of the Group. The Group has not early adopted any standards or amendments that have been issued but are not yet effective.

(i) Ind AS 116: Covid-19-Related Rent Concessions

(ii) Ind AS 103: Business Combinations

(iii) Ind AS 1 and Ind AS 8: Definition of Material

(iv) Ind AS 107 and Ind AS 109: Interest Rate Benchmark Reform

MCA issued notification dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by a company in its financial statements. These amendments are effective for financial years starting on or after April 01, 2021.

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, 2021. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Parent Company, i.e., year ended on 31 March.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the Parent's investment in each subsidiary and the Parent's portion of equity of each subsidiary. Business combinations policy explains about the accounting of goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 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 interest 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 as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group 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 Group 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 Group. When necessary, adjustments are made to bring the accounting policies of associate in line with those of the Group.

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 Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group 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 Group 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 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

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.

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.

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.

The Company receives interest subvention from the government on the loans which are availed at market rate of interest from the Banks. The interest subvention is netted off from the interest expenses.

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.The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

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.

The Group offsets deferred tax assets and deferred tax liabilities if an only if a legally enforceable right to set off current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authorities.

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 the transition date 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.

PPE are initially recognised at cost, net of accumulated depreciation and accumulated impairment loss, if any. Capital work in progress are stated at cost, net of impairment loss, if any. Cost comprises the purchase price, including import duties and non- refundable purchase taxes, and any directly attributable cost of bringing the asset to its working condition for its intended use. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance., Freehold land is carried at historical cost. 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 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	10-40
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) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets with finite lives are amortised on a written down value basis over the estimated useful economic life. The estimated useful life and amortisation method are reviewed at the end of each reporting period.

Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

- ► The technical feasibility of completing the intangible asset so that the asset will be available for use or sale
- ► Its intention to complete and its ability and intention to use or sell the asset
- ► How the asset will generate future economic benefits
- ► The availability of resources to complete the asset
- ► The ability to measure reliably the expenditure during development

Following initial recognition of the development expenditure as an asset, the asset is carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is available for use. Amortisation expense is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

Intangible assets are amortised on the straight-line method as per the useful life assessed based on expected future benefit, taking into account the nature of the asset, the estimated usage of the asset:

	As per management estimate
Software	- 3 years

During the period of development, the asset is tested for impairment annually.

An intangible asset is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss, when the asset is derecognised.

(ix) Impairment of non-financial assets

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

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

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

(x) Leases

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

Group as a lessee

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

i) Right-of-use assets

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

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

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (ix) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

The cost and the accumulated depreciation for Right of use assts where the lease gets matured or disposed off before maturity 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.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

iii) Short-term leases except leases taken from related parties and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases except leases taken from related parties of all assets that have a lease term of 12 months or less and leases of low-value assets. In case of lease contracts with related parties, there exist economic incentive for the Group to continue using the leased premises for a period longer than the 11 months and considering the contract is with the related parties, it does not foresee non-renewal of the lease term for future periods, thus basis the substance and economics of the arrangements, management believes that under Ind AS 116, the lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased asset (i.e. reasonable certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. The management has assessed period of arrangements with related parties as 2 years.The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease.

(xi) Inventories

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

The Cost is determined as follows:

(a) Stores and spares, Packing Materials, Raw Materials and Stock in trade except land: Moving weighted average method

(b) Stock in trade being land: Valued at lower of cost or Net realizable value. Cost includes Cost of land, the related cost of acquisition, enhancement compensation awarded by courts at various levels, construction costs, borrowing costs incurred to get the properties ready for their intended use.

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

(d) Finished goods (manufactured/produced): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing

(e) By products included under raw materials, finished goods and work-in-progress: Net realisable Value except for BH Molasses wherein cost of lower yield of sugar for the same is included as part of cost of this product.

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

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

(xii) Provisions

Provisions are recognised when the 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.

(xiii) Non-Current Asset held for sale and Discontinued Operations

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.

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.

A discontinued operation is a component of the group that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations,
- is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations.

Discontinued operations are excluded from the results of continuing operations and are presented as profit or loss before / after tax from discontinued operations in the statement of profit and loss.

Additional disclosures are provided in note 57. All other notes to the financial statements mainly include amounts for continuing operation, unless otherwise mentioned.

(xiv) Borrowing Costs

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

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

(xv) Contingent assets and liabilities

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

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

(xvi) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders of the 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.

(xvii) Employee benefits

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

(a) Defined contribution plans

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

(b) Defined benefit plans

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

The gratuity liability for the Chemical unit has been computed on actual basis as at date of disposal of that unit.

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) except for the Chemical unit 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.

The liability of Compensated absences benefits for the Chemical unit has been computed on actual basis as at date of disposal of that unit.

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months as long term employee benefit for measurement purpose. Such long term compensated absences are provided for based on actuarial valuation using the projected unit credit method at the year end. The Group presents the leave as a current liability in the balance sheet; to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

(xviii) Research and Development

Revenue Expenditure on research and development is expensed out under respective heads of account in the year in which it is incurred.

Development expenditure is recognised as an asset at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and asset is available for use. It is amortised over the period of expected future benefits.

(xix) Segment Reporting

The Group identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Directors ('the Chief Operating Decision Maker' as defined in

IND AS 108 – Operating Segments). These have been identified taking into account nature of products and services, the differing risks and returns and the internal business reporting systems. The analysis of geographical segments is based on the locations of customers.

(xx) Financial instruments

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

(a) Financial assets

Initial recognition 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.

(xxi) Cash and cash equivalents

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

(xxii) Cash dividend

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

2.4. 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 determing 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 35.

e) Fair value measurement of financial instruments

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

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

(f) Useful life of Property, plant and equipment

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

g) Useful life of Intangible assets

The intangible assets are amortised over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

h) Leases - Estimating the period of lease contracts with related parties

In case of lease contracts with related parties, there exist economic incentive for the Group to continue using the leased premises for a period longer than the 11 months. The period of expected lease in these cases is a matter of estimation by the management. The estimate of lease period impacts the recognition of ROU asset, lease liability and its impact of statement of profit and loss. The lease terms in the arrangements with related parties have been determined considering the period for which management has an economic incentive to use the leased asset (i.e. reasonably certain to use the asset for the said period of economic incentive). Such assessment of incremental period is based on management assessment of various factors including the remaining useful life of the asset as on the date of transition. The management has assessed period of arrangements with related parties as 2 years.

i) Determining the lease term of contracts with renewal and termination options - Lessee

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has some lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

j) Estimation uncertainty relating to the global health pandemic on COVID-19

The Group has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property, plant and equipment, intangible assets, right of use assets, investments, inventory and trade receivables. Based on current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated as at the date of approval of these standalone Ind AS statements.

The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

3A. Property, plant and equipment

Rs. Million

Particular	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
Gross Block								
(At cost)								
As at March 31, 2019	253.44	602.76	2,857.47	18.44	2.81	9.18	3,744.10	78.47
Additions	-	62.94	554.16	3.71	0.15	-	620.96	-
Borrowing cost	-	-	12.46	-	-	-	12.46	-
Disposals	-	-	(4.61)	-	-	-	(4.61)	(65.66)
Reclassified from assets held for sale	-	-	1.05	-	-	-	1.05	-
As at March 31, 2020	253.44	665.70	3,420.53	22.15	2.96	9.18	4,373.96	12.81
Additions	**-**	**10.06**	**75.38**	**6.25**	**0.11**	**3.46**	**95.26**	**196.61**
Transferred from stock in trade	**0.47**	**-**	**-**	**-**	**-**	**-**	**0.47**	**-**
Disposals	**-**	**-**	**(7.31)**	**(0.01)**	**-**	**(0.26)**	**(7.58)**	**(75.14)**
Transferred to discontinued operations	**(59.37)**	**(40.79)**	**(440.74)**	**(4.57)**	**(0.30)**	**(2.04)**	**(547.81)**	**(9.10)**
Transferred to purchase of stock in trade	**(2.84)**	**-**	**-**	**-**	**-**	**-**	**(2.84)**	**-**
As at March 31, 2021	**191.70**	**634.97**	**3,047.86**	**23.82**	**2.77**	**10.34**	**3,911.46**	**125.18**
Depreciation								
As at March 31, 2019	-	98.71	666.45	12.71	1.31	2.96	782.14	-
Depreciation charge for the year	-	94.76	535.76	5.78	0.64	3.04	639.98	-
Disposals	-	-	(4.47)	-	-	-	(4.47)	-
Reclassified from assets held for sale	-	-	0.35	-	-	-	0.35	-
As at March 31, 2020	-	193.47	1,198.09	18.49	1.95	6.00	1,418.00	-
Depreciation charge for the year	**-**	**81.27**	**445.82**	**3.89**	**0.37**	**1.93**	**533.28**	**-**
Disposals	**-**	**-**	**(6.82)**	**-**	**-**	**(0.26)**	**(7.08)**	**-**
Transferred to discontinued operations		**(22.64)**	**(309.46)**	**(4.04)**	**(0.28)**	**(1.52)**	**(337.94)**	
As at March 31, 2021	**-**	**252.10**	**1,327.63**	**18.34**	**2.04**	**6.15**	**1,606.26**	**-**
Net book value								
As at March 31, 2021	**191.70**	**382.87**	**1,720.23**	**5.48**	**0.73**	**4.19**	**2,305.20**	**125.18**
As at March 31, 2020	253.44	472.23	2,222.44	3.66	1.01	3.18	2,955.96	12.81

Notes :

1. Refer note 13 for information on property, plant and equipment pledged as charged on security.
2. Depreciation charge for the year includes
   a. Rs. 64.17 million (March 31, 2020 Rs 92.89 million) related to discontinued operations and,
   b. Rs 469.12 million (March 31, 2020 Rs 547.09 million) related to continuing operations.

3A. Property, plant and equipment (Contd.)

3. Capital work in progress includes below expenses :

Rs. Million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Balance brought forward	-	3.28
Legal and Professional Expenses	-	0.34
Interest on borrowings (Net of interest subvention of Rs. Nil (March 31, 2020 Rs. 11.93 million))*	-	11.93
Insurance	-	0.49
Miscellaneous expenses	-	0.05
Total	-	16.09
Less : Capitalised during the year	-	(16.09)
Carried forward	-	-

* The rate used in the previous year to determine the amount of borrowing costs eligible for capitalisation was 12% p.a., gross of interest subvention, which was the effective interest rate of the specific borrowing.

3B. Intangible Assets

Rs. Million

Particulars	Software	Total	Intangible assets under development
Gross Block			
(At cost)			
As at March 31, 2019	-	-	1.98
Additions	2.46	2.46	
Disposals		-	(1.98)
As at March 31, 2020	2.46	2.46	-
Additions	**0.49**	**0.49**	
Disposals	**-**	**-**	
Transferred to discontinued operations	**(2.59)**	**(2.59)**	
As at March 31, 2021	**0.36**	**0.36**	**-**
Amortisation			
As at March 31, 2019	-	-	
Amortisation for the year	1.61	1.61	
As at March 31, 2020	1.61	1.61	-
Amortisation for the year	**0.69**	**0.69**	
Transferred to discontinued operations	**(2.27)**	**(2.27)**	
As at March 31, 2021	**0.03**	**0.03**	-
Net book value			
As at March 31, 2021	**0.33**	**0.33**	**-**
As at March 31, 2020	0.85	0.85	**-**

1. Amortisation charge for the year includes :
   a. Rs. 0.67 million (March 31, 2020 Rs 1.61 million) related to discontinued operations and,
   b. Rs 0.02 million (March 31, 2020 Rs Nil million) related to continuing operations.

4. Right-of-use Asset

The Group has lease contracts for various Warehouses, corporate office and equipment's used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets. The Group also has certain leases of assets with lease terms of 12 months or less. The Group applies the short-term lease recognition exemptions for these leases other than from related parties.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Rs. Million

Particulars	Right of u]se Assets
Gross carrying amount	
Opening gross carrying amount April 01, 2019	-
Additions	40.68
Disposals	(12.11)
Closing Gross carrying amount March 31, 2020	28.57
Gross carrying amount	
Opening gross carrying amount April 01, 2020	28.57
Additions	**15.46**
Disposals	**(30.35)**
Closing Gross carrying amount March 31, 2021	**13.68**
Amortisation	
Opening amortisation April 01, 2019	-
Charge for the year	19.23
Disposals	(12.11)
Closing accumulated amortisation	7.12
Amortisation	
Opening amortisation April 01, 2020	7.12
Amortisation for the year	**14.33**
Disposals	**(19.52)**
Closing accumulated amortisation	**1.93**
Net Carrying amount March 31, 2021	**11.75**
Net Carrying amount March 31, 2020	21.45

1. Amortisation charge for the year includes :

   a. Rs. 7.73 million (March 31, 2020 Rs 10.82 million) related to discontinued operations and,

   b. Rs 6.60 million (March 31, 2020 Rs 8.41 million) related to continuing operations.

5A. Investment in associates

Rs. Million

Particular	As at March 31, 2021	As at March 31, 2020
6,759,801 (March 31, 2020: 6,759,801) equity shares of Rs. 10 each fully paid up of Mawana Foods Private Limited (Including Goodwill of Rs. 132.95 million)	**131.57**	147.24
(Less) : Share of (loss) for the year	**(3.71)**	(15.73)
Add : Share of OCI of profit/(loss) for the year	**0.05**	0.06
(Less) : Provision for diminution in value of investment in Associate (Refer note 49)	**(30.57)**	-
Total	**97.34**	131.57

5B. Financial assets

Rs. Million

Particular	As at March 31, 2021	As at March 31, 2020
1. Investments		
(I) **Other Investments**		
Unquoted equity instruments at cost		
2 (March 31, 2020: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Mawana Co-operative Development Union Limited (# Rs. 10)[1]	**#**	#
2 (March 31, 2020: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10)[1]	**#**	#
Nil (March 31,2020 : 54) equity shares of Rs. 10 each fully paid-up of SFSL Investments limited (# Rs. 540)	**-**	#
Less : Provision for diminution in value (# 540)	**-**	#
Nil (March 31, 2020 : 295700) equity shares of Rs. 10 each fully paid-up of MSD Industrial Enterprises Limited	**-**	10.82
Less : Provision for diminution in value in the value of above investment	**-**	(10.82)
Total (# Rs. 20, March 31, 2020 Rs.540)	**#**	#
Aggregate value of unquoted investments	**#**	#
Aggregate value of quoted investments	**-**	-

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

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

5B. Financial assets (Contd.)

Rs. Million

	Particular	As at March 31, 2021	As at March 31, 2020
2	**Loans**		
	(Unsecured, considered good except, unless otherwise stated)		
	Non- current		
	Security deposits		
	Considered Good	**1.58**	169.93
	Credit impaired	**0.53**	0.53
	Dues from employees-Credit impaired	**0.04**	0.04
	Loan and advances to related parties *(Refer note 36) -Credit impaired	**36.59**	-
	Other Loans and advances		
	-Others-Credit impaired	**116.49**	125.74
	Total	**155.23**	296.24
	Less : Impairment allowance (allowances for bad and doubtful advances)	**153.65**	126.31
		1.58	169.93
	Current		
	Security deposits		
	-Considered Good	**1.73**	2.24
		1.73	2.24
	Total	**3.31**	172.17
3	**Other financial assets**		
	(Unsecured and considered good)		
	Non- current		
	Fixed deposits with banks (Margin money)	**31.37**	25.70
	Fixed deposits with banks (Earmarked)	**3.21**	0.70
	Interest accrued on deposits	**1.51**	1.04
		36.09	27.44
	Current		
	Dues from employees	**0.88**	1.33
	Interest subvention receivable	**14.79**	75.71
	Buffer stock interest subsidy receivable {Refer note 47(b)}	**74.87**	78.89
	Buffer stock subsidy receivable {Refer note 47(b)}	**8.74**	16.01
	Export subsidy receivable {Refer note 47(a)}	**1,019.74**	704.43
	Interest receivable from related party (Refer note 36)	**0.37**	1.10
	Interest accrued on deposits	**3.28**	10.69
	Other Loans and advances		
	-Related Party (Refer note 36)	**0.76**	0.73
	-Others	**36.41**	34.80
		1,159.84	923.69
	Total	**1,195.93**	951.13

5B. Financial assets (Contd.)

Break up of financial assets carried at amortised cost:

Rs. Million

Particular	As at March 31, 2021	As at March 31, 2020
Investments (Refer note 5B)	**#**	#
Loans (Refer note 5B)	**3.31**	172.17
Other financial assets (Refer note 5B)	**1,195.93**	951.13
Trade receivables (Refer note 8)	**387.34**	487.49
Cash and cash equivalents (Refer note 9)	**898.29**	466.91
Other bank balances (Refer note 10)	**92.39**	159.25
Total	**2,577.26**	2,236.95

* Loans to subsidiary held for disposal are interest free in nature.

6. Other assets

Rs. Million

Particular	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good except, unless otherwise stated)		
Non- Current		
Capital advances		
-Other than related parties	**12.42**	2.25
Prepaid expenses	**0.14**	3.02
	12.56	5.27
Current		
Unbilled revenue	**36.57**	28.44
Taxes and other balances with government authorities		
-Considered Good	**92.46**	39.56
-Credit impaired	**7.15**	-
Prepaid expenses	**21.85**	21.94
Advances to vendors	**16.76**	16.75
Other advances	**2.11**	0.92
	176.90	107.61
Less : Impairment allowance (allowances for bad and doubtful advances)	**7.15**	-
	169.75	107.61
Total	**182.31**	112.88

7. Inventories

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Raw and packing materials {includes material in transit Rs. Nil (March 31, 2020-Rs. 3.48 million)}	**38.68**	72.47
Work-in-progress	**273.66**	233.85
Finished goods {includes material in transit Rs. 15.16 million (March 31, 2020- Rs. 0.97 million)}	**7,059.88**	7,561.28
Stock in Trade	**576.74**	543.75
Stores and Spares {includes material in transit Rs 1.90 million (March 31, 2020-Rs 2.83 million)}	**98.02**	124.43
Total*	**8,046.98**	8,535.78

*Cost of inventories recognize as expenses of Rs 42.29 million (March 31, 2020 Rs 273.44 million) is in respect of write down of inventories to Net realisable value.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

8. Trade receivables

Rs. Million

	As at March 31, 2021	As at March 31, 2020
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)		
Outstanding for a period exceeding six months from the due date for payment		
Secured - considered good	**0.21**	0.40
Unsecurd - considered good -related party (Refer note 36)	**-**	0.13
Unsecurd - considered good	**1.93**	60.11
- credit impaired	**1.61**	1.17
	3.75	61.81
Less: Impairment allowance (allowances for bad and doubtful debts)	**1.61**	1.17
	2.14	60.64
Other receivables		
Secured - considered good	**0.67**	10.13
Unsecurd - considered good -related party (Refer note 36)	**56.44**	50.07
- considered good	**328.09**	366.65
Total	**387.34**	487.49

No trade or other receivables are due from directors of the Parent Company.

9. Cash and cash equivalents

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Balances with banks:		
- Current accounts	**854.85**	318.33
Cash on hand	**0.70**	1.06
Fixed deposits with banks (with original maturity of 3 months or less)	**42.74**	147.52
Total	**898.29**	466.91

Changes in liabilities arising from financing activities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Opening Balance	**4,861.66**	2,393.68
Cash Flows (net)	**(2,175.40)**	2,314.45
Changes in fair values	**90.25**	153.53
Impact related to discontinued subsidiary (Refer note 57)	**(15.70)**	-
Closing Balance	**2,760.81**	4,861.66

10. Other bank balances

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Balance held as margin money against bank guarantee	**82.58**	147.53
Fixed deposits (having remaining maturity more than 3 month but within 12 month)	**-**	4.81
Fixed deposits with banks (Earmarked)	**9.81**	6.91
Total	**92.39**	159.25

11. Assets held for sale

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Plant and equipment	**2.23**	2.23
Investment in subsidiary (Refer note 45)	**1.11**	-
Total	**3.34**	2.23

12.1 Share Capital

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Authorised :		
100,000,000 (March 31, 2020: 100,000,000) equity shares of Rs.10 each	**1,000.00**	1,000.00
7,500,000 (March 31, 2020: 7,500,000) preference shares of Rs. 100 each	**750.00**	750.00
	1,750.00	1,750.00
Issued :		
39,115,672 (March 31, 2020: 39,115,672) equity shares of Rs. 10 each fully paid up	**391.16**	391.16
Subscribed and fully paid up :		
39,115,672 (March 31, 2020: 39,115,672) equity shares of Rs.10 each fully paid up	**391.16**	391.16
	391.16	391.16

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Share Capital (Contd.)

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

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

	Equity shares	
	Number of shares	Rs. Million
At March 31, 2019	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2020	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	**100,000,000**	**1,000.00**

	Preference shares	
	Number of shares	Rs. Million
At March 31, 2019	7,500,000	750.00
Increase/(decrease) during the year	-	-
As at March 31, 2020	7,500,000	750.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	**7,500,000**	**750.00**

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

	Number of shares	Rs. Million
At March 31, 2019	39,115,672	391.16
Issued during the year	-	-
At March 31, 2020	39,115,672	391.16
Issued during the year	-	-
At March 31, 2021	**39,115,672**	**391.16**

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 Parent 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.

Detail of final dividend proposed

The Board of Directors of the Parent Company has recommended final dividend of 30% on equity shares (Rs 3.00 per equity share of Rs.10 each), subject to approval of shareholders in ensuing Annual General Meeting, the liability of which would be recognised once this is approved by shareholders in the ensuing Annual General Meeting.

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

Name of the shareholder	**As at March 31, 2021**		As at March 31, 2020	
	No. of shares held	**% holding in the equity shares**	No. of shares held	% holding in the equity shares
Mr. 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 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.

*since expired

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 :

a. 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,

b. Rs. 38.71 million representing the extinguishment of preference share capital.

Storage fund for molasses account

As per Rule 3(1) of UP Sheera Niyantran 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 considers necessary.

13. Borrowings

Rs. Million

		As at March 31, 2021	As at March 31, 2020
13.1	**Non current borrowings (at amortised cost)**		
	Secured (Refer note 13.3)		
	Term loans		
	-From banks	**1,046.60**	2,548.12
	-From financial institution	**-**	640.48
	-From others	**-**	8.55
		1,046.60	3,197.15
	Less: Amount clubbed under “other financial liabilities” [1] (Refer note 17)	**300.83**	1,253.17
	Total non current borrowings	**745.77**	1,943.98
13.2	**Current borrowings**		
	Secured		
	Loans repayable on demand - Cash credit/overdrafts from banks	**1,714.21**	1,648.81
	Unsecured		
	Loans - Others ##	-	15.70
	Total current borrowings	**1,714.21**	1,664.51
	Total borrowings	**2,459.98**	3,608.49

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

13 Borrowings (Contd.)

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

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Borrowings		
Term loans		
From banks	**300.83**	604.14
From financial institutions	**-**	640.48
From others	**-**	8.55
Total	**300.83**	1,253.17

During the financial year 2019-20, the Parent Company had received soft loans of Rs. 1,164 million through a bank under the “Scheme of Soft loan to Sugar mills to facilitate payment of cane dues of the farmers for the Sugar season 2018-19” as notified by Department of Food and Public Distribution, Government of India. The same have been fully repaid during the year ended March 31, 2021.

During the financial year 2018-19, the Parent Company had received soft loans of Rs. 1,460 million 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. Outstanding at the end of year Rs. 840.35 million (March 31, 2020 Rs 1,102.87 million)

During the financial year 2018-19, the Parent Company was sanctioned a term loan of Rs. 300 million 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.- Outstanding at end of year Rs 206.25 million (March 31, 2020 Rs 281.25 million)

During the previous year ending March 31, 2020, In view of COVID-19 Disruptions, Reserve Bank of India vide its notification dated March 27, 2020 announced for relaxation in repayment schedule with giving moratorium of three months to ease the financial stress on the borrowers. On request of the Parent Company, Financial Institution allowed to extend the instalment due on March 31, 2020 for a period of 3 months with payment of interest at the rate of 8% per annum.

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 January 31, 2011 and is no longer a step down subsidiary of its holding company from January 31, 2011. The Subsidiary company was not paying interest from last few years and had taken letter for waiver of interest amount from SFSL Investments Limited vide letter dt. September 02, 2012 for previous periods as well as for future periods till the net worth of the Subsidiary company remained negative. Hence no provision / liability had been provided for interest amount. The Parent Company is in the process of disposal of investment in the said subsidiary (Refer note 45).

13.3 Security Clause

A. Term loans

1. From Banks:

	As at March 31, 2021 (Rs Million)	As at March 31, 2020 (Rs Million)	Rate of interest	**Nature of Security**
i.	**-**	1,164.00	12%	The soft loans were secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex except on Incinerator Boiler at Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Parent Company. Interest subvention upto 7% was provided to the Parent Company through banks for a maximum period of one year by Government of India and the Parent Company had accounted for the same. The loans have been fully repaid during year ending March 31, 2021.
íi.	**840.35**	1,102.87	5%	The soft loans are secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex except on Incinerator Boiler at Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Parent Company.
iii.	**206.25**	281.25	12%*	The loan is secured by first exclusive charge by way of hypothecation of Incinerator Boiler and first pari-passu charge on entire fixed assets of the unit Nanglamal Sugar Complex (other than Incinerator Boiler). The loan is also secured by Corporate Guarantee provided by the Parent Company. The Parent Company has accounted for interest subvention from the Government at 6% per annum.

2. From financial institutions:

i	**-**	640.48	0%	i). The loan was secured by first pari-passu charge on all movable and immovable fixed assets (except on Incinerator Boiler at Nanglamal Sugar Complex) of the Parent Company inclusive of equitable mortgage of land and buildings. The loan was further secured by second pari-passu charge on all current assets of the Parent Company. ii). The loan was also secured by corporate guarantee issued by Siel Industrial Estate Limited and equitable mortgage of its industrial estate land measuring 455.23 acres at Rajpura in the state of Punjab and personal guarantee of the erstwhile Chairman and Managing Director of the Parent Company. iii). The loan has been fully repaid during year ending March 31, 2021 and all securities have been released.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

13.3 Security Clause (Contd.)

3. From others:

	As at March 31, 2021 (Rs. Million)	As at March 31, 2020 (Rs. Million)	Rate of interest	**Nature of Security**
i	**-**	8.55	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 Parent Company 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). These loans have been fully repaid during year ending March 31, 2021.

B. Loans repayable on demand

1. From Banks

i	**1714.21**	1,648.81	10.25%	Cash credit/overdrafts from banks are secured by way of pledge of Sugar stocks, first charge and lien on the semi-finished sugar including sugar in process, raw materials, first pari passu charge on the fixed assets (other than Incinerator Boiler at Nanglamal sugar complex), hypothecation of book debts of the respective sugar units Nanglamal Sugar Complex and Mawana Sugar Works and also secured by the corporate guarantee of the Parent Company.

* w.e.f. April 01, 2021, Interest rate revised to 11% per annum.

** w.e.f. April 01, 2021, Interest rate revised to 9.50% per annum.

14. Lease liabilities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
14.1 Non- current :		
Lease liabilities		
- Related party (Refer note 36)	**4.12**	-
- Others	**3.72**	8.12
	7.84	8.12
14.2 Current :		
Lease liabilities		
- Related party (Refer note 36)	**3.70**	4.12
- Others	**0.86**	10.61
	4.56	14.73
Total	**12.40**	22.85

15 Provisions

Rs. Million

	As at March 31, 2021	As at March 31, 2020
15.1 Non- current :		
Provision for employee benefits		
- Provision for gratuity (Refer note 35)	**96.27**	132.53
	96.27	132.53
15.2 Current :		
Provision for employee benefits		
- Provision for gratuity (Refer note 35)	**13.39**	21.02
- Provision for compensated absences	**24.72**	30.59
	38.11	51.61
Total	**134.38**	184.14

16. Trade payables

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Trade payables :		
- Outstanding dues to micro and small enterprises (Refer note 43)[3]	**22.55**	21.68
- Outstanding dues to related parties (Refer note 36)	**3.83**	31.08
- Outstanding dues to others[4]	**6,548.66**	5,874.16
	6,552.49	5,905.24
Total	**6,575.04**	5,926.92

[1] For maturity profile of trade payable and other financial liabilities Refer note 39.

[2] For explanation on the Group's credit risk management processes, Refer note 39.

[3] Including interest of Rs. 0.14 million (March 31, 2020 : Rs. 0.14 million) outstanding dues to micro and small enterprises.

[4] Includes 'As per Enhancement compansation order dated November 22, 2017 of Hon'ble Supreme Court, an amount of Rs. 13.09 million (March 31, 2020- 21.71 million) is payable to Land Collector Aquisition/ADJ, District Court Patiala, against the legal case which shall ultimately be paid to beneficiary farmers.

17. Other financial liabilities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Current at amortised cost :		
Current maturities of long term borrowings (Refer note 13)	**300.83**	1,253.17
Interest accrued but not due on borrowings	**6.90**	2.34
Trade deposits -Dealers and others	**28.85**	65.63
Employees related payables-Others	**89.20**	84.38
Payable towards capital goods (Refer note 43)	**34.36**	54.97
Interest payable	**39.36**	64.79
Other payables	**53.22**	26.00
Total	**552.72**	1,551.28

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

17. Other financial liabilities (Contd.)

Breakup of financial liabilities at amortised cost:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Borrowings (Refer note 13)	**2,459.98**	3,608.49
Lease liabilities (Refer note 14)	**12.40**	22.85
Trade payables (Refer note 16)	**6,575.04**	5,926.92
Current maturities of long term borrowings	**300.83**	1,253.17
Interest accrued but not due on borrowings	**6.90**	2.34
Trade deposits received	**28.85**	65.63
Employees related payables	**89.20**	84.38
Payable towards Capital goods	**34.36**	54.97
Interest payable	**39.36**	64.79
Other payables	**53.22**	26.00
Total	**9,600.14**	11,109.54

18. Other liabilities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
18.1 Non current liabilities		
Government Grants	**42.21**	84.12
	42.21	84.12
18.2 Current liabilities		
Advance received from customers and others (Refer note 45)	**36.88**	90.49
Statutory liabilities	**114.51**	124.59
Interest on statutory dues	**72.30**	60.77
Government Grants	**41.91**	53.95
Others	**0.19**	0.60
Total	**265.79**	330.40

19. Income Tax

The major components of income tax expense for the years ended March 31, 2021 and March 31, 2020 :

Profit or loss section:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Tax Expense:		
Current income tax charge	**-**	-
Adjustments in respect of current income tax of earlier years	**-**	30.44
Deferred tax:		
MAT credit reversal	**-**	444.49
Relating to origination and reversal of temporary differences	**278.90**	252.41
Income tax expense reported in the statement of profit or loss	**278.90**	727.34

19. Income Tax (Contd.)

Other Comprehensive Income section
Deferred tax related to items recognised in OCI during the year:

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Net loss on remeasurements of defined benefit plans	**(0.45)**	5.12
Tax effect of change in Tax rate	**-**	(2.83)
Deferred tax credit/(charge) to OCI	**(0.45)**	2.29

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2021 and March 31, 2020.

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Profit/(Loss) before tax (including item of OCI and Profit/(Loss) before tax from discontinued operations)	**1,013.01**	(122.13)
Tax expenses for Group @ applicable income tax rate of 25.168% (March 31, 2020 : 25.168%)	**254.95**	(30.74)
Losses of subsidiaries on which no income tax asset was created (net of consolidation adjustments)	**(2.89)**	(8.09)
Tax effect of change in income tax rate	**-**	268.83
Tax effect of diminution in the value of investment	**7.69**	-
Tax effect on reversal of MAT Credit	**-**	444.49
Tax effect on permanent differences	**30.96**	20.12
Adjustments in respect of current/deferred income tax of earlier years	**-**	30.44
Tax effect on capital gains/losses	**(11.36)**	-
Income tax expense reported in the statement of profit and loss & OCI	**279.35**	725.05

Rs. Million

Deferred tax:	**Balance sheet**		
	As at March 31, 2020	**Provided during the year**	**As at March 31, 2021**
Deferred tax assets relates to the following			
Provision for doubtful debts and advances	38.96	**1.92**	**40.88**
Disalloawances u/s 43 B	161.14	**(34.79)**	**126.35**
Unabsorbed depreciation	848.76	**(325.00)**	**523.76**
Recognition of lease liability	0.35	**(0.19)**	**0.16**
Total deferred tax assets (A)	1,049.21	**(358.06)**	**691.15**
Deferred tax liabilities relates to the following			
Accelerated depreciation for tax purposes	326.31	**(73.00)**	**253.31**
Discounting of financial liabilities	9.14	**(9.14)**	**-**
Others	2.78	**3.43**	**6.21**
Total deferred tax liabilities (B)	338.23	**(78.71)**	**259.52**
Net Deferred Tax Assets (A-B)	710.98	**(279.35)**	**431.63**

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.

During the previous year, pursuant to The Taxation Laws (Amendment) Act, 2019 dated September 20, 2019, the Government of India inserted Section 115BAA in the Income Tax Act, 1961 which provides domestic companies a non-reversible option to pay corporate tax at reduced rates effective April 01, 2019 subject to certain conditions. The Parent Company had evaluated and made an assessment of the impact of Ordinance and decided to opt for reduced rates as per Section 115BAA of the Income Tax Act, 1961. The Parent Company remeasured its deferred tax balances as on March 31, 2020 and consequential deferred tax expense of Rs. 268.83 million was charged to Statement of Profit or Loss and MAT assets of Rs. 444.49 million were written off during the previous year.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

The management at the end of each reporting period, asseses Group's ability to recognize deferred tax assets on 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 profit earned during the year and future profitability projections considering expected future market, economic conditions, tax laws and lower interest cost due to repayment/prepayment of certain borrowings out of proceeds of sale of chemical unit, 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.

20. Income tax assets (net)

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Advance payment of income tax	**21.96**	14.57
Total	**21.96**	14.57

21. Current tax liabilities

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Provision for taxation	**63.90**	63.90
Total	**63.90**	63.90

22. Revenue from contracts with customers

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products		
Finished Goods	**13,932.17**	10,868.31
Traded Goods	**88.12**	85.95
Other operating revenue:		
Sale of scrap	**40.85**	26.00
Subsidy income*(Refer note 47 (a))	**627.97**	629.18
Total revenue from operations	**14,689.11**	11,609.44
Disaggregated revenue information		
Sugar	**11,870.51**	9,617.94
Industrial Alcohol	**1,735.45**	807.60
Power	**222.87**	203.03
By Products	**85.74**	220.74
Others	**105.72**	104.95
Total	**14,020.29**	10,954.26

*Net of expenses of Rs. 61.95 million (March 31, 2020 : Rs. 106.57 million).

Timing of revenue recognition

Products transferred at a point in time	**14,689.11**	11,609.44

Reconciliation of amount of revenue recognised with contract price

Revenue as per contracted price	**14,061.14**	10,980.26
Adjustments		
- Subsidies Income	**627.97**	629.18
	14,689.11	11,609.44

For detail of contract balances, refer note 8 and 18.2. Also refer note 37 for segment information.

23. Other income

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income[1]		
- Interest from banks	**15.97**	12.04
- interest from others	**1.24**	1.21
- Interest income on financial assets valued at amortized cost	**-**	32.38
Rent received	**0.80**	0.68
Profit on sale of current investments	**0.18**	8.61
Provision/Liabilities no longer required written back	**0.46**	0.07
Net gain on foreign currency transactions	**0.24**	-
Profit on sale of property, plant and equipment (net)	**-**	1.40
Insurance claims income	**-**	4.05
Buffer stock subsidy (Refer note 47(b))	**6.33**	14.37
Miscellaneous income	**5.86**	4.39
Total	**31.08**	79.20

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

In relation to financial assets classified at amortised cost	**17.21**	45.63
Total	**17.21**	45.63

24. Cost of materials consumed

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory at the beginning of the year	**49.21**	70.82
Add: Purchases made during the year*	**11,412.96**	9,865.92
	11,462.17	9,936.74
Less: Inventory at the end of the year	**38.68**	49.21
Cost of materials consumed	**11,423.49**	9,887.53

* includes incidental expenses of Rs 102.10 million (March 31, 2020 : Rs 89.85 million) related to procurement of sugarcane.

Details of materials consumed are as under

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sugar cane	**11,144.06**	9,680.62
Packing Materials	**175.08**	171.93
Others	**104.35**	34.98
Total	**11,423.49**	9,887.53

Details of inventory : Raw and Packing Materials

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Sugar Cane	**8.36**	13.37
Packing Materials	**27.81**	30.88
Others	**2.51**	4.96
Total	**38.68**	49.21

Inventories of raw and packing materials as at April 01, 2020 excluded Rs. 23.26 million related to discontinued operations.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

25. Changes in inventories of finished goods, work-in-progress and stock in trade

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year*		
- Finished goods	**7,059.88**	7,543.83
- Work in progress	**273.66**	222.37
- Stock in trade	**576.74**	543.68
Total B	**7,910.28**	8,309.88
Inventories at the beginning of the year*		
- Finished goods	**7,543.83**	6,987.92
- Work in progress	**222.37**	173.07
- Stock in trade	**543.68**	533.41
Total	**8,309.88**	7,694.40
Stock in trade (Land) transfer to property, plant and equipment	**(0.47)**	-
Total A	**8,309.41**	7,694.40
Total (A-B)	**399.13**	(615.48)

* Inventories as at April 01, 2020 excluded finished goods amounting to Rs 17.45 million and work in progress amounting to Rs 11.48 million of discontinued operations.

Details of inventory:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Finished goods		
Sugar	**6,386.63**	7,219.03
Industrial Alcohol	**76.45**	23.11
By Products	**589.21**	265.58
Others	**7.59**	36.11
Total	**7,059.88**	7,543.83
Stock in trade		
Land	**567.59**	535.57
Others	**9.15**	8.11
Total	**576.74**	543.68
Work-in-progress		
Sugar	**108.66**	127.01
By Products	**161.01**	87.21
Others	**3.99**	8.15
Total	**273.66**	222.37

26. Employee benefits expense

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	**595.40**	564.68
Contribution to provident and other funds	**40.24**	37.60
Gratuity (Refer note 35)	**20.54**	7.79
Staff welfare expenses	**31.29**	28.98
Total	**687.47**	639.05

27. Finance costs

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on borrowings*	**335.99**	243.35
Interest on others**	**16.22**	24.52
Finance charges payable under leases	**1.13**	2.01
Total	**353.34**	269.88

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	**353.34**	269.88
Total	**353.34**	269.88

* net of buffer subsidy / subvention of Rs 76.18 million (March 31, 2020 : Rs. 141.91 million).
**Including interest on income tax Rs. 7.67 million (March 31, 2020 : Rs. 13.79 million).

28. Depreciation and amortization expense

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of tangible assets (Refer note 3A)	**469.12**	547.09
Amortisation of intangible assets (Refer note 3B)	**0.02**	-
Amortisation of right of use assets (Refer note 4)	**6.60**	8.41
Total	**475.74**	555.50

29. Other expenses

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores and spares	**314.94**	285.83
Power, fuel, water etc.	**31.26**	82.24
Other manufacturing expenses	**108.90**	117.85
Commission to indenting and ordering agent	**28.39**	24.57
Repairs		
- Building	**24.87**	26.00
- Plant and equipment	**116.75**	97.11
- Others	**30.54**	28.90
Rent paid	**14.31**	11.74
Payment to statutory auditors (Refer details below)	**5.39**	6.44
Insurance	**22.43**	11.72
Rates and taxes	**22.22**	28.27
Freight and transport	**143.42**	77.52
Legal and professional expenses	**102.96**	113.46
Provision for doubtful debts and advances	**7.59**	-
Irrecoverable balances written off	**0.54**	0.05
Land development expense	**27.85**	9.12
Loss on sale/write off of property, plant and equipment (net)	**0.35**	-
Donation other than Political Party	**4.02**	-
Expenses in respect of land sold in earlier years	**0.50**	-
Business promotion expenses (Refer note 36)	**-**	10.00
Miscellaneous expenses	**109.89**	145.82
Total	**1,117.12**	1,076.64

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

29. Other expenses (Contd.)

Payment to statutory auditors

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
As auditors		
Audit fee	**1.90**	1.82
Tax audit fee	**0.60**	0.60
Out of pocket expenses	**0.19**	0.68
In other capacity		
For limited review of unaudited financial results	**2.20**	2.20
For verification of statement and other reports	**0.50**	1.14
Total	**5.39**	6.44

30. Exceptional Items

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Profit on sale of chemical unit (Refer note 57)	**1,120.18**	-
Profit on sale of Investment in Subsidiary (Refer note 45)	**16.62**	-
Provision for diminution in value of investment in Associate (Refer note 49)	**(30.57)**	-
Total	**1,106.23**	-

31. Earnings per share (EPS)

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

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

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Continuing Operations		
Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	**950.50**	(921.34)
Weighted average number of equity shares for basic and diluted EPS	**39,115,672**	39,115,672
Basic and diluted earnings per share (in Rs.)	**24.30**	(23.55)
Face Value per share (in Rs.)	**10.00**	10.00
(ii) Discontinued Operations		
Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	**(217.80)**	92.32
Weighted average number of equity shares for basic and diluted EPS	**39,115,672**	39,115,672
Basic and diluted earnings per share (in Rs.)	**(5.57)**	2.36
Face Value per share (in Rs.)	**10.00**	10.00
(iii) Continuing and Discontinued Operations		
Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. million)	**732.71**	(829.02)
Weighted average number of equity shares for basic and diluted EPS	**39,115,672**	39,115,672
Basic and diluted earnings per share (in Rs.)	**18.73**	(21.19)
Face Value per share (in Rs.)	**10.00**	10.00

32. Commitments and Contingencies

(a) Leases

Lease — as lessee

The Parent Company has lease contracts for various Warehouses, corporate office and equipment's used in its operations. Generally, the Parent Company is restricted from assigning and subleasing the leased assets. The Parent Company also has certain leases of assets with lease terms of 12 months or less. The Parent Company applies the short-term leases recognition exemptions for these leases, other than lease from related parties.

As on transition date i.e. April 1, 2019, Right-of use assets of Rs 40.68 million were recognised, presented separately in the balance sheet. Lease liabilities of Rs. 40.68 million were recognised and presented separately in the balance sheet.

Rs. Million

Particulars	**Year ended March 31, 2021**
As at April 01, 2019	-
Additions	40.68
Amortisation expense	(19.23)
As at March 31, 2020	21.45
Additions	**15.46**
Amortisation expense	**(14.33)**
Disposals	**(10.83)**
As at March 31, 2021	**11.75**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	**22.85**	-
Additions	**15.46**	40.68
Accretion of interest	**1.96**	3.26
Lease surrendered	**(10.83)**	-
Payments	**(17.04)**	(21.09)
Closing balance	**12.40**	22.85
Current lease liabilities	**4.56**	14.73
Non current lease liabilities	**7.84**	8.12

Considering the lease term of the leases, the effective interest rate for lease liabilities is 11%

The following are the amounts recognised in statement of profit and loss:

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Continuing Operations		
Amortisation expense of right-of-use assets	**6.60**	8.41
Interest expense on lease liabilities	**1.13**	2.01
Expense relating to short-term leases (included in other expenses)	**14.31**	11.74
Total amount recognised in statement of profit or loss related to continuing operations	**22.04**	22.16
Discontinued Operations		
Amortisation expense of right-of-use assets	**7.73**	10.82
Interest expense on lease liabilities	**0.83**	1.25
Expense relating to short-term leases	**2.52**	4.62
Total amount recognised in statement of profit or loss related to discontinued operations	**11.08**	16.69

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

32. Commitments and Contingencies (Contd.)

For maturity analysis of lease liability, refer note 39 Financial risk management framework and policies under maturities of financial liabilities.

The Parent Company had total cash outflows for leases of Rs. 17.04 Million (March 31, 2020 Rs 21.09 million). There are no future cash outflows relating to leases that have not yet commenced.

Payments associated with short-term leases other than leases from related parties are recognised on a straight-line basis as an expense in statement of profit and loss. Short-term leases are leases with a lease term of 12 months or less.

(b) Commitments

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	**55.67**	8.00
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	**#**	#
Total	**55.67**	8.00

(c) Contingent Liabilities in repsect 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, 2021	As at March 31, 2020
Central Excise, State 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, 1999-2000 to 2002-03 and 2004-05 to 2016-17	**22.69**	23.02
	Total		**22.69**	23.02

(ii) Other Matters under disputes are as below:

Rs. Million

Nature of Dispute	Description	Period	As at March 31, 2021	As at March 31, 2020
Land	Land related disputes	2014-15	**0.86**	0.86
		1985-86, 1975-76, 2009-10,	**1.05**	1.05
		Total	**1.91**	1.91
Labour	Labour related disputes	2006-07, 2008-09 , 2010-11	**4.65**	4.16
		1997-98, 1999-2000 to 2002-03, 2008-09, 2010-11 and 2012-13	**10.20**	9.53
		1999-2000, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15, 2018-19	**12.29**	11.21
		Total	**27.14**	24.90
	Others	2010-11	**3.11**	3.11
		Total	**3.11**	3.11
Interest on cane Price / Commission Arrears	Interest on delay payment of cane dues (Refer note 48)	2002-03, 2006-07, 2012-13 to 2019-20	**4,415.99**	3,871.94
		Total	**4,415.99**	3,871.94
		Total (ii)	**4,448.15**	3,901.86
Grand Total ((i)+(ii))			**4,470.84**	3,924.88

32. Commitments and Contingencies (Contd.)

(iii) The Parent Company has provided bank guarantees aggregating Rs. 72.01 million (31 March, 2020 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, central excise and civil matters are pending. These demands are presently under various stages of appeal.

(iv) 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.

(v) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF, dated February 28, 2019. The Parent Company will make necessary provision on receiving further clarity on the subject.

(vi) During the previous year, Income Tax department had passed an assessment order for the assessment year 2017-18 under Section 143(3) of the Income Tax Act, 1961, wherein the assessing officer had disallowed / added back certain items resulting into adjustment of brought forward losses/unabsorbed depreciation by Rs. 3363.97 million under normal provisions of the Income Tax Act. Under Section 115 JB (MAT), the assessing officer raised demand of Rs. 138.99 million (including interest of Rs. 45.27 million) against which the Parent Company is carrying provision of Rs. 121.98 million (March 31, 2020 Rs. 121.98 million) ((including interest of Rs. 30.28 Million (March 31, 2020 Rs. 30.28 million)). However, based on the legal opinion taken by the Parent Company, additions/demands are not sustainable under the provisions of the Income Tax Act. An appeal had been filed by the Parent Company in the previous year against the above said order with CIT(Appeal) which is under hearing and an application under Section 154 of the Income Tax Act for the rectification of the said additions/demand had also been filed in the previous year with the Assessing Officer. The Parent Company has already deposited (including adjustment of refund of subsequent years) a sum of Rs 42.79 million under protest against the above demand amount.

(vii) During the current year, Income Tax department has passed an assessment order for the assessment year 2018-19 under Section 143(3) of the Income Tax Act, 1961, wherein the assessing officer has disallowed / added back certain items resulting into adjustment of brought forward losses/unabsorbed depreciation by Rs. 203.04 million under normal provisions of the Income Tax Act. An appeal has been filed by the Parent Company in the current year against the above said order with CIT(Appeal).

(viii) Other Income tax demand for the assessment year 2007-08 amounting to Rs. 0.40 million (March 31, 2020 Rs Nil).

(ix) Contingent Liabilities of Associate-Mawana Foods Private Limited

Rs. Million

Nature of Dispute	Description	**As at March 31, 2021**	As at March 31, 2020
Sales tax matters, disputed and under appeal/ rectification	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.	**5.58**	2.73

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

33. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 9.46 million (March 31, 2020 Rs. 7.32 million).

34. Disclosure of interest in subsidiaries and associate

	Name		Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)	
				As at March 31, 2021	As at March 31, 2020
(i)	Siel Financial Services Limited (Refer note 45)	Subsidiary	India	**75.00%**	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%**	33.74%

35. 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, 2021	As at March 31, 2020
		Gratuity	Gratuity
		(Funded)	(Funded)
Change in the Present value of obligation			
1	Present value of obligation as at the beginning of the year	**190.41**	163.63
2	Add: Current service cost	**10.08**	11.99
3	Less: Adjustment on transfer of chemical unit	**(48.53)**	-
4	Add: Interest cost	**12.95**	12.53
5	Add/(Less): Actuarial (gain) / loss	**(1.71)**	20.30
6	Less: Benefits paid	**(14.35)**	(18.04)
7	**Present value of obligation as at the end of the year**	**148.85**	190.41
Change in the fair value of plan assets			
1	Fair value of plan assets at the beginning of the year	**36.86**	34.07
2	Less : Adjustment in opening balance	**(0.23)**	-
3	Add: Expected return on plan assets	**2.49**	2.61
4	Add: Contribution by the Company	**-**	0.45
5	Less: Benefits paid	**-**	(0.22)
6	Add/(Less): Actuarial gain/(loss)	**0.07**	(0.05)
7	**Plan assets at the end of the year**	**39.19**	36.86
Liability recognized in the financial statements		**109.66**	153.55
	Current	**13.39**	21.02
	Non-current	**96.27**	132.53

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.

35. Gratuity and other post-employment benefit plans (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:	March 31, 2021	March 31, 2020
Current service cost	**10.08**	11.99
Net interest expense	**10.46**	9.92
Amount recognised in Statement of Profit and Loss	**20.54**	21.91

* Amount recognised for the year ended March 31, 2020 includes Rs 14.12 million related to discontinued operations.

Rs. Million

Amount recognised in Other Comprehensive Income:	March 31, 2021	March 31, 2020
Actuarial gain/(loss) on Present value of obligation	**1.71**	(20.30)
Actuarial gain/(loss) on Assets	**0.07**	(0.05)
Amount of gain/(loss) recognised in Other Comprehensive Income	**1.78**	(20.35)

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

	As at March 31, 2021	As at March 31, 2020
Gratuity		
Investment Details	**Funded**	Funded
Investment with Insurer (LIC)	**100%**	100%

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

	As at March 31, 2021	As at March 31, 2020
Discount rate (%)	**6.80**	7.66
Future salary increases (%)	**5.00**	5.00
Retirement Age (Years)	**58**	58
Withdrawal rate		
Up to 30 years	**3%**	3%
From 31 to 44 years	**2%**	2%
Above 44 years	**1%**	1%
Mortality rate	**100% of IALM (2012-14)**	100% of IALM (2012-14)

A quantitative sensitivity analysis for significant assumption as at March 31, 2021 is as shown below:

Gratuity Plan

Assumptions	**Discount rate**		**Future salary increase**	
Discount rate	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation	(5.05)	5.40	5.47	(5.16)

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

35. Gratuity and other post-employment benefit plans (Contd.)

A quantitative sensitivity analysis for significant assumption as at March 31, 2020 is as shown below:
Gratuity Plan

Assumptions	Discount rate		Future salary increase	
Discount rate	**0.5% increase**	**0.5% decrease**	**0.5% increase**	**0.5% decrease**
Impact on defined benefit obligation	(5.92)	6.32	6.40	(6.05)

The sensitivity analyses above has been determined based on the method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

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

Rs. Million

	As at March 31, 2021	As at March 31, 2020
Within the next 12 months (next annual reporting period)	**18.17**	26.07
Between 1 and 2 years	**32.59**	38.94
Between 2 and 3 years	**8.91**	17.61
Between 3 and 4 years	**10.78**	12.76
Between 4 and 5 years	**6.97**	13.45
Between 5 and 6 years	**6.94**	7.03
Beyond 6 years	**64.49**	74.55
Total expected payments	**148.85**	190.41

36. Related party transactions

I) List of related parties

a) Promoter:

Mr. Siddharth Shriram*

b) Associate

Mawana Foods Private Limited

c) Key management personnel of Parent Company

Mr. Dharam Pal Sharma –Whole Time Director

Mr. B.B. Mehta – Chief Financial Officer

Mr. Ashok Kumar Shukla- Company Secretary

d) Subsidiary held for disposal

Siel Financial Services Limited

e) Directors

Prof. Dinesh Mohan*

Mr. Piar Chand Jaswal

Mr. Ravinder Singh Bedi

Mrs. Manju Vira Gupta

Mr. Satish Agarwal (Appointed w.e.f December 09, 2020)

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

Usha International Limited

g) Enterprises over which the Independent Directors have significant influence

Delhi Golf Club

Delhi Policy Group

Caddies Welfare Trust

S R K A & COMPANY

* since expired

36. Related party transactions (Contd.)

II) Transactions with related parties

Rs. Million

		Year ended March 31, 2021	Year ended March 31, 2020
A.	**Promoter**		
	Mr. Siddharth Shriram		
	Advisory fees	**14.40**	14.40
B.	**Associate**		
	Mawana Foods Private Limited		
	Sale of Goods	**436.40**	548.09
	Interest received	**1.24**	1.21
	Business promotion expense	**-**	10.00
	Expenses recovered	**0.33**	1.11
	Miscellaneous purchases	**0.03**	0.05
	Provision for diminution in value of investment	**30.57**	-
C.	**Key Management personnel and their relatives**		
	Remuneration to key management personnel:**		
	Mr. Dharam Pal Sharma	**2.36**	2.36
	Mr. B.B. Mehta	**10.02**	8.72
	Mr. Ashok Kumar Shukla	**1.29**	1.15
D.	**Siel Financial Services Limited**		
	Provision for bad and doubtful advances	**36.59**	-
	Expenses recovered	**1.61**	0.07
E.	**Director Sitting Fee**		
	Prof. Dinesh Mohan	**0.20**	0.13
	Mr. Piar Chand Jaswal	**0.19**	0.12
	Mr. Satish Agarwal	**0.04**	-
	Mr. Ravinder Singh Bedi	**0.20**	0.16
	Mrs. Manju Vira Gupta	**0.19**	0.16
F.	**Enterprises over which key management personnel have significant influence**		
	Usha International Limited		
	Expenses reimbursed	**2.31**	2.98
	Miscellaneous purchases	**0.21**	0.81
	Rent paid***	**4.37**	4.37
	Royalty paid	**11.38**	13.45
G.	**Enterprises over which the Independent Directors have significant influence**		
	Delhi Golf Club		
	Sponsorship for Brand Promotion	**0.40**	-
	Caddies Welfare Trust		
	Sponsorship for Brand Promotion	**1.00**	-
	Delhi Policy Group		
	Sponsorship for Brand Promotion	**17.50**	12.00
	S R K A & COMPANY		
	Professional Charges	**0.07**	-
H.	**Other payments to directors**		
	Advisory fees paid to Mr. Piar Chand Jaswal	**0.83**	0.75

**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, 2021 (Contd.)

Balance Outstanding as at year end:

Rs. Million

		As at March 31, 2021	As at March 31, 2020
(a)	**Financials Assets -Loans and others**		
	Mr. Siddharth Shriram	**0.76**	0.73
	Siel Financial Services Limited ****	**36.59**	-
(b)	**Trade and Other Payables**		
	Usha International Limited	**3.83**	31.08
(c)	**Trade Receivables**		
	Mawana Foods Private Limited	**56.44**	50.20
(d)	**Interest Receivables**		
	Mawana Foods Private Limited	**0.37**	1.10
(e)	**Lease liability payable**		
	Usha International Limited	**7.82**	4.12

*** included under finance cost and amortisation as per Ind AS-116.

****provided for as doubtful advances and in respect of the loans given to Siel Financial Services Limited, the Parent Company has received an offer for conversion of Rs 36.59 million into 00.01% Redeemable Cumulative Preference Shares at a price of Rs 100/- (face value) each on preferential basis. However, the conversion of the same is pending due members approval of the Parent Company.

Erstwhile Chairman and Managing Director of the Parent Company has given personal Guarantees Rs. Nil (March 31, 2020 Rs. 3,335.70 million) as collateral security in favour of lenders of the Parent Company. During the year ended March 31, 2021, the Parent Company has repaid all loans. Consequently, guarantees given earlier to the lenders have been released (March 31, 2020, gross outstanding dues were Rs. 676.80 million).

Transaction with Key management personnel

Rs. Million

	Year ended March 31, 2021	Year ended March 31, 2020
Short-term employee benefits	**13.67**	12.23
Total compensation paid to key management personnel	**13.67**	12.23

The amount disclosed in the table are the amounts recognised as expense during the reporting year related to key management personnel.

37 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. The Chemical buisiness has been classified as discontinued operations.

B. Geographical Segment

The Group mainly caters to domestic markets. However, there is export/deemed export of Sugar which has been presented in 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.

D. Information about business segments (Group)

(Rs. Million)

PARTICULARS	Sugar		Power		Chemicals (Discontined Operations) (Refer Note. 57)		Distillery		Unallocated		Elimination		Total	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
SEGMENT REVENUE														
External Sales	**12,040.08**	9,931.67	**229.13**	203.03	**-**	-	**1,751.08**	819.56	**-**	-	**-**	-	**14,020.29**	10,954.26
Inter segment revenue	**2,885.50**	2,188.84	**2,328.10**	2,182.70	**-**	-	**69.35**	20.16	**-**	-	**(5,282.95)**	(4,391.70)	**-**	-
Other Operating Revenues	**648.01**	646.04	**-**	-	**-**	-	**20.81**	9.14	**-**	-	**-**	-	**668.82**	655.18
Other income	**10.68**	20.02	**0.05**	0.35	**-**	-	**-**	2.02	**20.35**	56.81	**-**	-	**31.08**	79.20
Total revenue	**15,584.27**	12,786.57	**2,557.28**	2,386.08	**-**	-	**1,841.24**	850.88	**20.35**	56.81	**(5,282.95)**	(4,391.70)	**14,720.19**	11,688.64
EBIT/RESULTS														
Segment results	**302.08**	36.07	**388.26**	302.02	**-**	-	**69.25**	(92.40)	**-**	-	**-**	-	**759.59**	245.69
Unallocated income/ (expenses) (net of income/ expenses)	**-**	-	**-**	-	**-**	-	**-**	-	**(253.03)**	(231.41)	**-**	-	**(253.03)**	(231.41)
Operating Profit	**302.08**	36.07	**388.26**	302.02	**-**	-	**69.25**	(92.40)	**(253.03)**	(231.41)	**-**	-	**506.56**	14.28
Finance costs													**353.34**	269.88
Interest income													**17.21**	45.63
Share of (loss) of associate													**(3.71)**	(15.73)
Profit/(Loss) before tax and exceptional items													**166.72**	(225.70)
Exceptional item- Income (net)													**1,106.23**	-
Profit/(Loss) before tax from continuing operations													**1,272.95**	(225.70)
Tax expenses/(credit)													**322.45**	695.64
Profit/(Loss) from continuing operations													**950.50**	(921.34)
Discontinued operations														
Profit/(Loss) before tax for the year from discontinued operations													**(261.72)**	123.92
Tax credit/(expenses) of discontinued operations													**43.55**	(31.70)
Profit/(Loss) from discontinued operations													**(218.17)**	92.22
Profit/(loss) for the year													**732.33**	(829.12)
OTHER INFORMATION														
A. ASSETS														
Segment assets	**9,651.70**	9,705.78	**911.51**	1,064.63	**-**	568.92	**1,151.03**	1,183.78	**-**	-	**-**	-	**11,714.24**	12,523.11
Unallocated assets	**-**	-	**-**	-	**-**	-	**-**	-	**2,089.04**	2,212.92	**-**	-	**2,089.04**	2,212.92
Total Assets	**9,651.70**	9,705.78	**911.51**	1,064.63	**-**	568.92	**1,151.03**	1,183.78	**2,089.04**	2,212.92	**-**	-	**13,803.28**	14,736.03
B. LIABILITIES														
Segment liabilities	**6,811.16**	6,009.97	**18.65**	15.43	**-**	289.79	**100.74**	152.21	**-**	-	**-**	-	**6,930.55**	6,467.40
Borrowings	**-**	-	**-**	-	**-**	-	**-**	-	**2,760.82**	4,861.66	**-**	-	**2,760.82**	4,861.66
Unallocated liabilities	**-**	-	**-**	-	**-**	-	**-**	-	**415.05**	443.04	**-**	-	**415.05**	443.04
Total Liabilities	**6,811.16**	6,009.97	**18.65**	15.43	**-**	289.79	**100.74**	152.21	**3,175.87**	5,304.70	**-**	-	**10,106.42**	11,772.10
C. OTHERS														
Capital expenditure	**120.96**	105.43	**27.46**	1.20	**-**	10.60	**47.94**	357.70	**10.32**	0.15	**-**	-	**206.68**	475.08
Depreciation	**215.47**	276.91	**102.77**	125.68	**-**	-	**150.44**	144.89	**7.06**	8.02	**-**	-	**475.74**	555.50

37 Segment Information (Contd.)

Geographical information :

(i) Revenue from external customers: The Company's revenue from external customers by location of operation are as under:

Rs. Million

Particulars	Year	India	Outside India	Total
External revenue	**2020-21**	**12,055.20**	**1,965.09**	**14,020.29**
	2019-20	9,494.79	1,459.47	10,954.26

(ii) Non-current assets: The Group has common property, plant and equipment for manufacturing goods, hence, these are not separately identifiable.

Information about major customer :

Revenue from Contracts with customers includes Rs 1,823.08 million (March 31, 2020 Rs. 704.01 million) arising from Garden Court Distilleries Private Limited which contributes approx. 13.00% (March 31, 2020 6.43%) of revenue.

38. 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, 2021	As at March 31, 2020	**As at March 31, 2021**	As at March 31, 2020
Financial assets				
Fair Valuation at Amortized cost :				
Security deposits paid	**3.31**	172.17	**3.31**	172.17
Dues from employees	**0.88**	1.33	**0.88**	1.33
Loans and advances to related parties	**0.76**	0.73	**0.76**	0.73
Loans and advances to others	**36.41**	34.80	**36.41**	34.80
Subsidies Receivable	**1,103.35**	799.33	**1,103.35**	799.33
Interest subvention receivable	**14.79**	75.71	**14.79**	75.71
Interest accrued on deposits	**5.16**	12.83	**5.16**	12.83
Total	**1,164.66**	1,096.90	**1,164.66**	1,096.90
Financial liabilities				
Fair Valuation through Statement of Profit & Loss				
Borrowings	**2,760.81**	4,861.66	**2,760.81**	4,861.66
Fair Valuation at Amortized cost :				
Lease Liabilities	**12.40**	22.85	**12.40**	22.85
Total	**2,773.21**	4,884.51	**2,773.21**	4,884.51

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 TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

38. B. Fair Value Hierarchy (Contd.)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2021:

Rs. Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I. Assets measured at fair value (Note 38A):					
Fair Valuation at Amortized cost :					
Security deposit paid	**31-Mar-21**	**3.31**	-	**3.31**	-
Dues from employees	**31-Mar-21**	**0.88**	-	**0.88**	-
Loans and advances to related parties	**31-Mar-21**	**0.76**	-	**0.76**	-
Loans and advances to others	**31-Mar-21**	**36.41**	-	**36.41**	-
Subsidies Receivable	**31-Mar-21**	**1,103.35**	-	**1,103.35**	-
Interest subvention receivable	**31-Mar-21**	**14.79**	-	**14.79**	-
Interest accrued on deposits	**31-Mar-21**	**5.16**	-	**5.16**	-
		1,164.66	**-**	**1,164.66**	**-**
II. Liabilities for which fair value is disclosed (Note 38A):					
Fair Valuation through Statement of Profit & Loss					
Borrowings	**31-Mar-21**	**2,760.81**	-	-	**2,760.81**
Fair Valuation at Amortized cost :					
Lease Liabilities	**31-Mar-21**	**12.40**	-	-	**12.40**

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2021

Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2020

Rs. Million

	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
I. Assets measured at fair value (Note 38A):					
Fair Valuation at Amortized cost :					
Security deposit paid	31-Mar-20	172.17	-	172.17	-
Dues from employees	31-Mar-20	1.33	-	1.33	-
Loans and advances to related parties	31-Mar-20	0.73	-	0.73	-
Loans and advances to others	31-Mar-20	34.80	-	34.80	-
Subsidies receivable	31-Mar-20	799.33	-	799.33	-
Interest subvention receivable	31-Mar-20	75.71	-	75.71	-
Interest accrued on deposits	31-Mar-20	12.83	-	12.83	-
		1,096.90	**-**	1,096.90	-
II. Liabilities for which fair value is disclosed (Note 38A):					
Fair Valuation through Statement of Profit & Loss					
Borrowings	31-Mar-20	4,861.66	-	-	4,861.66
Fair Valuation at Amortized cost :					
Lease Liabilities	31-Mar-20	22.85	-	-	22.85

There were no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2020.

38. B. Fair Value Hierarchy (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

39. 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, 2021	**+5%**	**1.18**
	-5%	**(1.18)**
Year ended March, 2020	+5%	(0.72)
	-5%	0.72

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

39. Financial risk management objectives and policies (Contd)

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 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 April 01, 2019	1.17	126.31	10.82
Provision as at March 31, 2020	1.17	126.31	10.82
Provision made during the year 2020-21	**0.44**	**7.15**	**30.57**
Provision reinstated during the current year	**-**	**36.59**	**-**
Provision transferred on sale of investment in subsidiary during the current year	**-**	**(9.25)**	**(10.82)**
Provision as at March 31, 2021	**1.61**	**160.80**	**30.57**

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).

39. Financial risk management objectives and policies (Contd)

As at March 31, 2021

Rs. Million

	Less than 1 year	1-3 years	>3 years	Total
Borrowings	**2015.04**	**673.87**	**71.90**	**2,760.81**
Lease Liabilities	**4.56**	**7.24**	**0.60**	**12.40**
Trade payables				
-Total outstanding dues to micro and small enterprises	**22.55**	**-**	**-**	**22.55**
-Total outstanding dues of creditors other than micro and small enterprises	**6,552.49**	**-**	**-**	**6,552.49**
Interest accrued but not due on borrowings	**6.90**	**-**	**-**	**6.90**
Employees related payables	**89.20**	**-**	**-**	**89.20**
Trade deposits received	**28.85**	**-**	**-**	**28.85**
Payable towards Capital Goods	**34.36**	**-**	**-**	**34.36**
Interest payable	**39.36**	**-**	**-**	**39.36**
Other payables	**53.22**	**-**	**-**	**53.22**
	8,846.53	**681.11**	**72.50**	**9,600.14**

As at March 31, 2020

Rs. Million

	Less than 1 year	1-3 years	>3 years	Total
Borrowings	2917.68	1439.96	504.02	4,861.66
Lease Liabilities	14.73	6.44	1.68	22.85
Trade payables				
-Total outstanding dues to micro and small enterprises	21.68	-	-	21.68
-Total outstanding dues of creditors other than micro and small enterprises	5,905.24	-	-	5,905.24
Interest accrued but not due on borrowings	2.34	-	-	2.34
Employees related payables	84.38	-	-	84.38
Trade deposits received	65.63	-	-	65.63
Payable towards Capital Goods	54.97	-	-	54.97
Interest payable	64.79	-	-	64.79
Other payables	26.00	-	-	26.00
	9,157.44	1,446.40	505.70	11,109.54

40. 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, 2021 (Contd.)

40. Capital management (Contd.) **Rs. Million**

	As at March 31, 2021	As at March 31, 2020
Borrowings (Note 13)	**2,760.81**	4,861.66
Trade Payables (Note 15)	**6,575.04**	5,926.92
Cash and cash equivalents (Note 9)	**(898.29)**	(466.91)
Net debts	**8,437.56**	10,321.67
Total equity	**3,696.86**	2,962.78
Capital plus net debt	**12,134.42**	13,284.45
Gearing ratio (%)	**69.53%**	77.70%

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.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021 and March 31, 2020.

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 continues 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.

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.

A sum of Rs. 20.83 million (March 31, 2020 Rs. 21.20 million) is recoverable from IPL, Out of which Rs. 20.00 million (March 31, 2020 Rs 20.00 million) pertains to pending transfer of certain portion of freehold land in the name of IPL and balance of Rs. 0.83 million (March 31, 2020 Rs. 1.20 million) pertains to other matters.

43 Dues to Micro and Small Enterprises

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of supplier information available with the Company who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the following are the details.

Rs. Million

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount*	**23.66**	23.46
- Interest thereon	**0.14**	0.14
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**	0.14
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**	0.14

* including Rs 1.25 million (March 31, 2020 : Rs. 1.92 million) on account of capital goods supplier.

44 Statutory Group Informations

Name of the entity in Group	Net assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount in Rs. Million	% of consolidated profit or loss	Amount in Rs. Million	% of consolidated other comprehensive income	Amount in Rs. Million	% of consolidated total comprehensive income	Amount in Rs. Million
Parent								
Mawana Sugars Limited								
As at March 31, 2021	**106.00%**	**3918.82**	**101.52%**	**743.83**	**96.38%**	**1.33**	**101.51%**	**745.16**
As at March 31, 2020	107.12%	3173.66	96.12%	(796.82)	100.33%	(18.06)	96.21%	(814.88)
Subsidiaries								
1) Siel Industrial Estate Limited								
As at March 31, 2021	**12.52%**	**462.94**	**-1.05%**	**(7.68)**	**0.00%**	**-**	**-1.05%**	**(7.68)**
As at March 31, 2020	11.24%	333.11	1.45%	(12.05)	0.00%	-	1.42%	(12.05)
2) Siel Financial Services Limited (Refer note 57)								
As at March 31, 2021	**0.00%**	**-**	**-0.27%**	**(1.94)**	**0.00%**	**-**	**-0.26%**	**(1.94)**
As at March 31, 2020	-1.56%	(46.21)	0.19%	(1.58)	0.00%	-	0.19%	(1.58)
3) Siel Infrastructure & Estate Developers Private Limited								
As at March 31, 2021	**13.10%**	**484.32**	**-120.32%**	**(881.55)**	**0.00%**	**-**	**-120.09%**	**(881.55)**
As at March 31, 2020	46.10%	1365.87	0.01%	(0.09)	0.00%	-	0.01%	(0.09)

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

44 Statutory Group Informations (Contd.)

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
Associates								
Mawana Foods Private Limited								
As at March 31, 2021	**-1.42%**	**(52.66)**	**-0.51%**	**(3.71)**	**3.62%**	**0.05**	**-0.50%**	**(3.66)**
As at March 31, 2020	-0.62%	(18.43)	1.90%	(15.73)	-0.33%	0.06	1.85%	(15.67)
Minorty Interest in Subsidries								
Siel Financial Services Limited (Refer note 57)								
As at March 31, 2021	**0.00%**	**-**	**-0.05%**	**(0.37)**	**0.00%**	**-**	**-0.05%**	**(0.37)**
As at March 31, 2020	-0.04%	(1.15)	0.01%	(0.10)	0.00%	-	0.01%	(0.10)
Eliminations and adjustments due to Consolidation								
As at March 31, 2021	**-30.20%**	**(1116.55)**	**120.67%**	**884.12**	**0.00%**	**-**	**120.44%**	**884.12**
As at March 31, 2020	-62.24%	(1844.07)	0.31%	(2.65)	0.00%	-	0.34%	(2.65)
Total								
As at March 31, 2021	**100.00%**	**3696.86**	**100.00%**	**732.70**	**100.00%**	**1.38**	**100.00%**	**734.08**
As at March 31, 2020	100.00%	2962.78	100.00%	(829.02)	100.00%	(18.00)	100.00%	(847.02)

45 The Parent Company reduced its shareholding in the Siel Financial Services Limited ("SFSL"), a subsidiary of the Parent Company during the current year from 93.56% to 75% by sale of 2,105,568 equity shares of Rs 10 each at BSE through process of 'offer for Sale' to comply with the 'Minimum Public Shareholding' requirement of SFSL. The Parent Company has also entered into a Share Purchase Agreement (SPA) dated February 25, 2021 to sell its entire remaining shareholding at a mutually agreed consideration of Rs 1.11 million. The same has been received by the Parent Company.

The resultant gain of Rs. 16.62 million after recouping losses of earlier years and current year and other adjustments has been shown in the statement of profit and loss under the head "Exceptional Items".

However, the necessary compliances as required in regulation 31A of the SEBI LODR Regulation have been made subsequent to the close of the year, therefore the Group has shown Rs. 1.11 million as advance received against sale of investment (Refer note 18.2) and investment in the subsidiary company has been shown as "Assets held for sale" (Refer note 11).

46 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, the Parent Company had provided differential amount of Rs. 285.46 million in the accounts during the earlier year. UP sugar mill association has approached hon'ble Supreme Court for stay of operation of high court order during the earlier year. The matter is pending before Supreme Court.

47 (a) During the year, the Parent Company has recognised an income of Rs 627.97 million net of expense of Rs.61.95 million (March 31, 2020 Rs 629.18.million net of expense of Rs.106.57 million) as assistance on export of sugar as per Maximum Admissible Export Quantity (MAEQ) allotted in terms of notifications dated December 29, 2020 read with notifications dated December 31, 2020 and notifications dated September 12, 2019 read with notifications dated September 16, 2019, issued by Department of Food and Public Distribution, Government of

India. The Parent Company based on contracts completed against MAEQ and as per agreements signed with merchant exporters has accounted for receivable of Rs 1019.74 million (March 31, 2020 Rs. 704.43 million) against above assistance from Government of India as per the conditions laid down in said notifications. However, in respect of export incentive of Rs. 37.88 million (March 31, 2020 Rs. 152.38 million), merchant exporters have not made the export till March 31, 2021. Exports in respect of export incentives of Rs. 6.02 million (March 31, 2020 Rs. 134.12 million) have been made subsequent to the year end.

(b) During the year, the Parent Company has also recognised an amount of Rs 46.52 million (March 31, 2020 Rs 93.26 million) on account of Buffer Stock Subsidy in terms of notifications dated July 31, 2019 and August 1, 2019 issued by Department of Food and Public Distribution, Ministry of Consumer Affairs, Foods and Public Distribution, Government of India. The Parent Company is eligible to get carrying cost in terms of interest, insurance and storage charges for maintenance of buffer stocks in terms of said notifications. As at March 31, 2021, Rs. 83.61 million (March 31, 2020 Rs 94.90 million) is receivable as buffer stock subsidy.

48 In the earlier years, Recovery Certificates (RC) were issued by the Cane Commissioner for payment of Cane Dues, society commission, interest on delayed payments etc. for previous crushing seasons. The RC also mentioned that the recovery officer shall also collect 'collection charges' as per Rules. Parent Company had paid all the dues of the farmers on its own and challenged the levy of 'collection charges' before the Hon'ble High Court of Allahabad. Hon'ble High Court stayed the recovery of 'collection charges'.

During an earlier year, Hon'ble High Court of Allahabad following the principle of law laid down by Full Bench of the High Court in the case of Maharajwa Sugar Mills Vs State of UP, allowed all the writ petitions filed by the Parent Company and quashed the levy of the collection charges and consequent demand for the same by the State Government. There are some other cases relating to the same issue of levy of 'collection charges' for other years which are still pending and the total demand of collection charges for those years was Rs. 1,413.33 million as on March 31, 2021 (March 31, 2020 Rs 1,413.33 million). The Parent Company had paid the entire dues of the farmers and the Society commission for these years on its own without any further action by the State Government.

The Parent Company has been legally advised that after the authoritative Full Bench Judgment by the Hon'ble High Court of Allahabad in Maharajwa Sugar Mills case, which has attained finality as the State Government has not challenged the said judgment in any superior court, no 'collection charges' could be recovered where the State Government had taken no further steps for recovery of the dues mentioned in RC except issuing the 'demand notice' and 'citation' and such amount had been directly paid by the sugar mills to the farmers on its own.

There is demand of interest on delayed payments of cane price of Rs 4,415.99 million (March 31, 2020 Rs. 3,871.94 million) from Cooperative Cane Societies, which has been disclosed under contingent liabilities (Refer note 32(c)(ii) above). The 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.

49 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. 127.91 million (March 31, 2020 Rs 131.57 million) as an investment in the consolidated financials statement. Also, amount of Rs. 56.81 million (March 2020 Rs. 51.30 million) is receivable from the associate.

The Management has done impairment assessment on the value of investments. On account of excess of carrying value of investment in associate over the net worth as per standalone financial statement of the associate Company namely "Mawana Foods Private Limited", the Parent Company has performed an impairment test to ascertain the recoverable amount of investment. The recoverable amount is determined based on value in use calculation. These calculation uses management assumptions and pre-tax cash flow projections based on financed budgets approved by management of the associate company covering a 5-year period. Cash flow projection beyond 5 years' time period are extrapolated using the estimated growth rates which is in line with industry growth rate. The Management has determined following assumptions for impairment testing of investment:

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

Assumption	March 31, 2021	Approach used in determining value
Cost of capital % before tax (discount rate)	19.85%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	4.00%	Long term growth rate has been taken basis financial budgets and projections approved by management which is in line with industry growth rate.

On the basis of calculations performed, the Parent Company assessed the recoverable amount of the investment being lower than its carrying value and consequently the Parent Company has recognised provision for impairment to the extent of excess of carrying value over its value in use by Rs 30.57 million (March 31, 2020: Rs Nil) in the statement of profit and loss under the head “Exceptional Items”.

50 Mawana Sugar Works is a separate cash generating unit and had negative cash flows in the earlier years. However, during the current year and previous year, Mawana Sugar Works has earned profit before depreciation. The Parent Company is at the year end carrying Property, plant and equipment and other non-current assets aggregating to Rs. 595.41 million (March 31, 2020 Rs 698.29 million) in respect of said unit. As a result, there is risk that carrying value of related property, plant and equipment and other non-current assets may be higher than its recoverable amount. Impairment assessment has been carried out by getting the assets valuation from approved valuer and there is no impairment loss required to be recognized.

51 During the earlier years, Central Government had 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, 2021, the Parent Company is carrying inventory of sugar of Rs. 6,495.29 million (comprising finished goods Rs. 6,386.63 million and work in progress Rs. 108.66 million) ((March 31, 2020 Rs 7,346.04 million (comprising finished goods Rs. 7,219.03 million and work in progress Rs. 127.01 million)) with valuation at lower of cost and net realizable value.

Future net realizable value 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 realise the value at least to the extent stated in the accounts.

52 M/s Jones Lang Lasalle (JLL), an international real estate consulting firm were engaged in earlier years to commission the feasibility study for the development of the Industrial estate of the subsidiary company, Siel Industrial Estate Limited (“SIEL IE”). Based on this study and as per the notification issued in the year 2016, the Change of Land Use (CLU) to Industrial was obtained for land parcel of 462.1552 acres from District Town Planner (DTP), Patiala on October 10, 2017. Even though the land was conveyed by Government of Punjab in favour of the subsidiary company as industrial land. Thereafter, M/s Ranjit Sabhiki Architect (RSA) finalized the Master plan for submission to Punjab Urban Development Agency (PUDA) and the master plan was got approved on January 23, 2019.

In earlier years, Parent Company had offered 51.742 acre of its land to SIEL IE for development of the same along with land held by the Siel IE. The Master plan was approved by PUDA accordingly. On December 18, 2020, the Parent Company decided to retain the said land of 51.742 acre and withdrawn the said offer. SIEL IE approached RSA to make adequate amendments in the master plan and re- submit the same to PUDA for approval.

The amended master plan was prepared by RSA subsequent to year end on May 01, 2021 and has been submitted to PUDA on May 05, 2021 and submitted in RERA on May 06, 2021.

Zoning Plan: Zoning plan will be prepared after approval of amended Master plan by PUDA.

Services Plan: Services plan for Public Health Engineering has been prepared by M/s Kumar Endecon Services Pvt. Limited. Electrical Services has been prepared by another Consultant. Electrical plan as per PSPCL Guidelines has been submitted to PSPCL for issuance of approval on December 26, 2019. Services plans of amended plan will be prepared after the approval of plans by PUDA.

Environmental Clearance for SIEL IE: Pursuant to compliance of CLU letter dated October 10, 2017, SIEL IE was required to take necessary approval from competent authority under the notification dated September 14, 2006 issued by Ministry of Environment and Forest. The approval (NOC) from the Forest Department under Forest Act, 1980, Patiala has been received by Siel IE on November 13, 2018 as the SIEL IE does not fall under designated forest area.

The Siel IE got To Rs (Term of Reference for EIA studies) issued by SEIAA (State Environment Impact Assessment Authority) Punjab vide their letter dated February 22, 2019. The EIA study was submitted to SEIAA Punjab on August 29, 2019 for grant of Environment Clearance under EIA notification, 2006 for establishment of new industrial estate. The SEAC (State Expert Appraisal Committee), Punjab held its meeting dated February 26, 2020 and forwarded EC application to SEIAA Punjab with its recommendation to grant Environment Clearance of SIEL IE. The SEIAA discussed the Environment Clearance of SIEL IE during their online meeting dated May 29, 2020. The Environment Clearance letter is awaited from SEIAA Punjab.

Registration of Project with Real Estate Regulatory Authority (RERA), Punjab: Siel IE has submitted its application for registration of its projects consisting of 462.15 acres and 7.32 acres with RERA, Punjab under The Real Estate (Regulation and Development) Act, 2016. Later on, SIEL IE modified one of its application and reduced the land area of the project from 462.15 acres to 423.29 acres. The authority has approved the application of 7.32 acres project on May 27, 2021. The project consisting of 423.29 acres is pending registration as SIEL IE is awaiting certain approvals from other government departments such as PUDA etc., which are to be submitted to RERA for obtaining registration of this project. The registration fee for the project consisting of 423.29 acres of land amounting to Rs. 3.11 million along with late fee payment of Rs. 2.69 million were deposited on March 02, 2020 and December 22, 2020 respectively. The registration fee for the project consisting of 7.32 acres of land amounting to Rs. 0.05 million along with a late fee payment of Rs. 0.05 million were deposited on March 02, 2020 and December 22, 2020 respectively.

Creation of basic Infrastructure services at site: The work on creating some basic infrastructure 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 Entry Gate Cum Administrative block had been finalized, and the work on land filling to bring its level to 400mm above road level had been completed in an earlier year. The site for new reservoir in the SIEL IEe has been cleared and marked. Development of Industrial Estate shall be taken up in phases. For first phase, around 160 acres is being developed. Drawings for Road and various services are being prepared. Structural Engineer, M/s Desman has been finalized for preparing basic infrastructure. It will be amended as per the new plan.

Marketing and sale of Industrial plots: 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. Once RERA registration is completed and letter for environment clearance is received, the sales of Industrial plots to Potential buyers will be started.

53 Pursuant to MOU signed with Govt. of Punjab, as at the close of the period, Siel Industrial Estate Limited (“SIEL IE”) has possession of 462.25 acres (Previous year 456.39 acres) of land, which has been conveyed in the name of SIEL IE.

The Additional District Judge (ADJ), Patiala vide Order dated November 12, 2002, 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 Siel IE has deposited this entire enhanced amount with the Additional District Judge, Patiala.

An Appeal was filed by the SIEL IE before Punjab & Haryana High Court at Chandigarh against the order dated November 12, 2005 passed by Additional District Judge, Patiala in respect of enhancement of cost of land from Rs. 1,45,000/- to Rs. 1,75,000/- per acre.

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 above order the Collector Land Acquisition (CLA) has confirmed a total liability of Rs. 107.52 million towards the said enhancement vide letter dated August 26, 2016. The total liability as on date including interest up to March 31, 2021 is to the tune of Rs. 114.65 million. SIEL IE has deposited a sum of Rs. 99.68 million up to March 31, 2021. The remaining liability as on date including interest up to March 31, 2021 is Rs. 14.97 million.

SIEL IE and the Landowners filed appeals in the Hon'ble Supreme Court of India against the order of the High Court. The appeals came up for hearing on November 21, 2017. The Supreme Court partly allowed the appeals filed by the landowners and increased the amount of compensation to landowners from Rs.2,10,000/- per acre to Rs.2,81,400/-. The total liability as on date including interest up to March 31, 2021 is to the tune of Rs. 246.83 million. SIEL IE has made payment of a sum of Rs. 211.56 million till date and balance outstanding as on date is Rs. 35.27 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 on various components such as loss of income, superstructure, Abadi Deh land, severance etc. The Hon'ble court disposed off the said matters on May 06, 2019 & have been remanded back to executing court. The said matters are listed before the Court of Additional District Judge, Patiala for arguments on July 09, 2021.

Some landowners have filed petitions before the Collector seeking determination 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 as yet.

54 Reserve Bank of India had 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. The Siel Infrastructure & Estate Developers Private Limited has become non-banking financial company on the basis of financial assets & income from financial assets criteria. Since the Siel Infrastructure & Estate Developers Private Limited ("SIEL IED") was complying with the conditions laid down under "The Core Investment Companies (Reserve Bank) Directions, 2011", SIEL IED submitted an application dated December 17, 2013 with Reserve Bank of India seeking exemption from registration with RBI as Core Investment Company (CIC). RBI vide letter no. DNBS.ND.NO.-2958/Regn. No. CIC./04.04.9999/2013-14 has granted exemption from registration of Company as Core Investment Company (CIC).

55 SIEL Infrastructure & Estate Developers Private Limited ("SIEL IED") is Systematically Important Non Deposit Taking Core Investment Company and it has invested in the equity shares of SIEL Industrial Estate Limited which is its associate & also fellow subsidiary of the 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 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 April 25, 2015.

As per Rule 8 of Companies (Miscellaneous) Rules, 2014, a Company cannot remain with the status of a Dormant Company for more than five consecutive financial years, the Registrar shall initiate the process of striking off the name of the company if the company remains as a dormant company for a period of consecutive five years. The tenure of five years ended on April 24, 2020 and the Board of Directors of SIEL IED considered the matter in its meeting held on August 08, 2020 and given their consent to submit an application before the Registrar of Companies to obtain Active Status. The application for obtaining the Active Status has been approved and active status is showing in MCA Website.

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 for the purpose of consolidation.

56 The Group has 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 IndAS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

Rs Million

Particulars	**As at March 31, 2021**	As at March 31, 2020
Current assets	**75.80**	93.63
Non - Current assets	**5.51**	9.16
Current Liabilities	**91.19**	99.22
Non - Current Liabilities	**5.05**	7.64
Total equity	**(14.93)**	(4.07)
Proportion of the Group's ownership	**33.74**	33.74
Proportionate Investment	**(5.04)**	(1.38)
Add : Goodwill on acquisition of associate	**132.95**	132.95
Less : Provision for diminution in value of investment in associate	**(30.57)**	-
Carrying amount of Investment	**97.34**	131.57

Summarised statement of profit and loss :

Rs. Million

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Revenue from operations	**1,057.37**	1,343.14
Other income	**2.52**	4.40
Total Revenue (I)	**1,059.89**	1,347.54
Expenses:		
Purchase of traded goods	**945.88**	1,236.63
Change in inventory of traded goods	**14.22**	(2.71)
Employee benefits expenses	**58.08**	69.00
Depreciation expense	**2.89**	2.87
Other expenses	**47.89**	86.62
Finance costs	**1.91**	1.76
Total Expenses (II)	**1,070.87**	1,394.17
(Loss) Before Tax	**(10.98)**	(46.63)
Income Tax	**-**	-
Current Tax	**-**	-
Deferred Tax	**-**	-
(Loss) for the year	**(10.98)**	(46.63)
Other Comprehensive Income		
Item that will not be reclassified to statement of profit & loss	**(0.15)**	(0.18)
Total Other Comprehensive income/(expenses)	**(10.83)**	(46.46)
Proportion of the Group's ownership	**33.74%**	33.74%
Proportionate (Loss)	**(3.66)**	(15.67)

57 Discontinued operations

A Chemical Unit

Pursuant to approval of the board of directors of the Parent Company in its meeting held on February 9, 2021, subsequently approved by the shareholders of the Parent Company through postal ballot and vide business transfer agreement dated February 9, 2021, the Parent Company has transferred assets and liabilities of its Chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021, on a going concern basis at a lumpsum consideration of Rs.1,370 million subject to adjustment of net working capital amounting to Rs. 114.44 million related to said unit. Consequently, the Parent Company's net assets of Rs. 333.61 million mainly representing property, plant and equipment, inventories, trade receivables and trade payables have been transferred which has resulted in gain of Rs. 1,120.18 million (Net of expenses incurred related to sale of said unit of Rs. 30.65 million). The same has been included under exceptional items in the consolidated financial statements of the Group. The consideration of Rs.1,475.50 million has been received till March 31, 2021 and balance of Rs. 8.94 million has been received subsequent to year end.

Financial performance and cash flow information

(i) The Results of discontinued operations for the year are presented below:

Rs Million

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Revenue including other income {including Provision no longer required written back Rs 0.02 million (March 31, 2020 Rs 0.04 million), Interest income Rs 8.78 million (March 31, 2020 Rs 11.65 million) and inter segment revenue of Rs 12.53 million (March 31, 2020 Rs 16.19 million)}	**1,527.99**	2,378.92
Less: Expense (including Loss on sale of Property, plant and equipment Rs 0.02 million (March 31, 2020 Rs 0.07 million)}	**1,713.81**	2,167.57
Less: Financial costs	**1.40**	(19.31)
Less: Depreciation and amortisation expenses	**72.56**	105.32
Profit/(Loss) before Tax	**(259.78)**	125.34
Tax credit/(expenses)*	**43.55**	(31.54)
Profit / (Loss) from discontinued operations	**(216.23)**	93.80

*Excluding tax credit/(expense) due to tax effect on reversal of MAT Credit and change in tax rate.

(ii) The net cash flows incurred by discontinued operations are as follows:

Rs Million

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Cash flow from operating activities	**(261.75)**	159.28
Cash flow from investing activities	**(7.05)**	(39.11)
Cash flow from financing activities (including movement in head office balances)	**263.75**	(180.45)
Net Cash inflows/(outflows)	**(5.05)**	(60.28)

(iii) The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows:

Rs Million

Particulars	Year ended March 31, 2021
ASSETS	
(1) **Non-current assets**	
(a) Property, plant and equipment	**209.88**
(b) Capital work- in- progress	**9.10**
(c) Intangible assets	**0.31**
(d) Financial assets-Loans	**167.87**
(e) Other non- current assets	**1.70**
Total Non-current assets	**388.86**
(2) **Current assets**	
(a) Inventories	**90.54**
(b) Financial assets	
- Trade receivables	**20.93**
- Cash and cash equivalents	**24.90**
-Other bank balances	**0.11**
-Other	**7.17**
(c) Other current assets	**10.75**
Total current assets	**154.40**
Total Assets	**543.26**
LIABILITIES	
(1) **Non- current liabilities**	
(a) Provisions	**37.88**
Total non- current liabilities	**37.88**
(2) **Current liabilities**	
(a) Financial liabilities	
- Trade payables	
- Total outstanding dues to micro and small enterprises	**16.81**
- Total outstanding dues of creditors other than micro and small enterprises	**73.31**
- Other financial liabilities	**24.31**
(b) Other current liabilities	**32.94**
(c) Provisions	**24.40**
Total current liabilities	**171.77**
Total liabilities	**209.65**

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2021 (Contd.)

B As stated in Note 45, the information related to Siel Financial Services Limited is as below :-

Financial performance and cash flow information

(i) The Results of discontinued operations for the year are presented below:

Rs Million

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Revenue including other income (including Gain on fair value of Stock Rs 0.03 million (March 31, 2020 Rs Nil), Interest income Rs 0.26 million (March 31, 2020 Rs 0.39 million))	**0.26**	0.39
Less: Expense	**2.20**	1.81
Less: Financial costs	**-**	-
Less: Depreciation and amortisation expenses	**-**	-
Profit/(Loss) before tax	**(1.94)**	(1.42)
Tax (expenses) including adjustment of current tax relating to earlier years Rs Nil (March 31, 2020 Rs 0.16 million)	**-**	(0.16)
Profit / (Loss) from discontinued operations	**(1.94)**	(1.58)

(ii) The net cash flows incurred by discontinued operations are as follows:

Rs Million

Particulars	**Year ended March 31, 2021**	Year ended March 31, 2020
Cash flow from operating activities	**(3.99)**	(1.64)
Cash flow from investing activities	**3.92**	1.28
Cash flow from financing activities	**-**	-
Net Cash inflows/(outflows)	**(0.07)**	**(0.36)**

(iii) The carrying amounts of the major categories of assets and liabilities of the discontinued operations are as follows:

Rs Million

Particulars	**Year ended March 31, 2021**
ASSETS	
(1) **Non-current assets**	
(a) Income tax assets(net)	**1.80**
(b) Other non current assets	**0.06**
Total Non-current assets	**1.86**
(2) **Current assets**	
(a) Inventories	**0.10**
(b) Financial assets	
- Cash and cash equivalents	**1.20**
-Other bank balances	**1.28**
-Others	**0.02**
(c) Other current assets	**-**
Total current assets	**2.60**
Total Assets	**4.46**
LIABILITIES	
(1) **Non- current liabilities**	
(a) Financial Liabilities	
- Borrowings	**36.59**
Total non- current liabilities	**36.59**
(2) **Current liabilities**	
(a) Financial liabilities	
- Borrowings	**15.70**
- Other financial liabilities	**0.17**
(b) Other current liabilities	**0.14**
Total current liabilities	**16.01**
Total liabilities	**52.60**

C Results of discontinued operations

Rs Million

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Profit/(Loss) before tax	**(261.72)**	123.92
Tax credit/(expense) (including adjustment of current tax relating to earlier years Rs Nil (March 31, 2020 Rs 0.16 million))	**43.55**	(31.70)
Profit / (Loss) from discontinued operations	**(218.17)**	92.22

58 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.

59 The Group has taken into account all the possible impacts of COVID-19 (including second wave of COVID-19) in preparation of these consolidated financial statements, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets. The Group has carried out this assessment based on available internal and external sources of information upto the date of approval of these consolidated financial statements and believes that the impact of COVID-19 is not material to these consolidated financial statements and expects to recover the carrying amount of its assets. The impact of COVID-19 on the consolidated financial statements may differ from that estimated as at the date of approval of these consolidated financial statements and the Group will continue to closely monitor any material changes in future economic conditions.

60 Disclosure required under Section 186 (4) of the Companies Act 2013.

Rs Million

Name of the Entity	Year	Opening Balance	Loan Reinstated	Loan Repaid	Outstanding Balance	Purpose
Siel Financial Services Limited (Subsidiary held for disposal)*	2019-20	-	-	-	-	General Business Purpose
	2020-21	**-**	**36.59**	**-**	**36.59**	General Business Purpose

* In respect of above loans given to Siel Financial Services Limited ("SFSL"), the Company has received an offer for conversion of Rs 36.59 million into 00.01% Redeemable Cumulative Preference Shares at a price of Rs 100/- (face value) each on preferential basis. However, the conversion of the same is pending due to approval of the members of SFSL.

61 During the current year, the Parent Company has disposed off its chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021 and sold/agreed to sell investment in one of the subsidiary, Siel Financial Services Limited. Therefore, the balance sheet figures for the current year excludes figures related to chemical unit and one of the subsidiary and are not comparable with the previous year. Also, the statement of Profit and Loss for the year ended March 31, 2020 has been restated by excluding figures of chemical unit and one of the subsidiary which have been included in discontinued operations for comparison purposes.

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: June 25, 2021

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)