67th ANNUAL REPORT 2018-19

सेहत भरी मिठास

Sulphur Free

Double Refined

Untouched by hand

GOBIND SUGAR MILLS LIMITED

TANK FARMS

BOARD OF DIRECTORS

Mr. N. Suresh Krishnan
Non Executive Chairman

Mr. R. S. Raghavan
Managing Director

Mr. Marco Wadia
Mr. L. M. Chandrasekaran
Mrs. Indira Varadarajan

Key Managerial Personnel
Mr. R. S. Raghavan, Managing Director
Mr. Dharmendra Roy, Chief Financial Officer
Mr. Laxman Aggarwal, Company Secretary

AUDITORS
Walker Chandiok & Co. LLP
Chartered Accountants

BANKERS
State Bank of India
District Cooperative Bank Ltd.

REGISTERED OFFICE
Birla Mill Complex, P.O. Birla Lines
G T Road, Near Clock Tower
Kamla Nagar, North Delhi – 110007
Ph : 91-11-30140300
Fax : 91-11-23820704
e-mail : ig.gsml@adventz.com
Website : www.gobindsugar.com

CORPORATE OFFICE
5th Floor, Tower A
Global Business Park, Sector - 26 M G Road,
Gurugram - 122002
Ph. : 0124-4827800
Fax : 0124-4212046

SUGAR MILLS
P.O. Aira Estate
Dist. Lakhimpur Kheri (U.P.) Pin : 262 722

REGISTRAR & SHARE TRANSFER AGENT
Link Intime India Pvt. Ltd.
59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020
Ph : 91-033-2289 0540
Fax : 91-033-2289 0539
e-mail : kolkata@linkintime.co.in

PERFORMANCE AT A GLANCE

(` in Lacs)

Particulars / Financial year	2014-15 (12 months)	2015-16 (12 months)	2016-17 (12 months)	2017-18 (12 months)	2018-19 (12 months)
Gross Turnover	17,710.82	33,372.08	40,489.27	29,432.87	46,384.92
Interest & Finance Charges (net)	1,945.86	3,419.57	4,759.32	6,179.43	6,945.91
Depreciation	254.60	397.37	1,146.60	1,697.97	1,800.40
Profit/(Loss) before Tax /exceptional item	(2,744.97)	(1,002.96)	3,447.30	(2,455.50)	(2,628.17)
Exceptional Item (expenses)	-	-	1,500.38	-	-
Profit/(Loss) after Tax & Exceptional items	(2,111.58)	1,492.74	1,836.78	(2,057.36)	(3,582.47)
Other Comprehensive Income (net of tax)	-	(20.29)	(70.71)	(142.24)	23.53
Total Comprehensive Income (after tax)	-	1,472.45	1,766.07	(2,199.60)	(3,558.94)
Net Worth	1,338.40	756.80	2,528.16	331.24	(1,952.15)
Net Worth per Equity Share (Rs.)	41.83	23.65	79.01	10.35	(52.32)
Dividend per Equity Share (Rs.)	-	-	-	-	-
Earning per Equity Share (Rs.)	(65.99)	46.01	57.40	(64.29)	(97.31)
Cane Crushed (Season) (In lacs Qtls.)	76.28	71.52	94.06	147.33	138.86

CHAIRMAN's STATEMENT

Dear Members

Gobind Sugar Mills Ltd. (GSML) is witnessing a stable growth in the direction of business expansion and International tie-ups. We continue to successfully produce and market complete Sulphur-free refined sugar and still are the only sugar mill in the region of Eastern Uttar Pradesh to do so. The management in this financial year was focused on breaking barriers across all aspects of the business and have been quite successful.

Sugar industry is a highly regulated industry. Years of bumper cane harvests and record sugar production have hammered Indian sugar prices, making it hard for mills to pay money owed to farmers. To reduce that debt and pare rising inventories, GoI provided sugar export subsidies to mills and set an export target of 5 million tonnes for the 2018/19 marketing year ending on September 30, 2019. With this move, India's exports surged to 3.3 million tonnes from 620,000 tonnes a year earlier and also reduced the country's brimming inventories. GSML explored export opportunities in the Middle Eastern countries and were able to export sulphur free double refined sugar in Qatar.

GSML launched its branded Double refined sulphur free sugar – Zuari Sugar in the retail market and is now available 8 states of North India market. The expansion plans are as per schedule for the 100 KLPD capacity distillery and it will soon be fully functional. This will improve the profitability thereby providing a major boost to the sustainability of crushing season. GSML continues to produce clean and green energy via its state of the art Co-generation power plant. This power plant provides power to entire sugar mill set up and residential colony at the site and also supplies green power every day to the state of Uttar Pradesh.

GSML also has a rich history of farmer's welfare programs and many grass roots level initiatives have been undertaken by the management where the direct beneficiaries were the sugarcane farmers of the region. Complete knowledge of sugarcane, its variants and how to safeguard crop from diseases is imparted to the farmers to ensure healthy crop. Road safety workshops are also given to farmers to ensure safe and proper transfer of goods.

I would like to acknowledge and thank all the stakeholders of GSML because of whom the company is on its path to utilize its absolute potential while thriving newer capabilities

Best Wishes

N. Suresh Krishnan
Chairman

MD's STATEMENT

Dear Members

It gives me immense pleasure to share that in the sugar season of 2018-19, we achieved an average sugar recovery of 11.82%. We crushed 138.86 lakh quintals of cane and produced 16.43 lakh quintal of sugar. The increase in sugar recovery is due to consistent working of plant, higher proportion of early maturing sugarcane varieties, climatic conditions and hard and sincere work of all GSML employees.

In the FY 2018-19, GSML has broken quite a few barriers to expand into new profit areas. We entered the retail market in the month of October 2018 through our 1 kg and 5 kg packs of Sulphur Free Double Refined Zuari Sugar and in just 6 months we penetrated the North India market and have reached 8 states and expanding by each passing month. To make our mark in the FMCG market, we also launched other variants of Zuari Sugar – Bura, Icing Sugar, Natural Brown Sugar and Superfine Sugar. These variants along with our existing high quality Double Refined Sulphur Free Zuari Sugar will soon put us on map of the top selling sugar brands in India.

The previous sugar season also saw a huge jump in the sugar production which resulted in sugar prices falling to a new low and accumulation of cane arrears. To control this situation, GoI allocated each and every sugar mills a mandatory export quota. GSML was allocated 20068 MT export quota. I am pleased to say that GSML explored the export opportunities in Middle Eastern countries and were able to secure sugar exports for its Sulphur Free Double Refined sugar from a reputed business house at Qatar. The first shipment was exported in the first week of March 2019. GSML is fully confident of meeting its sugar export obligations.

In addition to above, we are on schedule of putting a 100 KLPD capacity distillery to use our molasses for making Ethanol to get maximum benefits of our by products by September 2019.

To conclude, the sugar business environment of 2018-19 has challenged us individually and collectively, but the GSML family has risen to the occasion. Through their efforts, hard work and zeal, GSML members are breaking barriers that comes their way. Moreover, the Board and Management are laying the foundations to make our Company more resilient and to make the best of the opportunities that lay ahead.

Best Wishes

R S Raghavan
Managing Director

NOTICE

Notice is hereby given that the Sixty Seventh Annual General Meeting of GOBIND SUGAR MILLS LIMITED will be held on Friday, 27th September 2019 at 2.45 P.M. at Birla Mill Complex, P. O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi-110007 to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March, 2019 including Audited Balance Sheet for the financial year ended 31st March, 2019 and the Statement of Profit and Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. N. Suresh Krishnan, who retires by rotation and is eligible for re-appointment.

Special Business:

3. Appointment and Remuneration of Cost Auditor

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 all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the remuneration of Rs. 60,000/- plus applicable taxes and out of pocket expenses for the financial year ending 31st March 2020 as recommended by the Audit Committee and approved by the Board of Directors be paid to Mr. Somnath Mukherjee, F.C.M.A., Cost Accountant, for conducting the Cost Audit, be and is hereby approved and ratified.**"**

4. Re-appointment of Mr. Marco Wadia as an Independent Director of the Company

To consider and, if thought fit to pass with or without modification(s), the following resolution as Special Resolution:

"RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors in their respective meetings held on 07th February 2019 and pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of Listing Regulations (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for re-appointment of Mr. Marco Wadia (DIN 00244357) whose current period of office expired on 31st March 2019 and who has submitted a declaration confirming the criteria of Independence under Section 149(6) of the Companies Act, 2013 read with the Listing Regulations, as amended from time to time, and who is eligible for re-appointment for a second term under the provisions of the Companies Act, 2013, rules made thereunder and Listing Regulations as an Independent Non Executive Director of the Company and whose term shall not be subject to retirement by rotation, to hold office for a term of 5 (five) consecutive years on the Board of Directors of the Company w.e.f. 1st April 2019 upto 31st March 2024.

"RESOLVED FURTHER THAT Mr. Laxman Aggarwal, Company Secretary of the Company, be and is hereby authorized to take all necessary steps to complete all necessary formalities with regard to the re-appointment of Mr. Marco Wadia, as Non-Executive/Independent Director of the Company."

By Order of the Board

Regd Office:
Birla Mill Complex, P. O. Birla Lines,
G T Road, Near Clock Tower,
Kamla Nagar, North Delhi-110007
Dated: August 01, 2019

Sd/-
Laxman Aggarwal
Company Secretary
M. No.: A 19861

NOTES:

1. **THE EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 102 OF COMPANIES ACT, 2013 IS ANNEXED HEREWITH AND FORMS PART OF THE NOTICE.**

2. ***A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company.***

3. **A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**

4. **PROXIES IN ORDER TO BE EFFECTIVE, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY DULY COMPLETED AND SIGNED NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. A Proxy Form is sent herewith. Proxies submitted on behalf of the Companies, Societies, etc. must be supported by an appropriate resolution/authority, as applicable.**

5. During the period beginning twenty four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the company, provided not less than three days' notice is given to the company.

6. The Company's Registrar & Share Transfer Agents (RTA) are:

   Link Intime India Pvt. Limited
   59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020
   Tel : 91 033 2289 0540
   Fax : 91 033 2289 0539
   e-mail : kolkata@linkintime.co.in

7. Members can avail of the nomination facility in respect of shares held by them pursuant to the provisions of Section 72 of Companies Act, 2013. Members holding shares in electronic form may contact their respective Depository Participant for availing this facility. Members holding shares in physical form may send their nomination in the prescribed form duly filled in to RTA at the above mentioned address.

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

9. The Securities and Exchange Board of India (SEBI) has vide its Circular Nos. SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April 2018 and SEBI/HO/ MIRSD/DOS3/CIR/P/2018/115 dated July 16, 2018, mandated every listed Company to update Bank Account details and PAN number of all the shareholders holding shares in physical form and submission of Permanent Account Number (PAN) by every participant in securities market.

   In this regard, the Company had also sent to all members letters by Registered Post on 10th and 11th July 2018 and the reminder letters in September 2018 requesting to update their Bank Account Details and PAN and send the KYC documents to the Company/ RTA, within a period of 21 days from the date of respective letters.

   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 RTA.

   Further, pursuant to Gazette notification issued by SEBI on June 08 2018, Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been amended which mandate the transfer of securities in dematerialized form only with effect from December 05, 2018. The same was also advised by BSE Circular Ref No: LIST/ COMP/15/2018-19 dated July 05, 2018, NSE Circular Ref No: NSE/CML/2018/26 dated July 09, 2018 and Metropolitan Stock Exchange vide its email dated 12th July 2018. SEBI, vide its press release no. 51/2018 dated 03rd December 2018, extended the above deadline from 05th December 2018 to 01st April 2019.

   In terms of abovesaid issuances, request for effecting transfer of equity shares held in physical form will not be processed from the effective date as mentioned above i.e. 01st April 2019. It shall be mandatory to convert physical holding into electronic mode i.e. demat, for transferring shares to another person(s).

   Accordingly, Members of the Company holding shares in physical form are requested to take necessary steps with their respective Depository Participants to dematerialize their physical shares.

10. Details under Regulation 34 read with Schedule V of the Listing Regulations in respect of the Directors seeking appointment/ re-appointment at the Annual General Meeting, is given in the Corporate Governance Report along with the details of their shareholding.

11. The Abridged Financial Statements in prescribed form AOC-3A of the Annual Report for financial year 2018-19, the Notice of the Annual General Meeting of the Company and instructions for e-voting, along with Attendance Slip and Proxy Form is being sent to all the members under Section 136(1) of Companies Act, 2013 read with Rule 10 of Companies (Accounts) Rules, 2014 in the permitted mode.

12. Members may also note that the Notice of the Annual General Meeting and the Annual Report for financial year 2018-19 will also be available on the Company's website www.gobindsugar.com for download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days, excluding Saturday upto the date of AGM. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, free of cost.

13. Members are requested to notify any change of address:

    (i) To their Depository Participants (DPs) in respect of the shares held in Demat form;

    (ii) To the Company at its Registered Office at Birla Mill Complex, P. O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi-110007 in respect of shares held in physical form; and

    (iii) In case the mailing address mentioned on this Annual Report is without the Pin Code, kindly inform the same to DP of the Company

14. To support the 'Green Initiative' in the Corporate Governance taken by the Ministry of Corporate Affairs, to contribute towards the Greener Environment and to receive all documents, Notices, including Annual Reports and other communications of the Company, investors should register their e-mail addresses with RTA if shares are held in physical mode or with the Depository Participant if the shares are held in electronic mode.

15. The Statement of Profit and Loss for the financial year ended 31st March, 2019, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report and all other documents annexed or attached to the Balance Sheet are available for inspection by the Members at the Registered Office of the Company between 11.00 AM and 1.00 PM on all working days up to this AGM. Members who wish to obtain information on the Company or view the

Accounts for the previous years may visit the Company's website or send their queries at least 10 days in advance before the AGM to the Secretary of the Company.

16. E-Voting: In compliance with provisions of Section 108 of Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 as amended, the Company is pleased to provide members facility to exercise their right to vote at the Annual General Meeting (AGM) by electronic means and detailed procedure is mentioned below:

The instructions for shareholders voting electronically are as under:

(i) The voting period begins on 23rd September 2019 at 10:00 AM and ends on 26th September 2019 at 5:00 PM. During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 20th September 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the e-voting website www.evotingindia.com.

(iv) Click on "Shareholders" tab.

(v) Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with the Company.

(vi) Next enter the Image Verification as displayed and Click on Login.

(vii) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(viii) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendence Slip in the PAN field. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).

(x) After entering these details appropriately, click on "SUBMIT" tab.

(xi) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xiii) Click on the EVSN 190806017 for the relevant "Gobind Sugar Mills Limited" on which you choose to vote.

(xiv) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xvi) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xvii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xviii) You can also take out print of the votes cast by you by clicking on "Click here to print" option on the Voting page.

(xix) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xx) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone. Please follow the instructions as prompted by the mobile app while voting on your mobile.

(xxi) Note for Institutional Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.

- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

(xxii) The Board of Directors has appointed Mr. Atul Kumar Labh, Practising Company Secretary (FCS-4848/CP-3238), as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

(xxiii) The Scrutinizer shall immediately after conclusion of the e-voting, count the votes cast at the meeting and unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and will prepare a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman / Managing Director / Company Secretary of the Company or as per their instructions.

(xxiv) The results on resolutions shall be declared on or after the AGM of the Company and the resolution will be deemed to be passed on the AGM date, subject to receipt of the requisite number of votes in favour of the Resolution(s).

(xxv) The Results declared along with the Scrutinizer's Reports will be available on the website of the Company (www.gobindsugar.com) within two (2) days of passing of the resolutions and communication of the same to the Metropolitan Stock Exchange of India Limited (MSEI) for download by the members of the Company.

17. The brief profiles of Mr. Marco Wadia and Mr. N Suresh Krishnan have been provided in the Corporate Governance Report along with details as to their respective shareholding.

18. Pursuant to the provisions of Section 124 of Companies Act, 2013, as amended, dividend remaining unclaimed / unpaid for a period of seven years from the date of such transfer is required to be transferred to the Investor Education Protection Fund of the Central Government (Fund). In respect of dividend declared by the Company during the financial year ended 30th June 2010, the Company does not have any amounts which were required to be transferred to the Fund by the Company. Accordingly, there is no liability on the part of the Company to transfer any Shares in the demat suspense account / unclaimed suspense account.

EXPLANATORY STATEMENT TO SPECIAL BUSINESS

As required by Section 102 of Companies Act, 2013 (“the Act”) the following explanatory statement sets out all material facts relating to the Special Business items in the accompanying Notice:

Resolution No. 3

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of Mr. Somnath Mukherjee, Cost Accountant as the Cost Auditor to conduct the audit of the cost records of the Company at a remuneration of Rs. 60,000/- plus applicable taxes and out of pocket expenses for the financial year ending March 31, 2020. 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 Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Resolution No. 3 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are concerned or interested in this resolution.

Resolution No. 4

The Shareholders of the Company at their 62nd Annual General Meeting held on 17th September 2014 had appointed Mr. Marco Wadia (DIN: 00244357) as an Independent Director of the Company for a period of 5 years i.e. from 01st April 2014 to 31st March 2019 pursuant to the provisions of Sections 149, 152 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the Rules framed thereunder, read with Schedule IV to the Act. The term of appointment of Mr. Marco Wadia ended on 31st March 2019.

In terms of section 164 of the Act, Mr. Marco Wadia is not disqualified from being re-appointed as a Director of the Company. In the opinion of the Board, Mr. Marco Wadia fulfils the conditions specified in the Act and he is independent of the management.

Considering Mr. Wadia’s vast experience and based on his performance evaluation, the Board of Directors of the Company at its meeting held on 07th February 2019, approved the re-appointment of Mr. Marco Wadia as Non Executive / Independent director of the Company for a further period of five years with effect from 01st April 2019, subject to approval of shareholders.

Copy of the letter of appointment of Mr. Marco Wadia as an Independent Director setting out the terms and conditions is available for inspection by Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

The Members are, therefore, requested to accord their approval by way of a Special Resolution for the re-appointment of Mr. Marco Wadia as an Independent Director of the Company to hold office for a further term of 5 (five) years i.e. from April 01, 2019 upto March 31, 2024, not liable to retire by rotation.

Brief profile along with other particulars of Mr. Marco Wadia as required to be disclosed pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 are mentioned below:

Name of the Director	Mr. Marco Wadia
DIN	00244357
Date of Birth	30-01-1956
Age (approx.)	63 Years
Nationality	Indian
Relationship between directors inter-se	NIL
Date of First Appointment	21-08-2012
Qualification	B.A. (Hons), LL. B.
Functional Expertise & Experience including brief resume	Mr. Marco Phillippus Ardeshir Wadia, aged 63 years, is an Independent Director of our Company. He is a member of Bar Council of Maharashtra and Goa. He has been a practicing advocate since 1986 and, is currently, a partner at Crawford Bayley & Co. He has over 30 years of experience in the legal profession having specialised in corporate matters and mergers and acquisitions.
Appointment/Re-appointment	Re-appointment
Terms and Conditions of re-appointment	As per Explanatory Statement
Directorship held in all companies (excluding foreign companies) as on 31st March, 2019	1 Zuari Global Limited 2 Zuari Agro Chemicals Limited 3 Chambal Fertilisers and Chemicals Limited 4 Josts Engineering Company Limited 5 Stovec Industries Limited 6 Paradeep Phosphates Ltd 7 Simon India Limited 8 Gobind Sugar Mills Ltd 9 Indian Register of Shipping (Section 8 Company) 10 Amphenol Interconnect India Private Limited 11 Amphetronix Offset Interconnect Solutions Private Limited 12 Johnson and Johnson Private Limited 13 Amphenol Omniconnect India Private Limited
Membership/ Chairmanship of Committees of public Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31st March, 2019	1. Zuari Global Limited – Chairman of Audit Committee & member of Stakeholders Relationship Committee. 2. Chambal Fertilisers and Chemicals Limited – Chairman of Audit Committee & member of Stakeholders Relationship Committee. 3. Zuari Agro Chemicals Limited- Chairman of Audit Committee & member of Stakeholders Relationship Committee. 4. Simon India Limited - Chairman of Audit Committee 5. Paradeep Phosphates Ltd - Chairman of Audit Committee 6. Stovec Industries Ltd - Member of Audit Committee 7. Gobind Sugar Mills Ltd – Member of Audit Committee
Number of shares held in the Company	NIL
Remuneration last drawn	N.A.
Remuneration proposed to be paid	N.A.
Number of meetings of the Board attended during the financial year 2018-19	Four

Except Mr. Marco Wadia, none of the other Directors and Key Managerial Personnel (KMP) of the Company or relatives of Directors and KMP are, in any way, concerned or interested in the said resolution.

The Board recommends the Special Resolution set forth in Item No. 4 for approval of the Members.

By Order of the Board

Regd Office:
Birla Mill Complex, P. O. Birla Lines,
G T Road, Near Clock Tower,
Kamla Nagar, North Delhi-110007
Dated: August 01, 2019

Sd/-
Laxman Aggarwal
Company Secretary
M. No.: A 19861

DIRECTORS' REPORT 2018-19

To

THE MEMBERS,

Your Directors take pleasure in presenting the 67th Annual Report and the audited Accounts of the Company for the year ended 31st March 2019.

1. FINANCIAL RESULTS AND APPROPRIATIONS:

(Rs. in lakhs)

	2018-19	2017-18
Sales	**46,384.92**	**29,432.87**
Other Income	5,280.16	2,516.83
	51,665.08	31,949.70
Expenses excluding Depreciation and Interest	45,546.94	26,527.80
EBITDA	6,118.14	5,421.90
Finance Cost (Net)	6,945.91	6,179.43
Cash Loss	(827.77)	(757.53)
Depreciation/Amortization	1,800.40	1,697.97
Profit/(Loss) before Tax	**(2,628.17)**	**(2,455.50)**
Exceptional item	-	-
Deferred Tax Charge/ (Credit)	954.30	(398.14)
Net Profit/(Loss) after Tax	(3,582.47)	(2,057.36)
Add: other comprehensive income (net of tax)	23.53	(142.24)
Total Comprehensive Income/ (Loss) after Tax	(3,558.94)	(2,199.60)
Basic / Diluted Earning per share	**(97.31)**	**(64.29)**

2. OPERATING PERFORMANCE

During the year under review, we crushed 126.20 Lakhs Qtls (previous year 123.35 Lakhs Qtls) of sugar cane achieving sugar recovery rate of 11.66% (Previous year 10.42%). Sugar production was 14,71,172 Qtls (previous year 12,84,776 Qtls) and Molasses production was 5,83,087 Qtls (Previous year 6,16,305 Qtls). On 06th March 2019, the Company reached a milestone of crossing 12% sugar recovery first time in the history of Company.

A detailed analysis of the Company's operations, future expectations and business environment is given in the Management Discussions and Analysis Report which is made an integral part of this Report and marked as Annexure – B1.

3. FINANCIAL PERFORMANCE

The Gross Sales (inclusive of Excise Duty & GST) of the Company for the year ended 31st March, 2019 increased by 57.60% to Rs. 463.85 Crores from Rs. 294.33 Crores for the year 2017-18).

The profit before interest, depreciation and tax for the year under review stood at Rs.61.18 Crores as compared to previous year's figure of Rs. 54.21 Crores. However, the Net Loss after tax of Rs. 35.82 Crores was recorded for the year ended 31st March, 2019.

4. PROJECT IMPLEMENTATION

The project of installing a state-of-art Distillery Plant which would be capable of producing multiple products like Ethanol, Rectified Spirit and Extra neutral Alcohol is progressing satisfactorily. The Plant will use distillery waste (spent wash) as a fuel, thereby effectively making the plant a Zero Liquid Discharge facility.

The Company has availed a total disbursement of Rs. 50 Crores (out of which Rs. 25 Crores disbursed post closure of financial year 2018-19) out of the total sanctioned term loan facility of Rs. 80 Crores from Indian Renewable Energy Development Agency Ltd. (IREDA), for implementation of 100 KLPD Molasses based Distillery project with spent wash incineration at Aira. The balance facility of Rs. 30 Crores is expected to be disbursed during financial year 2019-20. The project activities of distillery plant are in full swing and the said project is expected to be commissioned by September 2019.

5. SALES PERFORMANCE

During the year under review, the sales realization for sugar was Rs. 3,079.27 per Qtls (prev. year Rs. 3,587.69 per Qtls). The Uttar Pradesh Government has not increased State Advisory Price (SAP) and it remain same at Rs. 315/- per Qtls. A premium of Rs. 10/- per Qtls for early maturing variety remained same i.e. Rs. 325/- per Qtls.

In the month of October 2018, the Company entered the retail market through 1 kg and 5 kg packs of Sulphur Free Double Refined Zuari Sugar. In a short span of around 5 months, the Company penetrated the North India market and has reached 8 states viz. Jammu and Kashmir, Uttar-Pradesh, Uttarakhand, Haryana, Punjab, Delhi NCR, Rajasthan and Madhya Pradesh. The Company also commissioned 5 gm Sugar sachet machine for SS refined sugar and brown sugar.

In addition, the Company explored the export opportunities in Middle Eastern countries and was able to secure sugar exports for its Sulphur Free Double Refined Sugar from Qatar. The first consignment of 110 Tones sugar in 5 kg packs was also exported in the first week of March 2019. The Company also completed its export obligation of 20068 MT by end June 2019.

6. RESEARCH & DEVELOPMENT (R & D)

During the period under review, the Company undertook various Research & Development initiatives to improve the sugar recovery ratio and to educate the cane growers to cultivate improved variety of sugarcane and to otherwise improve the sucrose contents of their produce.

7. MEETINGS OF BOARD

During the year 2018-19, the Board of Directors met 5 times, the details of the same have been included in the Corporate Governance Report which forms part of this Directors Report as Annexure - A.

8. CORPORATE GOVERNANCE

Your Company complied with all the mandatory requirements of Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Report on Corporate Governance pursuant to Regulation 34 is attached as Annexure – A. The other relevant reports viz. Management Discussion & Analysis (MDA Report), Statement in respect of Conservation of Energy, Declaration of Managing Director on Code of Conduct and Certificates from Practicing Company Secretary (PCS) on (i) compliance of conditions of Corporate Governance; and (ii) Non-disqualification of directors by SEBI / Ministry of Corporate Affairs or any statutory authority; form an integral part of this Report and are attached as Annexure – B1, B2, B3, B4 and B5 respectively.

9. EXTRACT OF ANNUAL RETURN

As required in terms of Sections 134(3)(a) and 92(3) of Companies Act, 2013, an extract of Annual Return for the financial year 2018-19 is attached in prescribed form MGT-9 as Annexure – C and the same has been placed on the website (www.gobindsugar.com) of the Company.

10. DIVIDEND

The Board of Directors do not recommend any dividend for the year in view of the accumulated losses.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL

As informed in the Directors Report of last year, upon expiration of the current tenure, Mr. R S Raghavan was re-appointed as Managing Director of the Company for a further period of 3 years i.e. from 28th August 2018 to 27th August 2021 in accordance with applicable provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and designated as Key Managerial Personnel (KMP) of the Company.

The said re-appointment was also recommended by Nomination and Remuneration Committee at its meeting held on 02nd May 2018 and it was also approved by the members of the Company at their 66th Annual General Meeting held on 10th August, 2018.

The Shareholders of the Company at Annual General Meeting held on 17th September 2014 had approved the appointments of Mr. Marco Wadia (DIN - 00244357) and Mr. R N Ratnam (DIN – 06422037) as Independent Directors of the Company for a period of 5 years from 01st April 2014 to 31st March 2019 respectively.

Since the tenure of both directors as aforesaid was expiring on 31st March 2019, the Board of Directors of the Company upon recommendation of Nomination and Remuneration Committee at the respective meetings held on 07th February, 2019, approved the re-appointment of Mr. Marco Wadia for another period of 5 years i.e. from 01st April, 2019 to 31st March, 2024 subject to approval of the members in the forthcoming 67th Annual General Meeting of the company.

During the financial year under review, the Company received a letter from Mr. Ratnam intending not to be re-appointed for another term upon completion of his tenure as mentioned above due to personal reasons. Accordingly, it was decided by the Board of Directors to not proceed with re-appointment of Mr. Ratnam at its meeting held on 17th May 2019. The Board put on records its appreciation for the valuable services provided by Mr. Ratnam during his tenure as an Independent Director of the Company. Since the Company was in compliance of the applicable provisions of Companies Act and SEBI Listing Regulations w.r.t. having sufficient combination of executive and non-executive directors and having three Non Executive Independent Directors, one Non-Executive Chairman and one Managing Director, the Company was not required further to appoint another director in place of Mr. Ratnam.

All Independent Directors have duly provided the declarations to the Company that they meet the criteria of independence as laid down under Section 149(6) of Companies Act, 2013.

Mr. N. Suresh Krishnan (DIN - 00021965), Director of the Company is liable to retire by rotation at the forthcoming Annual General Meeting, in accordance with Section 152 of Companies Act, 2013 and being eligible, is proposed for re-appointment. Other information on the directors including required particulars of the Director retiring by rotation is provided in the Report on Corporate Governance attached to this Report as Annexure – A.

12. PERFORMANCE EVALUATION

Pursuant to the provisions of Section 178 of Companies Act, 2013 and Regulation 17(10) read with Part D of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the Nomination and Remuneration Committee and the Board of Directors have formulated a policy for performance evaluation of its own performance, of various mandatory Committees of the Board and of the individual directors.

Based on the Guidance note SEBI/HO/CFD/CMD/CIR/P/2017/004 dated 05th January 2017 issued by SEBI and updated performance evaluation policy as aforesaid, the Independent Directors in their separate meeting held on 07th February 2019 under Regulation 25(4) of Listing Regulations and Schedule IV of Companies Act, 2013 had:

(i) reviewed the performance of Non-Independent Directors and the Board as a whole;

(ii) reviewed the performance of the Chairperson of the Company, taking into account the views of executive and non-executive directors;

(iii) assessed the quality, quantity and timelines of flow of information between the company management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

In terms of the provisions of Regulation 19(4) read with Part D of Schedule II of Listing Regulations and Section 178 of Companies Act, 2013, the performance evaluation process of all the Independent and Non-Independent Directors of the Company was carried out by the Nomination and Remuneration Committee in its meeting held on 07th February 2019.

Further, in terms of Regulations 17(10) of Listing Regulations and Schedule IV of Companies Act, 2013, the Board of Directors also in their meeting held on 07th February 2019, carried out the performance evaluation of the Independent Directors (excluding the Director being evaluated) and that of its Committees.

The entire performance evaluation process was completed to the satisfaction of Board.

13. RELATED PARTY TRANSACTIONS

All related party transactions that were entered into during the financial year were on arm’s length basis and were in the ordinary course of business. During the year under review, there were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Further, in terms of provisions of Rule 6A of the Companies (Meetings of Board and its Powers) Rules, 2014 read with

Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee vide its meeting held on 07th February 2019 granted/ renewed the omnibus approval with respect to transactions that might be entered into by the Company with related parties for the financial year 2019-20 subject to further renewal on annual basis.

In addition to above, all contracts or arrangements entered into by the Company in 2018-19 having interest of directors had been regularly placed on a quarterly basis before the Audit Committee and also the Board of Directors for their respective approvals. The prescribed Form AOC-2 is attached as Annexure – D of this Report.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

14. REMUNERATION POLICY

In compliance of the provisions of Section 178 of Companies Act, 2013, the Board framed a Remuneration Policy for selection and appointment of Directors, Senior Management and their remuneration. The same is stated in the Corporate Governance Report as Annexure – A.

The disclosures under Section 197 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is attached as Annexure - E.

15. RISK MANAGEMENT POLICY

Risk is an inherent aspect of business, especially in the dynamic environment your Company operates in today. To minimize the adverse impact of risks on our business objectives and to enable the Company to leverage market opportunities effectively, Company needs to have robust system of performing an enterprise risk management exercise. This is also a requirement of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As a part of this exercise, during the financial year 2018-19, an In-house team was engaged in establishing a defined process for risk identification, assessment, prioritization and reporting which evaluated a detailed Risk Assessment and Management Plan / System.

The major risks identified have been provided in the Management Discussion and Analysis Report attached as Annexure – B1.

16. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company in accordance with the provisions of Section 177(9) of Companies Act, 2013 read with Rule 7 of Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") has established a vigil mechanism for directors and employees to report genuine concerns to the management viz. instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Company has also formulated Whistle Blower Policy which provides for adequate safeguards against victimization of persons and has a provision for direct access to the Chairperson of the Audit Committee. The Whistle Blower Policy of the Company has been placed on the website of the Company at www.gobindsugar.com in accordance with requirement of Section 177(10) of Companies Act, 2013 and Regulation 46 of Listing Regulations.

17. CORPORATE SOCIAL RESPONSIBILITY ("CSR")

The Company has in existence a CSR Policy which is framed in accordance with the provision of Section 135 of Companies act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the same is displayed on the website of the Company at www.gobindsugar.com.

As required in terms of provision of Section 135(5) of Companies Act 2013, the Board of the Company shall ensure that the company spends, in every financial year, at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its CSR Policy. In this regard, it may be noted since the Company's net profit calculated under Section 198 of Companies Act, 2013 in preceding three financial years were negative due to the huge amount of accumulated losses, so the Company was not able to contribute to CSR activities. However, during the financial year 2018-19, the Company undertook various CSR initiatives as a measure of good corporate governance. Your Company has been extending help and assistance to locality where the plant is located, near Aira Estate some of which are mentioned below:

- Organising "KISAN MELAS" in nearby villages to educate the farmers for inter cropping and judicious use of fertilisers and insecticides to increase the yield / with an objective to increase the farmer's income in alignment with Central Govt. vision.
- New Year 2019 Celebrated under the flagship of "Executive Club" with great enthusiasm. Members enjoyed the fun filled evening.
- Republic Day celebrated with full of patriotism.
- Organising of various Camps for Blood Donation, Eye Checkup, Dental Checkup successfully in the plant premises
- Distribution of blankets to farmers of flood affected areas
- Plant distribution in nearby villages
- Conducting of medical check-ups for hygiene of workers / employee
- Distribution of Bagasse to various public places for "ALAV" in extreme winter season.

The disclosures under Section 134 read with Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is attached as Annexure – F.

18. AUDITORS, AUDIT QUALIFICATIONS AND BOARD'S EXPLANATIONS

(i) STATUTORY AUDITORS

In terms of the provisions of section 139 of the Act read with Rule 3 of Companies (Audit and Auditors) Rules, 2014, the Members of the Company vide its Annual General Meeting held on 25th September 2015, had appointed M/s Walker Chandiok & Co LLP, Chartered Accountants (Firm Registration No. 001076N / N500013) as Statutory Auditors of the Company for five years starting from the conclusion of 63rd Annual General Meeting held in 2015 subject to ratification of their appointment at every AGM. The said appointment was last ratified by the members in the AGM held on 04th August 2017.

Subsequently, Ministry of Corporate Affairs vide its notification dated 07th May 2018 had omitted the requirement of ratification of appointment of auditors by members. Accordingly, the ratification of the appointment of auditors is not required to be done by members in the forthcoming AGM.

(ii) SECRETARIAL AUDITORS:

During the year under review, in terms of the provisions of Section 204(1) of Companies Act 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, M/s A. K. Labh & Co., were re-appointed as Secretarial Auditors of the Company for conducting Secretarial Audit for the financial year 2019-20. The Report of Secretarial Audit is enclosed as Annexure - G of the Directors' Report.

The Secretarial Auditors made the following observation(s):

The Company needs to devise proper mechanism for making payment against purchase of sugarcane within 14 days of its purchase as per the requirements of Section 3 of the Sugarcane (Control) Order, 1966.

The reply to the above observation(s) is given below:

Due to arbitrary fixing of sugarcane prices without linking the same to sugar realization in Uttar-Pradesh, the Company had to suffer losses due to declining sugar prices and due to same, the Company had to delay the payment to the farmers.

19. COST AUDITORS

In accordance with the directives of the Central Government under Section 148 of Companies Act, 2013, Mr. Somnath Mukherjee, Cost Accountant, was re-appointed as Cost Auditor to audit the cost accounting records of the Company relating to sugar, power and distillery for the financial year 2019-20.

During the year under review, the Cost Audit Reports for the product Sugar for the year ended 31st March, 2018 were duly filed with Ministry of Corporate Affairs.

20. INTERNAL AUDIT

In accordance with the provisions of Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 138 of Companies Act, 2013 read with Rule 13 of Companies (Accounts) Rules, 2014, M/s K. Ramkumar & Co., Chartered Accountants were re-appointed as Internal Auditors of the Company for the Financial Year 2019-20 to audit the internal systems, controls and procedures and/or such others matters as may be decided by the Audit Committee to whom it shall report upon such matters.

21. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of Section 186 of Companies Act, 2013 are given in the notes to the Financial Statements.

22. PREVENTION OF SEXUAL HARASSMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place an Anti Sexual Harassment Policy in line with the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and all the employees are covered under this Policy.

The Company has instituted an Internal Complaints Committee comprising of Unit Head (Chairperson), HR Head (Member), Finance Head (Member) for redressal of sexual harassment complaint and for ensuring time bound treatment of such complaints.

For Calendar Year ended 31st December 2018, an Annual report was duly submitted by the Company with District Officer at Lakhimpur Kheri, Uttar Pradesh informing that the Company had not received any complaint / case relating to sexual harassment.

23. HOLDING / SUBSIDIARY COMPANY

Zuari Investments Limited remained the Holding Company of the Company during the financial year 2018-19 and there was no Subsidiary Company of the Company.

24. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING & OUTGO

Particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of Companies Act, 2013 forms part of this Report as Annexure B2.

25. MD/ CFO CERTIFICATION

Mr. R. S. Raghavan, Managing Director (MD) and Mr. Dharmendra Roy, Chief Financial Officer (CFO) have submitted a certificate to the Board as contemplated in Regulation 32(2)(a) and 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also Mr. Raghavan has submitted a certificate with respect to Para E of Schedule V of aforesaid Listing Regulations in the matter of compliance with the code of conduct by Board of Directors and Senior Management Personnel during the financial year 2018-19.

26. PUBLIC DEPOSITS

There are no outstanding deposits in the books of the Company as on 31st March, 2019. The Company has not accepted any deposits during the year under review.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors confirm that -

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

(b) the directors have 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 as on 31st March, 2019, and of the profit and loss account for the year ended 31st March, 2019;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

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

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

28. SECRETARIAL STANDARDS

Your Directors confirm that the Company had followed the compliances of all applicable Secretarial Standards i.e. Secretarial Standard 'SS-1' for Meetings of the Board of Directors and 'SS-2' for General Meetings issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of Companies Act, 2013 w.e.f. 01st July, 2015 and revised Secretarial Standards with effect from 01st October, 2017.

29. ACKNOWLEDGEMENTS

Your Directors take this opportunity of recording their appreciation for the support extended to the Company by the shareholders, financial institutions, bankers, suppliers and cane growers. Your Directors are also grateful to various offices of UP Government such as UPPCL, UPPTCL, Office of Cane Commissioner and Pollution Control Board and various ministries in the Central Government and State Government of Uttar Pradesh, the Sugar Directorate and the Sugar Development Fund for their continued support to the Company. The Directors also recognize the valuable contribution made by the employees at various levels to Company's progress.

For and on behalf of the Board

Sd/-

Place : Gurugram
Date : August 01, 2019

N. Suresh Krishnan
Chairman

ANNEXURE 'A'

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy on the Code of Corporate Governance:

Gobind Sugar Mills Limited (GSML), a part of the Adventz Group, firmly believes that Corporate Governance helps to serve corporate purposes by providing a framework within which stakeholders can pursue the objective of the organization most effectively. Corporate Governance in fact denotes acceptance by the management of the inalienable rights of the shareholders as true owners of the organization and of their own role as trustees on behalf of the shareholders.

By harnessing ethical values with business acumen the executive functions of GSML is structured to institutionalize policies and practices that enhance the efficacy of the Board and the Senior Management of the Company and inculcate a culture of accountability, transparency and integrity across the Company as a whole. GSML has a strong legacy of fair, transparent and ethical Governance practices and procedures and through these pages renews its commitment to uphold and nurture the core values of integrity, passion, responsibility, quality and respect in dealing with its customers, cane growers and other stakeholders of the Company. The other enablers for the Company are 'team work' and 'adherence' to professionalism.

GSML has also in place a duly codified Code of Conduct and Ethics and Code of Internal Procedures and Conduct for trading in securities of the Company as envisaged under the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended by SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 dated 31st December 2018. This Revised Code has become applicable w.e.f. 01st April, 2019 on all designated persons of the Company and their immediate relatives and dependents and other persons connected with the company and / or having or has had access to unpublished price sensitive information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015. This Code is available on Company's website at www.gobindsugar.com.

GSML is in compliance with the requirements of the guidelines on Corporate Governance stipulated under Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time (hereinafter referred to as "Listing Regulations") with the Stock Exchange.

2. Board of Directors

i) As at the end of financial year, the Company was having in all six Directors with considerable professional experience in divergent areas connected with corporate functioning, which includes Non Executive Chairman, Managing Director and four Non-Executive Independent Directors. No directors are related with each other.

As informed in Directors Report, the tenure of 2 Independent directors viz. Mr. Marco Wadia (DIN - 00244357) and Mr. R N Ratnam (DIN – 06422037) expired on 31st March 2019. Mr. Marco Wadia has been re-appointed by the Board of Directors for another period of 5 years i.e. from 01st April, 2019 to 31st March, 2024 subject to approval of shareholders. Mr. Ratnam expressed his desire not to be re-appointed for another term due to personal reasons. Accordingly, it was decided by the Board of Directors to not proceed for re-appointment of Mr. Ratnam at its meeting held on 17th May 2019. Accordingly, the total number of directors reduced to five effective from 01st April 2019.

The composition of the Board is in conformity with Regulation 17 of the Listing Regulations. Mr. R. S. Raghavan is the Managing Director of the Company and is entrusted with the substantial powers of management of the Company subject to superintendence, control and directions of the Board.

ii) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he/she is/was a Director in terms of the provisions of Regulation 26(1) of the Listing Regulations.

iii) With a view to institutionalize all corporate affairs and set up values, systems, standards and procedures for advance planning for matters requiring discussions at/decisions by the Board, the Company has adopted rules and procedures for the meetings of the Board of Directors and Committees thereof. These rules and procedures seek to systematize the decision making process at the meetings of the Board/Committees in an informed and most effective and efficient manner.

iv) The Company holds minimum of four Board Meetings in each year and the gap between any two Board meetings is not more than 120 days. The meetings are generally held at the Company's Corporate Office at "Adventz", 5th Floor, Tower A, Global Business Park, Sector 26, MG Road, Gurugram – 122002, Haryana (India).

v) All divisions/departments in the Company are encouraged to plan their functions well in advance, particularly with regard to matters requiring discussions/approval/ decisions in the Board/ Committee Meetings. All such matters are communicated to the Company Secretary so that the same could be included in the Agenda of the respective Meetings.

vi) The Chairman, Managing Director and the Company Secretary in consultation with other concerned persons in the senior management, finalise the agenda papers for the Board/ Committee Meetings.

vii) Agenda papers are circulated to the Directors sufficiently in advance. All material information is incorporated in the Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same are placed on the table at the meeting with specific reference to this effect in the Agenda.

viii) In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted. Sensitive subject matters may be discussed at the meeting without written material being circulated in advance or at the meeting.

ix) The independent directors have confirmed that they satisfy the 'criteria of independence' as stipulated in Regulation 25 of Listing Regulations read with Section 149(6) of Companies Act, 2013. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the listing regulations and are independent of the management.

The Practicing Company Secretary has certified 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 SEBI / Ministry of Corporate Affairs or any such statutory authority. The said certificate is annexed to this Report and will be forwarded to the Stock Exchange and the concerned Registrar of Companies along with the Annual Report.

At the forthcoming Annual General Meeting Mr. N. Suresh Krishnan shall retire from the Board by rotation and is eligible for re appointment.

Name of Director	Category of Director	No. of Board meetings attended	Attendance at last AGM	Total No. of Directorships held$	Total No. of Chairmanship/ Membership of Board Committees* $		No. of Equity Shares held
					Chairman	Member	
Mr. N Suresh Krishnan	Non Executive Director (NED)	5	No	11	1	6	--
Mr. R S Raghavan	Managing Director	5	No	9	2	3	--
Mr. R N Ratnam^	Independent NED	2	Yes	0	0	0	--
Mr. Marco Wadia^^	Independent NED	4	No	13	5	5	--
Mr. L M Chandrasekaran	Independent NED	5	No	4	--	3	--
Mrs Indira Varadarajan	Independent NED	5	No	2	--	--	--

Includes Audit Committee and Stakeholders relationship committee only

$ *Status as on the date of this report*

^ *Term of 5 years expired on 31st March 2019 and was not re-appointed*

^^ *Term of 5 years expired on 31st March 2019 and was re-appointed for another term of 5 years from 01.04.2019 to 31.03.2024*

x) During the year under review, five Board Meetings were held on 2nd May, 2018, 23rd May, 2018, 25th July, 2018, 2nd November 2018 and 7th February, 2019. The composition of the Board of Directors and their attendance at the Board Meetings held during the year and at the last Annual General Meeting as also the number of directorships in other bodies corporate by all the directors are mentioned above:

In accordance with Regulation 26 of the Listing Regulations with the Stock Exchange, membership/chairmanship of only the Audit Committee and Stakeholders relationship Committee of all public limited companies has been considered in the aforesaid tabulation.

xi) The details of listed entities (other than the Company) where the Director of the Company is a Director and category of directorships:

Sr. No.	Name of Directors	Name of Listed Entities where the Director of the Company is Director as on 31.03.2019	Category of Directorship of the listed Entities where the Director of the Company is Director as on 31.03.2019
1	Mr. N Suresh Krishnan	Zuari Global Limited	Executive, Managing Director
		Zuari Agro Chemicals Limited	Non Executive Director
		Mangalore Chemicals and Fertilisers Limited	Executive, Managing Director
		Texmaco Infrastructure & Holdings Limited	Non Executive and Non Independent Director
2	Mr. Marco Wadia	Zuari Global Limited	Non Executive Independent Director
		Zuari Agro Chemicals Limited	Non Executive Independent Director
		Chambal Fertilisers and Chemicals Limited	Non Executive Independent Director
		Josts Engineering Co. Ltd.	Non Executive Independent Director
		Stovec Industries Ltd	Non Executive Independent Director
3	Mr. R S Raghavan	NIL	NIL
4	Mr. R N Ratnam	NIL	NIL
5	Mr. L M Chandrasekaran	NIL	NIL
6	Mrs. Indira Varadarajan	NIL	NIL

xii) The list of core skills/expertise/competencies identified by the board of directors during the year as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board

Sr. No.	Name of Directors	Expertise in Specific Functional Areas
1	Mr. N Suresh Krishnan	Corporate Finance, Corporate Strategy, Project Planning, Operations and Business Development.
2	Mr. R S Raghavan	Corporate Finance, Merchant Banking activities such as mergers and acquisitions, raising loans, Project commissioning, Operations.
3	Mr. R N Ratnam*	Business and Financial Consultant providing Consultancy to diverse Indian and International organizations.
4	Mr. Marco Wadia	Legal profession having specialised in corporate matters and mergers and acquisitions.
5	Mr. L M Chandrasekaran	Experience in Production, Technical services, Project Management, Business Development, Factory Operations including Safety, Environment Management etc.
6	Mrs. Indira Varadarajan	Activist in Social sector including association with various NGOs. Actively involved in various CSR activities in various states of India.

* The tenure of Mr. R N Ratnam expired on 31st March 2019 and was not re-appointed due to his personal reasons.

3. Board Agenda

The Board meetings are scheduled well in advance and the Board members are generally given a notice of at least 7 days prior to the meeting date. All major items are backed by in-depth background information and analysis, wherever possible, to enable the Board members to take informed decisions.

4. Formal letter of appointment to Independent Directors

The Company has issued a formal letter of appointment to all Independent Directors in accordance with the provisions of Companies Act, 2013 and Listing Regulations. The terms and conditions of appointment of Independent Directors are uploaded on the Company's website at www.gobindsugar.com.

5. Performance Evaluation

Pursuant to the provisions of Section 134(3)(p) of Companies Act, 2013, Regulation 17(10) and 25 of the Listing Regulations and relevant Schedules, the Annual Performance Evaluation has been carried out of all the Directors, the Board, Chairman of the Board and the working of the mandatory committees viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee in accordance with the guidelines prescribed under SEBI Guidance Note dated 05th January 2017.

The performance evaluation of the Board of Directors was carried out based on the detailed questionnaire containing criteria such as duties and responsibilities of the Board, information flow to the Board, time devoted to the meetings, etc. Similarly, the Director's evaluation was carried out on the basis of questionnaire containing criteria such as level of participation by individual directors, independent judgement by the director, understanding of the Company's business etc.

The performance evaluation of the Board and the mandatory Committees, viz., Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Corporate Social Responsibility Committee were done by all the Directors and the respective members of the committees. The performance evaluation of the Independent Directors was carried out by the Board excluding the Director being evaluated. The performance evaluation of the Chairman and Executive Directors was carried out by the Independent Directors.

6. Independent Directors' Familiarization Programme

The Company in compliance with Regulation 25(7) of the Listing Regulations has formulated a programme to familiarize the Independent Directors with the company, their roles, responsibilities and the Independent Directors are given detailed presentation on the operations of the Company on quarterly basis at the meetings of the Board/Committees. The details of the familiarization programme has been disclosed on the Company's website at www.gobindsugar.com.

7. Independent Directors Meeting

In accordance with the requirement of Schedule IV of Companies Act, 2013 and Regulation 25(3) of the Listing Regulations, during the year under review, one separate Meeting of the Independent Directors was held on 07th February 2019 to discuss:

- Evaluation of the performance of Non-Independent Directors and the Board of Directors as a whole.
- Evaluation of the performance of the Chairman of the Company, taking into account the views of the Executive and Non-Executive Directors.
- Evaluation of the quality, content and timelines of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

All the Independent Directors except Mr. R. N. Ratnam were present at the meeting in person.

8. Audit Committee

Overall purpose/objective

The Audit Committee of the Company has been constituted in line with the provisions of Regulation 18 of the Listing Regulations with the Stock Exchange read with Section 177 of Companies Act, 2013. The purpose of the Audit Committee is to assist the Board of Directors ("the Board") in reviewing the financial information which will be provided to the shareholders and others, reviewing the systems of internal financial controls and risk management established in the Company, appointing, retaining and reviewing the performance of independent auditors/ internal auditors and overseeing the Company's accounting and financial reporting processes and the audit of the Company's financial statements.

a) **Terms of Reference**

The terms of reference of the Audit Committee are broadly as under:

- Overview of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.
- Recommending the appointment, remuneration, terms of appointment and removal of external auditors and also approval for payment for any other services.
- Discussion with statutory auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report, including quarterly/half yearly financial information.
- Holding periodic discussions and reviewing with the management, the Statutory Auditors and Internal Auditors, the annual and quarterly financial reports and statements before submission to the Board, focusing primarily on:
  - i. any changes in accounting policies and practices;
  - ii. major accounting entries based on exercise of judgement by management;
  - iii. qualifications and observations in draft audit report;
  - iv. significant adjustments arising out of audit;
  - v. the going concern assumption;
  - vi. compliance with accounting standards;
  - vii. compliance with stock exchange and legal requirements concerning financial statements;
  - viii. any related party transactions as per Accounting Standard 18;
  - ix. significant findings of the statutory and internal auditors and follow up thereon.
- Reviewing the Company's financial and risk management policies.
- Reviewing with the management, statutory and internal auditors, the adequacy of and compliances with internal control systems.
- Reviewing the adequacy of internal audit function, including structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Reviewing the functioning of the Whistle Blower/ Vigil mechanism.
- Reviewing the appointment of Cost Auditors.
- Approval of appointment of Chief Financial Officer after assessing the qualification, experience and background of the candidate.
- Review and monitoring the auditor's independence and performance and effectiveness of audit process;
- Examination of the financial statement and the auditor's report thereon;
- Approval or any subsequent modification of transactions of the company with related parties provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the Company;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Monitoring the end use of funds raised through public offers and related matters.

b) **Composition and Meetings**

During the year under review, the Audit Committee comprised of four Directors out of which three are independent Non-Executive Directors viz., Mr. R. N. Ratnam (Chairman), Mr. Marco Wadia, Mr. L. M. Chandrasekaran and Mr. R. S. Raghavan, as members. Mr. Laxman Aggarwal, Company Secretary of the Company, is the Secretary of the Committee as well.

During the year under review, the Committee met five times on 02nd May 2018, 23rd May 2018, 25th July 2018, 02 November 2018 and 07th February 2019 respectively. The attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. R. N. Ratnam*	Chairman	2
Mr. Marco Wadia*	Member	4
Mr. R. S. Raghavan	Member	5
Mr. L M Chandrasekaran	Member	5

***** As informed earlier, since the tenure of 2 Independent directors viz. Mr. Marco Wadia and Mr. R N Ratnam, members of Audit Committee, was expired on 31st March 2019, Mr. Marco Wadia was re-appointed for another period of 5 years i.e. from 01st April, 2019 to 31st March, 2024. However, Mr. R N Ratnam was not re-appointed due to his personal reasons.

In view of above change, the respective Committees were re-constituted vide Board meeting dated 17th May 2019. The composition of the Audit Committee after the said reconstitution w.e.f. 17th May 2019 is given below:

Composition of Audit Committee

1. Mr. L M Chandrasekaran – Chairman
2. Mr. R S Raghavan – Member
3. Mr. Marco Wadia – Member

At the invitation of the Committee, the Internal Auditors and Statutory Auditors also attend the Audit Committee Meetings to answer and clarify the queries raised at the Meetings. It is affirmed that no personnel has been denied access to the Audit Committee.

Mr. R. N. Ratnam, erstwhile Chairman of the Audit Committee attended the last Annual General Meeting held on 10th August, 2018.

9. Nomination and Remuneration Committee

i) **Objectives:**

The Company has constituted the Nomination and Remuneration Committee to review and determine the Company's policy on managerial remuneration and recommends to the Board on the specific remuneration of Executive Directors, so as to ensure that they are fairly rewarded for their individual contributions to the Company's overall performance and their remuneration is in line with the industry practice and standards.

The Committee has all the powers and authority as may be necessary for implementation, administration and superintendence of various fringe benefits for managerial remuneration.

ii) **Terms of Reference:**

The broad terms of reference of the Nomination and Remuneration Committee are as under:

a. To recommend to the Board salary, perquisites and incentive payable to the Company's executive Directors and increments in their salaries;

b. To recommend to the Board any new appointments including re-appointments and tenure of office of Directors, whether executive or non-executive and carrying out the evaluation of every director's performance;

c. To formulate the criteria for determining qualifications, positive attributes and independence of directors and recommend to the Board policy relating to directors, Key Managerial Personnel and other employees;

d. Such other matters as the Board may from time to time request the Nomination and Remuneration Committee to examine and recommend/ approve.

iii) **Composition and Meetings:**

During the year under review, the Nomination and Remuneration Committee comprised of three Non-Executive Directors viz., Mr. R. N. Ratnam (Chairman), Mr. N. Suresh Krishnan, and Mr. Marco Wadia as members, out of which 2 are Independent Directors. Mr. Laxman Aggarwal, Company Secretary of the Company is acting as the Secretary of the Nomination and Remuneration Committee as well.

During the year under review, the Committee met two times on 02nd May 2018 and 07th February 2019 respectively. The attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. R. N. Ratnam*	Chairman	1
Mr. N. Suresh Krishnan	Member	2
Mr. Marco Wadia*	Member	1

* As informed earlier, since the tenure of 2 Independent directors viz. Mr. Marco Wadia and Mr. R N Ratnam, members of Nomination and Remuneration Committee, expired on 31st March 2019, Mr. Marco Wadia was re-appointed for another period of 5 years i.e. from 01st April, 2019 to 31st March, 2024. However, Mr. R N Ratnam was not re-appointed as desired by him.

In view of above change, the respective Committees were re-constituted vide Board meeting dated 17th May 2019. The composition of the Nomination and Remuneration Committee after the said reconstitution w.e.f. 17th May 2019 is given below:

Composition of Nomination and Remuneration Committee

1. Mr. Marco Wadia – Chairman
2. Mr. N Suresh Krishnan – Member
3. Mr. L M Chandrasekaran – Member

iv) **Remuneration Policy**

The Company, while deciding the remuneration package of the senior management, takes into consideration the following items:

a. Job profile and special skill requirements.

b. Prevailing compensation structure in companies of similar size and in the industry.

c. Remuneration package of comparable managerial talent in other industries.

The Non-Executive Independent Directors are paid only sitting fees as approved by the Board.

v) **Remuneration of Directors**

Details of remuneration paid to the Directors for the financial year 2018-19:

i) **Executive Director**

Managing Director	Salary Rs.	Perquisites Rs.	Retirement Benefits Rs.	Total Rs.
Mr. R.S. Raghavan	12/-	Nil	Nil	12/-

Mr. R. S. Raghavan was re-appointed as the Managing Director of the Company for a period of 3 years from 28th August, 2018 to 27th August, 2021 at the Annual General Meeting of the Company held on 10th August, 2018.

ii) **Non-Executive Independent Directors**

The Company pays a sitting fee of Rs. 40,000/- and 25,000/- per meeting to each Director for attending meetings of the Board of Directors and Committees thereof respectively. The details of sitting fee paid during the financial year 2018-19 are as follows:

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. R N Ratnam	1,55,000
2.	Mr. Marco Wadia	3,10,000
3.	Mr. L M Chandrasekaran	3,75,000
4.	Mrs. Indira Varadarajan	2,00,000

(Excluding out of pocket expenses incurred by the Directors)

No Non-Executive director has been paid in excess of fifty percent of the total amount paid to all the non-executive directors of the Company.

10. Stakeholders Relationship Committee

i) Terms of Reference:

The Board has constituted Stakeholders Relationship Committee which oversees the performance of share transfer work and recommends the measures to improve the level of investor services. In addition, the Committee looks into investor grievances such as non-receipt of dividend, Annual Reports and other complaints related to share transfers etc.

ii) Composition and Meetings:

During the year under review, the Stakeholders Relationship Committee comprised of three Directors viz., Mr. N. Suresh Krishnan (Chairman), Mr. R. N. Ratnam and Mr. R. S. Raghavan out of which two are Non-Executive Directors. Mr. Laxman Aggarwal, Company Secretary of the Company, is the Compliance Officer of the Company for complying with the requirements of the Listing Regulations with the stock exchange.

The Committee met two times during the year on 01st August 2018 and 25th September 2018 and attendance of the members at the meetings was as given below. The Company Secretary attended the above meetings.

Name of the Member	Status	No. of meetings attended
Mr. N. Suresh Krishnan	Chairman	2
Mr. R. S. Raghavan	Member	2
Mr. R. N. Ratnam	Member	0

As informed earlier, the tenure of Mr. R N Ratnam, member of Stakeholders Relationship Committee, was expired on 31st March 2019 and he was not re-appointed due to his personal reasons.

In view of above change, the respective Committees were re-constituted vide Board meeting dated 17th May 2019. The composition of the Stakeholders Relationship Committee after the said reconstitution w.e.f. 17th May 2019 is given below:

Composition of Stakeholders Relationship Committee

1. Mr. N Suresh Krishnan – Chairman
2. Mr. R S Raghavan – Member
3. Mr. L M Chandrasekaran – Member

The Board of Directors have authorised the Registrar and Share Transfer Agents (RTA) to approve transfers/ transmissions of upto 1000 shares. The transfers/ transmissions approved by the RTA are periodically placed before the Committee. The Committee deals with the applications for transfer/ transmission of shares, sub-division and consolidation of share certificates and issue of duplicate share certificates, etc. The Committee also keeps a close watch on all complaints/ grievances of shareholders. During the year under review, the Company received no complaint/ grievance from the shareholders. The average period in which grievances are redressed is 7 days from the date of receipt of letters/ complaints. There was no unresolved complaint as on 31st March, 2019. There were no share transfer applications pending for registration on 31st March, 2019.

11. Corporate Social Responsibility Committee

The Board has constituted the CSR Committee in line with the provisions of Section 135(1) of Companies Act, 2013. The main purpose of the CSR Committee is to undertake activities for economic and social development of communities and geographical areas, particularly in the vicinity of the areas where the facilities of the Company are located. The Committee is fully responsible for the monitoring and review of the implementation of this policy as per guidelines laid down from time to time. The Corporate Social Responsibility Committee provide recommendations as and when it deems necessary to the Board so as to amend/ modify/ revise the CSR policy to be consistent with the needs of the Company and applicable statutory requirement.

i) Terms of Reference:

The broad terms of reference of the CSR Committee are as under:

a) formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in area or subject, specified in Schedule VII of the Act read alongwith the rules made thereunder;

b) recommend the amount of expenditure to be incurred on the activities referred to in clause (*a*); and

c) monitor the Corporate Social Responsibility Policy of the company from time to time.

ii) Composition and Meetings:

The Committee presently comprises of four Directors viz. Mr. N. Suresh Krishnan (Chairman), Mr. R. S. Raghavan, Mr. L M Chandrasekaran and Mrs. Indira Varadarajan as members out of which 2 are Independent Directors. Mr. Laxman Aggarwal, Company Secretary of the Company is acting as the Secretary of the CSR Committee as well.

Name of the Member	Designation	Date of Appointment
Mr. N. Suresh Krishnan	Chairman	04.08.2017
Mr. R. S. Raghavan	Member	04.08.2017
Mr. L. M. Chandrasekaran	Member	04.08.2017
Mrs. Indira Varadarajan	Member	02.11.2017

Since the Company's net profit calculated under Section 198 of Companies Act, 2013 in preceding three financial years were negative due to the huge amount of accumulated losses, so the requirement of contribution of at least two per cent of the average net profits of the Company made during the three immediately preceding financial years (viz. financial years 2015-16; 2016-17; 2017-18) is not applicable in this financial year. Accordingly, no meeting of the CSR Committee was held during the financial year 2018-19.

The CSR Policy of the Company is displayed on the Company's website at www.gobindsugar.com.

iii) CSR Policy

The CSR policy has been formulated by the Corporate Social Responsibility Committee (CSR Committee) and adopted by the Board of Directors. The main purpose of CSR policy is to define the kind of projects/ activities that will come under the ambit of CSR, to identify broad areas of activities in which the company will undertake projects, to give directions for implementation of various projects and monitor the CSR activities/ projects undertaken by the Foundation and to execute and monitor CSR projects and to identify partners, if required for implementation of the CSR activities.

12. General Body Meetings

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

Financial Year	Date	Time	Location
2017-18	10.08.2018	2.45 p.m.	Texmaco House, Belgharia, Kolkata – 700 056
2016-17	04.08.2017	2.45 p.m.	Registered office 9/1, R. N. Mukherjee Road, Kolkata - 700 001
2015-16	15.07.2016	2.45 p.m.	Registered office 9/1, R. N. Mukherjee Road, Kolkata - 700 001

The last Annual General Meeting was held on 10th August, 2018 which was attended by Mr. R. N. Ratnam (Chairman of the Audit Committee and Nomination and Remuneration Committee). Mr. N. Suresh Krishnan, Chairman of Stakeholders Relationship Committee authorized Mr. Ratnam to attend the said AGM on behalf of Stakeholders Relationship Committee.

There was no extraordinary general meeting held during 2018-19.

Special Resolutions Passed

Special Resolutions passed in the Annual General Meetings / Extra Ordinary General Meeting held during the last three financial years and through postal ballot during the last financial year are as follows:

(i) Details of Special Resolutions passed in AGM / EGM:

During Financial Year	Date of AGM/ EGM	Particulars of Special Resolution
2017-18	NIL	NIL
2016-17	NIL	NIL
2015-16	04th December, 2015 (EGM)	1. Approval for related party transaction with Zuari Sugar & Power Limited
	25th September, 2015 (AGM)	1. Appointment of Mr. R. S. Raghavan as Managing Director of the Company
		2. Alteration of Articles of Association of the Company

(ii) Details of Special Resolutions passed through Postal Ballot during the financial year 2018-19:

The Company at the Board Meetings held on 12th February, 2018 and 25th July 2018 respectively, decided to obtain consent of the members, pursuant to Section 110 of Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 in respect of the following matters. Mr. Atul Kumar Labh, Practicing Company Secretary (FCS-4848/ CP-3238), the Scrutinizer conducted the postal ballot voting/ e-voting process in accordance with the law and in a fair and transparent manner.

Date of Postal Ballot Notices	Details of Resolutions passed through postal ballot	Result of the Postal Ballots
12th March 2018	Issue and allotment of Redeemable, Non-Convertible Debentures ('NCDs') aggregating up to Rs. 500 Crores	The special resolution was passed by shareholders unanimously
22nd September, 2018	Shifting of Registered office of the Company from Kolkata, the State of West Bengal to the National Capital Territory of Delhi	All special resolutions were passed by shareholders unanimously
	Re-classification of the Authorized Share Capital of the Company, with consequential amendments in the Memorandum of Association	
	Issue of Equity Shares to Promoter of the Company on preferential basis	
	Issue of Compulsorily Convertible Preference Shares to Promoter of the Company on preferential basis	

The following was the voting pattern of Equity Shareholders w.r.t. the resolution passed vide postal ballot notice dated 12th March 2018:

Particulars	Number of Valid Votes			Percentage
	Postal Ballot	E-votes	Total	
Assent	2,080	19,95,632	19,97,712	100.00
Dissent	0	0	0	0
Total	**2,080**	**19,95,632**	**19,97,712**	100.00

The following was the voting pattern of Equity Shareholders w.r.t. the resolution passed vide postal ballot notice dated 22nd September 2018:

Particulars	Number of Valid Votes			Percentage
	Postal Ballot	E-votes	Total	
Assent	933	20,75,642	20,76,575	100.00
Dissent	0	0	0	0
Total	**933**	**20,75,642**	**20,76,575**	**100.00**

Since out of the total valid votes polled, 100.00% of the votes were casted in favour of all resolutions, the abovesaid resolutions were declared to have been passed unanimously.

13. Disclosures

i) During the year under review, there was no materially significant related party transaction of the Company having potential conflict with the interest of the Company at large. Transaction with Related Parties are disclosed in Note No. 42 of the Accounts in the Annual Report. The policy for the same is posted on the website of the Company. The weblink for the same is www.gobindsugar.com.

ii) No penalties or strictures have been imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market for non-compliance by the Company during the last three years. The Company has complied with all the applicable mandatory requirements.

iii) There was no material financial and commercial transaction entered into by Senior Management, where they had or were deemed to have had personal interest that might have had a potential conflict with the interest of the Company at large.

iv) The Company has followed the Guidelines of Accounting Standards laid down by the Institute of Chartered Accountants of India in preparation of its financial statements.

v) During the year under review, the Company had raised funds by way of issue of 7,42,130 Compulsorily Convertible Preference Shares (CCPS) of the face value of Rs. 10/- each at a premium of Rs. 90/- per share to Zuari Investments Limited, promoter of the Company, on Private Placement basis.

vi) During the year under review, the Company paid an aggregate amount of Rs. 23.50 lakh to auditors for conducting the Statutory audit, Tax audit and out of pocket expenses etc. and Rs. One Lakh for issue of certificates and other services.

vii) Disclosure of commodity price risks and commodity hedging activities to be provided. : N.A.

14. Means of Communication

i) Since the financial results in respect of each quarter and annual audited financial results of the Company are sent to the Stock Exchange immediately after they are approved by the Board/ Committee and posted on the Company's website and also published in leading English dailies 'The Business Line'/ 'The Financial Express'/ 'The Business Standard', in English and 'Aajkaal', in Bengali in Kolkata editions, the same were not separately sent to the members.

ii) The financial results are simultaneously posted on the Company's website at www.gobindsugar.com. Distribution of Shareholdings is also displayed on the website.

iii) No presentation was made to any Institutional Investor or to any Analysts during the year.

iv) The Company has designated the e-mail ID ig.gsml@adventz.com exclusively for redressal of the investors' grievances and the necessary disclosure to this effect has also been made on the Company's website www.gobindsugar.com.

v) SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web based complaints redressal system. The salient features of this system are centralized database of all complaints to SEBI, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status.

15. General Shareholders' Information

i) **67th Annual General Meeting**

Day : Friday
Date : 27th September 2019
Time : 2.45 p.m.
Venue : Birla Mill Complex, P. O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi – 110007

ii) **Tentative Financial Calendar for the year 2019-20**

First Quarter Results	On or before 14th August, 2019
Second Quarter Results	On or before 14th November, 2019
Third Quarter Results	On or before 14th February, 2020
Fourth Quarter (Audited Annual 2019-20) Results	On or before 30th May, 2020
Publication of Audited Results for 2019-20	On or before 01st June, 2020

iii) **Book Closure**

The Register of Members and Share Transfer Books of the Company shall remain closed from 21st September 2019 to 27th September 2019 (both days inclusive).

iv) **Dividend Payment Date**

The Board of Directors do not recommend any dividend for the year under review.

v) **Listing on Stock Exchange and Stock Code**

The Equity Shares of the Company are listed on Metropolitan Stock Exchange of India Limited (MSEI), 4th Floor, Vibgyor Towers, Plot No. C – 62 Opp. Trident Hotel, Bandra Kurla Complex, Bandra East, Mumbai 400098. The relevant Stock Code is 'GOBIND'. Under the depository system, International Securities Identification Number (ISIN) allotted to the Equity Shares of the Company is INE246E01013. Annual Listing Fee for the financial year 2018-19 had been paid to MSEI.

vi) **Market Price Data**

There has been no trading of Equity Shares of the Company on Metropolitan Stock Exchange of India Limited (MSEI) since they were listed.

vii) **Registrar & Share Transfer Agent**

The Company has appointed Link Intime India Pvt. Ltd. as its Registrar & Share Transfer Agent (RTA) for handling work related to share registry in terms of both physical and electronic modes. Accordingly all correspondence, shares for transfer, demat/ remat requests and other communication in relation thereto should be mailed/hand delivered to the RTA directly at the following address:

Link Intime India Pvt. Ltd.
Unit: Gobind Sugar Mills Ltd.
59C, Chowringhee Road, 3rd Floor, Kolkata - 700 020
Tel : 91 033 2289 0540
Fax : 91 033 2289 0539
e-mail : kolkata@linkintime.co.in

viii) **Share Transfer System**

The Board of Directors have authorised the Registrar and Share Transfer Agents (RTA) to approve transfer/ transmission of upto 1,000 shares. The transfer/ transmission requests of above 1000 shares in physical form are approved by the Stakeholders Relationship Committee and sent to the Registrar & Share Transfer Agent for completing the necessary procedural formalities and dispatch to the shareholders.

Share transfer requests, if found valid and complete in all respects, are normally effected within a period of 15 days from the date of receipt. The dematerialized shares are directly transferred to the beneficiaries by the Depositories.

ix) **Distribution of Shareholdings**

a) The Distribution of Shareholdings as on 31st March, 2018 was as follows :

No. of Equity Shares	No. of share holders	% of total shareholders	No. of shares held	% of total shares
1 – 500	3011	93.9177	260958	6.9945
501 – 1000	108	3.3687	75070	2.0121
1001 – 2000	39	1.2165	56920	1.5256
2001 – 3000	8	0.2495	18109	0.4854
3001 – 4000	14	0.4367	47633	1.2767
4001 – 5000	2	0.0624	8542	0.229
5001 – 10000	9	0.2807	66326	1.7777
10001 and above	15	0.4679	3197359	85.699
Total	**3206**	**100**	**3730917**	**100.00**

b) Details of Shareholdings as on 31st March, 2019 was as follows:

Sl. No.	Particulars	No. of shares	Percentage
1	Promoters	2606549	69.8635
2.	Bodies Corporate	607004	16.2696
3.	Individuals	516511	13.8441
4.	HUF	821	0.0220
5.	Non Resident Indians (Non Repat)	16	0.0004
6.	Clearing Member	16	0.0004
	Total	**3730917**	**100.0000**

x) **Dematerialization of Shares and Liquidity**

The Equity Shares of the Company are compulsorily traded in dematerialised form at Metropolitan Stock Exchange India Limited (MSEI) under depository systems at both the Depositories viz. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL"). As on 31st March 2019, the 33,61,113 Equity Shares (90.09%) of the Company have already been dematerialised. There was no shareholder at the beginning of the year, during the year or at the end of the year with respect to whom the shares were lying in demat suspense account / unclaimed suspense account.

xi) **Outstanding GDRs/ADRs/Warrants or Convertible Instrument**

During the year under review, the Company had raised funds by way of making preferential allotment to Zuari Investments Limited, promoter of the Company by way of issue of 5,30,917 fresh equity shares of the face value of Rs. 10/- each at a premium of Rs. 90/- per share and 7,42,130 Compulsorily Convertible Preference Shares (CCPS) of the face value of Rs. 10/- each at a premium of Rs. 90/- per share on Private Placement basis. Accordingly, as on 31st March 2019 i.e. at the close of financial year, the Company had 7,42,130 outstanding CCPS issued by the Company.

Post closure of financial year 2018-19, the Company converted 7,42,130 CCPS allotted as above into equity shares of the Company ranking pari-passu with the existing equity shares of the Company on 17th April 2019.

xii) **Location of Plant**

Sugar Mill
P.O. Aira Estate
District. Lakhimpur Kheri
Uttar Pradesh - 262 722

xiii **Address for Correspondence**

The Company Secretary	**Link Intime India Pvt. Ltd.**
Gobind Sugar Mills Ltd.	**Unit : Gobind Sugar Mills Ltd.**
5th Floor, Tower A,	59C, Chowringhee Road,
Global Business Park	3rd Floor
Sector – 26, MG Road	Kolkata - 700 020
Gurgaon – 122 002, Haryana	Tel : 91 033 2289 0540
Tel : 91 - 124 – 482 7800	Fax : 91 033 2289 0539
Fax : 91 - 124 – 421 2046	e-mail : kolkata@linkintime.co.in
e-mail : ig.gsml@adventz.com	

16. CEO and CFO Certification

The Managing Director and CFO have given the quarterly and annual basis certification on financial reporting and internal controls to the Board in terms of Regulations 33(2) and 17(8) read with Part B of Schedule II of the SEBI Listing Regulations.

17. Retirement of Directors by rotation and re-appointment

Mr. N. Suresh Krishnan will be retiring by rotation at the next Annual General Meeting of the Company and is eligible for re-appointment in the said AGM.

Mr. Marco Wadia was re-appointed as an Independent Director of the Company for another term of 5 years i.e. from 01st April, 2019 to 31st March 2024 by Board of Directors at its meeting held on 07th February 2019 subject to approval of members in the ensuing Annual General Meeting.

As required in terms of Section 152(6) of Companies Act, 2013. Brief particulars of both Directors are given below:

(i) Mr. N. Suresh Krishnan, aged about 55 years, a Bachelor of Engineering from BITS (Pilani), has more than 30 years of vast and varied experience in various fields including fertilisers, energy, cement sectors etc;

Mr. N. Suresh Krishnan is Managing Director of 2 Companies Viz. Mangalore Chemicals and Fertilisers Limited and Zuari Global Limited and he has also been associated with various group entities of Zuari and related companies.

Names of companies in which Mr. N. Suresh Krishnan is a Director are as follows:

Sl. No.	Name of the Company	Designation
1	Mangalore Chemicals and Fertilisers Limited	Managing Director
2	Zuari Global Limited	Managing Director
3	Simon India Limited	Director
4	Zuari Infraworld India Limited	Director
5	Texmaco Infrastructure & Holdings Limited	Director
6	Zuari Agro Chemicals Limited	Director
7	Gobind Sugar Mills Limited	Director
8	Zuari Maroc Phosphates Private Limited	Director
9	Forte Furniture Products India Private Limited	Director
10	The Fertiliser Association of India	Director

Mr. Krishnan does not hold any share in the shareholding of the Company.

(ii) Mr. Marco Wadia, aged about 63 years, was re-appointed as an Independent Director for a period of 5 years i.e. from 01st April, 2014 to 31st March, 2019 and is proposed to be re-appointed for another period of 5 years to be effective from 01st April, 2019.

Mr. Wadia is a B.A. (Hons.) L.L.B. and practicing Advocate since 1986. He is currently a partner in the firm, Crawford Bayley & Co., Advocates and Solicitors. He has more than 30 years of experience in the legal profession, specializing in corporate matters and mergers and acquisitions.

Names of companies in which Mr. Marco Wadia is a Director are as follows:

Sl. No.	Name of the Company	Designation
1	Zuari Agro Chemicals Limited	Director
2	Chambal Fertilisers and Chemicals Limited	Director
3	Gobind Sugar Mills Limited	Director
4	Josts Engineering Co. Ltd.	Director
5	Paradeep Phosphates Ltd	Director
6	Simon India Limited	Director
7	Stovec Industries Ltd	Director
8	Zuari Global Limited	Director
9	Amphenol Interconnect India Pvt. Ltd	Director
10	Amphenol Omniconnect India Pvt. Ltd	Director
11	Johnson & Johnson Pvt. Ltd	Director
12	Amphetronix Offset Interconnect Solutions Pvt. Ltd	Director
13	Indian Register of Shipping (Section 8 Company)	Director

Mr. Wadia does not hold any share in the shareholding of the Company.

18. Prevention of Insider Trading

The Company has adopted the Code of Internal Procedures and Conduct for trading in securities of the Company framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended by Board vide its meeting held on 07th February, 2019 to incorporate the provisions issued under SEBI (Prohibition of Insider Trading) Amendment Regulations, 2018. This Code has been formulated by the Board of Directors of the Company to regulate, monitor and report Trading in securities of the Company by Designated Persons and their immediate relatives. The objective of this Code is to enable the employees appreciate the law relating to prohibition on insider trading and to apprise them about the Company's policy and Code for dealing in the securities of the Company for the benefit of and compliance by all concerned.

This Revised Code has become applicable w.e.f. 01st April, 2019 on all designated persons of the Company and their immediate relatives and dependents and other persons connected with the company and / or having or has had access to unpublished price sensitive information in terms of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The Code is posted on the website of the Company at www.gobindsugar.com.

19. Credit rating

The Company got the credit ratings done from CARE Ratings Limited as mentioned below:

Sl. No.	Facilities	Amount (Rs. Crores)	Rating	Rating Action
1	Long term Bank facilities* - Term Loan	304.63 (enhanced from Rs. 140.67 Crore)	CARE BBB+ (CE); Stable (Triple B Credit Enhancement); Outlook: Stable)	Revised from CARE BBB+ (SO); Stable (Triple B Plus; Structured Obligation Outlook: Stable)
2	Long term Bank facilities – Working Capital facilities	161.07 (enhanced from Rs. 142.00 Crore)	CARE BB+; Stable (Double B Plus; Outlook: Stable)	Revised from CARE BBB-; Stable (Triple B Minus; Outlook: Stable)
3	Long term Bank facilities – Term Loan	180.58 (enhanced from Rs. 14.83 Crore)	CARE BB+; Stable (Double B Plus; Outlook: Stable)	Revised from CARE BBB-; Stable (Triple B Minus; Outlook: Stable)
4	Short term Bank facilities – Bank Guarantee	4.00 (enhanced from Rs. 2.50 Crore)	CARE A4+ (A Four Plus)	Revised from CARE A3 (A Three)
	Total	**650.28 (Rupees Six Hundred Fifty Crore & Twenty Eight Lakh only)**		

** The long term facility (term loan) of Rs. 304.63 crore is backed by an unconditional and irrevocable corporate guarantee provided by Zuari Global Limited.*

20. Disclosure in relation to Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

During the period under review, the status of Complaints and their redressal under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules thereunder are given below:

Sl. No.	Description	Status
1	No. of Complaints received during the financial year	NIL
2	No. of Complaints disposed of during the financial year	NIL
3	No. of Complaints pending as on the end of financial year	NIL

21. Code of Conduct & Ethics

The Company has also adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors, Key Managerial Personnel and Senior Management Personnel of the Company to follow. The Code is posted on the website of the Company at www.gobindsugar.com. The essence of the Code is to conduct the business of the Company in an honest and ethical manner, in compliance with applicable laws and in a way that excludes considerations of personal advantage. All Directors, KMP's and Senior Management Personnel have affirmed their compliance with the Code and a declaration to this effect, signed by the Managing Director, is attached to this report as Annexure B3.

22. Legal Compliances

The Board reviews periodically compliance reports of all laws applicable to the Company, which is duly supported by the legal compliance report of the internal auditors and heads of different units. The Board also reviews periodically the steps taken by the Company to rectify instances of non- compliances, if there be any.

23. Compliances with Corporate Governance Norms

The Company has complied with all the mandatory requirements of the Code of Corporate Governance as stipulated in Schedule V of the Listing Regulations with the Stock Exchange. The Company has submitted the compliance reports in the prescribed format to the stock exchange for the respective quarters. The Practicing Company Secretary has certified that the Company has complied with the conditions of Corporate Governance as stipulated in Schedule V of the Listing Regulations with the stock exchange. The said certificate is annexed to this Report and will be forwarded to the Stock Exchange and the concerned Registrar of Companies along with the Annual Report.

24. As regards compliance with other requirements in accordance with Regulation 27(1) read with Part E of Schedule II of the Listing Regulations, the following have been adopted:

a. The Board
Mr. N. Suresh Krishnan is the Chairman of the Board and is a Non-Executive Director.

b. Shareholders' Rights
The quarterly financial results are published in leading financial newspapers, uploaded on the Company's website and any major developments are covered in the intimation to stock exchange by the Company. The Company therefore has not been sending the half yearly financial results to the shareholders.

c. Separate posts of Chairperson and Managing Director
The Company has separate persons for the post of Chairman and the Managing Director. Mr. N. Suresh Krishnan is acting as the Chairman and Mr. R S Raghavan is acting as the Managing Director.

d. Reporting of Internal auditor
The Internal Auditor reports directly to the audit committee. The internal auditor is invited for attending the Audit Committee(s) for discussion on the internal audit report with Committee members and for presentation by the internal auditor before the audit committee, his views and observations while conducting the internal audit.

e. Nomination and Remuneration Committee:
As detailed in the earlier paragraphs, the Company has constituted a Nomination and Remuneration Committee. Mr R. N. Ratnam acted as the Chairman of the Nomination and Remuneration Committee upto 31st March 2019 and who has been replaced by Mr. Marco Wadia effective from 17th May 2019.

f. Whistle Blower Mechanism/ Vigil Mechanism
The Company has adopted a codified Whistle Blower Policy and every employee of the Company is encouraged to escalate to the level of the Audit Committee any issue of concerns impacting and compromising with the interest of the Company and its stakeholders in any way. The Company is committed to adhere to highest possible standards of ethical, moral and legal business conduct and to open communication and to provide necessary safeguards for protection of employees from reprisals or victimization, for whistle blowing in good faith.

For and on behalf of the Board

Sd/-

Place : Gurugram **N. Suresh Krishnan**
Date : August 01, 2019 **Chairman**

ANNEXURE – B1

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Global Economy

Economic growth accelerated in more than half the world's economies in both 2017 and 2018. Developed economies expanded at a steady pace of 2.2 per cent in both years, and growth rates in many countries have risen close to their potential. Many commodity-exporting countries, notably fuel exporters, are continuing a gradual recovery, although they remain exposed to volatile prices. World industrial production has accelerated, in tandem with a recovery in global trade that has been predominantly driven by stronger demand in East Asia. Confidence and economic sentiment indicators have also generally strengthened, especially in developed economies. Investment conditions have improved, amid stable financial markets, strong credit growth, and a more solid macroeconomic outlook.

In 2018, global economic growth remained steady at 3.1 per cent when calculated at market exchange rates, or 3.7 per cent when adjusted for purchasing power parities. A fiscally induced acceleration in the United States of America offset slower growth in some other large economies, including Argentina, Canada, China, Japan, Islamic Republic of Iran, Turkey and the European Union (EU). Despite these slowdowns, economic growth accelerated in more than half of the world's economies in both 2017 and 2018.

There are growing signs that global growth may have reached a peak. Estimates of global industrial production and merchandise trade growth have been tapering since the beginning of 2018, especially in trade-intensive capital and intermediate goods sectors, signalling weaker investment prospects. The annualized expansion of global industrial production slowed to 3.0 per cent in the first 9 months of 2018, compared to 3.5 per cent growth in 2017. World merchandise trade growth averaged 3.7 per cent in the 9 months to September, compared to 4.7 per cent growth in 2017. At the same time, several developed economies are facing capacity constraints, which may constrain growth in the short term.

Rising policy uncertainties and deepening country-specific vulnerabilities generated bouts of heightened financial market volatility in 2018. Investor sentiments were affected by escalating trade tensions, high levels of debt, elevated geopolitical risks, oil market developments, and shifting expectations over the monetary policy path of the United States. Against this backdrop, global financial conditions experienced some tightening during the year. In the current uncertain environment, any unexpected developments or sudden shift in sentiment could trigger sharp market corrections and a disorderly reallocation of capital. A rapid rise in interest rates and a significant strengthening of the dollar could exacerbate domestic fragilities and financial difficulties in some countries, leading to higher risk of debt distress.

Recent economic gains have not been evenly distributed across countries and regions. East and South Asia remain the world's most dynamic regions, benefiting from robust domestic demand and supportive macro-economic policies. In contrast, economic conditions remain challenging for many commodity-exporting countries, underscoring the vulnerability to commodity boom and bust cycles in countries that are over-reliant on a narrow range of natural resources. Prospects in Africa, Western Asia and parts of South America remain heavily dependent on commodity prices.

Considerable uncertainty surrounds the monetary policy adjustment path in the developed economies, particularly the United States. Against a backdrop of a highly pro-cyclical fiscal expansion and an increase in import tariffs, a strong rise in inflationary pressures could prompt the United States Federal Reserve to raise interest rates at a much faster pace than currently expected, triggering a sharp tightening of global liquidity conditions.

Recent policy easing in China, while likely to support short-term growth, could exacerbate financial imbalances. This may raise the risk of a disorderly deleveraging process in the future, with large repercussions on real economic activity, and regional and global spillovers.

A decomposition of economic growth by expenditure reveals some differences in the drivers of GDP growth across regions in 2018. Private consumption remains the largest contributor to growth in many regions, most notably in Africa, Latin America and the Caribbean, and South Asia. In Western Asia, net trade contributed significantly to growth as higher average oil prices boosted oil-related export revenues in the Cooperation Council for the Arab States of the Gulf (GCC) countries, while Turkey experienced a sharp contraction of imports. Meanwhile, East Asia's broad-based growth during the year was underpinned by robust domestic demand conditions and positive net trade. In both the East and South Asia regions, investment growth has been driven by the implementation of large infrastructure projects in several economies.

While private consumption continues to be a key driver of overall GDP growth for most regions, investment activity has strengthened in many developed and developing economies over the past two years. In particular, private non-residential investment gained. This adjustment is noteworthy in itself, as it marks the first occasion since 2010 that the world economy will exceed rather than disappoint expectations.

Global trade growth is moderating alongside rising trade tensions among the world's largest economies and tightening monetary conditions that are escalating financial fragilities in some emerging economies. The global trade performance peaked in 2017, expanding by 5.3 per cent in volume terms, which is above the average growth observed in the last half decade. But growth tapered throughout 2018, with an estimated expansion of 3.8 per cent for the year as a whole. The slowdown was mainly driven by a weaker rise in merchandise import demand in most developed countries.

In Asia, however, trade growth has remained more resilient. East Asia has benefited from strong global demand for electronics, boosting intraregional trade, given the region's deep integration into the industry's global production networks. Meanwhile, global trade in services continued to expand more rapidly than merchandise trade, up by more than 10 per cent in value terms in the first half of 2018.

Indian Economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is estimated to have increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19.

India's gross domestic product (GDP) at constant prices grew by 7.2% in October-December 2017 quarter as per the Central Statistics Organisation (CSO). Corporate earnings in India are expected to grow by 15-20% in FY 2018-19 supported by recovery in capital expenditure. India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute. India's foreign exchange reserves were US$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

Numerous foreign companies are setting up their facilities in India on account of various government initiatives like Make in India and Digital India. Mr. Narendra Modi, Prime Minister of India, has launched the Make in India initiative with an aim to boost the manufacturing sector of Indian economy, to increase the purchasing power of an average Indian consumer, which would further boost demand, and hence spur development, in addition to benefiting investors. The Government of India, under the Make in India initiative, is trying to give boost to the contribution made by the manufacturing sector and aims to take it up to 25 per cent of the GDP from the current 17 per cent. Besides, the Government has also come up with Digital India initiative, which focuses on three core components: creation of digital infrastructure, delivering services digitally and to increase the digital literacy.

India's gross domestic product (GDP) is expected to reach US$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms. India's revenue receipts are estimated to touch Rs 28-30 trillion (US$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetisation and Goods and Services Tax (GST). India is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity to 175 GW by 2022.

India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by Price water house Coopers.

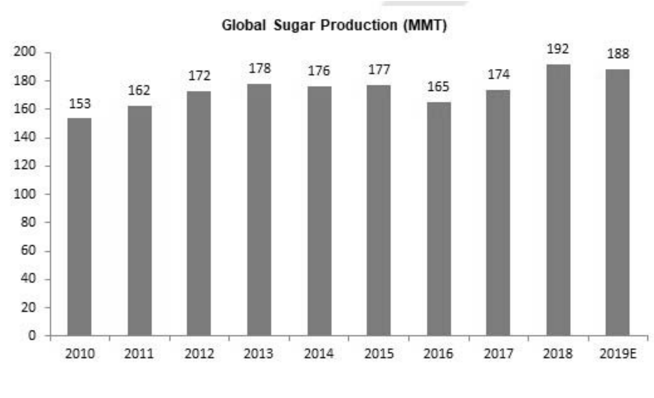
Selected economic indicators (%) – India	**2018**	**2019 Forecast**	**2020 Forecast**
GDP Growth	7.3	7.2	7.3
Inflation	4.6	4.3	4.6

Source: *Asian Development Outlook 2019*

Global Sugar Industry

The global sugar market reached a volume of 187.9 Million Tons in 2018. The market is further projected to reach 199.6 Million Tons by 2024, expanding at a CAGR of nearly 1% during 2019-2024. Sugar refers to a sweet crystalline substance which is prepared from sugar cane and sugar beet. It is used across the globe for innumerable food and non-food applications. In addition to offering a sweet taste, sugar performs a variety of other functions in the food industry. It is used as a preservative and prevents the development of microorganisms. It is also used for preventing formation of large ice crystals in frozen products like ice cream. Apart from this, sugar encourages fermentation in products which contain yeast. Moreover, it is used in baked goods for retaining moisture and preventing staleness.

Brazil, India, EU and Thailand together account for over 50% global sugar production. India is 2nd largest sugar producer in the world and the largest sugar consumer country. Brazil is the largest sugar producer with 50-60% of sugarcane used for production of Ethanol as a substitute for the fuel.



Global Sugar Market Drivers:

- As compared to its substitutes, sugar is more economical and easily available. It is consumed across all socioeconomic age groups and is easily obtainable across the globe in a variety of retails formats viz. convenience stores, departmental stores, supermarkets/hypermarkets, etc.
- The global food and beverage industry is relatively immune to any downturns caused by economic fluctuations. As a result, the sector has witnessed a constant growth over the past few years. Currently, the food and beverage sector is a major driver of sugar consumption and is expected to create a positive impact on the sugar industry. Moreover, the market growth is anticipated to continue in the long term.
- Sugar finds numerous applications in the pharmaceutical and skincare industry. In the pharmaceutical sector, it is included in the preparation of antibiotics and cough syrups, on the other hand, in the skincare sector, sugar is used in the manufacturing of scrubs owing to its exfoliating properties.
- Although the sugar market remains saturated in developed economies, such as North America and Western Europe, it is showing a promising growth in the emerging regions. Driven by rising disposable incomes, urbanisation and changing food habits, the demand for sugar-based products in developing markets, such as India, China and Middle East, is showing a strong growth.
- Majority of the global sugar production comes from sugarcane, whereas, remaining from sugar beet. Raw materials for sugar are available across the globe with nearly all tropical and subtropical regions accounting for their cultivation.

In addition to its culinary uses, sugar cane is also utilized for the production of biofuels such as ethanol.

Indian Sugar Industry

Sugar is a sector of significant importance to the national economy. Sugarcane is primarily grown in nine states of India: Andhra Pradesh, Bihar, Gujarat, Haryana, Karnataka, Maharashtra, Punjab, Uttar Pradesh and Tamil Nadu. More than 50 million farmers and their families are dependent on sugarcane for their livelihood. The sugar industry caters to an estimated 12% of rural population in these nine states through direct and indirect employment. Effectively, each farmer contributes to the production of 2.9 MT of sugar every year. In addition to farmers, an estimated 0.5 million workers are directly employed as agricultural labour involved in cultivation and harvesting. The sugar industry also supports diversified ancillary activities and skills that support the local economy. The dependent population creates substantial demand for local goods and services.

In addition to the sugar industry's contribution to the rural economy, it has significant social and economic impact for the nation as well. The sugar industry is a green industry and is largely self sufficient in energy needs through utilisation of bagasse for generating electricity and steam. In fact, the sugar industry generates surplus exportable energy through cogeneration and contributes in reducing the energy deficit. The sugar industry is also the primary source of raw material for the alcohol industry in India. Ethanol and Cogeneration have emerged as key by products for the sugar industry in India. Bagasse based cogeneration for exportable power is well established trend in the sugar industry. Bagasse generated by a sugar mill enables the mill to export power after meeting its captive power and steam requirements. The realization from the exportable power is dependent on the long term power purchase agreements with government and power companies. Cogeneration also has proven revenue potential in Clean Development Mechanism (CDM) based carbon credits. The annual economic contribution of the sugar industry to the exchequer through principal indirect taxes amounts to more than INR 2800 crores.

The Indian sugar sector is composed of three distinct categories - public mills, private mills and cooperative mills. Public mills account for around 6 percent of the total mills in operation while the private mills account for approximately 40 percent and the cooperative mills account for approximately 53 percent. In the recent past, the number of operational private mills have been increasing as a percentage of the total number of mills.

Indian sugar industry is highly regulated. Quantity of sugar to be sold and exported by mills is decided by the government, but at the same time government also bails out the industry with subsidies during the bad times.

Sugar is a cyclical industry. If one needs to predict the sugar realisation, one should focus more on supply of sugar than its demand, as the demand is more or less stable around 25 mn tons and is growing slowly and steadily. ~70% of the sugar demand is B2B (FMCG sector) and only ~30% demand is from B2C side. It is the supply of sugar which is more volatile and affects the sugar prices.

UP Sugar Industry

UP sugar industry accounts for more than 25% of Indian sugar production and is mainly comprised of private mills. Out of ~10 mn tons of sugar produced in UP, only 1/3rd is consumed by the state and remaining is sold out of UP, mainly to Kolkata and North Eastern market. The cost of production of sugar is higher in UP than other states in India.

The average per month return (Rs / ha) is highest for sugarcane crop compared to other crops like wheat and paddy in combination (considering sugarcane is a completely irrigated crop, hence it is compared with paddy and wheat cultivated as fully irrigated crops). However, sugarcane bears a longer risk cycle as compared to wheat and paddy due to its duration of ~9-10 months in UP as compared to 3-4 months for the latter. During 2010, the per month return of sugarcane in UP was Rs. 4,511 per hectare which is more than the combined per month return of wheat and paddy. The net rate of return (%) is 80% in sugarcane crop, whereas it is only 29% for wheat and 23% for paddy. Additionally, the Co 0238 cane variety recently introduced in UP is more profitable for the farmers than the traditional crop, leading to even higher inclination of farmers towards the crop. Last year ~35% of UP cane land was growing Co 0238 cane variety and by the end of this year ~50% of cane land is expected to grow Co 0238 cane variety. This would lead to more sugar production from same acreage of cultivation.

Sugar Production in India in 2018-19:

For SS17-18, UP & Maharashtra produced ~10+ mn tons of sugar each, out of the total ~30 mn tons of domestic sugar production, accounting for 2/3rd of Indian sugar production. State-wise sugar production historically has been as following:

Sugar production: **(mn tons)**

State	2013-14	2014-15	2015-16	2016-17	2017-18E
UP	6.6	7.1	6.8	8.8	12.0
Maharashtra	7.7	10.5	8.5	4.2	10.7
Karnataka	4.2	5.0	4.1	2.1	3.6
Tamil Nadu	1.4	1.3	1.4	1.0	NA
Gujarat	1.2	1.1	1.1	0.9	NA
Andhra Pradesh	1.0	0.9	0.8	0.5	NA
Others**	2.3	2.5	2.4	2.8	NA
Total	**24.4**	**28.4**	**25.1**	**20.3**	**32.0**

**Includes Telangana*

***Mainly Haryana, Punjab, Bihar, Uttarakhand and Madhya Pradesh*

The highest producing state of the country, Uttar Pradesh, has taken all by surprise for the 3rd consecutive year especially in terms of sucrose recovery. The sugar production for the state was lagging behind last year's number but recently, the production numbers have started to overtake last year performance and are all set to move towards the 12 mmt mark. Again assuming the mills begin to shut down quickly and production slows down, a state will not produce less than last year. There is still upside expected to the numbers as recent rainfall, and temperature pattern has been extremely beneficial for cane and only help in higher yields and sucrose recovery for the leftover cane.

Karnataka, the third largest producer, is also set to produce more sugar with a higher area under harvest this year and thanks to sucrose recovery being reported 40 basis points higher than last year. State has produced 4.2 mmt as of 28th Feb with 34 mills stopped crushing out of 72 mills in the state. The state also have a special season which will add to the production in the later half of the year thus state is week poised to produce anywhere between 4.5-4.8 mmt during the current season.

The Sugar recovery in Northern part of India has been considerably better than the sugar recovery attained in the last season. In other parts of the country, including Karnataka and Maharashtra also, the sugar recovery is better than previous year, though not as high as achieved in North India. So, even if the quantum of sugarcane crushing in the present season is less than that in the last season, the sugar production in 2018-19 will be slightly more than last year. As a result, the sugar production in the current year for the entire country is likely to be around 330 lac tons, which is about 5 lac tons more than last year.

Sugar mills in UP have produced 112.65 lac tons of sugar up to 30 April 2019 i.e. 0.27 lac tons more than last year on the corresponding date. Out of 119 mills operated in 2019, 51 mills have finished their crushing while 68 others continue their operations.

All the sugar mills in Karnataka have closed their crushing for the season 2018-19 sugar season and they have produced 43.20 lac tons of sugar up till 30 April 2019. Sugar mills in Gujarat, Tamil Nadu, Andhra Pradesh & Telangana and Madhya Pradesh & Chhattisgarh have produced 11.19 lac tons, 7.05 lac tons, 7.60 lac tons & 5.30 lac tons in that order. In the same way, sugar mills in Bihar, Punjab & Haryana have produced 8.35 lac tons, 7.70 lac tons & 6.75 lac tons till 30 April 2019.

Common Problems faced by Sugar Industry:

1. **Low Yield of Sugarcane:**

   Although India has the largest area under sugarcane cultivation, the yield per hectare is extremely low as compared to some of the major sugarcane producing countries of the world. This leads to low overall production and results in short supply of sugarcane to sugar mills. Efforts are being made to solve this problem through the introduction of high yielding, early maturing, frost resistant and high sucrose content varieties of sugarcane as well as by controlling diseases and pests which are harmful for sugarcane.

2. **Short crushing season:**

   Manufacturing of sugar is a seasonal phenomena with a short crushing season varying normally from 4 to 7 months in a year. The mills and its workers remain idle during the remaining period of the year, thus creating financial problems for the industry as a whole. One possible method to increase the crushing season is to sow and harvest sugarcane at proper intervals in different areas adjoining the sugar mill. This will increase the duration of supply of sugarcane to sugar mills.

3. **Fluctuating Production Trends:**

   Sugarcane has to compete with several other food and cash crops like cotton, oil seeds, rice, etc. Consequently, the land available to sugarcane cultivation is not the same and the total production of sugarcane fluctuates. This affects the supply of sugarcane to the mills and the production of sugar also varies from year to year.

4. **Low rate of recovery:**

   The average rate of recovery of sugar in India is less than 10% which is quite low as compared to other major sugar producing countries where the recovery rate is as high as 14-16%.

5. **High cost of Production:**

   High cost of sugarcane, inefficient technology and uneconomic process of production result in high cost of sugar manufacturing. The production cost of sugar in India is one of the highest in the world. Intense research is required to increase the sugarcane production in the agricultural field and to introduce new technology of production efficiency in the sugar mills. Production cost can also be reduced through proper utilisation of by-products of the industry.

   For example, bagasse can be used for manufacturing paper pulp, insulating board, plastic, carbon cortex etc. Molasses comprise another important by-product which can be gainfully used for the manufacture of power alcohol. This, in its turn, is useful in manufacturing DDT, acetate rayon, polythene, synthetic rubber, plastics, toilet preparations, etc. It can also be utilised for conversion into edible molasses and cattle feed. Press-mud can be used for extracting wax.

6. **Small and uneconomic size of mills:**

   Most of the sugar mills in India are of small size with a capacity of 1,000 to 1,500 tonnes per day. This makes large scale production uneconomic. Many of the mills are economically not viable.

7. **Old and obsolete machinery:**

   Most of the machinery used in Indian sugar mills, particularly those of Uttar Pradesh and Bihar is old and obsolete, being 50-60 years old and needs rehabilitation. But low margin of profit prevents several mill owners from replacing the old machinery by the new one.

8. **Competition with Khandsari and Gur:**

   Khandsari and gur are manufactured in rural India much before the advent of sugar industry in the organised sector. Since Khandsari industry is free from controls, it can offer higher prices of cane to the cane growers.

   Further, cane growers themselves use cane for manufacturing gur and save on labour cost which is not possible in sugar industry. It is estimated that about 60 per cent of the cane grown in India is used for making Khandsari and gur and the organised sugar industry is deprived of sufficient supply of this basic raw material.

9. **Regional imbalances in distribution:**

   Over half of sugar mills are located in Maharashtra and Uttar Pradesh and about 60 per cent of the production comes from these two states. On the other hand, there are several states in the north-east, Jammu and Kashmir and Orissa where there is no appreciable growth of this industry. This leads to regional imbalances which have their own implications.

10. **Low per capita consumption:**

    The per capita annual consumption of sugar in India is approx. 18.2 kg as against 48.8 kg in the USA. 53.6 kg in U.K., 57.1 kg in Australia and 78.2 kg in Cuba and the world average of about 23.1 kg. This result in low market demand and creates problems in sale of sugar.

Sugar Prices

In the last few years, the government has taken several measures to help cash-starved mills clear cane dues. These include increase in import duty on sugar to 100 per cent, scrapping of export duty, creation of buffer stock, and subsidy for mandatory export of 5 million tonnes in the 2018-19 marketing year.

The government of India increased fair and remunerative price (FRP) of sugarcane by Rs 20 per quintal to Rs 275 for 2018-19 season taking into account the rise in cost of production and millers' capacity to pay the rate in view of better sugar prices. The FRP is the minimum price that sugarcane farmers are legally guaranteed. However, state governments are free to fix their own state advised price (SAP).

This price, linked to a basic sugar recovery rate of 10 per cent, marks an increase over the FRP of the last two seasons, which had been frozen at Rs 230 per quintal and raised marginally by Rs 10/quintal in 2014-15.

According to ISMA, current ex-mill sugar prices are lower than production costs by Rs. 5-6 per kg. Due to lower realization from domestic sales as well as a depressed global sugar market, domestic mills are unable to generate sufficient funds for payment of cane price to the farmers on time.

To help clear surplus stocks, the Centre had asked sugar mills to mandatorily export 2 million tonnes by September 2018 under the minimum indicative export quota (MIEQ) scheme. Earlier, the Centre had doubled the import duty on raw and white sugar to 100%, and placed limits on sugar sales by mills in a bid to improve domestic prices. However, exports are not viable due to a global glut.

Ethanol Production:

The Cabinet Committee on Economic Affairs has approved the issue of pricing for bio-ethanol procurement by Oil Marketing Companies (OMCs) for Ethanol Blended Petrol (EBP) Programme as per following:

i. The 5% mandatory ethanol blending with petrol as already decided by the CCEA in the past, should be implemented across the country, for which the Ministry of Petroleum & Natural Gas will immediately issue a gazette notification, for the OMCs to implement from the 2012-13 sugar season, effective from 1st December, 2012.

ii. Procurement price of ethanol will be decided henceforth between OMCs and suppliers of ethanol.

iii. In case of any shortfall in domestic supply, the OMCs and Chemical companies are free to import ethanol.

It is expected that 5% bio-ethanol will be blended with petrol sold in all the States and UTs of the country.

The EBP Programme is presently being implemented in a total of 13 States with blending level of about 2% against a mandatory target of 5%.

A stable EBP programme would ensure sustainable benefits for the sugarcane farmers across the nation. It will ensure an alternative market for the farmers who frequently get adversely affected in case of bumper crop of sugarcane and lack of its demand in the market. It will also provide an incentive to small and medium farmers to increase efforts towards sugarcane crop as better returns would be ensured.

Procurement of ethanol at a price determined by the market will ensure stability. EBP programme not only provides opportunities to sugarcane farmers, but it also ensures the use of ethanol as bio-fuel in a big way which is environment friendly. Besides, to the extent of implementation, this reduces the dependence on imported crude and leads the nation ahead on fuel self sufficiency.

As per ISMA till the end of February 2019, in the first three months of current year's supply period, about 12 crore litre of ethanol made from B heavy/sugarcane juice has been supplied. This has in turn reduced about 1 lakh tonnes of sugar production in the current season so far

Benefits of Ethanol

Ethanol is produced through the fermentation of molasses. It generates oxygen when combined with petrol, which helps in cutting the emission of harmful gases. It also improves the engine's efficiency by using less fuel. Being one of the biggest polluters in the world - and a signatory of the Paris Climate deal - India's ethanol dependence can certainly help it reduce the pollution problem.

Molasses Production:

Sugar mills, currently producing little or no bio-ethanol from B-class molasses, plan to ramp up production. They may constitute 10 per cent of total ethanol produced in the sugar season 2018-19.

To promote bio-ethanol production available for fuel-blending programme, the Government recently announced incentives for sugar mills producing ethanol from the intermediary B heavy molasses and cane juice.

Besides, the diversion of B heavy molasses and cane juice into ethanol production would have helped to maintain sugar production at manageable levels during years when sugarcane yields were high. While one litre of ethanol produced from B heavy molasses or partial sugarcane juice will command a premium ex-mill price of ₹52.43/ litre (as against the prevailing ₹47.13), that from cane juice will fetch ₹59.13.

The recent government announcement on ethanol incentives were made close to the crushing season, giving less time for the upgradation. Still, we expect nearly 5-10 per cent of total ethanol production to be from B heavy molasses by the end of the current season," according to Crisil Research. However, the mills will complete their capacity additions by the next sugar season and as result, a significant amount of molasses is expected to be produced from B molasses from the next season onwards.

The Government is encouraging capacity addition, including setting up new distillation capacities. Sugar companies are excited about building up capacities for more ethanol production as subsidised loans at around 6 per cent interest rate are available as well as premium rates are paid for ethanol made from B heavy molasses and cane juice. For the first time, it is being seen as an alternative to sugar production and a solution to reduce surplus sugar," as per ISMA.

But there are challenges that still need to be overcome. Getting environmental clearances for setting up new capacities is taking time and financially stressed sugar companies are finding it difficult to avail of bank loans.

However, it may not be expected that the higher prices commanded by ethanol from B-molasses and cane juice to have any impact on the availability of extra neutral alcohol required for liquor manufacturing. State Governments reserve molasses for supply for liquor production as it remains an important source of tax revenue.

Cogeneration:

After the sugarcane crushing process, bagasse is fibre the residue left which is used to generate steam. This is used as a biofuel in co-generation power plant to meet power requirement of the sugar mill. The surplus power is supplied to the grid. Being produced from a waste residue, this energy is eco-friendly and reduces greenhouse gas emissions besides also bringing additional revenue to the sugar industry.

One tonne of sugar can produce ~300 kg of Bagasse which can be converted to ~130 KWh of power. The power generated by an integrated sugar mill is partially captively consumed and remaining is exported. India's sugar industry has potential to export 7500 MW power, and total installed cogeneration capacity in all sugar mills is ~4200 MW, of which ~3200 MW is being exported by sugar mills to the grid.

Operations of the Unit:

The comparative operating performance of the Company for the last two seasons is given below:

	2017-2018	2018-2019
Sugarcane crushed (lac Quintals)	147.33	138.86
Recovery (%)	10.53	11.82
Sugar produced (lac Quintals)	15.45	16.41
Crushing days	177	164

The Cogen power plant operating performance is as mentioned below:

	2017-18	2018-2019
Power Generation (Mn Units)	135.39	132.36
Power Export to Grid (Mn Units)	88.18	94.08

Internal control systems and their adequacy:

The company has adequate internal control system to ensure smooth functioning of each and every department of the organization. The internal control system is totally in alignment with the business nature and the size of the company. It tracks various financial transactions effectively and certifies the compliance with statutory rules and regulations, thus contributing to the operational efficiency of the company.

The Internal audit of the Company is conducted by a firm of Chartered Accountants. The findings of the internal audit and consequent corrective actions initiated and implemented form time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy and reasonableness of internal control system.

Human resources and industrial relations:

Continuous learning is the cornerstone of the Company's human resource policy. The Company's human resource policy is structured to meet the aspirations of the employees as well as of the organization. The Company has adopted a progressive policy of continuous development of its human resources by training and motivating the employees to attain greater efficiency and competence besides striving to retain the talent.

Industrial relations in the unit were cordial throughout the year under review and there was no material development in Human Resources/ Industrial relation front.

Risk Management:

Risk: Lower sugar realizations: Lower sugar realisations can directly impact the top line of the Company, making it difficult to meet its day-to-day expenses.

As mitigation measures, the Company has adopted a three pronged strategy of expansion, diversification and integration. The company has focused on generating additional revenue stream through the better usage of by-products, bagasse and molasses, through the newly set up Cogen Power Plant and Planned Distillery.

Risk: Lower recovery: The Company may fail to leverage higher cane production owing to lower recovery rate, though this year the sugar recovery was on expected lines.

As mitigation measures, the Company has put in place latest methodology and techniques for higher recoveries. The company has also focused on shifting its cane growers towards high yielding cane varieties. The company plan to have nearly 60% of cane supplies from early varieties which shall yield better recovery.

Risk: Farmer relationship: Non-availability of cane due to unharmonious farmer relation may result in lower crushing, impacting the overall performance of the Company.

As mitigation measure, the Company maintains a harmonious and cordial relationship with its farmers. Besides ensuring timely payments, it also helps them by assisting them in seed selection and fertilizers.

In addition to the abovesaid risks, the Company is also exposed to market risk, credit risk and liquidity risk. The Company's senior management looks after the management of these risks. The Company's management advises on financial risks and the appropriate financial risk governance framework for the Company. The Board of Directors reviews and agrees policies for managing each of these risks on an ongoing basis, 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 changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risks, such as equity price risk and inventory price risk. Financial instruments affected by market risk include loans and borrowings, deposits etc.

(i) Interest rate risk - The Company has various term loans (short term and long term) from banks and financial institutions, inter corporate deposits, bridge loans and cash credit limits from various banks. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates (long term and short term). The Company always try to ensure minimal cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility.

    In order to achieve its objective, to mitigate risk of future cash outflows due to floating interest rates, the Company has entered into interest rate swap transaction (floating to fixed rate of interest) for its foreign currency term loan.

(ii) Foreign currency risk - Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings and interest payments thereon. The Company manages its foreign currency risk by hedging payments that are to be made within a maximum of 12 months period through currency futures.

(iii) Equity price risk - The Company's listed equity investments are susceptible to market price risk arising from uncertainties about future values of the investment securities.

(iv) Inventory price risk - The Company is exposed to the movement in price of principal finished product i.e. sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realization.

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 and other adverse consequences. The Company is exposed to credit risk from its operating activities primarily from trade receivables including unbilled revenues, cash and cash equivalents, bank deposits, loans receivables and investment in unquoted securities.

Liquidity risk

The Company monitors its risk of shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns. Considering the stability of the company's holding company, liquidity risk of the Company is considered to be low.

Industry Outlook:

Political Crop

The genesis of the problem — rise in arrears and overproduction — lies in successive governments' policy to encourage farmers to grow sugarcane. Successive UP governments have increased the state advised price (SAP) each year in a bid to woo farmers, which constitute a large vote bank. The health of the industry is directly tied to the political fortunes of the ruling party as the sector impacts four million farmers in the state. The industry generates revenue worth almost` 500 billion through sugar, jaggery, ethanol, bagasse and cogeneration and is seen as the backbone of UP.

Hence, SAP, the price at which sugar mills have to procure sugarcane from farmers, has increased from ` 280/quintal in SS 2015-16 to ` 315/quintal in the current season. Rising SAP has had an adverse impact on the health of the mills as the cost of production has been increasing, and at the same time, the price of finished product is capped to appease consumers.

Despite the UP government's decision to keep rates unchanged in an election year, private mill owners are asserting that the procurement price is still too high.

Bailing Out

Even as the desperate plea of the sugar industry to address the structural flaw falls on deaf ears, the Centre and UP governments are doling out bailout packages to provide temporary relief. The defeat in the Kairana Lok Sabha by-polls has jolted the government into action. On June 5, the central government announced a bailout package of ` 70 billion including soft loans to the tune of ` 44 billion and interest subvention for augmenting ethanol capacity in India. The UP government also swung into action. With the sugar mills in the state being burdened by arrears, the government allocated around ` 65 billion in the state supplementary budget for early settlement of dues.

The Indian government is also looking to increase exports, asking sugar mills to mandatorily export five million tonnes in SS 2018-19. However, exports might not be a viable option as even the global sugar market is facing a glut. White sugar was trading at ` 25/kg on the London Commodities Exchange in the early weeks of 2019, which is still lower than the production cost.

While the government looks to ease sugar industry's woes through a mix of bailout packages and export thrust, the decision to hike ethanol price is expected to protect cash flow and improve margins. On September 12, the government decided to hike the price of ethanol, produced directly from sugarcane juice for blending in petrol, by 25% from ` 47.13 to ` 59.13/litre.

Company Outlook:

The previous sugar season saw a huge jump in the sugar production – 32 MT in comparison to 20 MT of the previous season. This resulted in sugar prices falling to a new low and accumulation of cane arrears. To control this situation, Government of India allocated each and every sugar mills a mandatory export quota. The Company was allocated 20,000 MT export quota. The Company also explored the export opportunities in Middle Eastern countries and it was able to secure sugar exports for its Sulphur Free Double Refined sugar from a reputed business house at Qatar. The first shipment has already been exported in the first week of March 2019. The Company is fully confident of meeting its sugar export obligations.

After completion of the Sugar mill expansion and Cogeneration projects, the Company added a 100 KLPD molasses based Ethanol distillery, which would predominantly consume the molasses generated in-house. The project activities at factory location are in full swing and the distillery is expected to be commenced from September 2019.

Cautionary Statement:

The statements in the Management Discussions & Analysis Report detailing the Company's objectives, projections, estimates, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. As these statements are based on certain assumptions and expectations of future events, actual result could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting global or domestic demand and supplies, political and economic developments in India or other countries, government regulations and taxation policies, prices and availability of raw materials, prices of finished goods, abnormal climatic and geographical conditions, etc. The company assumes no responsibility in respect of forward looking statements contained in this Report as the same may be revised or modified in the future on the basis of subsequent developments, information or events.

For and on behalf of the Board

Sd/-

Place : Gurugram **N. Suresh Krishnan**
Date : August 01, 2019 **Chairman**

ANNEXURE – B2

Statement showing particulars pursuant to Rule 8(3) of Companies Accounts Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2019

I. Conservation of Energy:

(i) Gobind Sugar Mills has an old plant and has witnessed various expansions during last 61 Years from 600 TCD to 10000 TCD. We have taken reasonable steps to reduce the process steam consumption in recent years. We have restructured and expanded the plant with latest machinery so as to conserve the energy. We have replaced existing seven numbers of old, inefficient and low pressure boilers with latest technology, high pressure Boiler (150 TPH, 110 Ata) so as to increase steam generation per unit of fuel. This produces surplus power as well, which get exported to the grid. Further we have replaced an existing three roller mill with a two roller mill which helps in reducing the power consumption. In two roller mill, trash plate is avoided which consumed significant power in conventional three roller mill. Similarly, we have installed GRPF with independent AC VFD motor with gear box and coupling at 4th mill, installed steam saving devices like VLJH, evaporator bodies, continuous vacuum pans & molasses conditioners in the boiling house section to minimize steam consumption and replaced low energy efficiency 750 kg/charge x 4 nos. (149.20 KW each) batch type centrifugal machines by 1750 kg/charge x 3 no. AC drive centrifugal machines (145 KW each), to reduce power consumption.

(ii) We have taken reasonable steps as per RLA to improve the reliability and performance of plant like modification in S.H Coils, bagasse spreaders, rotary bagasse feeders with VFD drives and refurbishing pressure part of 70 TPH boiler. Modification in wet scrubbing system to achieve pollution free environment and modernization of boiler from manual operation to auto operation by installation of Automation system. Overall result of the above modifications in 70 TPH boiler is saving of fuel, reduction in energy consumption and equipment reliability.

We have replaced most of the conventional lights by L.E.D. lights and conventional to VFD drives on air compressors and clear juice pumps in old DS plant. We have replaced conventional to VFD drives on CEP and ACW pump in co-gen plant.

(iii) **Additional investments and proposals, if any, being implemented for reduction of consumption of energy:**

Company is planning to replace the existing inefficient low pressure 70 TPH, 45 ata boiler with a highly efficient 85 TPH, 110 ata boiler. This shall sharply reduce the fuel consumption for desired steam production to meet plant requirement. Also, the existing 3 MW TG set which operated in sync with existing 70 TPH boiler shall be replaced by 16 MW back-pressure turbine which shall further enhance the surplus power available for sale to the company. Further, the company plans to replace existing inefficient steam drives at its old four mills with GRPF with independent AC VFD motor with gearbox and coupling.

(iv) **Impact of measures of (i), (ii) and (iii) above for the reduction of energy consumption and consequent impact on the cost of production of goods:**

In view of initiatives enumerated in (i) & (ii) above there has been a decrease in total cost of Power & Fuel in spite of higher crushing of cane. The higher crushing of cane has resulted in higher availability of bagasse which in turn lead to comparatively lower consumption of High Speed Diesel when compared with the previous year's consumption.

(v) **Total energy consumption and energy consumption per unit of production**

(A) Power & Fuel Consumption:

		2018-19	**2017-18**
1.	**Electricity :**		
	a) Purchased :		
	Units (in lacs)	**19.002**	**20.775**
	Total amount (Rs. in lacs)	**146.998**	**181.076**
	Rate/Unit (Rs.)	**7.74**	**8.710**
	b) Own Generation :		
	i) Through Diesel Generator :		
	Units (in lacs)	**0.1791**	**0.4855**
	HSD (Rs. in lacs)	**4.191**	**9.480**
	Units per liter of diesel-oil	**2.806**	**2.88**
	Cost/Unit (Rs.)	23.40	19.526
	ii) Through Steam :		
	30.85 MW Turbine / Generator		
	Units (in lacs)	**1346.73**	**1243.26**
	Fuel oil/gas (Unit in MT)	**266787.949**	**247896.504**
	Cost/Unit (Rs.)	3.77	3.39
	iii) Through Steam:		
	3.0 MW Turbine / Generator Units (in lacs)	100.94	89.365
	Fuel oil/gas (Unit in MT)	43558.69	39446.86
2.	**Coal :**		
	Quantity (Tonnes)	--	--
	Total Cost (Rs. in lacs)	--	--
	Average Rate (Rs.)	--	--
3.	**Furnace Oil**	--	--
4.	**Others/Internal generation**	--	--
(B)	**Consumption of following per unit of production :**	No standard has been fixed	
	Sugar (in lacs qtls)	**-**	**12.85**
	Electricity	**-**	**11.702**
	Furnace Oil	--	--
	Coal	--	--
	Others	--	--

II. Research & Development and Technology Absorption:

The Company has been carrying out Research & Development in the following specific areas:

(1) Control of Insect, Pest & Disease

(a) Mechanical Control: Cane which is affected by insects and diseases at cane field is eliminated at the cultivation stage itself.

(b) Chemical Control: To ensure disease free cane that is to say to control the attack of insect, pest and borer, insecticide and pesticide are being applied on the crop as an usual practice.

(2) Ratoon Management: To increase the yield of the Ratoon, farmers are being educated on constant basis and village meetings are organised.

(3) Multiplication of foundation cane seed by rearing of nurseries.

(4) Ratoon Management by managing the ratoon crop of cane by urea spraying and gap filling of cane to increase yield.

(5) Distribution of improved varieties of cane seed to farmers.

(6) Educational tour of cane growers at research stations for improving knowledge in relation to latest cane development activities.

Due to above initiatives, higher yield of disease free sugar cane is being made available resulting in higher return to cane growers and also better recovery to the factory. The Company has during the year under review spent an amount of Rs. 108.84 lakhs towards various R&D oriented initiatives.

Future plans on R&D front are:

(i) Continue to research on better yield and to have disease free variety of cane by adopting measures stated above.

(ii) Installation of machineries with latest technology at different work stations in the factory, subject to availability of fund.

(iii) To have Portable soil testing electronic laboratory.

(iv) To render advices to the cane growers by research scholars from Sugar Cane Research Station by holding seminars.

(v) To have well equipped laboratory to analyse various factors related to process control to reduce losses and improvement in the quality of sugar.

(vi) To increase the area of early maturing high sugar content varieties of sugarcane to get better recovery in early months of cane crushing.

The Company has not imported any technology during the last three years.

III. Foreign Exchange Earnings and Outgo :

a)	Activities relating to exports, initiatives taken to increase exports		The Company explored the various overseas markets and is actively working on launching its branded sugar in Middle East and North Africa (MENA) region. Bulk Sugar export has already been made to the State of Qatar.
b)	Development of new export markets for products and services and export plan		
c)	Earnings in Foreign Exchange	-	Rs. 32.28 Lacs (USD 46141)
d)	Expenditure in Foreign Currency	-	Rs. 525.42 Lacs (USD741530.85)

For and on behalf of the Board

Sd/-
N. Suresh Krishnan
Chairman

Place : Gurugram
Date : August 01, 2019

ANNEXURE – B3

DECLARATION ON CODE OF CONDUCT

August 01, 2019

To
The Members
Gobind Sugar Mills Ltd.

Pursuant to Regulations 26(3) and 34(3) read with Part D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with Stock Exchange, I, R. S. Raghavan, Managing Director of Gobind Sugar Mills Limited, declare that all the Board Members and Senior Executives of the Company have affirmed their compliance with the Code of Conduct and Ethics during the financial year 2018-19.

For and on behalf of the Board

Sd/-
R.S. Raghavan
Managing Director

ANNEXURE – B4

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Gobind Sugar Mills Limited

We have examined the compliance of conditions of Corporate Governance by Gobind Sugar Mills Limited (“the Company”) in terms of Regulation 15(2) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, (“Listing Regulations”) for the year ended 31.03.2019.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

We further state such compliance is neither an assurance as to future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. K. LABH & Co.
Company Secretaries

Sd/-
(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No - 3238

Place : Kolkata
Dated : 01.08.2019

ANNEXURE – B5

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

To,
The Members of
Gobind Sugar Mills Limited
9/1, R. N. Mukherjee Road
Kolkata – 700 001
West Bengal

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gobind Sugar Mills Limited** having CIN: L15421WB1952PLC020577 and having registered office at 9/1, R. N. Mukherjee Road, Kolkata - 700001, West Bengal (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority:

Sr. No.	Name of Director	DIN	Date of appointment in Company
1.	Narayanan Suresh Krishnan	00021965	21.08.2012
2.	Soundararaghavan Rangachari	00362555	21.08.2012
3.	Marco Philippus Ardeshir Wadia	00244357	21.08.2012
4.	Ramasundaram Naga Ratnam	06422037	07.11.2012
5.	Lingapuram Chandrasekaran Madhyagowder	01245052	08.02.2017
6.	Indira Varadarajan	07128153	23.03.2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata
Date : 01.08.2019

Signature : Sd/-
Name : Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238

ANNEXURE – C

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March 2019
[Pursuant to Section 92(3) of Companies Act, 2013 and Rule 12(1) of Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN:- L15421DL1952PLC354222
ii) Registration Date: 18th August 1952
iii) Name of the Company: Gobind Sugar Mills Limited
iv) Category / Sub-Category of the Company: Public Company limited by shares
v) Address of the Registered office and contact details:

Birla Mill Complex, P. O. Birla Lines
G T Road, Near Clock Tower,
Kamla Nagar, North Delhi- 110007
Tel : 91 - 124 – 482 7800
Fax: 91 - 124 – 421 2046
e-mail : ig.gsml@adventz.com

vi) Whether listed company: Yes, listed on Metropolitan Stock Exchange of India Limited ('MSEI')
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any:

Link Intime India Pvt. Ltd
59C, Chowringhee Road
3rd Floor, Kolkata – 700 020
Tel : 91 033 2289 0540
Fax : 91 033 2289 0539
e-mail : kolkata@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Manufacture or refining of sugar from sugarcane	Group 107 Class 1072, Sub-Class 10721	87.37%
2	Electric power generation using other non conventional sources	Group 351 Class 3510, Sub-Class 35106	12.31%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

S. NO	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
1	Zuari Investments Ltd. Jai Kissan Bhawan, Zuarinagar, Goa – 403726	U65993GA1995PLC001942	HOLDING COMPANY	58.21%	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	315000	-	315000	9.8437	315000	-	315000	8.4430	(1.4007)
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	1760632	-	1760632	55.0198	2291549	-	2291549	61.4205	6.4007
e) Banks/FI									
f) Any Other..									
Sub-total (A) (1):-	2075632	-	2075632	64.8635	2606549	-	2606549	69.8635	5.0000
(2) Foreign									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):-									
Total shareholding of Promoter (A) = (A)(1)+(A)(2)	2075632	-	2075632	64.8635	2075632	-	2606549	69.8635	5.0000
B. Public Shareholding									
1. Institutions	-	-	-	-	-	-	-	-	
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-	-	-	-	-	-	-	-	-	-
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	619173	8191	627364	19.6051	598813	8191	607004	16.2696	(3.3355)
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	132547	363508	496055	15.5017	154898	361613	516511	13.8441	(1.6576)
ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh	-	-	-	-	-	-	-	-	-
c) Others									
-HUF	837	-	837	0.0262	821	-	821	0.0220	(0.0042)
- clearing member	96	-	96	0.0030	16	-	16	0.0004	(0.0026)
- Non Resident Indians (Non Repat)	16	-	16	0.0005	16	-	16	0.0004	(0.0001)
Sub-total (B)(2):-									
Total Public Shareholding (B) = (B)(1) + (B)(2)	**752669**	**371699**	**1124368**	**35.1365**	**754564**	**369804**	**1124368**	**30.1365**	**(5.0000)**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**2828301**	**371699**	**3200000**	**100**	**3361113**	**369804**	**3730917**	**100**	**-**

(ii) Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Zuari Investments Ltd.	1640632	51.2698	NA	2171549	58.2042	NA	6.9344
2	Akshay Poddar	235000	7.3438	NA	235000	6.2987	NA	(1.0451)
3	Ricon Commerce Ltd.	80000	2.5000	NA	80000	2.1442	NA	(0.3558)
4	Aashti Agarwala	20000	0.6250	NA	20000	0.5361	NA	(0.0889)
5	Kumari Anisha Agarwala	20000	0.6250	NA	20000	0.5361	NA	(0.0889)
6	Greenland Trading Pvt. Ltd.	20000	0.6250	NA	20000	0.5361	NA	(0.0889)

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
7	Indrakshi Trading Company Pvt. Ltd.	20000	0.6250	NA	20000	0.5361	NA	(0.0889)
8	Ayesha Poddar	20000	0.6250	NA	20000	0.5361	NA	(0.0889)
9	Shradha Agarwala	20000	0.6250	NA	20000	0.5361	NA	(0.0889)
	Total	**2075632**	**64.8635**	**NA**	**2606549**	**69.8635**	**NA**	**5.0000**

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	2075632	64.8635	2075632	64.8635
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc): Allotment done on 14 November 2018	--	--	530917	5.0000
3.	At the End of the year	2075632	64.8635	2606549	69.8635

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

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Newwave Suppliers Private Limited				
	(i) At the beginning of the year	1,59,500	4.9844	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.7093)
	(iii) At the End of the year	-	-	1,59,500	4.2751
2	Taralta Commercial Private Limited				
	(i) At the beginning of the year	1,59,500	4.9844	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.7093)
	(iii) At the End of the year	-	-	1,59,500	4.2751
3	Pankaj Impex Private Limited				
	(i) At the beginning of the year	1,59,000	4.9688	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.7071)
	(iii) At the End of the year	-	-	1,59,000	4.2617
4	Industry House Limited				
	(i) At the beginning of the year	80,000	2.5000	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.3558)
	(iii) At the End of the year	-	-	80,000	2.1442
5	Shri Parasram Holdings Private Limited				
	(i) At the beginning of the year	21,574	0.6742	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.0960)
	(iii) At the End of the year	-	-	21,574	0.5782

Sl. No		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Rupinder Singh				
	(i) At the beginning of the year	12,000	0.3750	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.0534)
	(iii) At the End of the year	-	-	12,000	0.3216
7	LKP Securities Ltd.				
	(i) At the beginning of the year	11,200*	0.3500	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.0498)
	(iii) At the End of the year	-	-	11,200	0.3002
8	Asit Koticha jointly with Kanan Koticha				
	(i) At the beginning of the year	9,600	0.3000	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.0427)
	(iii) At the End of the year	-	-	9,600	0.2573
9	Sameer Koticha jointly with Leena Koticha				
	(i) At the beginning of the year	9,600	0.3000	-	-
	(ii) Date wise Increase/Decrease during the year (Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018)	-	-	No Change	(0.0427)
	(iii) At the End of the year	-	-	9,600	0.2573
10	Sandeep Rao				
	(i) At the beginning of the year	-	-	-	-
	(ii) Date wise Increase/Decrease during the year – Shares acquired on 14.09.2018	8200	0.2563	-	-
	Dilution in %age holding after allotment of 530917 equity shares on 14.11.2018			No Change	(0.0365)
	(iii) At the End of the year	-	-	8200	0.2198

As on 31.03.2018, the holding of LKP Securities Ltd. was 8,000 shares but in view of PAN based merging of the total shareholding of LKP Securities Limited, the no. of shares have been increased to 11,200.

(v) Shareholding of Directors and Key Managerial Personnel: **NIL**

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Directors and KMP	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	NIL	NIL	NIL	NIL
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	NIL	NIL	NIL	NIL
	At the End of the year	NIL	NIL	NIL	NIL

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,38,70,21,000	28,80,00,000	-	5,67,50,21,000
ii) Interest due but not paid	45,554	3,64,88,193	-	3,65,33,747
iii) Interest accrued but not due	2,81,83,931	-	-	2,81,83,931
Total (i+ii+iii)	5,41,52,50,485	32,44,88,193	-	5,73,97,38,678
Change in Indebtedness during the financial year				
• Addition	1,43,94,31,000	70,42,00,000	-	2,14,36,31,000
• Reduction	71,48,91,000	-	-	71,48,91,000
Net Change	72,45,40,000	70,42,00,000	-	1,42,87,40,000
Indebtedness at the end of the financial year				
i) Principal Amount	6,11,15,61,000	99,22,00,000	-	7,10,37,61,000
ii) Interest due but not paid	45,554	-	-	45,554
iii) Interest accrued but not due	3,45,61,793	-	-	3,45,61,793
Total (i+ii+iii)	6,14,61,68,347	99,22,00,000	-	7,13,83,68,347

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager
		Mr. R S Raghavan
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	No material remuneration. During financial year 2018-19, Managing Director was paid a total remuneration of Rs. 12/-.
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - others, specify...	
5.	Others, please specify	
	Total (A)	
	Ceiling as per the Act	Maximum remuneration that can be paid 5% of net profit

B. Remuneration to other directors:

Sl. no.	Particulars of Remuneration	Name of Directors				Total Amount
1	1. Independent Directors	Mr. R N Ratnam	Mr. Marco Wadia	Mrs. Indira Varadarajan	Mr. L M Chandrasekaran	
	• Fee for attending board and committee meetings • Commission • Others, please specify	1,55,000	3,10,000	2,00,000	3,75,000	10,40,000
	Total (1)	1,55,000	3,10,000	2,00,000	3,75,000	10,40,000
2	2. Other Non-Executive Directors					
	• Fee for attending board committee meetings • Commission • Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	
	Total (B) = (1 + 2)	1,55,000	3,10,000	2,00,000	3,75,000	10,40,000
	Total Managerial Remuneration	1,55,000	3,10,000	2,00,000	3,75,000	10,40,000
	Overall Ceiling as per the Act		Maximum remuneration that can be paid 5% of net profit			

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	CFO	CS	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	N.A.	2153784 1,28,344 -	19,91,004 - -	41,44,788 1,28,344 -
2.	Stock Option	N.A.	-	-	-
3.	Sweat Equity	N.A.	-	-	-
4.	Commission - as % of profit - others, specify...	N.A.	-	-	-
5.	Others, please specify	N.A.	-	-	-
	Total	**N.A.**	**22,82,128**	**19,91,004**	**42,73,132**

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board

Sd/-

N. Suresh Krishnan

Chairman

Place : Gurugram

Date : August 01, 2019

ANNEXURE – D

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts / arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**
   There were no contracts / arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which were not at arm's length basis during the year ended March 31, 2019.

2. **Details of material contracts or arrangement or transactions at arm's length basis:**
   There were no material contracts / arrangements or transactions entered into by the Company with related parties referred to in sub section (1) of section 188 of the Companies Act, 2013. However, the Company has entered into transactions with related parties at arm's length, the details of which are given in the notes to financial statements.

On behalf of the Board of Directors

Sd/-

Place : Gurugram — **N. Suresh Krishnan**

Date : August 01, 2019 — **Chairman**

Annexure - E

Statement of particulars as per Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

(i) The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year:

Sl. No.	Name of the Director*	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. N. Suresh Krishnan Non - Executive Director	Nil
2.	Mr. R S Raghavan Managing Director	Nil
3.	Mr. R N Ratnam^ Independent Director	Nil
4.	Mr. Marco Wadia^^ Independent Director	Nil
5.	Mrs. Indira Varadarajan Independent Director	Nil
6.	Mr. L M Chandrasekaran Independent Director	Nil

* *Not paid any remuneration except sitting fees to Independent Directors for attending the Meetings of Board of Directors and Committees thereof*

^ *Term of 5 years expired on 31st March 2019 and was not re-appointed*

^^ *Term of 5 years expired on 31st March 2019 and was re-appointed for another term of 5 years from 01.04.2019 to 31.03.2024*

(ii) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the financial year;

Sl. No.	Name and designation	Percentage increase in remuneration
1	Mr. N. Suresh Krishnan Non Executive Director	Nil
2	Mr. R S Raghavan Managing Director	Nil
3	Mr. R N Ratnam* Independent Director	Nil
4	Mr. Marco Wadia* Independent Director	Nil
5	Mrs. Indira Varadarajan* Independent Director	Nil
6	Mr. L M Chandrasekaran* Independent Director	Nil
7	Mr. Dharmendra Roy Chief Financial Officer	12%
8	Mr. Laxman Aggarwal Company Secretary	10%

* *Mr. R N Ratnam, Mr. Marco Wadia, Mrs. Indira Varadarajan and Mr. L M Chandrasekaran– Independent Directors, were paid sitting fees for attending the Meetings of Board of Directors and Committees thereof*

(iii) The percentage increase in the median remuneration of employees in the financial year

9.00%

(iv) The number of permanent employees on the rolls of Company.

There are **256** permanent employees on the rolls of the Company

(v) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average increase in remuneration to employees other than managerial personnel was 10.00%.

There is only one Managing Director. There was no increase in remuneration paid to the Managing Director during the financial year ended 31st March 2019.

(vi) It is hereby affirmed that the remuneration paid to Key Managerial Personnel is as per the Remuneration policy of the Company.

Statement of Particulars of Employees (other than KMPs) Pursuant to the Provisions of Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 – Not Applicable

For and on behalf of the Board

Sd/-

Place: Gurugram **N. Suresh Krishnan**
Date : August 01, 2019 **Chairman**

ANNEXURE – F

REPORTING ON CORPORATE SOCIAL RESPONSIBILITY (CSR)

[Pursuant to Section 134(3)(o) of Companies Act, 2013 and Rule 9 of Companies (Corporate Social Responsibility) Rules, 2014]

1. **A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:**

   Driven by our passion to make a difference to society, Adventz Group Companies are committed to upholding the highest standards of corporate social responsibility, and have continued its progress on community initiatives with renewed vigour and devotion.

   With the commencement of the Companies Act, 2013, the CSR activities of the Company were re-visited and re-aligned as per the CSR provisions contained in Companies Act, 2013 and rules made there under. Company's CSR projects and initiatives are guided by our CSR Policy, and reviewed closely by the CSR Committee institutionalized and adopted by the Board of Directors as per the "Section 135 of the Companies Act, 2013".

   As a responsible business corporation, our companies have built sustainable and effective CSR initiatives that are vital towards fulfilling critical societal need gaps in the communities we operate in. We also believe that we have a larger responsibility towards making a difference within our industry and also society at large.

   Weblink to CSR Policy http://gobindsugar.com/Information%20&%20Policies.html

2. **The Composition of the CSR Committee**:

   Mr. N. Suresh Krishnan – Chairman
   Mr. R. S. Raghavan – Member
   Mr. L. M. Chandrasekaran – Member
   Mrs. Indira Varadarajan – Member

3. **Average Net Profit / Loss of the Company for last three financial years:**

   Average Net Loss Rs. 477.16 Lakhs

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

   Not Applicable

5. **Details of CSR spent during the financial year:**

   Since the Company's net profit calculated under Section 198 of Companies Act, 2013 in preceding three financial years were negative (as mentioned above) due to the huge amount of accumulated losses, so the Company was not able to contribute to CSR activities.

6. **Manner in which the amount spent during the financial year is detailed below:**

Sl. No.	CSR Project or Activity Identified	Sector in which the project is covered	Project or Programs in local area and area around it	Amount Outlay (Budget) Project or Programs wise (Rs. in Lakhs)	Amount spent on the project or programs	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing Agency
Not Applicable							

   During the financial year 2018-19, the Company undertook various CSR initiatives as a measure of good corporate governance. Your Company has been extending help and assistance to locality where our plant is located, near Aira Estate towards Corporate Social Responsibility.

7. **A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company:**

   The CSR Committee of the Company hereby confirms that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Date : May 17, 2019
Place: Gurugram

Sd/-
N. Suresh Krishnan
Chairman - CSR Committee
DIN: 00021965

Sd/-
R.S. Raghavan
Managing Director
DIN: 00362555

ANNEXURE – G

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To

The Members,
Gobind Sugar Mills Limited
9/1, R. N. Mukherjee Road
Kolkata – 700 001
West Bengal

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by ***Gobind Sugar Mills Limited*** having its Registered Office at 9/1, R. N. Mukherjee Road, Kolkata - 700001, West Bengal (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 books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended 31.03.2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate to the size of the Company, based on these secretarial records as shown to us during the said audit and also based on the information furnished to us by the officers' and the agents of the Company during the said audit.

We have followed the audit practices and processes as were appropriate to the best of our understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed, provide a reasonable basis for our opinion.

We have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. We have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statues as mentioned hereinafter.

Wherever required we have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. Our examination was limited to the verification of compliance procedures on test basis.

Our report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

We report that, we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2019 according to the provisions of (*as amended*) :

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

(ii) Secretarial Standards as issued by The Institute of Company Secretaries of India;

(iii) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;

(iv) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(v) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(vi) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:

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

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

  (c) 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;

  (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

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, on test-check basis, the Company has specifically complied with the provisions of the following Acts:

1. Sugar Cess Act, 1982
2. Levy Sugar Price Equalisation Fund Act, 1976
3. Food Safety And Standards Act, 2006
4. Food, Safety and Standards (Licensing & Registration of Food Businesses) Regulations, 2011
5. Essential Commodities Act,1955
6. The Sugar (Packing and Marking) Order, 1970

7. Sugar Development Fund Act, 1982
8. Sugarcane (Control) Order, 1966
9. Export (Quality Control and Inspection) Act, 1963
10. Agricultural and Processed Food Products Export Act, 1986
11. Indian Boilers Act, 1923

to the extent of its applicability to the Company during the financial year ended 31.03.2019 and our examination and reporting is based on the documents, records and files as produced and shown to and the information and explanations as provided to us by the Company and its management and to the best of our judgment and understanding of the applicability of the different enactments upon the Company. Further, to the best of our knowledge and understanding there are adequate systems and processes in the Company commensurate with its size and operation to monitor and ensure compliances with applicable laws including general laws, labour laws, competition law, environmental laws, etc.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above, *except*:

The Company needs to devise proper mechanism for making payment against purchase of sugarcane within 14 days of its purchase as per the requirements of Section 3 of the Sugarcane (Control) Order, 1966.

During the period under review, provisions of the following regulations/ guidelines/standards were not applicable to the Company:

(i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

(ii) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 ;

(iii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

We further report that :

(a) 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, if any, during the period under review were carried out in compliance with the provisions of the Act.

(b) 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.

(c) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

(d) 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 :

a) The Company has conducted Postal Ballot for passing of the resolution regarding issue and allotment of Redeemable, Non-Convertible Debentures ('NCDs') aggregating up to Rs. 500 Crores vide Postal Ballot Notice dated 12.03.2018. The said resolution has been passed with requisite majority by the shareholders of the Company on 18.04.2018.

b) The following resolutions were passed by the shareholders with requisite majority through postal ballot on 31.10.2018 :

   (i) Shifting of Registered Office from Kolkata, the state of West Bengal to the National Capital Territory of Delhi;

   (ii) Re-classification of the Authorised Share Capital of the Company with consequential amendments in the Memorandum of Association;

   (iii) Issue of Equity Shares to Promoter of the Company on Preferential Basis;

   (iv) Issue of Compulsorily Convertible Preference Shares to Promoter of the Company on Preferential Basis.

c) The Company allotted 5,30,917 Equity Shares of Rs. 10/- each at a price of Rs. 100/- per equity share (including securities premium of Rs. 90 per equity share) and 7,42,130 Compulsory Convertible Preference Shares ("CCPS") of Rs. 10/- each at a price of Rs. 100/- per CCPS (including securities premium of Rs. 90 per CCPS) to Zuari Investments Limited on 14.11.2018 on preferential basis.

d) The Company's application for shifting of Registered Office of the Company from the State of West Bengal to National Capital Territory of Delhi has been approved by the Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata vide its order no. RD/T/29576/S-13(4)/19/4541 dated 17th July 2019. The Company has filed the requisite forms for implementation of the said order and the same is pending for approval with MCA.

For **A. K. LABH & Co.**
Company Secretaries

Sd/-
(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No.- 3238

Place : Kolkata
Dated : August 01, 2019

Walker Chandiok & Co LLP
Chartered Accountants

21st Floor, DLF Square,
Jacaranda Marg, DLF Phase-II
Gurgaon-122002, India
Tel : +91 124 4628000,
Fax : +91 124 4628001

INDEPENDENT AUDITOR'S REPORT

To the Members of Gobind Sugar Mills Limited

Report on the Audit of the Financial Statements

Opinion

1. We have audited the accompanying financial statements of Gobind Sugar Mills Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2019, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing 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 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 ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

5. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Recoverability of deferred tax assets	
Refer note 3(f) of Summary of significant accounting policies and other explanatory information and the note 8 of the financial statements of the Company for the year ended 31 March 2019. At the balance sheet date 31 March 2019, deferred tax assets (net) including deferred tax asset recognised for carried forward tax losses and unabsorbed depreciation amounted to INR 7,257.95 lacs. During the year ended 31 March 2019, the Company has incurred losses after tax (total comprehensive loss) of INR 3,558.94 lacs (31 March 2018: INR 2,199.60 lacs). The assessment of meeting the recognition criteria as well as assessment of recoverability of deferred tax assets within the period prescribed under the tax laws involves use of significant assumptions and estimates. Determining forecasts of future results and taxable profits include key assumptions such as future growth rate and market conditions. The projected cash flows are assessed using a number of scenarios to cover reasonable changes in the assumptions underlying the projections. These changes mainly relate to variations in expected selling prices of the sugar and by products, expected costs of production of sugar and expected days of operation of sugar mills.	Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following: • Evaluated the design and tested the operating effectiveness of key controls implemented by the Company over recognition of deferred tax assets based on the assessment of Company's ability to generate sufficient taxable profits in foreseeable future allowing the use of deferred tax assets within the time prescribed by income tax laws. • Reconciled the future taxable profit projections to future business plans of the Company as approved by the Board of Directors. • Tested and challenged management's judgements relating to the forecasts of future taxable profits and evaluated the reasonableness of the assumptions, including future growth rate underlying the preparation of these forecasts based on historical data trends. • Tested the mathematical accuracy of the projections including sensitivity analysis performed by management and performed independent sensitivity analysis to the key assumptions mentioned above to determine inputs leading to high estimation uncertainty of the cash flow projections.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>Any change in these assumptions could have a material impact on the carrying value of deferred tax assets. These assumptions and estimates are judgmental, subjective and depend on the future market and economic conditions, including industry focused trade policies of the government and materialization of the Company's expansion plans.

Owing to the significance of the balances and complexities involved as described above, we have considered recoverability of such deferred tax assets recognised on carried forward tax losses and unabsorbed depreciation as a key audit matter.</td><td>• Evaluated management's assessment of time period available for adjustment of such deferred tax assets as per provisions of the Income Tax Act, 1961 and appropriateness of the accounting treatment with respect to the recognition of deferred tax assets as per requirements of Ind AS 12, Income Taxes.
• Re-computed the amount of deferred tax assets as appearing in the financial statements confirming the amounts of carried forward tax losses and unabsorbed depreciation.
• Assessed the appropriateness of the disclosures included in note 8 in respect of deferred tax balances.</td></tr>
<tr><td>Valuation of Inventory

Refer to note 3(n) of Summary of significant accounting policies and other explanatory information for accounting policy for valuation of Inventory and significant accounting judgements, estimates and assumptions related thereto and the note 11 of the financial statements of the Company for the year ended 31 March 2019.

At the balance sheet date 31 March 2019, the Company held INR 46,006.49 lacs of Inventories. Inventories mainly consists of finished goods - Sugar and by products – Molasses.

Manufacturing of Sugar is complex process which leads to generation of many by products some of which are used for generation of other products which are sold in the market as well as used as input in the manufacturing of Sugar. The valuation requires use of management's judgements and assumptions regarding elimination of inter-divisional profits and calculation of net realisable value (NRV) which is further dependent upon the market conditions, subsequent inventory sale data and sale price and incremental cost of products manufactured using by-products. These assumptions are subject to inherent uncertainties and are difficult to ascertain since they are likely to be influenced by political and economic factors including uncertainties that may affect the industry on the whole.

Owing to the significance of the carrying value of inventories, the complexities discussed above and the fact that any changes in the management's judgement or assumptions is likely to have a significant impact on the ascertainment of carrying values of inventories, we have considered this area as a key audit matter.</td><td>Our audit procedures in relation to valuation of inventory included, but were not limited to, the following:
• Tested the design and operating effectiveness of the general IT control environment and the manual controls for inventory valuation.
• Assessed the appropriateness of the principles used in the valuation of Inventory and analysed the reasonableness of significant judgements/ assumptions used by the management in their valuation models along with their consistency based on historical data trends such as sugar recovery rates, generation of Molasses, fixed and planned storage facilities of Molasses and capacity utilisations of the plant.
• Verified net realisable value of baggase and molasses based on market quotation obtained by the management in case of baggase and contracts for sale of ethanol
Reviewed cost sheets prepared by the management for manufacturing of ethanol (used for determination of NRV of molasses) for reasonableness and corroborated the same with projects reports submitted to lenders banks.
• Reviewed the process of inventory valuation comprising of identification of NRV of Sugar based on subsequent selling prices of Sugar upto balance sheet date, sale orders in hand as on that date, minimum selling prices introduced by the government and prices prevailing in exchange market.
• We also assessed the appropriateness of the disclosures included in note 11 in respect of valuation of inventories.</td></tr>
<tr><td>Going concern basis of accounting

We refer to the note 52 of the financial statements of the Company for the year ended 31 March 2019 disclosures related to appropriateness of going concern basis of accounting. This note states that the Company has incurred losses after tax (total comprehensive loss) of INR 3,558.94 lacs and had negative cash flows from operations. Also as at 31 March 2019, the current liabilities exceed the current assets by INR 5,833.39 lacs.

While these above indicate doubts about the company's ability to continue as a going concern, as mentioned in aforesaid note, the Company has taken into consideration the below mitigating factors in its assessment for going concern basis of accounting. operations:-
a) Improving sugar sale prices;
b) Expansion plans in form of setting up of Distillery having capacity of 100,000 litres per day and 16 MW Co-Generation Power Plant;
c) Industry focused state and central government trade policies; and
d) Continued financial support from its holding company.</td><td>Our audit procedures included, but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:
• We obtained an understanding of the management's process for identification of events or conditions that may cast significant doubt over the Company's ability to continue as a going concern.
• Evaluated the design and tested the operating effectiveness of key controls around aforesaid identification of events or conditions and mitigating factors, and controls around cash flow projections prepared by the management.
• Reconciled the cash flow projections to future business plans of the Company as approved by the Board of Directors.
• In order to corroborate management's future business plans and to identify potential contradictory information we read the board minutes, supervisory board minutes and discussed the business plans with management and the Audit Committee.
• Performed audit procedures regarding subsequent events to identify events that either mitigate or otherwise affect the Company's ability to continue as a going concern;
• We also compared the prospective financial information for recent prior periods with historical results and the prospective financial information for the current period with results achieved to date.</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
The Company has earned reasonable profits and had positive cash flows in the tracked history. However, from the past few years, the Company`s profits and cash flows from operation have declined. Management has prepared future cash flow forecasts taking into cognizance the above developments and performed sensitivity analysis of the other key assumptions used therein to assess whether the Company would be able operate as a going concern for a period of at least 12 months from the date of financial statements, and concluded that the going concern basis of accounting used for preparation of the accompanying financial statements is appropriate with no material uncertainty. We have considered the assessment of management's evaluation of going concern basis of accounting as a key audit matter due to the pervasive impact thereof on the financial statements and the significant judgements and assumptions that are inherently subjective and dependent on future events, involved in preparation of cash flow projections and the overall conclusion.	• We evaluated key assumptions used by the management for prospective financial information based on economic trends, historical data and considered government's industry focused policies. Key assumptions included selling prices of sugar and its by -products, sugar recovery rates, interest rates, industry trends, manpower and other direct costs. We also referred to the Power Purchase Arrangement ('PPA') entered by the Company with State government and ethanol sale contracts in hand for under construction distillery project. To challenge these assumptions, we considered our understanding of the business, actual historical results, other relevant existing conditions, external data and market conditions. • Tested the arithmetical accuracy of the calculations including those related to sensitivity analysis performed by the management. • Performed independent sensitivity analysis to test the impact of variation in the key assumptions. • We have also reviewed the financial support letter obtained by the Company from its holding company and assessed the ability of the holding company to provide a committed support to the company for a period of at least twelve months from the date of financial statement. • Evaluated the appropriateness of the disclosures made in the financial statements in respect of going concern.

Information other than the Financial Statements and Auditor's Report thereon

6. 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 financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

   In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

8. In preparing the 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.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

11. As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. 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.

13. 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.

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

Report on Other Legal and Regulatory Requirements

15. As required by section 197(16) of the Act, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

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

17. Further to our comments in Annexure I, as required by section 143(3) of the Act, we report that:

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

b) in our opinion, proper 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 financial statements dealt with by this report are in agreement with the books of account;

d) in our opinion, the aforesaid financial statements comply with Ind AS specified under section 133 of the Act;

e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of section 164(2) of the Act;

f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 17 May 2019 as per Annexure II expressed unmodified opinion;

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

i. the Company, as detailed in note 39 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2019;

ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2019;

iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2019; and

iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

Place : Gurugram
Date : 17 May 2019

Annexure I to Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2019

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and intangible assets

(b) The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment is verified 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. In accordance with this program, certain property, plant and equipment's were verified during the year and no material discrepancies were noticed on such verification.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company.

(ii) In our opinion, the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has not entered into any transaction covered under Sections 185 and 186 of the Act. Accordingly, the provisions of clause 3(iv) of the Order are not applicable.

(v) In our opinion, 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 and rule framed thereunder. 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 sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

(b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (INR In lacs)	Amount paid under Protest (Rs. In lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT Credit on input services	11.94	4.45	FY 2007-08 and FY 2011-12	Commissioner Appeals, Lucknow
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods	7.66	3.62	FY 2000-01 FY 2003-04 and FY 2005-06	High Court, Lucknow
Central Sales Tax, 1956	Interest demand on Central Sales Tax of ex-UP sale	2.52	Nil	FY 2003-04	Additional Commissioner Sitapur, Uttar Pradesh
UP Trade Tax Act, 1948	Tax on purchases from unregistered parties at higher rates	0.15	0.15	FY 2001-02	Additional Commissioner Sitapur, Uttar Pradesh
Tax on Entry of Goods Act, 2000	Entry tax on free sale sugar sale	1.66	0.47	FY 2001-02	Tribunal Court, Lucknow
UP Trade Tax Act, 1948	Trade tax	0.09	Nil	FY 2006-07	Tribunal Court, Lucknow

(viii) The Company has not defaulted in repayments of loan and borrowings to any bank or financial institution or government during the year. The Company has no loans or borrowings payable to any outstanding debentures during the year.

(ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, term loans were applied for the purposes for which they were obtained.

(x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.

(xi) Managerial remuneration has been provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.

(xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.

(xiii) In our opinion, all transactions with the related parties are in compliance with Section 177 and 188 of the Act, where applicable, and the requisite details have been disclosed in the financial statements etc, as required by the applicable Ind AS.

(xiv) During the year, the Company has made preferential allotment of shares. In respect of the same, in our opinion, the Company has complied with the requirement of Section 42 of the Act and the Rules framed thereunder. Further, in our opinion, the amounts so raised have been used for the purposes for which the funds were raised. During the year, the Company did not make private placement of shares/ fully/partly convertible debentures.

(xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.

(xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No. 099514

Place : Gurugram
Date : 17 May 2019

Annexure II to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited, on the financial statements for the year ended 31 March 2019

Annexure II

Independent Auditor's Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act').

1. In conjunction with our audit of the financial statements of the Company as at and for the year ended 31 March 2019, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 ('the Guidance Note') issued by 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 the Company's 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 Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Guidance Note and Standards on Auditing issued by the ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note issued by the 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 IFCoFR were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such controls were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in Guidance Note issued by the ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No. 099514

Place : Gurugram
Date : 17 May 2019

BALANCE SHEET AS AT 31 MARCH 2019

(All amounts in INR lacs unless otherwise stated)

Particulars	Notes	As at 31 March 2019	As at 31 March 2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	**4**	39,453.87	39,875.55
(b) Capital work-in-progress	**4(a)**	7,142.03	757.26
(c) Other intangible assets	**5**	25.10	34.85
(d) Financial assets			
(i) Investments	**6**	16.15	17.33
(ii) Other financial assets	**7**	17.32	2.36
(e) Deferred tax assets (net)	**8**	7,257.95	8,224.70
(f) Other non-current assets	**9**	919.11	461.10
(c) Non-current tax assets (net)	**10**	45.96	0.22
		54,877.49	**49,373.37**
Current assets			
(a) Inventories	**11**	46,006.49	38,949.63
(b) Financial assets			
(i) Investments	**6**	117.00	-
(ii) Trade receivables	**12**	3,830.78	1,592.40
(iii) Cash and cash equivalents	**13**	161.92	77.83
(iv) Other bank balances	**14**	1.57	13.55
(v) Loans	**15**	38.51	6.76
(vi) Other financial assets	**16**	5,290.13	3,102.91
(d) Other current assets	**17**	1,310.50	1,727.43
		56,756.90	**45,470.50**
Total assets		**1,11,634.39**	**94,843.87**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	**18(a)**	373.09	320.00
(b) Instruments entirely equity in nature	**18(b)**	74.21	-
(c) Other equity	**18(c)**	(2,399.45)	11.24
		(1,952.15)	**331.24**
Liabilities			
Non-current liabilities			
(a) Financial liabilities (Borrowings)	**19**	45,046.19	30,727.74
(b) Provisions	**20**	405.41	307.59
(c) Other non-current liabilities	**21**	5,544.65	4,700.95
		50,996.25	**35,736.28**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	**22**	19,387.07	23,312.81
(ii) Trade payables	**23**		
-Total outstanding due of micro, small and medium enterprises		41.75	33.09
-Total outstanding due of creditors other than micro, small and medium enterprises		29,994.65	28,250.16
(iii) Other financial liabilities	**24**	9,666.19	5,209.34
(b) Other current liabilities	**25**	3,399.07	1,789.91
(c) Provisions	**26**	101.56	181.04
		62,590.29	**58,776.35**
Total equity and liabilities		**1,11,634.39**	**94,843.87**

The accompanied notes form an integral part of the financial statements.
As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

Sd/-
R.S. Raghavan
(Managing Director)
DIN: 00362555

Place: Gurugram
Date: 17 May 2019

Sd/-
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

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

(All amounts in INR lacs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	**27**	46,384.92	29,432.87
Other income	**28**	5,280.16	2,516.83
Total income		**51,665.08**	**31,949.70**
Expenses			
Cost of materials consumed	**29**	43,215.11	41,872.06
Changes in inventories of finished goods and work-in-progress	**30**	(7,395.58)	(20,910.29)
Excise duty and cess on sale of goods		-	343.27
Employee benefits expense	**31**	2,403.48	1,997.40
Finance costs	**32**	6,945.91	6,179.43
Depreciation and amortisation expense	**33**	1,800.40	1,697.97
Other expenses	**34**	7,323.93	3,225.36
Total expenses		**54,293.25**	**34,405.20**
Loss before tax		**(2,628.17)**	**(2,455.50)**
Tax expense:	**35**		
Current tax		-	-
Deferred tax charge/(credit)		954.30	(398.14)
Loss for the year		**(3,582.47)**	**(2,057.36)**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		37.16	(218.99)
Equity instruments designated at fair value through OCI		(1.18)	1.47
Income tax effect on above		(12.45)	75.28
Other comprehensive income/(loss) for the year		**23.53**	**(142.24)**
Total comprehensive loss for the year		**(3,558.94)**	**(2,199.60)**
Loss per equity share (Basic and Diluted)	**36**	(97.31)	(64.29)

The accompanied notes form an integral part of the financial statements.
As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 17 May 2019

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(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2019

(All amounts in INR lacs unless otherwise stated)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
A	**Cash flow from operating activities**		
	Loss before tax	**(2,628.17)**	**(2,455.50)**
	Adjustments for:		
	Depreciation and amortisation expense	1,800.40	1,697.97
	Loss on disposal of property, plant and equipment	2.91	2.78
	Dividend received	-	(0.04)
	Fair valuation gains on financial assets measured at fair value through profit and loss	(0.14)	-
	Profit on sale of investments in mutual funds	(28.50)	-
	Interest income	(3.00)	(1.76)
	Bad debts, cane subsidies and other receivables written off	1,170.85	10.92
	Amortisation of government grants	(500.34)	(281.88)
	Amortisation of deferred gains	(142.21)	(121.56)
	Finance costs	6,945.91	6,179.43
	Loss on account of foreign exchange rate fluctuation	183.75	-
	Fair value losses on derivatives not designated as hedges	213.46	-
	Transfer to reserves (Molasses storage and maintenance reserve)	2.51	2.69
	Unspent liabilities, provisions no longer required and unclaimed balances adjusted	(212.44)	(41.96)
	Operating profit before changes in working capital	**6,804.99**	**4,991.09**
	Changes in working capital:		
	- trade receivables	(2,238.38)	21.52
	- inventories	(7,056.86)	(21,017.04)
	- trade payables	1,753.15	11,585.93
	- other financial assets	(3,361.05)	(2,579.45)
	- other assets	582.60	1,605.80
	- loans	(31.75)	(0.36)
	- other financial liabilities	1,110.41	(203.12)
	- other liabilities	1,057.64	(238.36)
	- provisions	55.50	27.23
	Cash flow used in operations	**(1,323.75)**	**(5,806.76)**
	Income taxes paid	45.74	0.11
	Net cash flow used in operating activities	**(1,369.49)**	**(5,806.86)**
B	**Cash flow from investing activities**		
	Payments for property, plant and equipment	(9,030.75)	(3,511.22)
	Proceeds from sale of property, plant and equipment	4.50	10.88
	Investment in mutual funds	(11,740.34)	-
	Proceeds from sale of mutual funds	11,651.98	-
	Dividend received	-	0.04
	Interest received	2.53	1.76
	Net cash flow used in investing activities	**(9,112.08)**	**(3,498.54)**
C	**Cash flow from financing activities**		
	Proceeds from issue of equity share capital including security premium	530.92	-
	Proceeds from issue of compulsorily convertible preference shares including security premium	742.13	-
	Proceeds from long-term borrowings	21,372.31	16,720.06
	Repayment of long-term borrowings	(3,139.11)	(3,452.66)
	Proceeds from/(repayment of) short-term borrowings (net)	(3,925.74)	1,039.58
	Finance costs paid	(5,014.85)	(4,977.90)
	Net cash flow generated from financing activities	**10,565.66**	**9,329.08**
	Net increase in cash and cash equivalents	84.09	23.68
	Cash and cash equivalents at the beginning of the financial year	77.83	54.15
	Cash and cash equivalents at the end of the financial year (refer note 13)	**161.92**	**77.83**

Notes:

1 The above cash flow statement has been prepared under the **“Indirect Method”** as per Indian Accounting Standard - 7.

2 Figures in brackets indicate cash outflow and without brackets indicate cash inflow.

3 **Reconciliation of cash and cash equivalents as per the cash flow statement***

	31 March 2019	31 March 2018
Cash and cash flow statements as per above comprise of the following:		
Cash and cash equivalents	161.92	77.83
Balance as per statement of cash flows (as per above)	**161.92**	**77.83**

*Refer note 13 for break up of cash and cash equivalents.

4 **Non cash transactions**
Interest accruals on Non-Convertible Redeemable Preference Shares and impacts of application of effective interest method for the year ended 31 March 2019 amounts to INR 1,631.36 lacs (31 March 2018 : INR 981.96 lacs).

The accompanied notes form an integral part of the financial statements.
As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm’s Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

Place : Gurugram
Date : 17 May 2019

For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

Sd/-
R.S. Raghavan
(Managing Director)
DIN: 00362555

Sd/-
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

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

(All amounts in INR lacs unless otherwise stated)

a) Equtiy share capital

Particulars	Notes	Amount
As at 01 April 2017		320.00
Increase during the year	**18(a)**	-
As at 31 March 2018		**320.00**
Increase during the year	**18(a)**	53.09
As at 31 March 2019		**373.09**

b) Instruments entirely equity in nature

Particulars	Notes	Amount
As at 01 April 2017		-
Increase during the year	**18(b)**	-
As at 31 March 2018		**-**
Increase during the year	**18(b)**	74.21
As at 31 March 2019		**74.21**

c) Other equity

Particulars	Notes	Deemed equity	Reserves and surplus				Other reserves	Total other equity
			Capital redemption reserve	Securities premium	Molasses and alcohol storage and maintenance reserve	Retained earnings	Fair value through OCI - Equity instruments	
Balance at 01 April 2017	**18(c)**	**7,821.00**	**10.00**	**200.00**	**119.31**	**(5,942.60)**	**0.45**	**2,208.16**
Loss for the year		-	-	-	-	(2,057.36)	-	(2,057.36)
Transfers during the year		-	-	-	2.68	-	-	2.68
Other comprehensive loss		-	-	-	-	(143.43)	1.18	(142.25)
Total		**-**	**-**	**-**	**2.68**	**(2,200.79)**	**1.18**	**(2,196.92)**
Balance at 31 March 2018	**18(c)**	**7,821.00**	**10.00**	**200.00**	**121.99**	**(8,143.38)**	**1.63**	**11.24**
Loss for the year		-	-	-	-	(3,582.47)	-	(3,582.47)
Transfers during the year		-	-	1,145.74	2.51	-	-	1,148.25
Other comprehensive income		-	-	-	-	24.47	(0.94)	23.53
Total		-	-	**1,145.74**	**2.51**	**(3,558.00)**	**(0.94)**	**(2,410.69)**
Balance at 31 March 2019	**18 (c)**	**7,821.00**	**10.00**	**1,345.74**	**124.50**	**(11,701.38)**	**0.69**	**(2,399.45)**

The accompanied notes form an integral part of the financial statements.
As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

Place: Gurugram
Date: 17 May 2019

For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

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R.S. Raghavan
(Managing Director)
DIN: 00362555

Sd/-
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2019

1. **Corporate information**

Gobind Sugar Mills Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Metropolitan Stock Exchange of India and up to 08 March 2018 were also listed on Calcutta Stock Exchange (refer note 50 for more details). The Company is primarily engaged in extraction of sugar from sugar cane and its sale along with its by-products – molasses and press mud. The Company is also engaged in generation and export of power by utilising its by product - bagasse. The Company presently has manufacturing facilities at Aira Estate, District Lakhimpur Kheri in the State of Uttar Pradesh being its principal place of business.

The Company has applied for shifting of registered office from the State of West Bengal to the National Capital Territory of Delhi (refer note 51 for more details).

2. Application of Indian Accounting Standards

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the financial statements are authorized (refer note 53) have been considered while preparing these financial statements.

3. Significant accounting policies

a) Basis of preparation

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended time to time) notified under section 133 of the Companies Act, 2013 (the "Act").

The financial statements of the Company have been prepared on a historical cost basis., except for certain financial assets (refer note 6) and non-financial assets (refer note 10) measured at fair value or net realizable value as applicable.

b) Newly effective standard adopted by the Company (recent accounting pronouncement)

The newly effective Ind AS 115 "Revenue from Contracts with Customers" requires to recognize revenue when customer has transferred control of goods or service rather than transfer of risks and rewards. Refer note 27 and 49 for further details.

c) Current versus non-current classification

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

An **asset** is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- 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** is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The Company classifies all other liabilities as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Revenue recognition

The Company has applied Ind AS 115 "Revenue from Contracts with Customers" using the cumulative effect method and therefore the comparative information has not been restated and continues to be reported under Ind AS 18 "Revenue". The details of accounting policies under Ind AS 18 are disclosed separately if they are different from those under Ind AS 18 and the impact of changes is disclosed in note 49.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties, if any. The Company recognizes revenue when it transfers control over a product or service to a customer.

To determine whether to recognize revenue, the Company follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied.

Identifying the performance obligations

Under Ind AS 115, the Company must evaluate the separability of the promised goods or services based on whether they are 'distinct'. A promised good or service is 'distinct' if both:

- the customer benefits from the item either on its own or together with other readily available resources, and
- it is 'separately identifiable' (i.e. the Company does not provide a significant service integrating, modifying or customizing it)

Determining the transaction price

Under Ind AS 115, the Company shall consider the terms of the contract and its customary business practices to determine the transaction price. The transaction price excludes amounts collected on behalf of third parties. The consideration promised include fixed amounts, variable amounts, or both.

Where the Company has a right to consideration from a customer in an amount that corresponds directly with the value to the customer of the performance completed to date (for example, charges per case/pallet), the Company recognises revenue in the amount to which it has a right to invoice.

Allocating the transaction price to the performance obligations

The transaction price is allocated to the separately identifiable performance obligations on the basis of their standalone selling price (in case of storage and distribution contracts where the customer pays a fixed rate per item for all the services provided). For services that are not provided separately, the standalone selling price is estimated using adjusted market assessment approach.

Recognising revenue when/as performance obligation(s) are satisfied.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is recognised either at a point in time or over time, when (or as) the Company satisfies performance obligations by transferring the promised goods or services to its customers.

In the comparative period presented in financial statements, revenue was measured at the fair value of the consideration received or receivable. Revenue from the sale of goods was recognised when the significant risks and rewards of ownership had been transferred to the customer, recovery of the consideration was probable, there was no continuing management involvement with the goods and the amount of revenue could be measured reliably.

The Company derives revenue primarily from two segments - Sugar and Power. Sugar segment of the Company principally generate revenue from sale of goods (sugar and by products including transportation services for certain contracts) and Power segment generates revenue by generating power units and selling it to Government of Uttar Pradesh (for more detailed information about reportable segments, refer note 43).

For Sugar segment:

For transfer of goods, the Company recognizes revenue when the customers obtain the control of goods. This usually happens when the customer gains right to direct the use of and obtained substantially all benefits from the goods. For the goods sold, the Company receives amount majorly in advance from the customers and therefore there are not any significant financing components involved. For certain sales, where the Company also provide transportation services, the Company considers the same as a separate performance obligation believing that the Company is acting as an agent for transfer of goods and therefore reduces the related costs for transportation and other charges from transaction price.

For power segment, revenue is recognized, when power units are transferred to the customer. For units transferred, the customer is billed monthly and payments are made with in next 30 working days from receipt of bill contractually.

Interest income:

For all debt instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR) as explained in note (p) below.

Dividends:

Dividend is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

Renewable energy certificates income:

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

Power banked units:

Income from power banked units is recognised when the right to set off power banked units is established against the power to be purchased by the Company.

Rental income

Rental income including from sub leasing arrangements in recognized on straight line basis over the term of contract where the rentals are structured to be in line with expected general inflation.

e) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attached conditions are 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 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 (based upon the level of inputs available) 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.

f) Taxes

Income tax comprises of current and deferred tax. It is recognised in Statement of Profit and Loss except to the extent that is related to an item recognised directly in equity or other comprehensive income.

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 in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, 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 income 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 income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

g) Property, plant and equipment

Freehold land is carried at historical cost. All the items of the property, plant and equipment are stated as per cost model i.e. cost of acquisition less accumulated depreciation and impairment. All significant costs incidental to the acquisition of assets are capitalized.

Recognition:

The costs including subsequent costs of an item of property, plant and equipment is recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

All other expenses including day to day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss in the year when such expenses are incurred.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on 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.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation, estimated useful life and residual life

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives: -

Particulars	Life (years)
Buildings	30-60
Plant and equipment	05-25
Furniture and fixtures	10
Vehicles	08
Office equipment	03-05

The Company based on technical assessment made by technical experts and management estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

h) Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects are carried at cost. Cost comprises of purchase cost, related acquisition expenses, development / construction costs, borrowing costs and other direct expenditure.

i) 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 impairment losses, if any.

Recognition:

The costs of intangible asset are recognised as an asset if, and only if:

- it is probable that future economic benefits associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Intangibles representing computer software are amortized using the straight line method over their estimated useful lives of five years.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at each financial year end and adjusted prospectively, if appropriate treating them as changes in accounting estimates. The maintenance expenses on intangible assets with finite lives is recognised in the statement of profit and loss, unless such expenditure forms part of carrying value of an asset and satisfies recognition criteria.

Gains/(losses) arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Assets carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

j) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a “Cash Generating Unit” (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash- generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount. The increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

k) Borrowing costs

General and specific borrowing costs directly attributed to the acquisition, construction or production of a qualifying asset are capitalised upto the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they occur or accrue. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

l) Leases

As a lessee

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

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the statement of profit and loss over the lease term.

As a lessor

Lease income from operating leases where the Company is a lessor is recognized as income on straight line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet on their nature.

m) Foreign currency measurements

Foreign currency transactions are recorded at the rates of exchange prevailing on the date of transaction. Monetary foreign currency assets and liabilities outstanding at the close of the financial year are revalued at the exchange rates prevailing on the balance sheet date. Exchange differences arising on account of fluctuation in the rate of exchange is recognised in the statement of profit and loss.

n) Inventories

Raw materials, stores and spares are valued at lower of cost and net realizable value. However, these items are considered to be realizable at cost if the finished products, in which they will be used, are expected to be sold at or above cost.

Goods under process and finished goods are valued at lower of cost and net realizable value.

Finished goods and Goods under process include cost of conversion and other costs incurred in bringing the inventories to their present location and condition based on normal operating capacity.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost of inventories is computed on a weighted average basis.

By products and saleable scraps, whose cost is not identifiable, are valued by management at estimated net realizable value.

Net realizable 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.

o) Post-employment and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no statutory nor contractual obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

Gratuity liability being a defined benefit obligation is provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. The gratuity plan of the Company has been funded by policy taken from Life Insurance Corporation of India. Actuarial gains and losses for defined benefit plan are recognized in full in the year in which they occur in the statement of profit and loss.

Measurements, comprising of actuarial gains and losses are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Acturial gains/losses are not reclassified to profit or loss in subsequent periods.

Past service costs are recognised in profit or loss on the earlier of:

- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and nonroutine settlements; and
- Net interest expense or income

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 purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. The Company presents the entire leave as current liability in the balance sheet, since it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Actuarial gains and losses are recognized in full in the period in which they occur in the statement of profit and loss.

p) Financial instruments

Financial assets and financial liabilities are recognized when Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value using best estimates. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement the profit and loss.

Financial assets:

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortized cost

A financial asset shall be measured at amortised cost using effective interest rates if both of the following conditions are met:

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- 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 amount outstanding.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets at fair value through profit and loss (FVTPL)

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognized in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments. The Company has irrevocably adopted to value its equity investments through FVTOCI.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the statement of profit and loss are included in the 'Other income' line item.

Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortized cost and financial asset designated as at FVTOCI.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Financial liabilities:

Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of profit and loss when liabilities are derecognised. 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 cost in the statement of profit and loss.

Non-Convertible Redeemable Preference Shares (NCRPS)

At the issue date the fair value of the liability component of NCRPS is estimated using the market interest rate for a similar non-convertible instrument. This amount is recorded as a liability at amortised cost using the effective interest method until extinguished upon at the instrument's redemption date. The equity component is determined as the difference of the amount of the liability component from the fair value of the instrument issued to equity shareholders of the Company and deferred gain (which is amortized over the life of NCRPS) for other than equity shareholders.

Derecognition of financial instruments

The Company derecognises 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 de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognised from the Company's balance sheet when the obligation specified in the contract is discharged or cancelled or expires.

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. All methods of assessing fair value result in general approximation of value, and such value may vary from actual realisation on future date.

q) Earnings per share

Basic Earnings per Share is calculated by dividing the net profit or loss for the year attributable to ordinary equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of ordinary shares outstanding during the year.

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

An ordinary share is an equity instrument that is subordinate to all other classes of equity instruments.

r) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs. Unallocated items include general corporate income and expense items which are not allocated to any business segment. The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

s) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

t) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities

In those cases, where the possible outflow of economic resources as a result of present obligations is considered not probable or where the amount of the obligation cannot be determined reliably, no liability is recognized.

Contingent assets

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

u) Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

v) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements inevitably requires management to make judgments, 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 may require a material adjustment to the carrying amount of assets or liabilities in future periods, notwithstanding the management's best efforts.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Defined benefit obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such 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, mortality rates and attrition rate. 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. Refer note 37 for details of assumptions used in the determination of liability and relevant sensitivity analysis.

Recoverability of deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. Refer note 8.

Contingent liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. Refer note 39.

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of Property, plant and equipment at each reporting date, based on the expected utility of the assets, assessed by technical experts. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

w) Rounding of amounts

All amount disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of schedule III, unless otherwise stated.

4 Property, plant and equipment

(All amounts in INR lacs unless otherwise stated)

Particulars	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Office equipments	Vehicles	Total
Gross carrying value							
As at 01 April 2017	1,805.47	8,039.61	29,896.12	82.42	108.23	70.58	**40,002.42**
Additions	129.34	168.52	2,744.20	7.32	14.03	-	**3,063.41**
Disposals	-	-	121.02	-	0.25	19.29	**140.56**
As at 31 March 2018	**1,934.81**	**8,208.13**	**32,519.29**	**89.74**	**122.01**	**51.29**	**42,925.27**
Additions	-	204.40	1,145.97	7.77	18.24	-	**1,376.38**
Disposals	-	-	8.65	-	0.68	-	**9.33**
As at 31 March 2019	**1,934.81**	**8,412.53**	**33,656.61**	**97.51**	**139.57**	**51.29**	**44,292.32**
Accumulated depreciation							
As at 01 April 2017	-	281.16	1,132.37	14.91	46.07	13.90	**1,488.40**
Charge for the year	-	309.92	1,309.73	21.84	31.18	15.55	**1,688.22**
Adjustment for disposals	-	-	108.39	-	0.18	18.33	**126.90**
As at 31 March 2018	**-**	**591.08**	**2,333.71**	**36.75**	**77.07**	**11.12**	**3,049.72**
Charge for the year	-	323.14	1,380.25	17.10	45.18	24.98	**1,790.65**
Adjustment for disposals	-	-	1.27	-	0.65	-	**1.92**
As at 31 March 2019	**-**	**914.22**	**3,712.69**	**53.85**	**121.60**	**36.10**	**4,838.45**
Net block as at 31 March 2018	**1,934.81**	**7,617.05**	**30,185.58**	**52.99**	**44.94**	**40.17**	**39,875.55**
Net block as at 31 March 2019	**1,934.81**	**7,498.31**	**29,943.92**	**43.66**	**17.97**	**15.19**	**39,453.87**

Notes:

(i) Contractual obligations
Refer note 40 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing costs
Refer note 32 for disclosure of capitalised borrowing costs.

(iii) Property, plant and equipment have been pledged as security for liabilities, for details refer note 19 and note 47.

4(a) Capital work-in-progress *(All amounts in INR lacs unless otherwise stated)*

Particulars		As at 31 March 2019	As at 31 March 2018
Capital work-in-progress		7,142.03	757.26
	Total	**7,142.03**	**757.26**

i) Movements in Capital work-in-progress

	Amounts
Capital work-in-progress as at 01 April 2017	1,194.38
Add: Additions during the year	1,805.64
Less: Capitalisation during the year	(2,242.76)
Capital work-in-progress as at 31 March 2018	**757.26**
Add: Additions during the year	7,735.14
Less: Capitalisation during the year	(1,350.37)
Capital work-in-progress as at 31 March 2019	**7,142.03**

ii) Preoperative expenses (pending allocation) included in Capital work-in-progress above

		As at 31 March 2019	As at 31 March 2018
Employee benefits expense		92.63	12.14
Power and fuel		70.00	98.19
Consultancy and professional charges		161.44	42.00
Finance costs (refer note 32 for further details)		284.85	164.10
Miscellaneous expenses		212.59	168.79
		821.51	**485.22**
Less: Capitalized during the year		(45.52)	(315.20)
	Total	**775.99**	**170.02**

5 Other intangible assets

Computer software	Amounts
Gross carrying value	
As at 01 April 2017	45.67
Additions	-
As at 31 March 2018	**45.67**
Additions	-
As at 31 March 2019	**45.67**
Accumulated amortization	
As at 01 April 2017	1.07
Charge for the year	9.75
As at 31 March 2018	**10.82**
Charge for the year	9.75
As at 31 March 2019	**20.57**
Net block as at 31 March 2018	**34.85**
Net block as at 31 March 2019	**25.10**

(All amounts in INR lacs unless otherwise stated)

	Particulars		As at 31 March 2019	As at 31 March 2018
6	**Investments**			
	Non current:			
	Measured at amortised cost			
	5 Years National Saving Certificates		1.00	1.00
		Total (a)	**1.00**	**1.00**
	Designated at fair value through OCI			
	Investments in equity instruments (quoted, fully paid equity shares- non trade investments)			
	Duke Commerce Limited [24,700 shares (previous year: 24,700 shares) of INR 10/- each]		0.64	0.64
	Chambal Fertilizers & Chemicals Limited [1,947 shares (previous year: 1,947 shares) of INR 10/- each]		3.02	4.20
	Premium Exchange & Finance Limited [Nil (previous year: 180,240 shares) of INR 10/- each]		-	5.59
	Master Exchange & Finance Limited [Nil (previous year: 188,460 shares) of INR 10/- each]		-	5.90
	Investments in equity instruments (unquoted, fully paid equity shares- non trade investments)			
	Premium Exchange & Finance Limited [180,240 shares (previous year: 180,240 shares) of INR 10/- each]		5.59	-
	Master Exchange & Finance Limited [188,460 shares (previous year: 188,460 shares) of INR 10/- each]		5.90	-
		Total (b)	**15.15**	**16.33**
		Total (a+b)	**16.15**	**17.33**
	Aggregate amount of quoted investments		3.66	16.33
	Aggregate market value of quoted investments		3.66	16.33
	Aggregate amount of unquoted investments		12.49	1.00
	Aggregate amount of impairment in value of investments		-	-
	Current:			
	Measured at fair value through profit and loss			
	Investments in mutuals funds (quoted)			
	SBI Liquid Fund - Regular Growth Plan [4037.924 units (previous year: Nil) of INR 2,894.06/- each]		117.00	-
		Total	**117.00**	**-**
	Aggregate amount of quoted investments		117.00	-
	Aggregate market value of quoted investments		117.00	-
	Aggregate amount of impairment in value of investments		-	-
7	**Other financial assets (non - current)**			
	Measured at amortised cost			
	Sundry deposits (unsecured, considered good)		3.39	2.36
	Fixed deposits with bank having more than 12 months maturity		13.93	-
		Total	**17.32**	**2.36**
8	**Deferred tax assets (net)**			
	The balance comprises of temporary differences attributable to:			
	Tax effect of items constituting deferred tax assets:			
	Unused tax losses and depreciation		12,719.95	14,226.27
	Expenses allowed on payment basis		674.43	-
	Deferred government grants		334.22	540.59
	Disallowances under section 40(a)(ia) of the Income tax, Act 1961		167.77	345.30
	Total deferred tax assets	**Total (a)**	**13,896.37**	**15,112.16**
	Tax effect of items constituting deferred tax liabilities			
	Property, plant and equipment exceeds its tax base		(6,604.07)	(6,874.33)
	Financial assets and financial liabilities at amortised cost		(34.35)	(13.13)
	Total deferred tax liabilities	**Total (b)**	**(6,638.42)**	**(6,887.46)**
	Net deferred tax assets	**Total (a+b)**	**7,257.95**	**8,224.70**

(All amounts in INR lacs unless otherwise stated)

Notes:

(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2019:

	As at 31 March 2018	Charged/(credited) to Profit or Loss	Charged/(credited) to OCI	As at 31 March 2019
Tax effect of items constituting deferred tax assets:				
Unused tax losses and depreciation	14,226.27	(1,506.32)	-	12,719.95
Expenses allowed on payment basis	540.59	146.29	(12.45)	674.43
Deferred government grants	345.30	(11.08)	-	334.22
Disallowances under section 40(a)(ia) of the Income tax, Act 1961	-	167.77	-	167.77
Tax effect of items constituting deferred tax liabilities		-		
Property, plant and equipment exceeds its tax base	(6,874.33)	270.26	-	(6,604.07)
Financial assets and financial liabilities at amortised cost	(13.13)	(21.22)	-	(34.35)
	8,224.70	**(954.30)**	**(12.45)**	**7,257.95**

Movement in deferred tax assets/(liabilities) for year ended 31 March 2018:

	As at 01 April 2017	Charged/(credited) to Profit or Loss	Charged/(credited) to OCI	As at 31 March 2018
Tax effect of items constituting deferred tax assets:				
Unused tax losses and depreciation	12,468.95	1,757.32	-	14,226.27
Expenses allowed on payment basis	501.35	(36.04)	75.28	540.59
Deferred government grants	171.91	173.39	-	345.30
Others	34.38	(34.38)	-	-
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment exceeds its tax base	(5,408.04)	(1,466.29)	-	(6,874.33)
Financial assets and financial liabilities at amortised cost	(17.27)	4.14	-	(13.13)
	7,751.28	**398.14**	**75.28**	**8,224.70**

(ii) The Company carries an amount of INR 7,257.95 lacs as deferred tax assets (net) as at 31 March 2019. The management of the Company is confident of generating sufficient taxable profits in the near future considering the power purchase arrangements with the Uttar Pradesh Power Corporation Limited, positive expected cash flows, future expansion plans like setting up of Distillery having capacity of 100,000 litres per day, 16 MW Co-generation Power Plant and industry focused trade policies of the government.

	Particulars	As at 31 March 2019	As at 31 March 2018
9	**Other non current assets**		
	Unsecured, considered good		
	Advances for purchase of property, plant and equipments #	774.83	151.15
	Deposit against disputed demands	144.28	309.95
	Total	**919.11**	**461.10**
	#Refer note 42 for advances from related parties.		
10	**Non - current tax assets (net)**		
	Income tax (net of provisions)	45.96	0.22
	Total	**45.96**	**0.22**
11	**Inventories**		
	Valued at lower of cost and net realizable value, unless otherwise stated		
	Finished goods (Sugar) (refer note i)	38,685.90	33,746.71
	Stores and spares	831.36	651.81
	Work in progress (refer note ii)	610.21	755.45
	Sugarcane	89.81	56.94
	Valued at net realizable value		
	By-products		
	Bagassee	491.75	1,042.89
	Molasses	4,953.50	2,297.01
	Pressmud	108.46	80.07
	Scrap stock	235.50	318.75
	Total	**46,006.49**	**38,949.63**

Notes: *(All amounts in INR lacs unless otherwise stated)*

(i) During the last year ended 31 March 2018, the Company valued its inventory of finished goods and work in progress based on net realizable value ('NRV') which is lower than cost of finished goods and work in progress for Sugar.

(ii) Write down of inventories of finished goods and work in process for sugar, to net realizable value on account of higher cost of production amounts to INR Nil (31 March 2018: INR 1,913.12 lacs). This was recognized as an expense during the year and included in 'changes in inventories of finished goods and work-in-progress' in the Statement of Profit and Loss.

(iii) For inventories pledged as securities against financial liabilities, refer note 19.2, 22.2 and 47.

	Particulars	As at 31 March 2019	As at 31 March 2018
12	**Trade receivables**		
	Measured at amortised cost		
	Unsecured, considered good	3,830.78	1,592.40
	Unsecured, credit impaired	1.32	1.32
	Less: Loss allowance	(1.32)	(1.32)
	Total	**3,830.78**	**1,592.40**
13	**Cash and cash equivalents**		
	Cash on hand	7.33	8.02
	Balances with bank:		
	In current account	154.59	69.81
	Total	**161.92**	**77.83**
14	**Other bank balances**		
	Measured at amortised cost		
	Balances with banks (other than presented in note 13 above):		
	Deposits with original maturity of more than 3 months but less than 12 months	1.57	13.55
	Total	**1.57**	**13.55**
15	**Loans**		
	Measured at amortised cost		
	Security deposits (unsecured, considered good)	34.31	-
	Loan to employees (secured, considered good)	4.20	6.76
	Loan to employees (credit impaired)	0.31	0.31
	Less: Loss allowance	(0.31)	(0.31)
	Total	**38.51**	**6.76**
16	**Other financial assets**		
	Measured at amortised cost		
	Unbilled revenues	764.10	786.37
	Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery Promotion Policy, 2013	2,115.82	1,494.23
	Interest subvention receivable under scheme for extending financial assistance to sugar undertakings (SEFASU), 2014	14.58	23.04
	Amounts held with Central Electricity Regulatory Commission (CERC) [refer note (i)]	102.25	102.25
	Assistance to sugar mills for sugar cane purchase [refer note (ii)]	1,724.02	680.44
	Assistance to sugar mills under the scheme for creation and maintenance of buffer stock [refer note (iii)]	298.05	-
	Other receivables [refer note 42 for receivables from related parties]	271.31	16.58
	Total	**5,290.13**	**3,102.91**

Notes: *(All amounts in INR lacs unless otherwise stated)*

(i) INR 500 per REC unit sold has been deducted and held by respective power exchanges for onward submission to CERC on behalf of the Company being a RE generator with reference to Hon'ble Supreme Court order dated 14 July 2017. Total amount held is INR 102.25 lacs (previous year INR 102.25 lacs) as on reported dates.

(ii) The Central Government pursuant to Notification No. 1(5)/2018-S.P.-I dated 9 May 2018 issued by Ministry of Consumer Affairs (Department of Food and Public Distribution), has notified a scheme of assistance to sugar mills against sugar cane crushed during sugar season 2017-18. Pursuant to the aforementioned notification, during the year ended 31 March 2018, the Company had accounted for such grant amounting to INR 680.44 lacs. However, based upon non-fulfillment of extended conditions of the aforementioned notification, the Company has derecognized such receivable amount during the year ended 31 March 2019.

Other than above, during the year ended 31 March 2019, the Central Government pursuant to Notifications dated 5 October 2018, issued by Ministry of Consumer Affairs (Department of Food and Public Distribution) has notified the schemes namely - "Scheme for Assistance to Sugar Mills" and "Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export" collectively referred to as "Schemes" for crushing season 18-19 to improve liquidity position of sugar mills enabling them to clear cane price dues of farmers for crushing season 18-19. Based on substantial fulfillment of conditions attached to the Schemes, the Company has recognized proportionate amount of subsidy under "Other income" amounting to INR 1,724.02 lacs with an corresponding "Other expense" of INR 1,445.44 lacs being costs incurred for fulfillment of conditions attached to the Schemes.

(iii) The Central Government pursuant to Notification No. 1(6)/2018-S.P.-I dated 15 June 2018 issued by Ministry of Consumer Affairs (Department of Food and Public Distribution), has notified a scheme for creation and maintenance of buffer stock. Pursuant to the aforementioned notification, during the year ended 31 March 2019, the Company had accounted for such grant amounting to INR 451.24 lacs and outstanding receivable as on reported date is INR 298.05 lacs.

	Particulars	As at 31 March 2019	As at 31 March 2018
17	**Other current assets**		
	Balance with revenue authorities	848.44	969.26
	Advances to suppliers	145.77	169.61
	Prepaid expenses	118.52	73.04
	Renewable energy certificates (REC)	146.70	465.79
	Power banked (drawable)	51.07	49.73
	Total	**1,310.50**	**1,727.43**

	Particulars	As at 31 March 2019	As at 31 March 2018
18	**Equity**		
(a)	**Equity share capital**		
	Authorised share capital:		
	40,000,000 (31 March 2018: 65,000,000) equity shares of INR 10/- each#	4,000.00	6,500.00
		4,000.00	6,500.00

During the year ended 31 March 2019, the Company reclassified the Authorised Share Capital of the Company from the existing INR 20,00,000,000 comprising of 6,50,00,000 Equity Shares of INR 10 each and 13,50,00,000 Preference Shares of INR 10/- each to INR 200,00,00,000 comprising of 4,00,00,000 Equity Shares of INR 10/- each and 16,00,00,000 Preference Shares of INR 10/- each vide relevant form filed with Ministry of Corporate Affairs dated 09 November 2018.

Issued, subscribed and fully paid up:		
3,730,917 (31 March 2018: 3,200,000) equity shares of INR 10/- each	373.09	320.00
Total	**373.09**	**320.00**

(All amounts in INR lacs unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018

(i) Movement in equity share capital

	Number of shares	Amount
As at 01 April 2017	32,00,000	320.00
Issued during the year	-	-
As at 31 March 2018	32,00,000	320.00
Issued during the year*	5,30,917	53.09
As at 31 March 2019	**37,30,917**	**373.09**

*During the year ended 31 March 2019, on 14 November 2018, the Company has issued 530,917 Equity Shares to one of the Promoters (Zuari Investments Limited or "ZIL" being holding company of the Company) on preferential basis at INR 100/- per Equity Share (face value of INR 10/- and share premium being INR 90/- per Equity Share).

(ii) Terms and rights attached to the equity shares

The Company has only one class of equity shares having a par value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential commitments and statutory obligations. The distribution to equity shareholders will be in proportion to the amount paid up or credited as paid up.

(iii) Shares of the Company held by holding company

	As at 31 March 2019	As at 31 March 2018
Zuari Investments Limited ('ZIL'), (the holding company) 2,171,549 (1,640,632) equity shares of INR 10/- each fully paid	**217.15**	**164.06**

(iv) Details of shareholders holding more than 5% shares in the Company

Equity shares of INR 10/- each fully paid:

	As at 31 March 2019	As at 31 March 2018
Zuari Investments Limited		
Number of shares held	21,71,549	16,40,632
%age of shares held	58.20%	51.27%
Mr. Akshay Poddar		
Number of shares held	2,35,000	2,35,000
%age of shares held	6.30%	7.34%

	Particulars	As at 31 March 2019	As at 31 March 2018
(b)	**Instruments entirely equity in nature**		
	Authorised share capital:		
	160,000,000 (31 March 2018: 135,000,000) preference shares of INR 10/- each	16,000.00	13,500.00
		16,000.00	13,500.00
	Issued, subscribed and fully paid up:		
	742,130 (31 March 2018: Nil) Compulsorily Convertible Preference Shares ('CCPS') of INR 10/- each	74.21	-
	Total	**74.21**	**-**

(i) Movement in CCPS

	Number of shares	Amount
As at 01 April 2017	-	-
Issued during the year	-	-
As at 31 March 2018	-	-
Issued during the year*	7,42,130	74.21
As at 31 March 2019	**7,42,130**	**74.21**

*During the year ended 31 March 2019, on 14 November 2018, the Company has issued 742,130 CCPS to one of the Promoters (Zuari Investments Limited or "ZIL" being holding company of the Company) on preferential basis at INR 100/- per CCPS (face value of INR 10/- and share premium being INR 90/- per CCPS).

(ii) Terms and rights attached to the CCPS

The Company has only one class of CCPS having a par value of INR 10 per CCPS. These CCPS's shall not carry dividend and each CCPS be convertible into one equity share of the Company at any time not later than 18 months from the date of allotment of such CCPS.

(All amounts in INR lacs unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
(c)	**Other equity**		
(i)	**Reserves and surplus**		
	Capital redemption reserve		
	Opening balance	10.00	10.00
	Appropriations during the year	-	-
	Utilisations during the year	-	-
	Closing balance	10.00	10.00

Nature and purpose:
Where the preference shares are redeemed out of the profits available for distribution, a sum equivalent to the nominal amount of shares being redeemed shall be transferred to the Capital Redemption Reserve.
The Capital Redemption Reserve shall be treated as the paid up share capital of the Company for all purposes and can also be utilised for bonus issue of shares.

Securities premium		
Opening balance	200.00	200.00
Additions during the year	1,145.74	-
Utilisations during the year	-	-
Closing balance	1,345.74	200.00

Nature and purpose:
Security premium is created when the Company issue shares at the premium. The aggregate amount of premium received on the shares is transferred to a separate account called “security premium reserve”. The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions. This reserve is carried forward from earlier years.

Molasses and alcohol storage and maintenance reserve		
Opening balance	121.99	119.31
Additions during the year	2.51	2.68
Utilisations during the year	-	-
Closing balance	124.50	121.99

Nature and purpose:
The above mentioned reserve is created under Molasses Control Order 1961 which requires every sugar factory to set aside a amount as mentioned in the order. The amount credited in said account shall be utlised only for purposes of construction or erection of storage facilities for molasses.

Retained earnings		
Opening balance	(8,143.38)	(5,942.60)
Loss for the year	(3,582.47)	(2,057.36)
Transactions of other comprehensive income directly recognized in reserves		
Re-measurement of defined benefit plans (net of tax impacts)	24.47	(143.42)
Closing balance	(11,701.38)	(8,143.38)
	(10,221.14)	**(7,811.39)**

Nature and purpose:
Retained earnings are created from the profit/(loss) of the Company, as adjusted for distributions to owners, transfers to other reserves, etc.

(ii)	**Other reserves**		
	Fair value through OCI- equity instruments	0.69	1.63
	Total	**0.69**	**1.63**
	Fair value through OCI- equity instruments		
	Opening balance	1.63	0.45
	Changes in fair value of FVOCI equity instruments (net of tax)	(0.94)	1.18
	Closing balance	**0.69**	**1.63**

Nature and purpose:

The Company has elected to recognize changes in the fair value of certain investments in equity shares in other comprehensive income.

These are accumulated in Fair value through OCI- equity instruments reserve in OCI within the equity. The Company transfers this reserves to retained earnings when relevant equity investments are derecognized.

(iii) Deemed equity

Opening balance	7,821.00	7,821.00
Additions during the year	-	-
Utilisations during the year	-	-
Closing balance*	**7,821.00**	**7,821.00**

* Refer note 19.1 for further details.

Total other equity [(i) +(ii)+(iii)]	**(2,399.45)**	**11.24**

	Particulars	As at 31 March 2019	As at 31 March 2018
19	**Borrowings (Non-current)**		
	Measured at amortised cost		
	Term loans (secured) (refer note 19.2):		
	- From banks		
	Indian rupee loan	7,396.15	8,629.87
	Cane soft loan	11,085.66	1,449.29
	Loan under under SEFASU 2014 (Excise duty loan)	60.98	743.12
		-	
	- From others		
	Loan from Sugar Development Fund (SDF)	4,594.12	4,211.90
	Loan from a financial institution (IREDA)	7,513.13	5,856.97
	Foreign currency loan (External commercial borrowings) (FMO)	9,766.77	8,927.10
		-	
	Inter-corporate loan from related party (unsecured)(refer note 19.2)#	7,042.00	-
		-	
	Financial liability part of NCRPS issued (unsecured) (refer note 19.1)#	-	
	To related parties	4,704.76	4,021.65
	To others	31.53	26.95
	Total non current borrowings	**52,195.10**	**33,866.85**
	Less: Current maturities of long term borrowings presented under "Other financial liabilities" (refer note 24)	7,148.91	3,139.11
	Total	**45,046.19**	**30,727.74**

#Refer note 42 for borrowings from related parties

Notes:

19.1 Non-Convertible Redeemable Preference Shares ('NCRPS')

The NCRPS carry dividend @ 7.00% per annum. The Board reserves the right to pay the dividend earlier with the consent of the subscribers but subject to the availability of profit. In case of loss or inadequacy of profit, the right of holders of NCRPS to receive the dividend shall expire.

NCRPS have been initially recorded at fair value by discounting the cash flow at maturity of instruments with discount rate of 16% p.a. (interest rate applicable to similar other borrowings of the Company).

The difference between the transaction price and fair value of the instruments issued to Zuari Investments Limited (existing equity shareholder of GSML) are treated as "deemed equity". For NCRPS issued to other entities/parties, the difference between the transaction price and fair value is treated as "deferred gain on issuance of financial instruments" in accordance with para 5.1.2.A.(b) of Ind AS 109 "Financial Instruments". This deferred gain is amortised in the ratio of financial costs on the financial liability part of instruments.

Particulars	Financial liability carried at amortised cost	Deferred gain arising of initial measurement	Deemed equity
Balance as at 31 March 2017 (Face value: INR 12,660.00 lacs)	**3,460.76**	**2,719.34**	**7,821.00**
NCRPS issued during the year	-	-	-
Interest expense and related amortisation of deferred gain#	587.84	(121.56)	-
Balance as at 31 March 2018 (Face value: INR 12,660.00 lacs)	**4,048.60**	**2,597.78**	**7,821.00**
NCRPS issued during the year	-	-	-
Interest expense and related amortisation of deferred gain#	687.69	(142.21)	-
Balance as at 31 March 2019 (Face value: INR 12,660.00 lacs)	**4,736.29**	**2,455.57**	**7,821.00**

#Interest cost is presented under "finance costs" and amortisation of deferred gain are presented under "other income".

The date of allotment and number of shares for the various series of preference shares are given below:

Series	Date of allotment	Number of Shares	Face value (INR 10/- each)
1	03 January 2012	1,50,00,000	15,00,00,000
2	18 June 2012	50,00,000	5,00,00,000
3	27 September 2012	3,30,00,000	33,00,00,000
4	28 June 2013	35,00,000	3,50,00,000
5	20 September 2013	35,00,000	3,50,00,000
6	31 December 2013	1,00,00,000	10,00,00,000
7	31 March 2014	1,17,50,000	11,75,00,000
8	30 June 2014	52,50,000	5,25,00,000
9	17 November 2014	20,00,000	2,00,00,000
10	14 January 2015	27,50,000	2,75,00,000
11	12 February 2015	1,35,00,000	13,50,00,000
12	30 April 2015	15,00,000	1,50,00,000
13	05 May 2015	5,00,000	50,00,000
14	25 May 2015	1,00,00,000	10,00,00,000
15	06 July 2015	7,50,000	75,00,000
16	31 July 2015	10,00,000	1,00,00,000
17	28 August 2015	66,00,000	6,60,00,000
18	10 November 2016	10,00,000	1,00,00,000
	Total	**12,66,00,000**	**1,26,60,00,000**

These shares are redeemable at par in one single lot after the expiry of 12th year from the date of allotment of shares with a right vested in the board of directors to redeem earlier subject to the consent of subscribers.

19 Details of long term borrowings

(All amounts in INR lacs unless otherwise stated)

S. no.	Nature of loan	Lender	As at 31 March 2019		As at 31 March 2018		Nature of securities	Interest rate&	Tenure of repayment
			Non-current	Current	Non-current	Current			
1	Term loan (Indian rupee loan from banks)#	State Bank of India (SBI)	2,167.01	1,252.00	3,408.33	1,252.00	**First equitable mortgage charge** on entire movable and immovable fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh, (both present and future) of the Company on pari passu basis with other term lenders, and **Second charge** on entire current assets of the Company (both present and future), on pari passu basis with other term lenders.	12.25% - 12.90% (P.Y. 12.25%-12.30%)	The loan is repayable in 24 quarterly installments commencing from 31 March 2016 ending on 31 October 2021. The 1st to 23rd quarterly installments will be of INR 313.00 lacs each and the 24th installment will be of INR 301.00 lacs.
2	Term loan (Indian rupee loan from banks)#		2,977.08	1,000.00	3,969.54	-		11.40%-11.55% (11.40% -12.30%)	The loan is repayable in 16 equal quarterly installments commencing from 1 April 2019 and ending on 1 January 2023.
3	Term loan (Cane soft loan)		619.11	416.00	1,033.29	416.00		10.95%-11.25% (P.Y. 10.95%-11.55%)	The loan is repayable in 16 equal quarterly installments commencing from 1 October 2017 and ending on 1 July 2021.
4	Term loan (Loan under under SEFASU 2018)@	Zila Sahakari Bank Ltd.	8,266.47	1,784.14	-	-	**Residual charge** on free assets of the Company.	5.00%	The loan is repayable in 60 equal monthly installments starting from 31 July 2019.
5	Term loan (Loan under under SEFASU 2014 (Excise duty loan)$	Zila Sahakari Bank Ltd.	-	60.98	59.69	366.36	**Residual charge** on free assets of the Company. This charge is yet to be created.	12.00% (P.Y. 12.00%)	The loan is repayable in 36 equal monthly installments starting from 30 June 2016.
6	Term loan (SEFASU 2014, Excise duty loan)$	SBI	-	-	-	317.07	**Primary** Hypothecation of entire current assets including book debts both present and future on pari passu basis with other working capital bankers. **Collateral** Extension of charge on the entire fixed assets of the Company on pari passu basis with other working capital bankers.	Nil (P.Y.-11.70%-12.00%)	The loan is repayable in 12 quarterly installments commencing from 30 June 2016.
7	Term loan (Loan from Sugar Development Fund)# &@	Sugar Development Fund (for Power Co-generation Plant)	3,032.70	-	2,852.31	-	**First pari passu charge** on entire movable assets (both present and future) except book debts of the Company and an additional piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh with existing term loan lenders SBI and IREDA.	4.75%	The said loan is repayable in 10 quarterly installments starting from 28 April 2020.
8	Term loan (Loan from Sugar Development Fund)# &@	Sugar Development Fund (for Sugar Refinery)	1,561.42	-	1,359.59	-		4.50%	The said loan is repayable in 10 quarterly installments starting from 31 January 2022.
9	Term loan (loan from a financial institution)#	Indian Renewable Energy Development Agency Limited (IREDA)	4,289.45	787.68	5,069.29	787.68	**First pari passu charge** on entire movable including the receivables of power and immovable properties of the Company including and pertaining to 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh with existing term loan lender State Bank of India and Sugar Development Fund and **Second pari passu charge** on entire current assets of the Company excluding recievables on which IREDA and SBI have first pari passu charge.	11.45%- 11.74% (P.Y.11.14%-12.15%)	The said loan is repayable in 40 equal quarterly installments starting from 30 September 2016.
10	Term loan (loan from a financial institution)#	IREDA	2,436.00	-	-	-	**First equitable mortgage charge** on entire fixed assets of the Company, situated at 62.318 acres of land at Aira Estate, Khamaria Pandit, Distt Lakhimpur Kheri, Uttar Pradesh and a new piece of land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh together with building, movable and immovable machinery and fixed assets (present and future) of the Company, pari pasu with other term lenders including SDF and **Exclusive charge** on Escrow/TRA account opened for Distillery receivables.	11.95%	The said loan is repayable in 24 equal quarterly installments from 12 months from commencement of operations.
11	Term loan (Foreign currency loan) (refer note 19.3 below)	Netherlandse Financierings Maatschappij Voor Ontwikkelingsladen N.V. ('F.M.O')	9,118.66	648.11	8,927.10	-	**First ranking mortgage** over the property owned by Zuari Global Limited which means land parcel measuring approx. 55 acres that falls under settlement zone located at village Sancoale, Marmugao Taluka, Goa. Also, **guarantee agreements** with Zuari Global Limited for an irrevocable and unconditional guarantee.	5.60%	The loan is repayable in 15 equal half yearly installments commencing from 10 January 2020.
12	Intercorporate loan from related party (refer note 19.4 below)	Zuari Investments Limited ('ZIL')	5,842.00	1,200.00	-	-	Unsecured	12.00%	The loan is repayable in 6 half yearly installments commencing from 31 October 2019 amounting to INR 1,200.00 lacs each (last installment being INR 1,227.00 lacs).

Zuari Global Limited has provided corporate guarantee in respect of these term loans amounting to INR 43,091.93 lacs (previous year : INR 35,091.93 lacs) in aggregate.

@ The loans received from Sugar Development Fund and under the scheme [Scheme for Extending Financial Assistance to Sugar Undertakings 2018, (SEFASU 2018)] are received at rate of interest below market rate. Therefore, the said loans have been fair valued using discounted cash flow technique for initial recognition per Ind AS 20 read with Ind AS 109 and will be subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 11.80% - 12.30% p.a. is bench marked to other secured financial liabilities of the Company. Differential amount arising on fair valuation is treated as deferred government grant which is amortised over the tenure of loan and is released to statement of profit and loss in the proportion of interest expense.

$ As per the scheme [Scheme for Extending Financial Assistance to Sugar Undertakings 2014, (SEFASU 2014)], the interest subvention upto 12% or actual rates of interest charged by the banks is provided to the Company through participating banks.

& Interest rates mentioned above indicates interest rates based upon loan sanctioned terms. However, interest is accrued based on effective interest rate method per Ind AS 109.

(All amounts in INR lacs unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
20	**Provisions**		
	Employee benefit obligations		
	Gratuity (refer note 37)	288.16	210.42
	Leave obligations (refer note 37)	117.25	97.17
	Total	**405.41**	**307.59**
21	**Other non current liabilities**		
	Deferred gain on preference shares issued to entities other than equity shareholders	2,301.76	2,455.57
	Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013:		
	Deferred government grant 5% - Sugar expansion	455.13	476.18
	Deferred government grant 5% - Power Cogeneration plant	446.69	468.27
	Benefits of loans at below market rates of interest:		
	Deferred government grant on loan from Sugar Development Fund	1,110.09	1,300.94
	Deferred government grant 5%-Cane soft loan	1,230.98	-
	Total	**5,544.65**	**4,700.95**
22	**Borrowings (Current)**		
	Measurement at amortised cost		
	Cash credit from banks - secured (refer note 22.2)	16,507.07	20,432.81
	Loan from body corporates - unsecured (refer note 22.2)	2,880.00	2,880.00
	Total	**19,387.07**	**23,312.81**

22.1	**Changes in liabilities arising from financing activities:**	**Non-current borrowings (including current maturities)**	**Current borrowings**
	As at 01 April 2017	**20,052.82**	**22,249.51**
	Cash adjustments		
	Cash inflows	16,720.06	5,989.59
	Cash outflows	(3,452.66)	(4,950.00)
	Interest paid	(2,874.97)	(2,102.93)
	Non-cash adjustments		
	Forex adjustments	94.59	-
	Transfers to deferred gains	(787.40)	-
	Interest accruals/expense	4,076.50	2,102.93
	Effective interest rate adjustments	37.91	23.71
	As at 31 March 2018	**33,866.85**	**23,312.81**
	Cash adjustments		
	Cash inflows	21,372.31	-
	Cash outflows	(3,139.11)	(3,925.74)
	Interest paid	(2,860.48)	(2,154.37)
	Non-cash adjustments		
	Forex adjustments	183.75	-
	Transfers to deferred gains	(2,037.77)	-
	Interest accruals/expense	4,791.54	2,154.37
	Effective interest rate adjustments	18.01	-
	As at 31 March 2019	**52,195.10**	**19,387.07**

22 Details of short term borrowings#

(All amounts in INR lacs unless otherwise stated)

S. no.	Nature of loan	Lender	As at 31-03-2019	As at 31-03-2018	Nature of securities	Interest rate
1	Cash credit limit	State Bank of India (Kolkata)	5,760.34	5,493.83	**Primary** Hypothecation of entire current assets including book debts both present and future on pari passu basis with other working capital bankers. **Collateral** Extension of EM/Hypothecation charge on the entire fixed assets of the Company on pari passu 2nd Charge basis with other working capital bankers.	(11.25%-12.05%) (P.Y. 11.65%-14.10%)
2	Cash credit limit*	Zila Sahakari Bank Ltd. (Khamaria)	5,984.56	5,973.32	**First charge** on finished goods, work in progress and raw material. **Pari pasu** on land ,building and plant and machinery against principal and interest amount.	10.05% (P.Y. 10.05%)
3	Cash credit limit*	Zila Sahakari Bank Ltd. (Barabanki)	1,769.51	1,756.01		10.25% (P.Y. 10.25%-11.25%)
4	Cash credit limit*	Zila Sahakari Bank Ltd. (Pilibhit)	1,399.11	2,200.00		10.05% (P.Y. 10.05%-11.20%)
5	Cash credit limit*	Zila Sahakari Bank Ltd. (Shahjahanpur)	1,593.55	1,893.59		10.05% (P.Y. 10.05%-11.20%)
6	Cash credit limit	Ratnakar Bank Ltd.	-	3,116.05	**First pari passu** charge by way of hypothecation on all current assets of the Company. **Second pari passu** charge by way of hypothecation on all movable fixed assets of the Company. **Second pari passu** charge by way of equitable mortgage on all immovable fixed assets of the Company.	12.50% (P.Y. 11.25%-12.25%)
7	Loan from body corporates	Texmaco Infrastructure & Holding Limited	1,300.00	1,300.00	**Unsecured**	12.50% (P.Y. 12.50%-16.00%)
8	Loan from body corporates	Adventz Security Enterprises Limited	80.00	80.00		12.50%
9	Loan from body corporates	Adventz Investment & Holding Limited	1,500.00	1,500.00		12.50% (P.Y. 12.50%-13.50%)

#All short term borrowings are repayble on demand.

* Charges against the same are yet to be created.

(All amounts in INR lacs unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
23	**Trade payables**		
	- Total outstanding due of micro, small and medium enterprises*	41.75	33.09
	- Total outstanding due of creditors other than micro, small and medium enterprises #	29,994.65	28,250.16
	Total	**30,036.40**	**28,283.25**
	* Refer note 41 for details of dues to micro and small enterprises.		
	# Refer note 42 for payables to related parties.		
24	**Other financial liabilities (current)**		
	Current maturities of long term borrowings	7,148.91	3,139.11
	Interest accrued but not due on borrowings, deposits and others	349.65	368.11
	Marked to market value of derivative instruments not designated as hedges	213.46	-
	Deposits received from sugar agents and others	111.03	62.25
	Payable towards purchase of capital goods#	993.95	1,639.87
	Other payables towards expenses	849.19	-
	Total	**9,666.19**	**5,209.34**
	#Refer note 42 for payable to related parties.		
25	**Other current liabilities**		
	Advance received from customers against sale of goods#	1,351.83	221.79
	Statutory dues	1,048.47	1,120.85
	Deferred gain on preference shares issued to entities other than equity shareholders	153.81	142.21
	Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013:		
	Deferred government grant 5% - Sugar expansion	21.05	21.05
	Deferred government grant 5% - Power Cogeneration plant	21.58	21.58
	Benefits under scheme of Scheme of Extending financial assistance for sugar undertakings		
	Deferred government grant on loan from Sugar Development Fund	201.59	262.42
	Deferred government grant 5%-Cane soft loan	600.74	-
	Total	**3,399.07**	**1,789.91**
	# Refer note 42 for advances received against purchase of goods from related parties.		
26	**Provisions**		
	Employee benefit obligations		
	Gratuity (refer note 37)	87.75	159.47
	Leave obligations (refer note 37)	13.81	21.57
	Total	**101.56**	**181.04**
27	**Revenue from operations**		
	Operating revenues		
	Sale of goods	40,527.74	23,690.79
	Sale of power	5,710.59	5,175.12
	Excise duty and cess on sale of goods (refer note 27.2 and 27.3)	-	343.27
		46,238.33	**29,209.18**
	Other operating revenues		
	Scrap	146.59	223.69
		146.59	**223.69**
	Total	**46,384.92**	**29,432.87**

Notes:

27.1 Disaggregation of revenue from operations:

The table below presents disaggregated revenue from contracts with customers by geography, offerings and sales channels for each of our business segments. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainity of our revenues and cash flows are effected by industry, market and other economic factors. The table also includes a reconciliation of the disaggregated revenue with the Company's strategic divisions, which are its reportable segments (refer note 43).

Particulars	Sugar		Power		Total	
	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018	Year ended 31 March 2019	Year ended 31 March 2018
Revenues by Geography						
India	40,594.74	24,257.75	5,710.59	5,175.12	46,305.33	29,432.87
Other than India	79.59	-	-	-	79.59	-
Total	**40,674.33**	**24,257.75**	**5,710.59**	**5,175.12**	**46,384.92**	**29,432.87**
Revenues by Offerings						
Sale of goods						
Sugar	40,476.37	23,673.20	-	-	40,476.37	23,673.20
By products						
Molasses	27.13	327.50	-	-	27.13	327.50
Press mud	24.24	33.36	-	-	24.24	33.36
Scrap	146.59	223.69	-	-	146.59	223.69
Sale of power	-	-	5,710.59	5,175.12	5,710.59	5,175.12
Total	**40,674.33**	**24,257.75**	**5,710.59**	**5,175.12**	**46,384.92**	**29,432.87**
Revenues by Sales channels						
Direct sales	25,747.35	3,398.62	5,710.59	5,175.12	31,457.94	8,573.74
Sales through intermediators	14,926.98	20,859.13	-	-	14,926.98	20,859.13
Total	**40,674.33**	**24,257.75**	**5,710.59**	**5,175.12**	**46,384.92**	**29,432.87**

The Company has initially applied Ind AS 115 "Revenue form Contracts with Customers" using the cumulative effect method. Under this method, the comparative information is not restated. Refer note 49 for further details.

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	As at 31 March 2019	As at 31 March 2018
Receivables		
Trade receivables	3,830.78	1,592.40
Unbilled revenues	764.10	786.37
	4,594.88	**2,378.77**
Contracts assets	**-**	**-**
Contract liabilities (advances from customers against sale of goods)		
Opening balance	221.79	157.92
Revenue recognized that was included in the contract liability balance at the beginning of the year	(221.79)	(157.92)
Closing balance	1,351.83	221.79

Also, refer note 49.

27.2 Post applicability of Goods and Service Tax Act (GST), w.e.f. 01 July 2017, the revenue is disclosed net of GST. Accordingly, the revenue from operations for year ended 31 March 2019 is not comparable with previous year as Excise duties formed part of revenue from operations and expenses during the previous period upto 30 June 2017.

27.3 In accordance with requirements of Ind AS 115, the Company has presented excise duty separately as included in revenue in statement of profit and loss.

(All amounts in INR lacs unless otherwise stated)

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
28	**Other income**		
	Interest income on		
	Loans, deposits, advances etc.	3.13	1.67
	Long-term investments	0.13	0.13
	Fair valuation gains on financial assets measured at fair value through profit and loss	0.14	-
	Profit on sale of investments in mutual funds	28.50	-
	Insurance and other claims	0.34	3.60
	Rent and hire charges	8.66	7.24
	Unspent liabilities, provisions no longer required and unclaimed balances adjusted	212.44	41.96
	Amortisation of deferred gain on NCRPS	142.21	121.56
	Government grants:		
	Interest reimbursement from U.P Government under Sugar Industry, Cogeneration and Distillery Promotion Policy 2013	755.49	838.36
	Assistance to sugar mills for sugar cane purchase [refer note 16(ii)]	1,724.02	680.44
	Assistance to sugar mills under the scheme for creation and maintenance of buffer stock [refer note 16(iii)]	451.24	-
	Government grants on excise term loans and cane soft loan	49.11	136.33
	Amortisations of :-		
	Deferred government grant recognized on loan from Sugar Development Fund	251.68	239.26
	Deferred government grant 5% - Sugar expansion	21.05	21.05
	Deferred government grant 5% - Power Coogeneration plant	21.57	21.57
	Deferred government grant 5% - Cane Soft Loan	206.04	-
	Other assistances [refer note beow]	664.29	-
	Renewable energy certificates income	282.67	375.78
	Management consultancy services	440.00	-
	Miscellaneous income	17.45	27.88
	Total	**5,280.16**	**2,516.83**

Note:

The State Government pursuant to Notification No. 15/2018/1719/46-3-18-3 (36-A)/2018 issued by Uttar Pradesh Shasan Chini Udyog Anubhag-3 has notified a scheme “Scheme for Extending Financial Assistance to Sugar Undertakings - 2018” (the “Scheme”) for settlement of sugar cane price dues for crushing season 16-17 and 17-18 by providing loans to sugar industries at subsidized rates of interest and cane subsidy at the rate of INR 4.50/- per qntl of sugar cane crushed during the aforementioned crushing season. Under the Scheme, the Company has recorded an amount of INR 664.29 lacs as grant for crushing season 17-18 during the year ended 31 March 2019.

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
29	**Cost of materials consumed**		
	Raw materials at the beginning of the year:-		
	Sugar cane	56.94	-
	Bagassee	1,042.89	113.16
	Rice husk	-	43.27
		1,099.83	**156.44**
	Add: Purchases and procurement expenses		
	Sugar cane	42,588.52	41,221.29
	Bagassee	107.67	1,594.16
	Rice husk	0.65	-
		42,696.84	**42,815.45**
	Less: Raw materials at the end of the year		
	Sugar cane	89.81	56.94
	Bagassee	491.75	1,042.89
	Rice husk	-	-
		581.56	**1,099.83**
	Total	**43,215.11**	**41,872.06**

(All amounts in INR lacs unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
30	**Changes in inventories of finished goods and work-in-progress**		
	Inventories at the end of the year		
	Finished goods	38,685.90	33,746.71
	By products	5,061.96	2,377.08
	Work-in-progress	610.21	755.45
	Scrap	235.50	318.75
		44,593.57	**37,197.99**
	Inventories at the beginning of the year		
	Finished goods	33,746.71	16,560.13
	By products	2,377.08	460.86
	Work-in-progress	755.45	86.93
	Scrap	318.75	189.71
		37,197.99	**17,297.63**
	Adjustment for excise duty and cess on inventories		(1,009.93)
	Total	**(7,395.58)**	**(20,910.29)**
31	**Employee benefit expenses**		
	Salaries, wages and bonus	2,142.89	1,735.62
	Contribution to provident fund	157.82	144.92
	Gratuity expense (refer note 37)	43.18	61.94
	Employee welfare expenses	59.59	54.92
	Total	**2,403.48**	**1,997.40**

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
32	**Finance costs**		
	Interest cost of financial liabilities measured at amortised cost	6,779.96	6,191.43
	Other borrowing costs	34.34	32.87
	Exchange difference on foreign currency term loan regarded as adjustment to borrowing costs	416.46	94.59
		7,230.76	**6,318.89**
	Less: amounts capitalised towards qualifying assets (refer below)	(284.85)	(139.46)
	Total	**6,945.91**	**6,179.43**

Note:

The capitalisation rate used to determine the amount of borrowings costs to be capitalised is weighted average interest rate applicable to the entity's general borrowings during the year, in this case 11.58% p.a.(12.03% p.a.).

	Particulars	Year ended 31 March 2019	Year ended 31 March 2018
33	**Depreciation and amortisation expense**		
	Depreciation of tangible assets	1,790.65	1,688.22
	Amortisation of intangible assets	9.75	9.75
	Total	**1,800.40**	**1,697.97**

(All amounts in INR lacs unless otherwise stated)

	Particulars	As at 31 March 2019	As at 31 March 2018
34	**Other expenses**		
	Consumption of stores and spares	531.00	646.49
	Packing materials	498.71	389.36
	Power and fuel	154.85	103.77
	Repairs to and maintenance of :		
	Buildings	79.73	76.48
	Machinery	1,240.75	754.58
	Others	1.73	1.72
	Rent	210.87	86.12
	Rates and taxes	19.01	13.40
	Insurance	127.24	72.66
	Legal and professional	148.01	166.61
	Payment to auditors:		
	As auditors	23.50	18.75
	For certificates and other services	1.00	1.50
	Other matters	-	2.06
	Payment to cost auditors	0.50	0.55
	Commission on sales	109.53	38.24
	Freight and forwarding charges	705.26	445.55
	Charity and donations	0.78	0.51
	Loss on disposal of property, plant and equipment	2.91	2.78
	Bad debts, cane subsidies and other receivables written off	1,170.85	10.92
	Molasses and alcohol storage and maintenance reserve (refer note 18)	2.51	2.69
	Director's sitting fees	10.40	10.10
	Loss on account of foreign exchange rate fluctuation	183.75	-
	Printing and stationary	24.38	24.72
	Fair value losses on derivatives not designated as hedges	213.46	-
	Service charges for export obligations [refer note 16(ii)]	1,445.44	-
	Miscellaneous	417.76	355.80
	Total	**7,323.93**	**3,225.36**
35	**Tax expense**		
	The tax expense comprises of :		
	Current tax	-	-
	Deferred tax	954.30	(398.14)
	Total	**954.30**	**(398.14)**
	Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	Loss before tax	(2,628.17)	(2,455.50)
	Expected tax expense	34.608%	34.608%
	Expected tax expense	**(909.56)**	**(849.80)**
	Tax effect on expiry of bought forward losses	1,675.08	293.60
	Tax effect on amounts which are not deductible /(taxable) in calculating taxable income		
	Interest on financial liability - NCRPS	238.00	203.44
	Amortized deferred gains on NCRPS	(49.22)	(41.64)
	Other items	-	(3.74)
	Total	**954.30**	**(398.14)**

(All amounts in INR lacs unless otherwise stated)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018

36 Earnings per share (EPS)

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

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

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Loss attributable to equity share holders of the Company	**(3,582.47)**	**(2,057.36)**
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share#	36,81,316	32,00,000
Face value per share (INR per share)	10.00	10.00
Losss per share (basic and diluted) (INR)	**(97.31)**	**(64.29)**

#Ordinary shares for the Company consists of equity shares issued as on reporting date and equity shares to be issued upon conversion of CCPS.

Reconciliation of numbers of shares considered above for computing loss per share:-

Particulars	As at 31 March 2019	As at 31 March 2018
Equity shares		
Openning	32,00,000	32,00,000
Issued during the year	5,30,917	-
Closing	**37,30,917**	**32,00,000**
CCPS		
Openning	-	-
Issued during the year	7,42,130	-
Closing	**7,42,130**	**-**
Weighted average number of share used above	**36,81,316**	**32,00,000**

37 Employee benefit obligations

Particulars	31 March 2019		31 March 2018	
	Current	Non-current	Current	Non-current
Gratuity	87.75	288.16	159.47	210.42
Leave encashment	13.81	117.25	21.57	97.17
Total	**101.56**	**405.41**	**181.04**	**307.59**

A Defined benefits plans - Gratuity

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of two years service.

Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defind benefit plan arising from experience adjustments and effects of changes in actuarial assumptions are immediately recognized in other comprehensive income. Risks associated with the plan provisions are actuarial risks. These risks are investment risk, interest rate risk, mortality risk and salary risk.

Interest rate risk

The present value of the defined benefit liability is calculated using a discount rate determined by reference to market yields of high quality corporate bonds. The estimated term of the bonds is consistent with the estimated term of the defined benefit obligation and it is denominated in INR. A decrease in market yield on high quality corporate bonds will increase the Company's defined benefit liability, although it is expected that this would be offset partially by an increase in the fair value of certain of the plan assets.

Investment risk

Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India ('LIC').

Mortality risk

The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants. A change in mortality rate will have a bearing on the plan's liability.

Salary risk

The present value of the defined benefit plan liability is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

(i) Amount recognized in the statement of profit and loss is as under:

Description	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	61.48	52.98
Interest cost	52.51	31.43
Net impact on loss (before tax)	**113.99**	**84.41**
Actuarial loss/(gain) recognized during the year	(40.59)	219.68
Amount recognized in total comprehensive income	**73.40**	**304.09**

(ii) Change in the present value of obligation:

Description	Year ended 31 March 2019	Year ended 31 March 2018
Present value of defined benefit obligation as at the beginning of the year	**677.56**	**418.82**
Current service cost	61.48	52.98
Interest cost	52.51	31.43
Past service cost	-	1.55
Benefits paid	(34.28)	(46.90)
Actuarial loss	(40.59)	219.68
Present value of defined benefit obligation as at the end of the year	**716.68**	**677.56**

(iii) Movement in the plan assets recognized in the balance sheet is as under:

Description	Year ended 31 March 2019	Year ended 31 March 2018
Fair value of plan assets at the beginning of the year	**307.67**	**277.99**
Interest income	23.84	20.85
Contributions	46.97	55.04
Benefits paid	(34.28)	(46.90)
Actuarial gains/(losses)	(3.43)	0.69
Fair value of plan assets at the end of the year	**340.77**	**307.67**

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	As at 31 March 2019	As at 31 March 2018
Present value of funded obligation as at the end of the year	716.68	677.56
Fair value of plan assets as at the end of the period funded status	340.77	307.67
Unfunded/funded net liability recognized in balance sheet	**375.91**	**369.89**

(v) Breakup of actuarial (gain)/loss:

Description	As at 31 March 2019	As at 31 March 2018
Actuarial (gain)/loss from change in demographic assumption	-	-
Actuarial (gain)/loss from change in financial assumption	19.15	(13.21)
Actuarial (gain)/loss from experience adjustment	(59.74)	232.89
Total actuarial (gain)/loss	**(40.59)**	**219.68**

(vi) Actuarial assumptions

Description	As at 31 March 2019	As at 31 March 2018
Discount rate	7.40%	7.75%
Rate of increase in compensation levels	7.50% for 2018-19	9.00% for 2017-18 & 7.50% for 2018-19
Expected rate of return on plan assets	8.00%	8.00%
Retirement age	58 years	58 years

Notes:

1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.
3) Plan assets comprise funds managed by the insurer i.e. Life Insurance Corporation of India ('LIC').
4) The best estimated expense for the next year is INR 97.65 lacs.

(vii) The major categories of plan assets as a percentage of total plan assets are as follows:

The Company's liability on account of gratuity is ascertained by actuarial valuer and planned assets of the Company are managed by Life Insurance Corporation of India in terms of an insurance policy taken to fund obligations of the Company with respect to its gratuity plan. The difference between the liability ascertained on account of gratuity by Life Insurance corporation of India and actuarial valuer is provided for in the financial statements of the Company. The categories of plan assets as a percentage of total plan assets is based on information provided by Life Insurance Corporation of India with respect to its investment pattern for group gratuity fund for investments managed in total for several other companies.

Description	As at 31 March 2019	As at 31 March 2018
Investments with LIC	100%	100%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2019	As at 31 March 2018
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	(18.68)	(17.22)
- Impact due to decrease of 0.50 %	19.77	18.20
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	19.60	18.14
- Impact due to decrease of 0.50 %	(18.70)	(17.32)

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be co-related. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not changed as compared to previous year.

(ix) Maturity profile of defined benefit obligation

Description	As at 31 March 2019	As at 31 March 2018
Within next 12 months	144.18	159.47
Between 1-5 years	120.81	86.90
Beyond 5 years	451.67	431.20

(x) Weighted average duration of defined benefit obligation is 10.19 years as at 31 March 2019 and 9.75 years as at 31 March 2018.

B Leave encashment

(All amounts in INR lacs unless otherwise stated)

Amount recognized in the statement of profit and loss is as under:

Description	As at 31 March 2019	As at 31 March 2018
Current service cost	32.50	29.26
Interest cost	9.20	7.62
Actuarial loss/(gain) recognised during the year	16.44	2.56
Amount recognized in the statement of profit and loss	**58.14**	**39.44**

C Defined contribution plans

The Company has also certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of the basic salary as per regulations. The contributions are made to registered provident fund administered by government of India. The obligations of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligations. The expense recognized during the year towards defined contribution plan is INR 157.82 lacs (31 March 2018 - INR 144.92 lacs).

38 Leases

Operating leases - lessee
Certain office premises, godowns, cane purchasing centres etc. are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Lease payments made for the year	210.87	86.12
Total	**210.87**	**86.12**

Note:
The Company does not have any financial leases.

Operating leases - lessor

The Company has leased its one of the sugar godown which is cancellable in nature. Rental income recognized during the year amounts to INR 5.64 lacs (INR 5.64 lacs during previous year).

39 Contingent liabilities

	Particulars	As at 31 March 2019	As at 31 March 2018
(i)	Demands / claims by various government authorities and others not acknowledged as debts and contested by the Company		
	i) Excise duty and service tax	19.60	25.51
	ii) Sales tax and entry tax	4.42	4.42
	iii) Others	5.12	37.06
		29.14	**66.99**

Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision against above is considered necessary.

(ii) Value added tax/Sales tax liability on sale of molasses

The Company has sold molasses to certain parties without charging sales tax on the basis of stay order by Hon'ble Supreme Court. In case the order is decided against the parties by the Hon'ble Supreme Court, the Company would be liable to collect and pay VAT/Sales tax to the department along with interest and penalty. Amount involved is indeterminate.

(iii) The Hon'ble Supreme Court (SC) has, in a recent decision ('SC decision'), ruled that various allowances like conveyance allowance, special allowance, education allowance, medical allowance etc., paid uniformly and universally by an employer to its employees would form part of basic wages for computing the provident fund ('PF' or 'the fund') contribution and thereby, has laid down principles to exclude (or include) a particular allowance or payments from 'basic wage' for the purpose of computing PF contribution. The Company pays special allowance, conveyance allowance and others allowances to its employees as a part of its their compensation structure, which are not included in the basic wages for the purpose of computing the PF.
As the above said ruling has not prescribed any clarification w.r.t its application, the Company is in the process of evaluating the impact on the provident fund contributions. Pending clarification and evaluation of impact of above said, no provision for employee contribution has been recognized in the financial statements for the year ended 31 March 2019".

40 Capital and other commitments

(All amounts in INR lacs unless otherwise stated)

(i) Capital commitments contracted at the end of the reporting period but not recognized as liabilities is as follows:-

Particulars	As at 31 March 2019	As at 31 March 2018
Property, plant and equipment	7,715.48	4,215.00
	7,715.48	**4,215.00**

(ii) There are no non cancellable operating leases as at 31 March 2019 and 31 March 2018.

41 Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act ,2006 (MSMED Act, 2006) and based on the information available with the Company, the following are the details:

Particulars	As at 31 March 2019	As at 31 March 2018
Principal amounts remaining unpaid	41.75	24.82
Interest accrued and due thereon remaining unpaid	2.89	7.22
Interest paid by the company in terms of Section 16 of MSMED Act 2006, along with the amount of the payment made to the suppliers and service providers beyond the appointed day during the year	-	-
Interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year), but without adding the interest specified under MSMED Act, 2006.		-
Interest accrued and remaining unpaid as at the end of the year	11.16	8.27
Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act,2006.	11.16	8.27

42 Related party disclosures as per Ind AS-24:

List of related parties:-

(i) Related parties where control exists:

Name	Relation
Zuari Global Limited	Ultimate holding company
Zuari Investments Limited	Holding company

(ii) Related parties with whom transactions have taken place during the year:

Fellow subsidiaries	Indian Furniture Products Limited Simon India Limited Zuari Insurance Brokers Limited Zuari Finserv Limited (earlier known as Zuari Finserv Private Limited) Zuari Sugar & Power Limited Zuari Management Services Limited	
Joint venture of subsidiary of ultimate holding company	Forte Furnitute India Private Limited	
Associate of holding company	New Eros Tradecom Limited	
Key management personnel	Shri R.S. Raghavan	– Managing Director
	Shri R.N. Ratnam	– Independent Director
	Shri Marco Wadia	– Independent Director
	Smt Indira Varadarajan	– Independent Director
	Shri L. M. Chandrasekaran	– Independent Director

(iii) Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

a. **(1) Issue of Non Convertible Redeemable Preference Shares (NCRPS)**

(All amounts in INR lacs unless otherwise stated)

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2019	-	-	98.15
	31 March 2018	-	-	83.90
Fellow subsidiaries				
Simon India Limited	31 March 2019	-	-	1,097.08
	31 March 2018	-	-	937.79
Zuari Insurance Brokers Limited	31 March 2019	-	-	79.85
	31 March 2018	-	-	68.26
Zuari Sugar & Power Limited	31 March 2019	-	-	3,359.51
	31 March 2018	-	-	2,871.72
Associate of holding company				
New Eros Tradecom Limited	31 March 2019	-	-	70.17
	31 March 2018	-	-	59.98

*Shown under head long term borrowings.

(2) Inter-corporate deposits received

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2019	7,042.00	-	7,042.00
	31 March 2018	-	-	-

*Shown under head long term borrowings.

b. **Professional services received**

	Year ended	Transactions during the year	Amount owed by related parties*	Amount owed to related parties**
Fellow subsidiary				
Zuari Finserv Limited (earlier known as Zuari Finserv Private Limited)	31 March 2019	1.87	-	2.04
	31 March 2018	40.53	5.00	-
Ultimate holding company				
Zuari Global Limited	31 March 2019	120.00	-	307.45
	31 March 2018	165.08	-	177.02

*Shown under head “Other current assets”.
**Shown under head “Trade payables”.

c. **Reimbursement of expenses**

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties
Fellow subsidiary				
Zuari Sugar & Power Limited	31 March 2019	15.51	-	-
	31 March 2018	6.66	-	-
Ultimate holding company				
Zuari Global Limited	31 March 2019	0.91	-	-
	31 March 2018	-	-	-

The Company has availed cash credit and term loans from banks, body corporate and financial institutions of INR 43,091.93 lacs (INR 35,091.93 lacs), which are further secured by corporate guarantees provided by Zuari Global Limited.

d. Purchase of property, plant and equipment

(All amounts in INR lacs unless otherwise stated)

	Year ended	Transactions during the year	Amount owed by related parties*	Amount owed to related parties**
Subsidiary of ultimate holding company				
Simon India Limited	31 March 2019	9.69	-	124.13
	31 March 2018	822.27	-	114.62
Joint venture of subsidiary of ultimate holding company				
Forte Furnitute India Private Limited	31 March 2019	2.92	-	1.09
	31 March 2018	3.94	1.91	-
Fellow Subsidiary				
Indian Furniture Products Limited	31 March 2019	-	-	3.28
	31 March 2018	16.89	-	3.28

*Shown under head “Non current assets”.
**Shown under head “Other financial liabilities”.

e. Sale of finished goods

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Sugar & Power Limited	31 March 2019	17,602.14	-	524.25
	31 March 2018	428.49	-	9.70

*Shown under head “Other current liabilities”.

f. Management consultancy services rendered

	Year ended	Transactions during the year	Amount owed by related parties*	Amount owed to related parties
Fellow subsidiary				
Zuari Management Services Limited	31 March 2019	440.00	226.80	-
	31 March 2018	-	-	-

* Shown under head “Other financial assets”.

g. Remuneration to key managerial personnel

The Company has paid managerial remuneration of INR 12 (P.Y. INR 12/-) to Shri. R. S. Raghavan.

h. Director`s sitting fees

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties
Key management personnel				
Shri R. N. Ratnam	31 March 2019	1.55	-	-
	31 March 2018	2.85	-	-
Shri Anil C Gupta	31 March 2019	-	-	-
	31 March 2018	0.40	-	-
Shri Marco Wadia	31 March 2019	3.10	-	-
	31 March 2018	2.75	-	-
Smt Indira Varadarajan	31 March 2019	2.00	-	-
	31 March 2018	1.50	-	-
Shri L. M. Chandrasekaran	31 March 2019	3.75	-	-
	31 March 2018	2.60	-	-

43 Segment information

For operational management purposes, the Company is organised into business units based on its products and has two reportable segments:
- Sugar division which is involved in extraction of Sugar from Sugar Cane;
- Power division which is involved in co-generation of Power using by product of Sugar division i.e. bagassee.

No operating segments have been aggregated to form the above reportable segments.

The Board of Directors (BoD) is collectively the chief operating decision maker. BoD monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the Company's financial statements. Accounting polices used for recognition and measurement of performance of segments are consistent with accounting policies applied in the preparation of these financial statements.

Segment revenue

Sales between the segments are carried out at arm's length price and are eliminated during the reporting. The segment revenue is measured in the same way as in the Statement of Profit and Loss;

	Sugar		Power		Eliminations		Total operations	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Revenue from operations:								
External customers	40,674.33	24,257.75	5,710.59	5,175.12	-	-	46,384.92	29,432.87
Inter segment transactions	4,047.38	4,360.53	3,596.71	3,516.47	(7,644.09)	(7,877.00)	-	-
Total revenue from segments	**44,721.71**	**28,618.28**	**9,307.30**	**8,691.59**	**(7,644.09)**	**(7,877.00)**	**46,384.92**	**29,432.87**
Revenue from operations as per Statement of Profit and Loss							**46,384.92**	**29,432.87**

Note:
Revenue from external customer for sugar segment comprises of selling sugar through various sugar selling agents and sale of molasses and press mud.
Revenue from external customer for power division comprises of selling energy generated through co-generation plant to Government of Uttar Pradesh

Segment results

Interest incomes and interest cost related to the specific segments are allocated to the segments.

	Sugar		Power		Total operations	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Segments profit/(loss) during the year before depreciation and amortisation, finance costs and tax	(826.80)	**18.29**	3,627.43	**3,006.78**	**2,800.63**	**3,025.07**
Depreciation and amortisation	1,084.85	1,060.44	715.55	637.54	1,800.40	1,697.98
Finance costs	1,797.72	2,070.57	-	-	1,797.72	2,070.57
Profit/(loss) before tax	**(3,709.37)**	**(3,112.72)**	**2,911.88**	**2,369.24**	**(797.49)**	**(743.48)**

	Sugar		Power		Total operations	
	31 March 2019	**31 March 2018**	**31 March 2019**	**31 March 2018**	**31 March 2019**	**31 March 2018**
Unallocable incomes and expenses						
Finance costs					(5,148.19)	(4,108.86)
Other expenses					(1,962.65)	(120.00)
Other incomes					5,280.16	2,516.84
Loss before tax as per Statement of Profit and Loss					**(2,628.17)**	**(2,455.50)**

Segment assets
Segment assets are measured in the same way as in the financial statements. These assets are allocated based on the operations of the segments.

(All amounts in INR lacs unless otherwise stated)

	Sugar		Power		Total operations	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Total segment assets	76,353.92	65,539.43	20,979.34	21,062.41	97,333.26	86,601.84
Unallocated						
Deferred tax assets					7,257.95	8,224.70
Investments					16.15	17.33
Capital work in progress					7,027.03	-
Total assets as per the balance sheet					**1,11,634.39**	**94,843.87**

Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segments.

Borrowings to the extent directly related to a segment are considered as the segment liabilities

	Sugar		Power		Total operations	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018	31 March 2019	31 March 2018
Total segment liabilities	46,543.47	48,413.26	-	-	46,543.47	48,413.26
Unallocated						
Non-current liabilities					50,996.25	35,736.28
Current borrowings					2,880.00	2,880.00
Other liabilities					13,166.82	7,483.09
Total liabilities as per the balance sheet					**1,13,586.54**	**94,512.63**

44 Fair value measurements

44.1 Financial instruments by category

	Carrying value	
	As at 31 March 2019	As at 31 March 2018
Financial assets		
A FVTOCI financial instruments:		
Investment in quoted equity shares [refer note (i) below]	15.15	16.33
B Amortised cost:		
Security deposits	17.32	2.36
Trade receivables	3,830.78	1,592.40
Cash and cash equivalents	161.92	77.83
Other bank balances	1.57	3.55
Loans	38.51	6.76
Investments in unquoted-non trade investments	1.00	1.00
Other financial assets (current)	5,290.13	3,102.91
C Fair value through profit and loss:		
Investment in mutual funds	117.00	-
Total	**9,473.38**	**4,813.14**
Financial liabilities		
A Amortised cost:		
Non-current borrowings	45,046.19	30,727.74
Current borrowings	19,387.07	23,312.81
Trade payables	30,036.40	28,283.25
Other financial liabilities (current)	9,666.19	5,209.34
Total	**1,04,135.85**	**87,533.14**

Notes:

(i) The equity securities for which the Company has made an irrevocable election at initial recognition to recognize charges in fair value through OCI rather than profit and loss are investments which are not held for trading purposes.

(ii) The management assessed that carrying value of financial assets and financial liabilities, carried at amortised cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheet.

44.2 Fair value hierarchy

Each class of assets and liabilities measured at fair value in the balance sheet are grouped into three levels of a fair value hierarchy. The three levels are defined based in the observability of significant inputs to the measurement, as follows:

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

The following table shows the levels within the hierarchy of assets measured at fair value as at 31 March 2019 and 31 March 2018:

	Level 1	Level 2	Level 3	Total
Recurring basis:				
Financial assets measured at FVOCI (Investment in quoted equity shares)#				
As at 31 March 2019				
Carrying value	15.15	-	-	**15.15**
Fair value	15.15	-	-	**15.15**
As at 31 March 2018				
Carrying value	16.33	-	-	**16.33**
Fair value	16.33	-	-	**16.33**
Financial assets measured at FVTPL (Investment in mutual funds)#				
As at 31 March 2019				
Carrying value	117.00	-	-	**117.00**
Fair value	117.00	-	-	**117.00**
As at 31 March 2018				
Carrying value	-	-	-	**-**
Fair value	-	-	-	**-**
Derivative instruments not designated as hedges measured at FVTPL				
As at 31 March 2019				
Carrying value	-	213.46	-	**213.46**
Fair value	-	213.46	-	**213.46**
As at 31 March 2018				
Carrying value	-	-	-	**-**
Fair value	-	-	-	**-**

Notes:
These investments are valued using market quoted prices.
These are measured at Net Realizable Values (NRV) using subsequent sales data and considering at estimated NRVs taking into the condieration, for which inventory is held.
There were no transfers between level 1 and level 2.

45 Financial instruments risk *(All amounts in INR lacs unless otherwise stated)*

Risk management objectives and policies

The Company's principal financial liabilities are loans, borrowings, trade and other payables and principal financial assets are trade and other receivables. Also, the Company holds some equity investments with value being not material.
The Company is currently exposed to **market risk, credit risk and liquidity risk**. The Company's senior management looks after the management of these risks. The Company's management advises on financial risks and the appropriate financial risk governance framework for the Company. The Board of Directors reviews and agrees policies for managing each of these risks on an ongoing basis, 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 changes in market prices. Market risk comprises three types of risk: **interest rate risk, currency risk and other price risks**, such as equity price risk and inventory price risk.

Financial instruments affected by market risk include loans and borrowings, deposits and FVTOCI investments .

The sensitivity analysis in the following sections relates to the position as at 31 March 2019 and 31 March 2018.

The analysis exclude the impact of movements in market variables on the carrying values of gratuity and other post-retirement obligations, provisions and the non-financial assets.

(i) Interest rate risk

Applicability - Financial liabilities

The company has various term loans (short term and long term) from banks and financial institutions, inter corporate deposits and cash credit limits from various banks.
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt obligations with floating interest rates (long term and short term). The Company always try to ensure minimal cash outflows. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility.

Interest rate risk exposure

Below is the overall exposure of the Company's to interest rate risk:

Particulars	31 March 2019	31 March 2018
Variable rate borrowings	32,554.56	46,039.16
Fixed rate borrowings	39,027.61	11,140.50
Total borrowings	**71,582.17**	**57,179.66**

Interest rate sensitivity

	+/(-) in basis points	Effect on loss before tax
31 March 2019		
Rupees	+50	136.16
Rupees	-50	(136.16)
31 March 2018		
Rupees	+50	199.02
Rupees	-50	(199.02)

In order to achieve its objective, to mitigate risk of future cash outflows due to floating interest rates, the Company has entered into interest rate swap transaction (floating to fixed rate of interest) for its foreign currency term loan.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the foreign currency borrowings and interest payments thereon.

The Company manages its foreign currency risk by hedging payments that are to be made within a maximum of 12 months period through currency futures. As on on balance sheet date, the Company has hedged its expected foreign currency payments (interest paymentss as of now being payable subsequently) which are to be made with in 12 months.

Unhedged foreign currency risk exposure in USD:

The Company's exposure to foreign currency risk at the end of the reporting period, is as follows;

	31 March 2019 USD	31 March 2019 INR in lacs	31 March 2018 USD	31 March 2018 INR in lacs
Financial liabilities - Foreign currency borrowings	1,40,65,051	9,766.77	1,37,56,621	8,927.10

Foreign currency sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rate, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

	+/(-) in basis points	Effect on loss before tax
31 March 2019		
Rupees	+500	703.25
Rupees	-500	(703.25)
31 March 2018		
Rupees	+500	(455.31)
Rupees	-500	455.31

(iii) Equity price risk

The Company's listed equity investments carried at FVTOCI are susceptible to market price risk arising from uncertainties about future values of the investment securities. Considering the insignificant value of these investments, the management has not carried sensitivity analysis for these investments.

(iv) Inventory price risk

The Company is exposed to the movement in price of principal finished product i.e. Sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realization. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant in given in table below:

Inventory price risk exposure (for finished goods)

The Company's exposure to inventory price risk at the end of the reporting period is as follows:

Particulars	31 March 2019	31 March 2018
Inventory (finished goods)	38,685.90	33,746.71

Rate sensitivity

	+/(-) in sale price	Effect on loss before tax
31 March 2019		
Rupees	+1	12.42
Rupees	-1	(12.42)
31 March 2018		
Rupees	+1	10.98
Rupees	-1	(10.98)

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 and other adverse consequences. The Company is exposed to credit risk from its operating activities primarily from trade receivables including unbilled revenues, cash and cash equivalents, bank deposits, loans receivables and investment in unquoted securities.

(All amounts in INR lacs unless otherwise stated)

Summary	As at 31 March 2018	As at 31 March 2018
Trade receivables (including unbilled revenues) (refer note i)		
Not due	764.10	786.37
Overdue (0-12 months)	3,830.78	1,592.40
Cash and cash equivalents (refer note ii)	161.92	77.83
Other bank balances (refer note ii)	1.57	13.55
Loans (refer note iii)	38.51	6.76
Security deposits (refer note iii)	17.32	2.36
Investments in unquoted securities (refer note iii)	1.00	1.00
Other receivables (refer note iv)	373.56	118.83
Incentive receivables (refer note iv)	4,152.47	2,197.71
Total	**9,341.23**	**4,796.81**

Note:

(i) Trade receivables and unbilled revenue of the Company represents receivables substantially from Madhyanchal Vidyut Vitran Nigam Limited (an undertaking of Government of Uttar Pradesh) in respect of supply of power energy. Since it is receivable from a government undertaking, the management doesn't consider the credit risk to be significant.

(ii) Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with banks as fixed deposits. Therefore credit risk is regards to the same is considered to be negligible.

(iii) Other balances are not significant and hence, not analyzed separately.

(iv) Other/Incentive receivables consists of interest subventions, amounts with held with CERC and export subsidy receivables from government. Therefore, credit risk in regards to the same is considered to be insignificant.

Liquidity risk

The Company monitors its risk of a shortage of funds using future cash flow projections. The Company manages its liquidity needs by continuously monitoring cash flows from customers and by maintaining adequate cash and cash equivalents. The Company's objective is to maintain a balance between continuity of funding and flexibility through shareholder funds or borrowings from the holding company or sister concerns. Considering the stability of the company's holding company, liquidity risk of the Company is considered to be low.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	Upto 1 year	1 to 5 years	Beyond 5 years	Total
As at 31 March 2019				
Borrowings				
Non current				
Borrowings (other than financial liability part of NCRPS)#	12,440.32	65,940.84	4,772.01	**83,153.17**
Financial liability part of NCRPS			12,660.00	**12,660.00**
Current borrowings	19,387.07	-	-	**19,387.07**
Trade payables	30,036.40	-	-	**30,036.40**
Other financial liabilities	2,517.28	-	-	**2,517.28**
Total	**64,381.07**	**65,940.84**	**17,432.01**	**1,47,753.92**
As at 31 March 2018				
Borrowings				
Borrowings (other than financial liability part of NCRPS)#	5,483.97	20,499.26	23,342.39	**49,325.63**
Financial liability part of NCRPS	-	-	12,660.00	**12,660.00**
Current borrowings	23,312.81	-	-	**23,312.81**
Trade payables	28,283.25	-	-	**28,283.25**
Other financial liabilities	2,070.23	-	-	**2,070.23**
Total	**59,150.26**	**20,499.26**	**36,002.39**	**1,15,651.91**

The same includes contractual interest cash outflows related to the borrowings.

Derivative Financial Instruments:

The Company uses derivative instruments as part of its management of exposure to fluctuations in interest rates and foreign currency rates. The Company does not acquire or issue derivative financial instruments for trading or speculative purposes. The Company does not enter into complex derivative transactions to manage treasury risks. Treasury derivative transactions are normally in the form of forward contracts or swap contracts and these are subject to the Company's guidelines and policies.

Derivative financial instruments are recognized as assets or liabilities on the balance sheet and measured at fair value, generally based on valuations obtained from financial institutions or brokers. The accounting for changes in the fair value of a derivative instrument depends on the intended use of the derivative and the resulting designation.

The fair values of all derivatives are separately recorded in the balance sheet within other financial assets/liabilities, as applicable. The use of derivatives can give rise to credit and market risk. The Company tries to control credit risk as far as possible by only entering into contracts with reputable banks and financial institutions. The use of derivative instruments is subject to limits, authorities and regular monitoring by appropriate levels of management. The limits, authorities and monitoring systems are periodically reviewed by management and the Board. The market risk on derivatives is mitigated by changes in the valuation of the underlying assets, liabilities or transactions, as derivatives are used only for risk management purposes.

Non qualifying hedges

The Company enters into derivative contracts which are not designated as hedges for accounting purposes, but provide an economic hedge of a particular transaction risk or a risk component of a transaction. Hedging instruments include as on date include "Interest Rate Swaps" and " Forward Dollar Purchase Contracts" being entered by the Company with bankers to hedge floating interest foreign currency loan and interest payments as due related thereto. Fair value changes on such derivative instruments are recognized in the Statement of Profit and Loss.

46 Capital management

(All amounts in INR lacs unless otherwise stated)

The Company's objectives for managing capital comprise safeguarding the business as a going concern, creating value for stakeholders and supporting the development of the Company. In particular, the Company seeks to maintain an adequate capitalization that enables it to achieve a satisfactory return for shareholders, ensure access to external sources of financing, in part by maintaining an adequate rating and reducing cost of capital. In this context, the Company manages its capital structure and adjusts that structure when changes in economic conditions so require.

The management constantly monitors and reviews the debt to equity ratio. As part of this review, the management considers the cost of capital and risks associated with each class of capital requirements and maintenance of adequate liquidity buffer. The management of the Company are making due efforts to improve the ratios. The position on reporting date is summarized in the following table:

Particulars	As at 31 March 2019	As at 31 March 2018
Long term borrowings (including financial liability part of non convertible redeemable preference shares)	45,046.19	30,727.74
Current maturities of long-term borrowings	7,148.91	3,139.11
Short-term borrowings	19,387.07	23,312.81
Total Debt (a)	**71,582.17**	**57,179.66**
Total Equity (b)	**(1,952.15)**	**331.24**
Debt to Equity (a/b)	**(36.67)**	**172.62**

47 Assets pledged as security:

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2019	As at 31 March 2018
Financial assets		
Current		
Trade receivables	3,830.78	1,592.40
Cash and cash equivalents	161.92	77.83
Other bank balances	1.57	13.55
Loans	38.51	6.76
Other financial assets	5,290.13	3,102.91
Non current		
Investments	16.15	17.33
Other financial assets	17.32	2.36
Total financial assets (a)	**9,356.38**	**4,813.14**

(All amounts in INR lacs unless otherwise stated)

Non financial assets		
Current		
Inventories	46,006.49	38,949.63
Other current assets	1,310.50	1,727.43
Non current		
Property, plant and equipment	39,453.87	39,875.55
Capital work-in-progress	7,142.03	757.26
Other intangible assets	25.10	34.85
Other non-current assets	919.11	461.11
Total non financial assets (b)	**94,857.10**	**81,805.83**
Total assets pledged as security (a + b)	**1,04,213.48**	**86,618.97**

48 Offsetting financial assets and financial liabilities:

The following table represents recognised financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2019 and 31 March 2018.

Particulars	As at 31 March 2019	As at 31 March 2018
Amounts subject to master netting arrangements		
Non current borrowings	30,650.04	20,891.15
Current borrowings	5,760.34	8,609.88
	36,410.38	**29,501.03**
Financial instruments collateral		
Trade receivables	3,830.78	1,592.40
Cash and cash equivalents	161.92	77.83
Other bank balances	1.57	13.55
Loans	38.51	6.76
Investments	16.15	17.33
Other financial assets	5,307.45	3,105.27
	9,356.38	**4,813.14**
Net amount*	**27,054.00**	**24,687.89**

*"Net amount" shows impact on Company's balance sheet, if all rights were excercised.

49 Changes in accounting policies:

Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The Company has early Ind AS 115 "Revenue from Contracts with Customers" with a date of initial application of 1 April 2018. As a result, the Company has changed its accounting policy for revenue recognition as defined in note 3. The Company has applied ind AS 115 using the "**Cumulative Effect Method"**. Under this method, the Company shall recognise the cumulative effect of initially applying this Standard as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) of the accounting period that includes the date of initial application.

Revised reporting standard, Ind AS 115, requires no adjustments to be made to the retained earnings as at 1 April 2018. Consequently, there are no impacts of the standard on Balance Sheet as at 31 March 2019. However, impacts on Statement of Profit and Loss for the year ended 31 March 2019 are as follows:

	Year ended 31 March 2019		
	Amounts as reported	**Amount before application of Ind AS 115**	**Effect of changes Increase/ (Decrease)**
Revenue from operations #			
Sale of goods	46,384.92	46,907.09	(522.17)
Other expenses #			
Freight and forwarding charges	705.26	1,227.43	(522.17)

For certain sales, where the Company also provide transportation services, the Company considers the same as a separate performance obligation believing that the Company is acting as an agent for transfer of goods and therefore reduces the related costs for transportation and other charges from transaction price.

50 With effect from 09 March 2018, the Company got its equity shares delisted voluntarily from "The Calcutta Stock Exchange Ltd." vide their letter dated 8 March 2018. Equity shares of the Company remains listed on Metropolitan Stock Exchange of India Ltd.

51 The Company vide application dated 23 March 2019 with Regional Director, Registrar of Companies, Kolkata, has applied for shifting of registered office from the State of West Bengal to the National Capital Territory of Delhi.

52 During the year ended 31 March 2019, the Company has incurred a book loss (total comprehensive loss) of INR 3,558.94 lacs (31 March 2018: INR 2,199.60 lacs) and the accumulated losses of the Company amounted to INR 10,221.14 lacs (31 March 2018: INR 7,811.39 lacs). These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The management of the Company is confident to generate sufficient profits and cash from operations in near future considering improving sugar sale prices, industry focused state and central government trade policies and expansion plans in form of setting up of Distillery having capacity of 100,000 litres per day and 16 MW Co-generation Power Plant.

Further, the holding company has confirmed its intent as well as ability to extend continued financial support to the Company, as and when needed, so as to enable the Company continues its operations as a going concern in foreseeable future.

In view of the same, the management of the Company is hopeful of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial statements have been prepared on a going concern basis.

53 The financial statements were approved for external issue by the board of directors on 17 May 2019.

As per our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Sd/-
Neeraj Goel
Partner
Membership No.: 099514

Place : Gurugram
Date : 17 May 2019

For and on behalf of the Board of Directors of
Gobind Sugar Mills Limited

Sd/-
N. Suresh Krishnan
(Chairman)
DIN: 00021965

Sd/-
R.S. Raghavan
(Managing Director)
DIN: 00362555

Sd/-
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Sd/-
Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

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GOBIND SUGAR MILLS LIMITED

CIN No. L15421DL1952PLC354222
Regd Office: Birla Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi-110007
Corp. Office: 5th Floor, Tower – A, Global Business Park, Sector 26, M G Road, Gurugram – 122 002, Haryana
Tel: +91 124 4827800, Fax: +91 124 421046, Email: ig.gsml@adventz.com, Website: www.gobindsugar.com

PROXY FORM

(Form MGT – 11)

[Pursuant to Section 105(6) of Companies Act, 2013 and Rule 19(3) of Companies (Management and Administration) Rules, 2014]

Name of the member (s): ______________________________

Registered Address: ______________________________ E-mail ID: ______________________________

Folio/ DP ID - Client ID No.: ______________________________

I/We being the member (s) of ___________ shares of Gobind Sugar Mills Limited hereby appoint:

(1) Name: ______________________________

Address: ______________________________ E-mail ID: ______________________________

Signature: _____________________, or failing him;

(2) Name: ______________________________

Address: ______________________________ E-mail ID: ______________________________

Signature: _____________________, or failing him;

(3) Name: ______________________________

Address: ______________________________ E-mail ID: ______________________________

Signature: _____________________, or failing him;

as my/our proxy in my/our absence to attend and vote for me/us, and on my/our behalf, at the **Annual General Meeting** of the Company, to be held on Friday, 27th September 2019 at 2.45 p.m. at Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi-110007 and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolutions	Optional*	
		For	Against
1	Adoption of Financial Statements for the financial year ended March 31, 2019		
2	Re-appointment of Mr. N. Suresh Krishnan, who retires by rotation and is eligible for re-appointment		
3	Appointment and Remuneration of the Cost Auditor for the financial year 2019-20		
4	Re-appointment of Mr. Marco Wadia as Independent Director of the Company		

Signed this ……………. day of ………………..2019

Affix Revenue Stamp

…………………………
Signature of Member

………………………………
Signature of Proxy holder (s)

NOTES :

1. This form of proxy in order to be effective should be duly completed and deposited at the registered office of the company not less than 48 hours before the commencement of the meeting.

*2. This is only Optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate

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ATTENDANCE SLIP

(Please complete this Attendance Slip and hand it over at the entrance of the Meeting Hall)

I hereby record my presence at the **Annual General Meeting** held on Friday, 27th September 2019, at 2.45 p.m. at Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi-110007

Name of Member/Proxy* …………………………………… No. of Shares held ………………… Folio No.…………………………

Address……………………………………………………………………………………………

*Strike out whichever is not applicable

………………………………
Signature of Member/Proxy

(To be signed at the time of handing over this slip)

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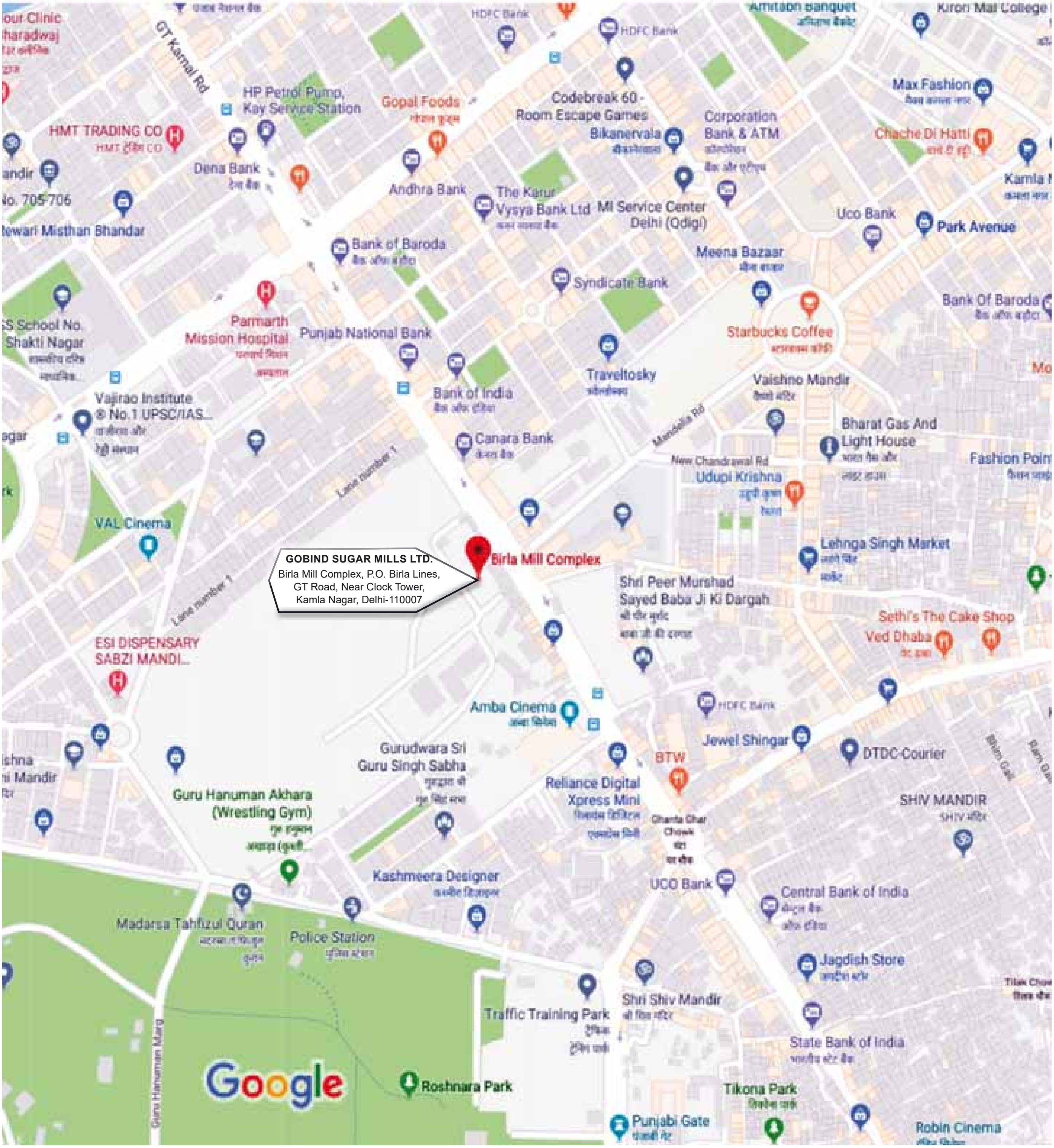
ROUTE MAP TO THE AGM VENUE



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ETHANOL PLANT

DISTILLATION SECTION

REGISTERED OFFICE
Birla Mill Complex, P. O. Birla Lines, G T Road, Near Clock Tower
Kamla Nagar, North Delhi – 110007

CORPORATE OFFICE
5th Floor, Tower A, Global Business Park, Sector - 26,
M G Road, Gurgaon - 122002
Tel.: 0124-4827800 Fax : 0124-4212016