



Date: 01.09.2020

To,
The Head – Listing & Compliances
Metropolitan Stock Exchange of India Limited
4th Floor, Vibgyor Towers,
Plot No. C – 62 Opp. Trident Hotel
Bandra Kurla Complex
Bandra East, Mumbai 400098

Scrip Code – GOBIND

Sub: Compliance of Regulation 30 and 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/ Ma'am


As required in terms of Regulation 30 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this is to inform you that the 68th Annual General Meeting ("AGM") of the Company will be held on Friday, the 25th September 2020 at 02:45 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with the applicable provisions of the Companies Act, 2013 read with General Circular No. 20/2020 dated 5th May, 2020, General Circular No. 14/2020 dated 8th April, 2020 and General Circular No. 17/2020 dated 13th April, 2020 issued by Ministry of Corporate Affairs, Government of India (hereinafter collectively referred to as "MCA Circulars") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Please find enclosed the Annual Report including the Notice of 68th Annual General Meeting of the Company for the Financial Year 2019-20.

Kindly take the same on records.

Thanking you,

Yours Sincerely,
For Gobind Sugar Mills Limited


Gaurav Dutta
Company Secretary
M. No. : A - 24445



Encl: Annual Report 2019-20 containing the Notice of 68th AGM

GOBIND SUGAR MILLS LIMITED

Regd. Off. : Birla Mill Complex, P. O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi - 110007
Corp Off. : Global Business Park, Tower - A, 5th Floor, M.G. Road, Sector - 26, Gurugram -122002, Haryana
Tel. : +91-124-482 7800, Fax : +91-124-4212046, E-mail : ig.gsml@adventz.com
CIN No. : L15421DL1952PLC354222, Website: www.zuarisugar.com



GOBIND SUGAR MILLS LIMITED

68th
ANNUAL REPORT
2019-20



Ethanol Turbine

BOARD OF DIRECTORS**Mr. Akshay Poddar**

Non-Executive Director and Chairman (w.e.f. 12.06.2020)

Mr. N. Suresh Krishnan

Non Executive Director and Chairman (Upto 28.05.2020)

Mr. R. S. Raghavan

Managing Director

Independent Directors

Mr. Marco Wadia

Mr. L. M. Chandrasekaran

Mrs. Indira Varadarajan (Upto 31.03.2020)

Mrs. Manju Gupta (w.e.f. 08.08.2020)

Key Managerial Personnel

Mr. R. S. Raghavan

Managing Director

Mr. Dharmendra Roy

Chief Financial Officer

Mr. Laxman Aggarwal

Company Secretary (Upto 30.06.2020)

Mr. Gaurav Dutta

Company Secretary (w.e.f. 01.07.2020)

AUDITORS

Walker Chandio & 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.comWebsite : www.zuarisugar.com**CORPORATE OFFICE**5th Floor, Tower A

Global Business Park, Sector - 26, M G Road,

Gurugram - 122002

Ph. : 0124-4827800

Fax : 0124-4212046

PLANT LOCATION / SUGAR MILL

P.O. Aira Estate

Dist. Lakhimpur Kheri (U.P.) Pin : 262 722

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.

Vaishno Chamber, 5th Floor, Room No. 502 & 503, 6,
Brabourne Road, Kolkata - 700 001

Tel : 91 033 4004 9728

Fax : 91 033 4073 1698

e-mail : kolkata@linkintime.co.inWebsite : www.linkintime.co.in

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PERFORMANCE AT A GLANCE

(₹ in Lakhs)

Particulars / Financial year	2015-16 (12 months)	2016-17 (12 months)	2017-18 (12 months)	2018-19 (12 months)	2019-20 (12 months)
Gross Turnover	33,372.08	40,489.27	29,432.87	46,384.92	57,900.03
Interest & Finance Charges (net)	3,419.57	4,759.32	6,179.43	6,945.91	8,426.98
Depreciation	397.37	1,146.60	1,697.97	1,800.40	2,122.57
Profit/(Loss) before Tax/ exceptional item	(1,002.96)	3,447.30	(2,455.50)	(2,628.17)	(3,506.34)
Exceptional Item (expenses)	-	1,500.38	-	-	-
Profit/(Loss) after Tax & Exceptional items	1,492.74	1,836.78	(2,057.36)	(3,582.47)	(7,456.06)
Other Comprehensive Income (net of tax)	(20.29)	(70.71)	(142.24)	23.53	37.08
Total Comprehensive Income (after tax)	1,472.45	1,766.07	(2,199.60)	(3,558.94)	(7,418.98)
Net Worth	756.80	2,528.16	331.24	(1,952.15)	(9,364.43)
Net Worth per Equity Share (Rs.)	23.65	79.01	10.35	(52.32)	(209.35)
Dividend per Equity Share (Rs.)	-	-	-	-	-
Earning per Equity Share (Rs.)	46.01	57.40	(64.29)	(97.31)	(166.69)
Cane Crushed (Season) (in lakh Qtls.)	71.52	94.06	147.33	126.20	143.20

CHAIRMAN'S STATEMENT

I have great pleasure in extending a warm welcome to all of you. This is my maiden speech after assuming the office of Chairman, taking over the reins from Mr. N Suresh Krishnan. I would like to convey my sincere thanks and gratitude to Mr N Suresh Krishnan, under whose guidance, leadership and vision, Gobind Suagr has become one of the leading Integrated Sugar Complex having Sugar, Power and Bio fuel (Ethanol) in the state of Uttar Pradesh. It is indeed an honour and privilege to share my thoughts with you.



Owing to the growth of the food industry and the production of biofuels, the worldwide cultivation of sugarcane crops has increased considerably in recent years and India is the highest sugar producing and consuming country since couple of years. Sugar is a vital component of the food industry and has an irreplaceable role. Economics of production is influenced by the developments in the area of cultivation and trade in sugar crops. The rising trend of packaged food and an increase in the working population and its diverse application in various industries is fuelling demand growth.

Although sugar industry in India is highly regulated but continuous support from Govt is inevitable to improve the financial health of mills by adopting certain measures like export subsidy, soft loan, buffer stock subsidy, Ethanol blending program etc. and ensuring payment to growers, and liquidating the accumulated sugarcane price arrears.

GSML purpose is to promote sustainable agricultural practices among farmers through multiple ways. Working with more than fifty thousand farmers and promoting progressive farming practices, enriching and energizing the agrarian communities and the rural landscape is an integral part of our vision. Our advanced and sustainable manufacturing systems and processes have set new parameters in efficiencies and optimisation of resources and adhere to the highest standards in Health, Safety, Quality and Environment. Our unshakeable commitment to serve national priorities enjoins on us the responsibility to ensure that this growth is inclusive, creates meaningful sustainable livelihoods and a secure ecological environment

GSML is capitalizing the opportunities of a favourable market environment, balancing the challenges of several adverse conditions with internal efficiencies, focused sugarcane management measures and farmers support. The Company has focussed on differentiation and value addition to the customer to improve realizations. The Company is aiming to be preferred sugar supplier to major customers due to its strong product customisation expertise, stringent quality systems and global certification standards. Constant improvement is part of our culture and we always have best practice as our aim. We are convinced that GSML will continue to maintain its unique leadership position in sugar industry and its products will be the choice of most global customers.

I would like to close by thanking the Govt. of Uttar-Pradesh and Shareholders for their continued and valuable support. I thank my colleagues on the Board for their valuable counsel and support.

Best Wishes

Akshay Poddar
Chairman

MD's STATEMENT

It gives me great pleasure to share with you all that GSML has now become an Integrated Sugar Complex (Sugar, Power and Distillery), moved from seasonal operation to round the year operations. Even in COVID 19, when almost all industries in world have suffered in operations, GSML was able to continue operations at full swing and crushed 1.43 Cr Qtl cane with recovery of 11.66%. Distillery plant commissioned in mid Nov 19 and produced 7000 KL during FY 19-20.



The business faced head winds on accounts of low domestic sugar prices consequent to record sugar production in the country. It is encouraging to see both the Central and the State Governments work in tandem and take corrective measures. To reduce the cane arrears, Govt. of India announced sugar export with export subsidy and GSML has an export obligation of 32814 MT. I am pleased to inform that our quality of refined sulphur free sugar are well accepted in International market and continuous in demand. It gives us confidence and we have exported 32814 MT sugar to different horizon of world like MENA regions, Canada, Taiwan, China, Bangladesh, as premium product. Our retail brand is customer's choice in northern states and we are exploring market for central and Southern India.

Our distillery has a well established operation and we are one of the few distilleries in UP, able to produce ethanol from B heavy Molasses. In FY 19-20, we participated in ethanol tender floated by Oil Manufacturing Company (OMC) for ethanol blending in petrol and received ethanol allocation of 17400KL from different OMCs depots of UP, MP and MH. We are continuing supplies to these depot and our ethanol quality is well accepted. During COVID 19, Sanitizer become one of the essential good and we understood the need of hour and started production and marketing of Sanitizer under brand name **Zuarisol**.

Our vision of becoming the most inspirational sugar brand **Zuari Sugar** is based on the growing Consumer, consumer preference for refined, sulphur free sugar and sugar with wellness as the consumer looks forward to differentiated products with a unique identity. As an organization we will continue to expand our product offerings by gaining critical insights from consumer behavior and choices.

In such an environment only those organizations that put in efforts to remain relevant to the changing needs and preferences of consumers— understanding the consumer requirements and adapting the business model to operational excellence will be able to deliver long-term growth and sustainable returns to all the stakeholders and we are aiming for the same.

The by- products generated in the process of manufacturing sugar have limitless opportunities to harness, which the Company is embarking upon as a new area of sustainable growth. The Company is identifying technology and competence to encash the prospects of better utilizing the Bagasse, Molasses, Spent wash, ash and press mud as new avenues of growth.

We are deeply cognizant that we have miles to go in our steadfast resolve to make the sugar business profitable and immune to the weather, market and policy fluctuations and create enduring value for our stakeholders.

To conclude, The Company is chartering a new journey and I look forward to your continued support in this endeavor. I take this opportunity to express gratitude to the valued Farmers, customers, bankers, business associates, employees, Govt. of Uttar-Pradesh and all the stakeholders having a profound relationship with the Company and constantly supporting and strengthening the developmental efforts of Company.

Best Wishes

R. S. Raghavan
Managing Director

NOTICE

Notice is hereby given that the Sixty Eighth Annual General Meeting of GOBIND SUGAR MILLS LIMITED will be held on 25th day of September, 2020 at 2.45 P.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following businesses:

Ordinary Business:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31st March, 2020 including Audited Balance Sheet for the financial year ended 31st March, 2020 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. R. S. Raghavan (DIN:00362555), who retires by rotation and is eligible for re-appointment.

3. To appoint the Statutory Auditors of the Company and to fix their remuneration and in this regard, to consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to the recommendations of the Audit Committee and the Board of Directors, M/s V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. 109208W) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring auditors M/s Walker Chandok & Co LLP for the period of five (5) years to hold office from the conclusion of this 68th Annual General Meeting (AGM) till the conclusion of 73rd AGM of the company to be held in the year 2025, on such remuneration and terms of engagement as would be decided by the Board of Directors of the Company or committee thereof.

"RESOLVED FURTHER THAT the Audit Committee and / or Board of Directors be and are hereby authorized to fix the remuneration of Statutory auditors and their terms of engagement according to the scope of their services as Statutory Auditors and other permissible assignments, if any, in line with prevailing rules and regulations made in this regard."

Special Business:**4. Appointment and Remuneration of Cost Auditor**

To consider and, if thought fit to pass 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 2021 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 (Membership No. 5343), for conducting the Cost Audit, be and is hereby approved and ratified."

5. Appointment of Mr. Akshay Poddar (DIN:00008686), as Non-Executive Director and Chairman of the Board

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution:**

RESOLVED THAT pursuant to the provisions of Section 152, 160 and any other applicable provisions of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read along with the Articles of Association of the Company and as recommended by Nomination and Remuneration Committee of the Board, Mr. Akshay Poddar (holding DIN 00008686), who was appointed as an Additional Non-Executive Director and Chairman of the Board w.e.f. 12th June, 2020 and whose term of office will expire at ensuing Annual General Meeting of the Company and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Non Executive Director and designated as Chairman of the Board of Directors of the Company to hold office for a term of 3 (three) years i.e. from 12th June 2020 to 11th June 2023, liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the company and / or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they may deem necessary in relation thereto and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution."

6. Appointment of Mr. Bhaskar Chatterjee (DIN:00688184), as an Independent Director of the Company

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("Act") read with Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 25 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force), and as recommended

by Nomination and Remuneration Committee, Mr. Bhaskar Chatterjee (holding DIN 00688184), who was appointed as an Additional Non-Executive Director of the Company w.e.f. 3rd February, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) years from 03rd February 2020 to 02nd February 2025, not liable to retire by rotation.

RESOLVED FURTHER THAT pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, approval of the Members be and is hereby accorded to the continuation of directorship of Mr. Bhaskar Chatterjee after he attains the age of 75 years, during his tenure as an Independent Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they deem necessary in connection with appointment of Mr. Bhaskar Chatterjee, as Non-Executive/Independent Director of the Company and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution.”

7. Appointment of Mr. Alok Saxena (DIN:08640419) as Director of the Company:

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and as recommended by Nomination and Remuneration Committee, Mr. Alok Saxena (holding DIN 008640419), who was appointed as an Additional Director w.e.f. 3rd February, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation.”

8. Appointment of Mr. Alok Saxena (DIN:08640419) as Whole-Time Director of the Company:

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198 and 203 of the Companies

Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 26 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded for appointment of Mr. Alok Saxena (holding DIN 08640419) as a Whole Time Director and Designated as Executive Director – Operations, of the Company for a period of 3 years, i.e. from 03rd February 2020 to 02nd February 2023, as per the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with power to the Board of Directors (including Committee thereof) to alter and vary the terms and conditions of the said appointment / remuneration in such manner as deemed fit necessary.

RESOLVED FURTHER THAT the remuneration payable to Mr. Alok Saxena, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Alok Saxena, Whole Time Director by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with power to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.

RESOLVED FURTHER THAT Mr. Alok Saxena, Whole Time Director, be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board.

“RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they deem necessary in connection with appointment of Mr. Alok Saxena, as Whole Time Director of the Company and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution.”

9. Appointment of Mr. Vijay Kumar Kathuria (DIN:00338125) as Director of the Company:

To consider and, if thought fit, to pass the following Resolution as an **Ordinary Resolution**:

RESOLVED THAT pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), and as recommended by Nomination and Remuneration Committee, Mr. Vijay Kumar Kathuria (holding DIN:00338125), who was appointed as an Additional Director w.e.f. 3rd February, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company liable to retire by rotation."

10. Appointment of Mr. Vijay Kumar Kathuria (DIN:00338125) as Whole-time Director of the Company:

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

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 ("Act") read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 26 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded for appointment of Mr. Vijay Kumar Kathuria (holding DIN 00338125) as a Whole Time Director and designated as Executive Director – Finance & Commercial, of the Company for a period of 3 years, i.e. from 03rd February 2020 to 02nd February 2023, as per the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee ("Committee") and approved by the Board, with power to the Board of Directors (including Committee thereof) to alter and vary the terms and conditions of the said appointment /remuneration in such manner as deemed fit necessary.

RESOLVED FURTHER THAT the remuneration payable to Mr. Vijay Kumar Kathuria, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Vijay Kumar Kathuria, Whole Time Director by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with power to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.

RESOLVED FURTHER THAT Mr. Vijay Kumar Kathuria, Whole Time Director, be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board.

"RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they deem necessary in connection with appointment of Mr. Vijay Kumar Kathuria, as Whole Time Director of the Company and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution."

11. Appointment of Mrs. Manju Gupta as an Independent Director:

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**;

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule IV of the Companies Act, 2013 and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and as recommended by Nomination & Remuneration Committee, Mrs. Manju Gupta (DIN: 00124974), who was appointed as an Additional Director (Non-Executive and Independent) of the Company w.e.f. 08th August, 2020 and who holds office upto the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member under Section 160 of the of the Companies Act, 2013, proposing her candidature for appointment as Director, be and is hereby appointed as an Independent Director of the Company for a period of three (3) years with effect from 08th August, 2020 to 07th August, 2023, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they deem necessary in connection with appointment of Mrs

Manju Gupta, as Non-Executive/Independent Director of the Company and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution.”

12. Payment of managerial remuneration to Mr. R S Raghavan (DIN:00362555) as Managing Director of the Company:

To consider and, if thought fit, to pass the following Resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 (“Act”) read with Schedule V to the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Regulation 26 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and enactment(s) thereof for the time being in force), consent of the members of the Company be and is hereby accorded for payment of managerial remuneration to Mr. R S Raghavan (holding DIN 00362555) Managing Director of the Company with effect from 15th February 2020, as per the terms and conditions including remuneration as set out in the Explanatory Statement annexed to the Notice convening this Annual General Meeting and as recommended by Nomination and Remuneration Committee (“Committee”) and approved by the Board, with power to the Board of Directors (including Committee thereof) to alter and vary the terms and conditions of the said appointment / remuneration in such manner as deemed fit necessary.

RESOLVED FURTHER THAT the remuneration payable to Mr. R. S. Raghavan, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time.

RESOLVED FURTHER THAT where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. R. S. Raghavan, Managing Director by way of salary, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Section II of Part II of Schedule V of the Companies Act, 2013 with power to the Board / Committee to decide the breakup of the remuneration from time to time in consultation with the Whole Time Director.

RESOLVED FURTHER THAT Mr. R S Raghavan, Managing Director, be entrusted with such powers and perform such duties as may from time to time be delegated / entrusted to him subject to the supervision and control of the Board.

“RESOLVED FURTHER THAT the Board of Directors of the Company and / or the Company Secretary of the

Company, be and are hereby severally authorized to do all such acts, deeds, matters and things as they deem necessary in connection with payment of remuneration of Mr. R S Raghavan, as Managing Director of the Company and to file all the necessary documents with Registrar of Companies for the purpose of giving effect to this resolution.”

13. Ratification and approval of Related Party Transaction

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

“RESOLVED THAT pursuant to provisions of Section 188 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013 and rules made thereunder and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) and re-enactment(s) thereof from the time being in force) and pursuant to the omnibus approval of Audit Committee Board, approval of members of the company be and is hereby accorded to ratify and approve the existing transaction entered with Zuari Sugar & Power Limited, fellow subsidiary (ZSPL) as defined under Section 2(76) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for financial year 2019-20 as mentioned in the explanatory statement and also to enter into further transaction for sale and purchase of Sugar and other related transactions on such terms and conditions as the Board of Directors deem fit, upto a maximum aggregate value of Rs. 400 crores (Rupees Four Hundred Crores) for the financial year 2020-21 with ZSPL, in one or more tranches from time to time, provided the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm’s length basis and in the ordinary course of business of the Company.

RESOLVED FURTHER THAT the Board of Directors of the company be and is hereby severally authorized to ratify any related party transaction with ZSPL as entered earlier and to negotiate, finalize and agree to the terms and conditions of any contract(s)/ arrangement(s)/ transaction(s) as may be entered with ZSPL) for the financial year 2020-21 and to take necessary steps to execute such documents and to do all acts, deeds and things that may be necessary or expedient for the purpose of giving effect to the aforesaid Resolution.”

By Order of the Board

Dated: 08th August, 2020

Place: Delhi

Regd. office: Birla Mill Complex,

PO Birla Lines, GT Road, near

Clock Tower, Kamla Nagar, Delhi 110007

Gaurav Dutta

Company Secretary

M. No.: A 24445

NOTES:

1. The Explanatory Statement as required under Section 102 of Companies Act, 2013 is annexed herewith and forms part of the Notice.
2. In view of the continuing COVID-19 pandemic social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country, the Ministry of Corporate Affairs ("MCA") has vide its Circular No. 20 dated May 5, 2020 read with Circular No. 14 dated April 8, 2020 and Circular No. 17 dated April 13, 2020 (hereinafter collectively referred to as "MCA Circulars") permitted the holding of Annual General Meeting through VC or OAVM without the physical presence of Members at a common venue. In compliance with these MCA Circulars and the relevant provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual General Meeting of the Members of the Company is being held through VC/OAVM. The venue of the meeting shall be deemed to be the Registered office of the Company at Birla Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi – 110007.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the Annual General Meeting and hence the Proxy Form and Attendance Slip are not annexed to the Notice.
4. Since the meeting has been called through VC/OAVM route map to the venue of the meeting is not required.
5. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting or e-Voting during the AGM. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to aklabhcs@gmail.com with copies marked to the Company at ig.gsml@adventz.com and to its RTA at pradip.bhattacharyya@linkintime.co.in.
6. **Registration of email ID and Bank Account details:**
In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email address with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., www.linkintime.co.in under Investor Services > Email/Bank detail Registration - fill in the details and upload the required documents and submit.

OR

(ii) In the case of Shares held in Demat mode:

The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.

7. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website www.zuarisugar.com; website of the Stock Exchanges i.e. Metropolitan Stock Exchange of India Ltd at www.msei.in respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
8. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
9. The Company's Registrar & Share Transfer Agents (RTA) are:
Link Intime India Pvt. Limited
Vaishno Chamber, 5th Floor, Room No. 502 & 503, 6, Brabourne Road, Kolkata - 700 001
Tel : 91 033 4004 9728
Fax : 91 033 4073 1698
e-mail : kolkata@linkintime.co.in
Website : www.linkintime.co.in
10. 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.
11. 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.

12. 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.

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.

13. With effect from 01st April 2019, except in the case of transmission or transposition of securities, request for effecting transfer of equity shares held in physical form will not be processed. 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.
14. 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, are also given in the Corporate Governance Report along with the details of their shareholding.
15. Members may also note that the Notice of the Annual General Meeting and the Annual Report for financial year 2019-2020 will also be available on the Company's website www.zuarisugar.com for download.
16. Members are requested to notify any change of address:
- To their Depository Participants (DPs) in respect of the shares held in Demat form;
 - To the Company at its Registered Office at Birla Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, North Delhi – 110007 in respect of shares held in physical form; and
 - In case the mailing address mentioned on this Annual Report is without the Pin Code, kindly inform the same to DP of the Company
17. 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.

18. The Statement of Profit and Loss for the financial year ended 31st March, 2020, 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 Company's website at www.zuarisugar.com.

The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, and the relevant documents referred to in the Notice will be available electronically for inspection by the members during the AGM at <https://zuarisugar.com/annualreports>.

19. 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 2011, 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.

20. E-Voting Process: EVENT NO. 200204

A. Process and manner for members to vote through electronic means: In compliance with provisions of Section 108 of Companies Act, 2013 and Rule 20 of Companies (Management and Administration) Rules, 2014 as amended from time to time and Regulation 44 of SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 68th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting, services provided by Link Intime India Private Limited (LIPL). The detailed procedure is mentioned below:

The instructions for shareholders voting electronically are as under:

❖ **Log-in to e-Voting website of Link Intime India Private Limited (LIPL)**

- Visit the e-voting system of LIPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- Click on "Login" tab, available under 'Shareholders' section.
- Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".

4. Your User ID details are given below:
 - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
 - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
 - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company

5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on “Sign Up” tab available under ‘Shareholders’ section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).

	For Shareholders holding shares in Demat Form or 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). <ul style="list-style-type: none"> • Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Bank Account Number	Enter the Bank Account number as recorded in your demat account or in the company records for the said demat account or folio number. <ul style="list-style-type: none"> • Please enter the DOB/ DOI or Bank Account number in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Bank Account number field as mentioned in instruction (iv-c).

If you are holding shares in demat form and had registered on to e-Voting system of LI IPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

If Shareholders holding shares in Demat Form or Physical Form have forgotten password:

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on “SUBMIT”.

In case shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

NOTE: The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LI IPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

❖ **Cast your vote electronically**

6. After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View “Event No” of the company, you choose to vote.
7. On the voting page, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
Cast your vote by selecting appropriate option i.e. Favour/Against as desired.
Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/ Against’. You may also choose the option ‘Abstain’ and the shares held will not be counted under ‘Favour/Against’.
8. If you wish to view the entire Resolution details, click on the ‘View Resolutions’ File Link.
9. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “YES”, else to change your vote, click on “NO” and accordingly modify your vote.
10. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
11. You can also take the printout of the votes cast by you by clicking on “Print” option on the Voting page.

❖ **General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LI IPL:

<https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to enotices@linkintime.co.in or Call us :- Tel : 022 - 49186000.

B. Commencement of E-voting: EVENT NO. 200204

The voting period begins on 21st September, 2020 at 10:00 AM and ends on 24th September, 2020 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 18th September, 2020 may cast their vote electronically. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Members shall not be allowed to change it subsequently.

Members will be provided with the facility for voting through electronic voting system during the VC proceedings at the AGM and Members participating at the AGM, who have not already cast their vote by e-voting will be eligible to exercise their right to vote during the proceedings of the AGM. Members who have casted their vote by e-voting prior to AGM will also be eligible to participate at AGM but shall not be entitled to cast their vote again.

C. General instruction/information for Members for voting on the Resolutions:

- (i) The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the company, subject to the provisions of the section 108 of the Companies Act, 2013 and Rules made thereunder, as amended, as on the cut-off date, being 18th September 2020.
- (ii) 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.

- (iii) The Scrutinizer shall immediately after conclusion of the e-voting, scrutinize the votes cast at the meeting and unblock the votes cast through e-voting 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.
- (iv) 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).
- (v) The Results declared along with the Scrutinizer's Reports will be available on the website of the Company (www.zuarisugar.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.

Instructions for Shareholders/Members to Attend the Annual General Meeting through InstaMeet:

Instructions for Shareholders/Members to attend the Annual General Meeting through InstaMeet (VC/OAVM) are as under:

- 1) Shareholders/Members are entitled to attend the Annual General Meeting through VC/OAVM provided by Link Intime by following the below mentioned process. Facility for joining the Annual General Meeting through VC/OAVM shall open 15 minutes before the time scheduled for the Annual General Meeting and will be available to the Members on first come first serve basis.

Shareholders/Members are requested to participate on first come first serve basis as participation through VC/OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of the Annual General Meeting. Shareholders/Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chair Persons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first serve basis. Members can log in and join 15 (fifteen) minutes prior to the schedule time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the schedule time. Participation is restricted upto 1000 members only.

Shareholders/ Members will be provided with InstaMeet facility wherein Shareholders/ Member shall register their details and attend the Annual General Meeting as under:

1. Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
 - a. DP ID / Client ID or Beneficiary ID or Folio No.: Enter your 16 digit DP ID / Client ID or Beneficiary ID or Folio Number registered with the Company
 - b. PAN: Enter your 10 digit Permanent Account Number (PAN)
 - c. Mobile No.
 - d. Email ID
2. Click "Go to Meeting"

Note:

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders/members have any queries or issues regarding e-voting, you can write an email to instameet@linkintime.co.in or Call at:(022-49186175) at InstaMeet Support Desk, Link Intime India Private Limited.

Instructions for Shareholders/Members to register themselves as Speakers during Annual General Meeting:

Shareholders/ Members who would like to express their views/ ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, email id, mobile number at ig.gsml@adventz.com from 22nd September, 2020 from 10.00 AM to 23rd September, 2020 till 02.45 P.M.

The first (10) Ten Speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders/ Members, who would like to ask questions, may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at ig.gsml@adventz.com. The same will be replied by the company suitably.

Note:

Those shareholders/members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for the Annual General Meeting.

Shareholders/ Members should allow to use camera and are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Instructions for Shareholders/Members to Vote during the Annual General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Shareholders VC page, click on the link for e-Voting "Cast your vote".
2. Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMeet and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.

5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting. If a member casts vote(s) by both modes, then voting done through remote e-voting shall prevail and vote(s) cast at the Meeting shall be treated as "INVALID"

In case of joint holders joining the AGM, only such joint holder who is higher in the order of names will be entitled to vote.

In case the shareholders/members have any queries or issues regarding e-voting or participation in the AGM through VC/OAVM, you can write an email to instameet@linkintime.co.in or Call us: - Tel : (022-49186175)

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:

Item No. 3 : Appointment of the Statutory Auditors of the Company and to fix their remuneration

M/s Walker Chandiook & Co LLP (Regn. No. 001076N / N500013), Chartered Accountants, were appointed as the statutory auditors of the Company for a period of 5 years to hold office from the conclusion of the 63rd Annual General Meeting (AGM) held on 25th September 2015 till the conclusion of 68th AGM of the company to be held in the year 2020.

Since the term of M/s Walker Chandiook & Co, LLP, the existing Statutory Auditors of the Company is expiring, the Audit Committee of the Company vide its meeting held on 8th August, 2020 had approved and recommended the appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. 109208W) as Statutory Auditors of the Company to hold office for the period of five (5) consecutive years from the conclusion of this 68th Annual General Meeting (AGM), till the conclusion of 73rd AGM of the company to be held in the year 2025 which was also approved and recommended by the Board of Directors to the Shareholders of the Company vide its meeting held on 08th August, 2020.

As required in terms of Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, following are the brief details of M/s V. Sankar Aiyar & Co., Chartered Accountants (Firm Registration No. 109208W)

Sl. No.	Particulars	Details
1	Proposed Fee payable	Audit Fee of Rs. 16 Lakhs (including fee for Tax Audit) for conducting the statutory audit for the financial year ended 31 st March 2021
2	Terms and Conditions of appointment	In accordance with Section 139 of the Companies Act, 2013 and rules made thereunder for period of five consecutive year from the conclusion of 68 th Annual General Meeting till the conclusion of 73 rd Annual General Meeting
3	Rationale for material change in the fee payable to auditor from that paid to outgoing auditor	M/s Walker Chandiook & Co LLP the erstwhile Statutory Auditors of the Company has been paid audit fees of Rs. 26 lakhs (including fee for Tax Audit) for conducting the statutory audit for the financial year ended 31 st March 2020.

Sl. No.	Particulars	Details
		The proposed fee payable to M/s V. Sankar Aiyar & Co., Chartered Accountants shall be fixed by the Board of Directors of the Company. There might be material change with respect to decrease in fee as a cost reduction measures taken up by the Company due to COVID-19 impact..
4	Basis of recommendation for appointment	The Board of Directors of the Company on the basis of recommendation from the Audit Committee at its meeting held on 8 th August 2020 also recommended the appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants for period of five consecutive year from the conclusion of 68 th Annual General Meeting till the conclusion of 73 rd Annual General Meeting.
5	Credentials of the Statutory auditor proposed to be appointed	M/s V. Sankar Aiyar & Co., Chartered Accountants is a well known firm of Chartered Accountants having 10 partners with offices in Mumbai, New Delhi and Chennai. The firm also holds Peer Review Certificate no. 11660 dated April 15, 2019 issued by Peer Review Board of the Institute of Chartered Accountants of India valid till April 14, 2022.

Accordingly, the Board commends the Resolution at Item No. 3 for approval of the Members.

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

Item No. 4 : Appointment and Remuneration of Cost Auditor

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, 2021. 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.4 of the

Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021. None of the Directors or Key Managerial Personnel (KMP) or relatives of directors and KMP are in any way, concerned or interested, financially or otherwise, in this resolution.

Item No. 5 : Appointment of Mr. Akshay Poddar (DIN:00008686), as Non Executive Director and Chairman of the Board

The Nomination & Remuneration Committee, at its meeting held on 12th June 2020, had recommended the appointment of Mr. Akshay Poddar as Director for a period of 3 (three) years from 12th June 2020 to 11th June 2023. Based on the said recommendation, the Board of Directors at its meeting held on 12th June 2020, appointed Mr. Akshay Poddar as an Additional/ Non Executive Director of the Company and designated him as Chairman of the Board of Directors of the Company subject to approval of the members of the Company and who shall hold office upto the date of this Annual General Meeting. A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing appointment of Mr. Akshay Poddar as a Non-Executive Director of the Company and Chairman of the Board at this Annual General Meeting for a period of 3 (three) years with effect from 12th June 2020 to 11th June 2023.

Brief profile along with other particulars of Mr. Akshay Poddar, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure - I to this Notice.

Mr. Akshay Poddar is interested in the Resolution set out at Item No. 5 of the Notice in regard to his appointment as Non-Executive Director and Chairman of the Board of the Company and Mr. Akshay Poddar also been Promoter holds 2,35,000 Equity Shares of the Company constituting 5.25% of the total paid up equity share capital of the Company. The relatives of Mr. Akshay Poddar, being promoters of the Company, are also interested in the Resolution set out at Item No. 5 of the Notice, to the extent of their shareholding interest in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment. The Board accordingly places the Ordinary Resolution set out at Item No. 5 of the Notice for approval of the members.

Item No.6 : Appointment of Mr. Bhaskar Chatterjee (DIN:00688184), as an Independent Director of the Company

The Nomination & Remuneration Committee, at its meeting held on 03rd February 2020, had recommended the appointment of Mr. Bhaskar Chatterjee as Additional Director in Independent category for a period of 5 (five)

years from 03rd February 2020 to 02nd February 2025. Based on the said recommendation, the Board of Directors at its meeting held on 03rd February 2020, appointed Mr. Bhaskar Chatterjee as an Additional Director of the Company in the category of Independent Director subject to approval of the members of the Company and who shall hold office upto the date of this Annual General Meeting. A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing appointment of Mr. Bhaskar Chatterjee as an Independent Director of the Company at this Annual General Meeting for a period of 5 (five) years with effect from 03rd February 2020 to 02nd February 2025. If appointed, he shall be entitled to receive sitting fees for attending the meetings of the Board of Directors and Committees thereof within the approved limits.

Considering the vast experience of Mr. Bhaskar Chatterjee of approximately 42 years in diversified field which would be beneficial to the Company, it was proposed to appoint Mr. Chatterjee as an Independent Director on the Board.

In the opinion of the Board, Mr. Bhaskar Chatterjee fulfils the conditions for her appointment as an Independent Director as specified in the Act and the Listing Regulations and he is independent of the management.

As per Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, with effect from April 1, 2019, no listed company shall appoint or continue the directorship of a non-executive director who has attained the age of 75 years, unless a special resolution is passed to that effect and justification thereof is indicated in the explanatory statement annexed to the notice for such appointment. Considering his vast experience in diversified fields the Board has recommended the appointment for period of 5 years and during the course of term of appointment of Mr. Bhaskar Chatterjee as Independent Director, he will be attaining the age of 75 years hence, it is requested to approve continuation of his directorship on the Board of Directors of the Company by way of a special resolution.

Brief profile along with other particulars of Mr. Bhaskar Chatterjee, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure - I to this Notice.

Mr. Bhaskar Chatterjee is interested in the Resolution set out at Item No. 6 of the Notice in regard to his appointment. The relatives of Mr. Bhaskar Chatterjee may be deemed to be interested in the Resolution set out at Item No. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment.

The Board accordingly places the Special Resolution set out at Item No. 6 of the Notice for approval of the members.

Item No. 7 & 8 : Appointment of Mr. Alok Saxena (DIN:08640419) as Director and Whole time Director of the Company

The Nomination & Remuneration Committee, at its meeting held on 03rd February 2020, had recommended the appointment of Mr. Alok Saxena as Additional Executive Director for a period of 3 (three) years from 03rd February 2020 to 02nd February 2023. Based on the said recommendation, the Board of Directors at its meeting held on 03rd February 2020, appointed Mr. Alok Saxena as an Additional Director of the Company and designated him as Executive Director – Operations in the category of Whole time Director subject to approval of the members of the Company and who shall hold office upto the date of this Annual General Meeting. A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing appointment of Mr. Alok Saxena as an Executive Director of the Company at this Annual General Meeting for a period of 3 (three) years with effect from 03rd February 2020 to 02nd February 2023.

Brief terms and conditions for appointment of and remuneration payable to Mr. Alok Saxena are as below:

1. Terms and Termination:

- (i) Subject as hereinafter provided, this Agreement shall remain in force up to three years unless terminated earlier.
- (ii) This Agreement may be terminated earlier by either Party by giving to the other party three months' notice of such termination or the Company paying three months' remuneration in lieu of such notice.

2. Duties & Powers:

- (i) The Whole time Director will devote his whole time and attention to the business of the Company and perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board /Managing Director and the functions of the Whole-time Director will be under the overall authority of the Managing Director.
- (ii) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.

(iii) The Whole-time Director shall adhere to the Company's Code of Conduct.

3. Remuneration:

CONSOLIDATED SALARY: Rs. 67.67 Lakhs per annum (Fixed : Rs. 60.90 Lakhs per annum + Variable : Rs. 6.77 Lakhs per annum) inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc.

In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Alok Saxena, remuneration and / or perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

Any increments, effective dates of which, will be decided by the Board, will be merit based and take into account the Company's performance as well and the same will also be in accordance with provisions of Section 197, Schedule V of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

4. Variation:

The terms and conditions of the appointment of the Whole time Director and/ or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Whole time Director, subject to such approvals as may be required.

5. Agreement co-terminus with employment/ directorship:

If and when, Mr. Alok Saxena will cease to be the employee for any reason whatsoever, this Agreement shall also expire and considered terminated.

Mr. Alok Saxena has rich and varied experience in the industry and has been involved in the operations of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to appoint Mr. Saxena as a Whole-time Director. Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Mr. Alok Saxena as a Whole-time Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act and to pay remuneration as provided under section 197 and Schedule V of the Act.

Save and except as provided in the foregoing paragraph, Mr. Alok Saxena satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Alok Saxena under Section 190 of the Act.

Mr. Alok Saxena does not hold any equity share in the Company.

Brief profile along with other particulars of Mr. Alok Saxena, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure - I to this Notice.

The Statement of information for the members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 is attached as Annexure - II to this Notice.

Mr. Alok Saxena is interested in the Resolution set out at Item No. 7 & 8 of the Notice in regard to his appointment. The relatives of Mr. Alok Saxena may be deemed to be interested in the Resolution set out at Item No. 7 & 8 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment. The Board accordingly places the Ordinary Resolution set out at Item No. 7 and Special Resolution set out at Item No. 8 of the Notice for approval of the members.

Item No. 9 & 10 : Appointment of Mr. Vijay Kumar Kathuria (DIN: 00338125) as Director and Whole-time Director of the Company

The Nomination & Remuneration Committee, at its meeting held on 03rd February 2020, had recommended the appointment of Mr. Vijay Kumar Kathuria as Additional Executive Director for a period of 3 (three) years from 03rd February 2020 to 02nd February 2023. Based on the said recommendation, the Board of Directors at its meeting held on 03rd February 2020, appointed Mr. Vijay Kumar Kathuria as an Additional Director of the Company and designated him as Executive Director – Finance & Commercial in the category of Whole time Director subject to approval of the members of the Company and who shall hold office upto the date of this Annual General Meeting. A notice has been received in writing from a member under Section 160 of the Companies Act, 2013 proposing appointment of Mr. Vijay Kumar Kathuria as an Executive Director of the Company at this Annual General Meeting for a period of 3 (three) years with effect from 03rd February 2020 to 02nd February 2023.

Brief terms and conditions for appointment of and remuneration payable to Mr. Vijay Kumar Kathuria are as below:

1. Terms and Termination:

- (i) Subject as hereinafter provided, this Agreement shall remain in force up to three years unless terminated earlier.
- (ii) This Agreement may be terminated earlier by either Party by giving to the other party three months'

notice of such termination or the Company paying three months' remuneration in lieu of such notice.

2. Duties & Powers:

- (i) The Whole-time Director will devote his whole time and attention to the business of the Company and perform his duties as such with regard to all work of the Company and will manage and attend to such business and carry out the orders and directions given by the Board / Managing Director from time to time in all respects and conform to and comply with all such directions and regulations as may from time to time be given and made by the Board / Managing Director and the functions of the Whole time Director will be under the overall authority of the Managing Director.
- (ii) The Whole-time Director shall act in accordance with the Articles of Association of the Company and shall abide by the provisions contained in Section 166 of the Act with regard to duties of directors.
- (iii) The Whole-time Director shall adhere to the Company's Code of Conduct.

3. Remuneration:

CONSOLIDATED SALARY: Rs.12.00 Lakh per annum (inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc.)

In the event of loss or inadequacy of profits in any financial year during the aforesaid period, the Company will pay Mr. Vijay Kumar Kathuria, remuneration and / or perquisites not exceeding the ceiling laid down in Schedule V to the Companies Act, 2013, as may be decided by the Board of Directors.

Any increments, effective dates of which, will be decided by the Board, will be merit based and take into account the Company's performance as well and the same will also be in accordance with provisions of Section 197, Schedule V of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended.

4. Variation:

The terms and conditions of the appointment of the Whole time Director and/ or this Agreement may be altered and varied from time to time by the Board as it may, in its discretion deem fit, within the maximum limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the Whole time Director, subject to such approvals as may be required.

5. Agreement co-terminus with employment/ directorship: If and when, Mr. Vijay Kumar Kathuria will cease to be the employee for any reason whatsoever, this Agreement shall also expire and considered terminated.

Mr. Vijay Kumar Kathuria has rich and varied experience in the industry and has been involved in the Financial and Commercial matters of the Company. It would be in the interest of the Company to continue to avail of his considerable expertise and to appoint Mr. Kathuria as a Whole-time Director. Accordingly, approval of the members is sought for passing a Special Resolution for appointment of Mr. Vijay Kumar Kathuria as a Whole-time Director, as set out in Part-I of Schedule V to the Act as also under sub-section (3) of Section 196 of the Act and to pay remuneration as provided under section 197 and Schedule V of the Act.

Save and except as provided in the foregoing paragraph, Mr. Vijay Kumar Kathuria satisfies all the other conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his appointment. He is not disqualified from being appointed as Director in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Mr. Vijay Kumar Kathuria under Section 190 of the Act.

Mr. Vijay Kumar Kathuria does not hold any equity share in the Company.

Brief profile along with other particulars of Mr. Vijay Kumar Kathuria, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure– I to this Notice.

The Statement of information for the members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 is attached as Annexure– II to this Notice.

Mr. Vijay Kumar Kathuria is interested in the Resolution set out at Item No. 9 & 10 of the Notice in regard to his appointment. The relatives of Mr. Vijay Kumar Kathuria may be deemed to be interested in the Resolution set out at Item No. 9 & 10 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment. The Board accordingly places the Ordinary Resolution set out at Item No. 9 and Special Resolution set out at Item No. 10 of the Notice for approval of the members.

Item No. 11 Appointment of Mrs. Manju Gupta as an Independent Director:

The Nomination & Remuneration Committee in its meeting held on 08th August, 2020, has recommended appointment of Mrs. Manju Gupta as Director for a period of 3 (three) years from 08th August, 2020 to 07th August, 2023. Based on the recommendation, the Board of Directors in its meeting held on 08th August, 2020 appointed Mrs. Manju Gupta as an Additional Director of the Company in the category of Independent Directors and her tenure expires

at this Annual General Meeting. A notice has been received in writing by a member under Section 160 of the Companies Act, 2013 proposing appointment of Mrs. Manju Gupta as an Independent Director of the Company at this Annual General Meeting for a period of 3 (three) years with effect from 08th August, 2020 to 07th August, 2023.

Brief profile along with other particulars of Mrs. Manju Gupta, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as annexure to this Notice.

Mrs. Manju Gupta is interested in the Resolution set out at Item No. 11 of the Notice in regard to his appointment. The relatives of Mrs. Manju Gupta may be deemed to be interested in the Resolution set out at Item No. 11 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment. The Board accordingly places the Ordinary Resolution set out at Item No. 11 of the Notice for approval of the members.

Item No. 12 : Payment of managerial remuneration to Mr. R S Raghavan (DIN:00362555) as Managing Director of the Company

The Members of the Company vide approval through Special Resolution at the Annual General Meeting held on 10th August 2018, re-appointed Mr. R. S. Raghavan (holding DIN 00362555) as Managing Director and Key Managerial Personnel (“KMP”) of the Company to hold office for a period of 3 years from 28th August 2018 to 27th August 2021 at a managerial remuneration of Rs. 12/- per annum.

The Nomination & Remuneration Committee, at its meeting held on 03rd February 2020, had recommended the increase in remuneration of Mr. R S Raghavan as Managing Director w.e.f. 15th February 2020. Based on the said recommendation, the Board of Directors at its meeting held on 03rd February 2020, approved the increase in the remuneration of Mr. R S Raghavan from Rs. 12/- per annum to a consolidated remuneration of Rs. 96 Lakhs per annum in accordance with the terms and conditions approved by Shareholders at the AGM held on 10th August 2018.

Mr. R S Raghavan, aged about 71 years, is a Chartered Accountant and has over 48 years of rich and varied experience in wide range of industries such as Fertilisers, Chemicals, Steel, Textile and Electronics. He has been associated with various group entities of Zuari and related companies. During his tenure, the Company has successfully implemented the various projects of the Company viz. Co-generation Power Plant, Refinery, Distillery and the Company is now on growth path. It would be in the interest of the Company to continue to avail of his considerable

expertise. Accordingly, approval of the members is sought for passing a Special Resolution for payment of remuneration to Mr. R S Raghavan as set out in Section II of Part II of Schedule V of the Act.

Brief profile along with other particulars of Mr. R S Raghavan, as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached as Annexure – I to this Notice.

The Statement of information for the members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013 is attached as Annexure – II to this Notice.

Mr. R.S. Raghavan is interested in the Resolution set out at Item No. 12 of the Notice in regard to his appointment. The relatives of Mr. R S Raghavan may be deemed to be interested in the Resolution set out at Item No. 12 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the above appointment. The Board accordingly places the Special Resolution set out at Item No. 12 of the Notice for approval of the members.

Item No. 13 Ratification and approval of related party transaction

Zuari Sugar & Power Limited (ZSPL), Fellow Subsidiary of the Company is engaged in the business trader to deal in agri related commodities. During the course of its business the Company has entered into agreement with ZSPL for sale and purchase of sugar. The Company has entered following transaction with ZSPL which is in ordinary course of business and at arm's length:

(Rs. in lakhs)

S. No.	Nature of Transaction	Amount
1.	Reimbursement of Expenses	12.84
2.	Sale of Finished Goods (Sugar)	16094.36
TOTAL		16107.20

As per the provisions of the Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, defines term Material Related Party Transaction. It provides that all related party transactions shall be considered as "Material" if the transaction entered with or transactions to be entered individually or taken together with a Related Party along with previous transactions during a Financial Year exceeds 10% of the Annual Consolidated Turnover of the company as per the Last Audited Financial Statement of the Company.

The Material Related Party Transactions requires approval of the Shareholders by passing an Ordinary Resolution and in respect of voting on such resolution(s), all the related parties shall abstain from voting, irrespective of whether the

entity or person is a party to the particular transaction or not, pursuant to Regulation 23(7) of SEBI (LODR).

Members may please note that based on the criteria as mentioned above in the SEBI LODR, the transactions with ZSPL, fellow subsidiary are "Material" and therefore requires approval of the Company by Ordinary Resolution. Accordingly, an Ordinary Resolution under Item No. 13 for ratification/approval of the related party transactions with ZSPL is placed before the Shareholder for ratification/approval.

Further, the Board also recommend the proposal to enter into further transaction for sale or purchase of sugar and other related transactions on such terms and conditions as the Board of Directors deem fit, upto a maximum aggregate value of Rs. 400 crores (Rupees Four Hundred Crores) for the financial year 2020-21 with ZSPL, in one or more tranches from time to time, provided the said contract(s)/ arrangement(s)/ transaction(s) so carried out shall be at arm's length basis and in the ordinary course of business.

Pursuant to Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014, as amended till date, particulars of the transaction(s) with ZSPL are as follows:

- Name of the related party – Zuari Sugar & Power Limited
- Name of the director or key managerial personnel who is related, if any;- Mr. R.S. Raghavan, Mr. L M Chandrasekaran, Mr. Bhaskar Chatterjee, Mr. Vijay Kathuria, Mr. Alok Saxena
- Nature of relationship – Fellow Subsidiary
- Nature, material terms, monetary value and particulars of the contract or arrangements; - sale and purchase of Sugar and other related transactions. The monetary value for transaction during FY 2020-21 upto Rs. 400 crores.
- Any other information relevant or important for the members to take a decision on the proposed resolution. - NA

Hence, the Board recommends the said enabling resolution for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives as except mentioned above is concerned or interested/concerned in this resolution, financially or otherwise.

By Order of the Board

Dated: 08th August, 2020

Place: Delhi

Regd. office: Birla Mill Complex,
PO Birla Lines, GT Road, near
Clock Tower, Kamla Nagar, Delhi 110007

Gaurav Dutta
Company Secretary
M. No.: A 24445

Brief Profile of Directors seeking appointment / re-appointment at this Annual General Meeting in pursuance of Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:

Name of the Director	Mr. Akshay Poddar	Mr. R S Raghavan	Mr. Bhaskar Chatterjee	Mr. Alok Saxena	Mr. Vijay Kumar Kathuria	Mrs. Manju Gupta
DIN	00008686	00362555	00688184	08640419	00338125	00124974
Date of Birth	20-07-1976	28-10-1948	02-08-1946	25-09-1962	16-07-1965	29-11-1951
Age	44	71	73	57	55	68
Nationality	NRI	Indian	Indian	Indian	Indian	Indian
Relationship between directors inter-se	NIL	NIL	NIL	NIL	NIL	NIL
Date of First Appointment	12-06-2020	21-08-2012	03-02-2020	03-02-2020	03-02-2020	08-08-2020
Qualification	Honours in Accounting & Finance from London School of economics and Political Science, University of London	Chartered Accountant	Bachelor in Mechanical Engineering	Bachelors in Science and A.N.S.I. (S.T.)	Chartered Accountant, Company Secretary and Cost Accountant	B.A. (Hons)
Functional Expertise & Experience including brief resume.	<p>Mr. Akshay Poddar aged 43, is a scion of the renowned Poddar family of Kolkata, promoters of the Adventz Group. The group has a glorious track record of promoting and managing businesses in diversified industries like Fertilizers, Agri-inputs, Heavy Engineering, Process Engineering, Sugar, Consumer Products, Real Estate, Investments and Furniture etc. The annual turnover of the Adventz Group is over US \$2.5 billion. Mr. Poddar serves as Director on the Board of various Group Companies. Mr. Poddar is an alumnus of the London School of Economics & Political Science, University of London and graduated with Honours in Accounting & Finance in 1999. Mr. Poddar is also associated as a Member with Indian Chamber of Commerce, Kolkata, Young Leaders Forum (YLF), The Indus Entrepreneurs etc. to name a few.</p>	<p>Mr. R S Raghavan, aged about 71 years, is a Chartered Accountant and has over 48 years of experience in wide range of industries such as Fertilisers, Chemicals, Steel, Textile and Electronics. He has been associated with various group entities of Zuari and related companies.</p>	<p>Mr. Bhaskar Chatterjee aged 73, graduated in Mechanical Engineering from Jadavpur University, Kolkata in the year 1968 and having rich experience of more than 42 years. He started his career as a Management Trainee with DCM Group in Delhi and worked as Mechanical Engineer with DCM Chemicals and Shriram Chemicals & Fertiliser units at Delhi and Kota, Rajasthan. In 1972, he joined Zuari Agro Chemicals Ltd., Goa and worked in various capacities as Project Engineer, Purchasing manager, Maintenance Manager and General Manager Projects and Technical Services. In 1996, he moved to Simon India Ltd., New Delhi (an EPC Company focused on Engineering and Project Execution of Industrial Process Plants) as Director Operations and later became COO of Simon. He has also been conferred by various professional and social organizations for his achievements and social commitments. Currently, Mr. Chatterjee is acting as an Independent Director on the Boards of various group companies.</p>	<p>Mr. Alok Saxena aged 57, is a Sugar Technologist having experience of more than 35 years in field of sugar production, plant operation, project management, safety & environment management, business process restructuring etc. He did his graduation in science from Kumaun University in 1981 and thereafter he completed Post Graduate Diploma in Sugar Technology from National Sugar Institute, Kanpur in 1984. He was topper of his batch and conferred Mahatma Gandhi Gold Medal for the same.</p> <p>Mr. Saxena is having more than 12 years' experience of heading a sugar plant and associated with GSML as President - Unit Head, from April, 2013. He has also worked as Chief General Manager in Triveni Engineering & Industries limited and as Vice President in Bajaj Hindusthan Limited. He is also member of council of Sugar Technologist Association of India. He was conferred by various professional and social organizations for his achievements and social commitments.</p>	<p>Mr. Vijay Kumar Kathuria aged 55, having rich experience of more than 32 years, worked at senior positions in multiple Companies in various fields like Capital Markets, Merchant Banking & Investments Banking, Corporate Advisory Services, Finance, Accounts, Taxation and Audits etc. He is the member of ICAI, ICSI and ICWAI. Currently, Mr. Kathuria is acting as Chief Financial Officer of Zuari Global Limited, the holding Company and he is also a Director in multiple group companies.</p>	<p>Mrs. Manju Gupta, aged 68 years, is a B.A. (Hons) from Punjab University and specialised in English. She has professional expertise in Business Strategy and General Management. She is a Director of Matangi Rubber Private Limited, a manufacturing industry from June 2005 and also an Additional Independent Director in Zuari Global Limited.</p>
Appointment/ Re-appointment	Appointment	Re-appointment	Appointment	Appointment	Appointment	Appointment

Name of the Director	Mr. Akshay Poddar	Mr. R S Raghavan	Mr. Bhaskar Chatterjee	Mr. Alok Saxena	Mr. Vijay Kumar Katheria	Mrs. Manju Gupta
Terms and Conditions of appointment/ re-appointment	As per Explanatory Statement	As per Explanatory Statement	As per Explanatory Statement	As per Explanatory Statement	As per Explanatory Statement	As per Explanatory Statement
Directorship held in companies (excluding foreign companies & Section 8 companies) as on 31 st March, 2020	<ol style="list-style-type: none"> 1 Adventz Securities Enterprises Ltd 2 Lionel Edwards Limited 3 Lionel India Limited 4 Mangalore Chemicals & Fertilisers Ltd 5 Texmaco Infrastructure & Holdings Ltd 6 Texmaco Rail & Engineering Ltd 7 Zuari Agro Chemicals Limited 8 Indian Chamber of Commerce 9 The Fertiliser Association of India 10 Abhishek Holdings Pvt Ltd. 11 Adventz Finance Pvt Ltd 12 Adventz Investment Company Pvt Ltd 13 Greenland Trading Pvt Ltd 14 Indrakshi Trading Company Pvt Ltd 15 Hettich India Private Ltd 16 Touax Texmaco Railcar Leasing Pvt Ltd 17 Adventz Homecare Pvt Ltd 18 Globalware Trading and Holdings Limited 19 Felicabo Worldwide Limited 20 Adventz Trading DMCC 21 Adventz Properties Limited 22 Adventz Investments Limited 23 Adventz General Trading LLC 24 Hettich Middle East DMCC 	<ol style="list-style-type: none"> 1 Gobind Sugar Mills Limited 2 Zuari Global Limited 3 Zuari Infraworld India Limited 4 Zuari Finserv Limited 5 Zuari Insurance Brokers Limited 6 New Eros Tradecom Limited 7 Zuari Sugar & Power limited 8 Soundaryaa IFPL Interiors Limited 9 Avineon India Private Limited 	<ol style="list-style-type: none"> 1 Indian Furniture Products Limited 2 Zuari Investments Limited 3 Zuari Sugar & Power Limited 4 Zuari Finserv Limited 5 Gobind Sugar Mills Limited 	<ol style="list-style-type: none"> 1 Gobind Sugar Mills Limited 	<ol style="list-style-type: none"> 1 Zuari Investments Limited 2 Zuari Sugar & Power Limited 3 Zuari Insurance Brokers Limited 4 Zuari Finserv Limited 5 Soundaryaa IFPL Interiors Limited 6 Zuari Management Services Limited 7 Gobind Sugar Mills Limited 8 Valley View Landholdings Private Limited 9 Zuari Indian Oiltanking Private Limited 10. Indian Furniture Products Limited 	<ol style="list-style-type: none"> 1. The Birla Cotton Spinning and Weaving Mills Limited 2. Vikram Polymers Private Limited 3. East Coast Ispat Pvt Limited 4. Moonriver Designs Private Limited 5. Matangi Rubber Private Limited 6. Paxton Estate Management Services Limited 7. Qualimax Electronics Pvt Limited 8. Zuari Global Limited
Membership/ Chairmanship of Committees of public Companies (includes only Audit Committee and Stakeholders Relationship Committee) as on 31 st March, 2020	<ol style="list-style-type: none"> 1. Texmaco Infrastructure & Holdings Ltd - Member of Audit Committee and Shareholders / Investors Grievance and Share Transfer Committee 2. Texmaco Rail & Engineering Ltd. - Chairman of Shareholders / Investors Grievance and Share Transfer Committee 	<ol style="list-style-type: none"> 1. Gobind Sugar Mills Ltd – Member of Audit Committee and stakeholders Relationship Committee 2. Zuari Finserv Ltd. - Chairman of Audit Committee 3. Zuari Sugar & Power –Chairman of Audit Committee 4. Zuari Global Ltd. –Member of Audit Committee and stakeholders Relationship Committee 	<ol style="list-style-type: none"> 1 Indian Furniture Products Limited – Member of Audit Committee 2 Zuari Investments Limited – Member of Audit Committee 3 Zuari Sugar & Power Limited – Member of Audit Committee 4 Zuari Finserv Limited – Member of Audit Committee 5 Gobind Sugar Mills Limited – Member of Audit Committee 	NIL	<ol style="list-style-type: none"> 1 Zuari Investments Limited – Member of Audit Committee 	The Birla Cotton Spinning and Weaving Mills Limited – Member of Audit Committee and Stakeholders Relationship Committee.
Number of equity shares held in the Company	2,35,000	NIL	NIL	NIL	NIL	NIL

Name of the Director	Mr. Akshay Poddar	Mr. R S Raghavan	Mr. Bhaskar Chatterjee	Mr. Alok Saxena	Mr. Vijay Kumar Kathuria	Mrs. Manju Gupta
Remuneration last drawn	NIL	Rs. 12 per annum	NIL	Rs. 56.39 lakhs (including provident fund, Gratuity and all Retiral benefits / allowances etc) in capacity as an employee of the Company under designation "Unit Head"	NIL	NIL
Remuneration proposed to be paid	Sitting fees will be paid	Rs. 96 Lakhs per annum	Sitting fees will be paid	Rs. 67.67 Lakhs per annum (Fixed : Rs. 60.90 Lakhs per annum + Variable : Rs. 6.77 Lakhs per annum) inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc	Rs.12.00 Lakhs per annum (inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc.)	Sitting fees will be paid
Number of meetings of the Board attended during the year.	NIL	4	1	1	1	NA

Annexure – II

The Statement of information for the members pursuant to Section II of Part II of Schedule V to the Companies Act, 2013

I. General Information :

1	Nature of Industry	The Company is primarily engaged in extraction of sugar from sugar cane and its sale along with its other products. The Company is also engaged in generation and export of power by utilizing by product – bagasse and manufacture and sale of ethanol utilizing molasses.
2	Date or expected date of commencement of commercial production :	Existing Company incorporated in 1952 and commencing sugar production since incorporation
3	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Existing Company, not applicable.
4	Financial performance based on given indicators	As detailed below
Particulars		
		Financial year ended on 31st March, 2020 (in Lakhs)
		Financial year ended on 31st March, 2019 (in Lakhs)
Total Income		62,017.90
Profit/(Loss) before tax		(3,506.34)
Profit/(Loss) after tax		(7,456.06)
Other Comprehensive Income		37.08
Net Profit/(Loss) for the year after other comprehensive income		(7,418.98)
5	Export performance and net foreign exchange collaborations	The Company was allocated a Maximum Admissible Export Quota (MAEQ) of 28,440 MT from the Government of India to boost up the financial health of sugar mills, reduce the cane arrears and to liquidate the surplus stock of Indian sugar. The Company explored the export opportunities across the globe for its sulphur free refined sugar and was able to export the full MAEQ by mid of March, 2020. Sugar quality are well accepted in international market and considering the continuous enquiry from global market, the Company applied for additional MAEQ and was allocated further 4,390 MT which also was subsequently exported by end June, 2020. Whole export quantity of 32830 MT was contracted by the Company through direct sales to end buyers as well as global trading houses. The Sulphur free double refined sugar of the Company elicited very good response in global markets such as Canada, Middle East, South East Asia and other Asian markets and helps the Company in commanding premium and improving realization better than global and domestic prices (after considering incentives announced by Gol on MAEQ). The average realization was Rs. 3,308/- per qtl inclusive of export subsidy which is better than the average domestic sales realization of Rs. 3,294/- per qtl during the year 2019-20.
6	Foreign Investment of Collaborators, if any	NIL

II. Information about the Appointees

Sl. No.	Particulars	Mr. R S Raghavan	Mr. Alok Saxena	Mr. Vijay Kumar Kathuria
1	Background details	Mentioned under "Functional Expertise & Experience including brief resume" of Annexure – I of this explanatory statement	Mentioned under "Functional Expertise & Experience including brief resume" of Annexure – I of this explanatory statement	Mentioned under "Functional Expertise & Experience including brief resume" of Annexure – I of this explanatory statement
	Past remuneration	Rs. 12 per annum	Rs. 56.39 lakhs (including provident fund, gratuity and other retiral benefits) in capacity as an employee of the Company under designation "Unit Head"	NIL
	Recognition or awards	Awarded "Excellence in Performance" by Sugar Technologies Association of India in its Annual meeting held at Kolkata on 17 th July 2019.	Awarded by various professional and social organizations for his achievements and social commitments.	Awarded excellence in work by various professional organisations.
	Job profile and his suitability	Subject to the supervision and control of the Board of Directors Mr. R S Raghavan is in overall in-charge of running the affairs of the Company including Budgeting, Funding, Liasioning with the Investors and Corporate affairs. During his tenure as a Managing Director of the Company, the Company has made tremendous growth under his leadership.	Mr. Alok Saxena has rich and varied experience in the industry and has been involved in looking after the overall operations of the Company.	Mr. Vijay Kumar Kathuria has rich and varied experience in the Finance and Commercial related matters and has been actively involved in looking after these functions successfully.
	Remuneration proposed	Consolidated Salary of Rs. 96 Lakhs per annum inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc	Consolidated Salary of Rs. 67.67 Lakhs per annum (Fixed: Rs. 60.90 Lakhs per annum + Variable : Rs. 6.77 Lakhs per annum) inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc	Consolidated salary of Rs.12.00 Lakh per annum (inclusive of Provident Fund, Gratuity and all Retiral benefits / allowances etc.)
	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case expatriates the relevant details would be w.r.t the country of his origin.	The current remuneration being paid to the Managing Director and Whole-time Directors (looking at the profile of the position and person) is lower than the remuneration being paid by the Companies of comparable size in the industry in which the Company operates. Moreover, the payment of remuneration is necessitated due to complexities of business and diversified activities.		
	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Apart from receiving remuneration as stated above, Mr. R S Raghavan does not receive any emoluments from the Company and he is not having any pecuniary relationship directly or indirectly with the Company. No other managerial personnel have any relationship with Mr. R S Raghavan.	Apart from receiving remuneration as stated above, Mr. Alok Saxena does not receive any emoluments from the Company and he is not having any pecuniary relationship directly or indirectly with the Company. No other managerial personnel have any relationship with Mr. Alok Saxena.	Apart from receiving remuneration as stated above, Mr. Vijay Kumar Kathuria does not receive any emoluments from the Company and he is not having any pecuniary relationship directly or indirectly with the Company. No other managerial personnel have any relationship with Mr. Vijay Kumar Kathuria.

III. Other Information:

1	Reasons of loss or inadequate profits	<p>The operations of the Company were good during the financial year 2019-20 but the profitability of the Company was affected due to certain factors like reduction of power tariff by the UPPCL, increase in Closing stock of sugar, foreign exchange fluctuations, high finance cost, writing off the deferred tax approx. Rs. 45 Crores etc</p> <p>The profit before interest, depreciation and tax for the year under review stood at Rs.7,043.21 Lakhs as compared to previous year's figure of Rs. 6,118.14 Lakhs. However, the Net Loss after tax of Rs. 7,456.06 Lakhs was recorded for the year ended 31st March, 2020 mainly due to the Company electing to exercise the option of reduced income tax rates permitted under Section 115 BBA of Income Tax Act 1961 leading to re-measurement of Deferred Tax Assets (Net) on the basis of rates prescribed in the said section. The full impact of this change of Rs. 4,535.71 Lakhs is recognized in the year 2019-20.</p>
2	Steps taken or proposed to be taken for improvement	<p>The Company participated in ethanol tender floated by OMCs for ethanol blending in petrol and successfully supplied 5508/KL ethanol to different depots at UP and MP for FY 19-20. Govt has fixed ethanol prices based on raw materials used for ethanol production. Price for ethanol produced from C heavy molasses is INR 43.75/BL and from B heavy molasses is INR 54.27/BL. We are continuing power export to UPPCL under PPA.</p> <p>Recently, the Company also participated in the bidding on the tender issued by U.P. Power Corporation Limited (UPPCL) inviting bids for supply of Bagasse based power for long term through competitive bidding process for meeting the Renewable Purchase Obligation of Paschimanchal Vidyut Vitran Nigam Ltd., Purvanchal Vidyut Vitran Nigam Ltd., Madhyanchal Vidyut Vitran Nigam Ltd., Dakshinanchal Vidyut Vitran Nigam Ltd. & Kanpur Electricity Supply Company Ltd. in the state of Uttar Pradesh.</p> <p>The future outlook of the industry and of the company is highly dependent on the supportive measures, which may be taken by the State/Central Governments to ensure viability of sugar mills. However, the Company is relentlessly working on increasing its operational efficiencies, instituting cost controls and increasing productivity in respect of all controllable factors to make its operations resilient.</p>
3	Expected increase in productivity and profits in measurable terms	<p>With the commencement of the Ethanol production and better operations in the coming years, the profitability of the Company will be improved.</p>

IV. Disclosures

1	The shareholders of the Company shall be informed of the remuneration package of the managerial person	As more fully described in the Explanatory Statement above.
2	<p>The Following Disclosures Shall Be Mentioned In The Board Of Director's Report Under The Heading " Corporate Governance" If Any Attached To The Annual Report:-</p> <ul style="list-style-type: none"> (i) All Elements Of Remuneration Package Such As Salary, Benefits, Bonuses, Stock Options, Pension, Etc. Of All The Directors; (ii) Details Of Fixed Component And Performance Linked Incentives Along With The Performance Criteria; (iii) Service Contracts, Notice Period, Severance Fees; (iv) Stock Option Details, If Any, And Whether The Same Has Been Issued At A Discount As Well As The Period Over Which Accrued And Over Which Exercisable 	The relevant details have been included in the Corporate Governance Report of the Company being part of Directors Report for 2019-20.

DIRECTORS' REPORT 2019-20

To

THE MEMBERS,

We all are aware that the Covid-19 pandemic is spreading rapidly in India. It is an unprecedented phenomenon for all of us. The situation is constantly evolving and we are presented with a new set of challenges every day. To tackle this pandemic, various state governments (including for the state of U.P.) announced statewide lockdown as well as the Central Government implemented various restrictions on movement of people as well as goods. However, Sugar being an essential commodity, the Central and State Governments worked towards easing problems associated with movement of inputs and outputs. While the Company's crushing operations remained largely unaffected, the sales (both domestic and export) were marginally impacted on account of logistics challenges as well as reduced demand leading to reduced sugar realization against expectations of high realization during the peak sugar consumption season of summers.

In these trying circumstances, your Directors are presenting the 68th Annual Report and the audited Accounts of the Company for the year ended 31st March 2020.

1. FINANCIAL RESULTS AND APPROPRIATIONS:

(Rs. in Lakhs)

	2019-20	2018-19
Sales	57,900.03	46,384.92
Other Income	4,117.87	5,280.16
Total Income	62,017.90	51,665.08
Expenses excluding Depreciation and Interest	54,974.69	45,546.94
EBITDA	7,043.21	6,118.14
Finance Cost (Net)	8,426.98	6,945.91
Depreciation/Amortization	2,122.57	1,800.40
Profit/(Loss) before Tax	(3,506.34)	(2,628.17)
Deferred Tax Charge/ (Credit)	3,949.72	954.30
Net Profit/(Loss) after Tax	(7,456.06)	(3,582.47)
Add: other comprehensive income (net of tax)	37.08	23.53
Total Comprehensive Income/ (Loss) after Tax	(7,418.98)	(3,558.94)
Basic / Diluted Earnings per share	(166.69)	(97.31)

2. OPERATING PERFORMANCE

During the year under review, Your Company crushed 143.20 Lakhs Qtls (previous year 126.20 Lakhs Qtls) of sugar cane achieving sugar recovery rate of 11.66% (Previous year 11.66%). Sugar production was 16,69,665 Qtls (previous year 14,71,172 Qtls) and Molasses production was 6,76,323 Qtls (Previous year 5,83,087 Qtls).

During the year, your Company was awarded for "Excellence in Performance" by Sugar Technologies Association of India in its Annual meeting held at Kolkata on 17th July 2019.

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, 2020 increased by 24.83% to Rs. 57,900.03 Lakhs from Rs. 46,384.92 Lakhs for the year 2018-19.

The profit before interest, depreciation and tax for the year under review stood at Rs. 7,043.21 Lakhs as compared to previous year's figure of Rs. 6,118.14 Lakhs. However, the Net Loss after tax of Rs. 7,456.06 Lakhs was recorded for the year ended 31st March, 2020 mainly due to the Company electing to exercise the option of reduced income tax rates permitted under Section 115 BBA of Income Tax Act 1961 leading to re-measurement of Deferred Tax Assets (Net) on the basis of rates prescribed in the said section. The full impact of this change of Rs. 4,535.71 Lakhs is recognized in the year 2019-20.

A perusal of Cash Flow statement for the year ended 31st March 2020 attached to the accounts reveal that Cash generated from operations during the year 2019-20 was Rs. 8,234.53 lakhs as against Negative Rs. 1,369.49 lakhs in the previous year. This means that your Company's operations during the year 2019-20 generated cash of Rs. 9,604.02 lakhs.

4. PROJECT IMPLEMENTATION

During the year under review, the state-of-art Distillery Plant was commissioned and the Company started the commercial production of the Ethanol at 60 KLPD capacity with effect from 01st December 2019. The relevant statutory approvals in connection with the increase in the capacity from 60 KLPD to 100 KLPD are under process. State Level Environmental Impact Assessment Authority, Uttar Pradesh) on 16th July 2020 cleared Company's application for enhancing the capacity to 100 KLPD.

The Company has sufficient ethanol to cope up the demand of sanitizer for in house as well as nearby areas. On seeing the shortage of hand sanitizer in market, the Company decided to make the hand sanitizer at its distillery. With the support of Government of Uttar Pradesh, the Company entered into manufacturing and distribution of hand sanitizers under the name "Zuarisol" (packed in 100 ml, 200 ml and 5 Litre bottles) with effect from 28th March 2020 in an effort to support the Central and State Governments in the fight against COVID-19 virus.

During the year, the Company also availed the facility of Rs. 25 Crores 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 Ethanol project with spent wash incineration at Aira.

To tackle the COVID-19 pandemic, IREDA announced special Top-up Term Loan scheme to its existing borrowers to enable them to tide over the financial crisis caused by the pandemic. As a part of this, the Company was sanctioned a term loan of Rs 7.49 Crore by IREDA towards COVID-19 Top-up Term Loan facility.

5. SALES PERFORMANCE

During the year under review, the Sugar sales realization was Rs. 3,294.21 per Qtls (prev. year Rs. 3,079.27 per Qtls). Government of India (GoI) increased MSP from Rs. 29/kg to Rs 31/Kg and continuing monthly release quota for sale of sugar in domestic market. The Company also sold 44,000 Qtl sugar in retail market under the brand name "Zuari Sugar". Our consumer (retail) pack sugar are well placed in northern market and increasing market share on regular basis.

We participated in Ethanol tender floated by Oil Marketing Companies (OMC) for Ethanol blending in petrol and successfully supplied 5,508KL Ethanol to different depots at UP and MP for FY 19-20. GoI has fixed ethanol prices based on raw materials used for ethanol production. Price for ethanol produced from C heavy molasses is Rs. 43.75/BL and from B heavy molasses is Rs. 54.27/BL. We are continuing power export to UPPCL under Power Purchase Agreement.

In addition, to boost up the financial health of sugar mills, reduce the cane arrears and to liquidate the surplus stock of Indian sugar,

Gol has allocated mill wise export quota with export subsidy of Rs. 10,448/- per MT of sugar exported for Sugar Season 19-20. The Company was allocated a Maximum Admissible Export Quota (MAEQ) of 28,440 MT. The Company explored the export opportunities across the globe for its sulphur free refined sugar and was able to export the full MAEQ by mid of March, 2020. Sugar quality are well accepted in international market and considering the continuous enquiry from global market, the Company applied for additional MAEQ and was allocated further 4,390 MT which also was subsequently exported by end June, 2020. Whole export quantity of 32,830 MT was contracted by the Company through direct sales to end buyers as well as global trading houses. The Sulphur free double refined sugar of the Company elicited very good response in global markets such as Canada, Middle East, South East Asia and other Asian markets and helped the Company in commanding premium and improving realization better than global and domestic prices (after considering incentives announced by Gol on MAEQ). The average export realization was Rs. 3,308/- per qtl inclusive of export subsidy which is better than the average domestic sales realization of Rs. 3,294/- per qtl during the year 2019-20.

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. SHIFTING OF REGISTERED OFFICE

During the financial year 2019-20, the Registered Office of the Company was shifted from the State of West Bengal to National Capital Territory of Delhi w.e.f. 24th August 2019 as per Certificate received from Registrar of Companies, NCT of Delhi in terms of the order of the Regional Director, Eastern Region, Kolkata dated 17th July 2019.

The present Registered Office of the Company is situated at Birla Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi – 110007

8. MEETINGS OF BOARD

During the year 2019-20, the Board of Directors met 4 times, the details of the same have been included in the Corporate Governance Report which forms part of this Directors Report as Annexure - A.

9. 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.

10. 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 2019-20 has been placed on the website (www.zuarisugar.com) of the Company.

11. DIVIDEND

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

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

With profound grief and sorrow, this is to inform the Members about the sad demise of Shri R. N. Ratnam who left for his heavenly abode during the financial year on 05th February 2020. He served as a Member on the Board of Gobind Sugar Mills Limited since 2012. He was also the Chairman of Audit Committee and Nomination and Remuneration Committee of Board and made valuable contribution to the growth and success of the Company.

The Board conveys its deepest condolences at the sudden and sad demise of Shri Ratnam. His vision will continue to guide and motivate us forever.

During the year under review, the Board of Directors of the Company vide its meeting held on 03rd February 2020, on the recommendation of the Nomination and Remuneration Committee, appointed the following three Directors as Additional Directors on the Board subject to approval of members of the Company in the forthcoming Annual General Meeting:

Mr. Bhaskar Chatterjee (DIN – 00688184) as “Non Executive Independent Director”;

Mr. Alok Saxena (DIN – 08640419) as an “Executive Director – Operations”;

Mr. Vijay Kumar Kathuria (DIN – 00338125) as an “Executive Director – Finance & Commercial”.

The Board recommends to the members of the Company for according their approval for the appointment of above additional Directors at the forthcoming AGM.

After the appointment of 3 additional directors as aforesaid, as on the year ending date i.e. 31st March 2020, the Company was having Four Non Executive Independent Directors (including One Independent Woman Director), One Non Executive Director and Three Executive Directors (including Managing Director) having vast experience in varied fields.

The Shareholders of the Company at 67th Annual General Meeting held on 27th September 2019 approved the appointment of Mr. Marco Wadia (DIN - 00244357) as Independent Director of the Company for a period of 5 years from 01st April 2019 to 31st March 2024.

During the financial year under review, the Company received a letter from Mrs. Indira Varadarajan intending not to be re-appointed for another term upon completion of her tenure due to personal reasons. Accordingly, it was decided by the Board of Directors to not proceed with re-appointment of Mrs. Varadarajan. The Board placed on record its appreciation for the valuable services provided by Mrs. Varadarajan during her tenure as an Independent Director of the Company.

Subsequent to the financial year under review, Mr. N. Suresh Krishnan, Chairman of the Board of Directors resigned from the Board w.e.f. 28th May 2020 in view of other engagements. The Board placed on record its appreciation for the valuable services provided by Mr. Krishnan during her tenure as Chairman of the Board of Directors of the Company.

The Board of Directors of the Company vide its meeting held on 12th June 2020, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Akshay Poddar (DIN – 00008686), promoter of the Company, as an Additional Director and Chairman of the Board of Directors of the Company to hold office till the forthcoming AGM.

In the same meeting, the Board accepted the resignation of Mr. Laxman Aggarwal, the Company Secretary with a view to elevate him as Company Secretary in Zuari Global Limited and appointed Mr. Gaurav Dutta (Membership No. A-24445) as Company Secretary (Key Managerial Person) and Compliance Officer of the Company in terms of Regulation 6(1) of SEBI (LODR), Regulations, 2015.

The Board of Directors in their meeting held on 8th August 2020, on recommendation of the Nomination & Remuneration Committee, has appointed Mrs. Manju Gupta as Additional Director (Non-Executive and Independent) to hold office till forthcoming AGM and subject to approval of shareholders to be appointed for the period of 3 (three) years effective from 08th August, 2020.

Accordingly, as on the date of this report, the Company was having Four Non Executive Independent Directors, One Non Executive Director and Three Executive Directors (including Managing Director) having vast experience in varied fields.

The Board recommends to the members of the Company for according their approval for the appointment of Mr. Akshay Poddar and Mrs. Manju Gupta at the forthcoming AGM.

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 and have complied with the Code of Conduct prescribed under Schedule IV of Companies Act, 2013.

Mr. R. S. Raghavan (DIN - 00362555), 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 appointed and retiring by rotation is provided in the Report on Corporate Governance attached to this Report as Annexure – A.

13. COMPOSITION OF COMMITTEES

In view of the changes in the directorships as mentioned above, the various Committees of the Board of Directors were re-constituted during the year 2019-20 and post closure of financial year. The details of the said Composition of Committees have been included in the Corporate Governance Report which forms part of this Directors Report as Annexure - A.

14. 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 5 January 2017 issued by SEBI and updated performance evaluation policy as aforesaid, the Independent Directors in their separate meeting held on 03rd February 2020 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 03rd February 2020.

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 03rd February 2020, 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.

15. 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. The transactions entered by the Company with Zuari Sugar & Power Limited were materially significant and in the ordinary course of business within the omnibus limits approved by the Audit Committee and Board of Directors. 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 03rd February 2020 granted/ renewed the omnibus approval with respect to transactions that might be entered into by the Company with related parties for the financial year 2020-21 subject to further renewal on annual basis.

In addition to above, all contracts or arrangements entered into by the Company in 2019-20 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 – C of this Report.

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

16. 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 fixing their remuneration. The same is stated in the Corporate Governance Report as Annexure – A.

During the year under review, the Board of Directors of the Company vide its meeting held on 03rd February 2020, accorded its approval for payment of consolidated remuneration of Rs. 96 Lakhs per annum to Mr. R S Raghavan – Managing Director of the Company with effect from 15th February 2020 in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and subject to approval of members of the Company in the forthcoming Annual General Meeting.

Subsequent to the financial year under review, the Board of Directors of the Company vide its meeting held on 12th June 2020, accorded its approval for increase / payment of the Consolidated

remunerations of following Executive Directors with effect from 03rd February 2020 in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and subject to approval of members of the Company in the forthcoming Annual General Meeting:

- (i) Mr. Alok Saxena - Rs. 67.67 Lakhs per annum
- (ii) Mr. Vijay Kumar Kathuria – Rs. 12 lakhs per annum

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

17. 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 2019-20, 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.

18. 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.zuarisugar.com in accordance with requirement of Section 177(10) of Companies Act, 2013 and Regulation 46 of Listing Regulations.

19. 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.zuarisugar.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 2019-20, due to COVID-19 pandemic 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:

- Contribution to CM COVID Care Fund
- Distribution of Hand Sanitizers
- Distribution of masks to prevent Corona
- Distribution of lunch packets to poor people in corona active area
- Sanitizer Spray with Tractor
- Spray Machine Sanitizer
- Purchase and distribution of 50 PPE Kits
- HSD & MS for fogging machine
- Solar Set with Panel For Hospital

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

20. 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 appointed M/s Walker Chandiook & 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 till the conclusion of 68th AGM of the company to be held in the year 2020.

The term of M/s Walker Chandiook & Co, LLP, the existing Statutory Auditors of the Company is expiring, the Audit Committee of the Company vide its meeting held on 8th August, 2020 had approved and recommended the appointment of M/s V. Sankar Aiyar & Co., Chartered Accountants (FRN 109208W) as Statutory Auditors of the Company to hold office for five (5) years i.e. from the conclusion of 68th Annual General Meeting (AGM) to be held in 2020, till the conclusion of 73rd AGM of the company to be held in the year 2025 as approved by the Board of Directors vide its meeting dated 8th August 2020 subject to approval of shareholders in the forthcoming AGM.

(ii) SECRETARIAL AUDITORS:

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 2020-21. The Report of Secretarial Audit is enclosed as Annexure - F of the Directors’ Report.

The Secretarial Auditors Report contains the following observation(s):

- (a) 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:

- (a) 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.

21. 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 2020-21.

During the year under review, the Cost Audit Reports for the Sugar produced for the year ended 31st March 2019 were duly filed with Ministry of Corporate Affairs.

22. 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 2020-21 to audit the internal systems, controls and procedures and/or such other matters as may be decided by the Audit Committee to whom it shall report upon such matters.

23. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS

During the year under review, no fraud has been reported by the Statutory Auditors under sub-section (12) of section 143 of the Companies Act, 2013 in their audit report on the financial statement of the Company for the financial year ended 31st March, 2020.

24. 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.

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

The Company has in place a 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 for redressal of sexual harassment complaint and for ensuring time bound treatment of such complaints. During the year under review the Company has not received any complaint/case relating to sexual harassment.

26. HOLDING / SUBSIDIARY COMPANY

Zuari Investments Limited remained the Holding Company of the Company during the financial year 2019-20 and there was no Subsidiary Company of the Company.

27. SCHEME OF AMALGAMATION

Subsequent to financial year 2019-20, the Board of Directors vide its meeting held on 17th July 2020 approved a Scheme of Amalgamation (the Scheme) for merger of Gobind Sugar Mills Limited (GSML) with Zuari Global Limited (ZGL) in accordance with the provisions of Sections 230 to 232 and other applicable provisions of Companies Act, 2013 and rules framed thereunder as the same would benefit the respective companies and their respective stakeholders on account of the following reasons:

- (i). Streamlining and rationalization of the group structure through consolidation of multiple entities, leading to reduction in compliance and administrative cost of the group;

- (ii). Imparting better management focus, facilitating administrative convenience and ensuring optimum utilization of various resources of the Companies;
- (iii). Bring about synergy in operations, economies in costs and other benefits resulting from the economies of scale;
- (iv). The net worth and regular stream of revenue of the post-merger ZGL would facilitate requisite cost effective fund-raise for the future business operations of the ZGL; and
- (v). Proposed business re-alignment will create enhanced value for the stakeholders of all the Companies. This Scheme is not expected to be in any manner prejudicial to the interest of the concerned members, creditors, employees or general public at large.

The Appointed Date of the Scheme is April 1, 2020 and it will be subject to the requisite approvals of the jurisdictional National Company Law Tribunal (NCLT), Securities and Exchange Board of India (SEBI), Bombay Stock Exchange (BSE), National Stock Exchange (NSE) and Metropolitan Stock Exchange (MSE) and other regulatory authorities.

The consideration to the Shareholders of the Company as approved by the Board of Directors for the Scheme are as follows:

For equity shareholders of GSML:

- a. 100 (One Hundred) equity shares of ZGL of face value of Rs 10 (Rupees Ten) each for every 285 (Two Hundred and Eighty Five) equity shares of GSML of face value of Rs 10 (Rupees Ten) each;
- or
- b. 10,000 (Ten Thousand) 10.5% Non-Convertible Redeemable Preference Shares of ZGL of face value of Rs 10 (Rupees Ten) each for every 1,006 (One Thousand and Six) equity shares of GSML of face value of Rs 10 (Rupees Ten) each.

The equity shareholders of GSML shall have the option to take either equity shares or 10.5% Non-Convertible Redeemable Preference Shares in ZGL. ZGL shall send to the equity shareholders of GSML an appropriate intimation and option form requiring them to exercise their option.

In case no written response to the option provided by ZGL is received from the equity shareholders of GSML within the deadline fixed thereof, such equity shareholders shall be issued 10.5% Non-Convertible Redeemable Preference Shares in ZGL on the basis of the above mentioned swap ratio.

The new equity shares issued by ZGL pursuant to the Scheme would be listed on the Bombay Stock Exchange ('BSE') and the National Stock Exchange ('NSE') and shall rank pari passu with the existing equity shares of ZGL.

For preference shareholders of GSML

1 (One) 7% Non-Convertible Redeemable Preference Share of ZGL of face value of Rs 10 (Rupees Ten) each for every 1 (One) 7% Non-Convertible Redeemable Preference Share of GSML of face value of Rs 10 (Rupees Ten) each.

This Scheme is subject to consent / approval of requisite majority of shareholders and creditors of ZGL and GSML and sanction of the jurisdictional NCLT and all other regulatory approvals as may be necessary for the implementation of the Scheme.

28. 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.

29. MD/ CFO CERTIFICATION

Mr. R. S. Raghavan, Managing Director and Mr. Dharmendra Roy, Chief Financial Officer, 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.

30. PUBLIC DEPOSITS

There are no outstanding deposits in the books of the Company as on 31st March 2020. The Company has not accepted any deposits during the year under review.

31. DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS:

During the financial year under review, there were no significant material orders passed by the courts/ regulators or tribunals impacting the going concern status and Company's operations in future.

32. INDUSTRIAL RELATIONS

The Industrial relations with the employees continue to be harmonious.

33. ADEQUACY OF INTERNAL FINANCIAL CONTROL

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 from time to time are placed before the Audit Committee of the Board of Directors. The Audit Committee reviews such audit findings and the adequacy and reasonableness of internal control system.

34. EMPLOYEES' STOCK OPTION (ESOP) SCHEME

The Company has not issued any ESOP to its employees during the year.

35. 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 2020, and of the profit and loss account for the year ended 31st March 2020;
- (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.

33. 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.

34. ACKNOWLEDGEMENTS

Your Directors take this opportunity to record 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

R.S. Raghavan
Managing Director
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana

Date : 08th August, 2020

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.zuarisugar.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 eight Directors with considerable professional experience in divergent areas connected with corporate functioning, which includes Non Executive Chairman, Managing Director, two Executive Directors and four Non-Executive Independent Directors. No directors are related with each other.

As informed in Directors Report, the Board of Directors appointed 3 additional directors on the Board. The Members of the Company at its AGM held on 27th September 2019, re-appointed Mr. Marco Wadia (DIN - 00244357) for another period of 5 years i.e. from 01st April, 2019 to 31st March, 2024. Mrs. Indira Varadarajan expressed her 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 Mrs. Varadarajan at its meeting held on 03rd February 2020. Accordingly, the total number of directors as at the end of financial year i.e. 31st March 2020 was eight.

As also informed in Directors Report, subsequent to the financial year under review, Mr. N. Suresh Krishnan, Chairman of the Board of Directors resigned from the Board w.e.f. 28th May 2020 in view of other engagements. The Board of Directors of the Company vide its meeting held on 12th June 2020, on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Akshay Poddar (DIN – 00008686), one of the promoters of the Company, as an Additional Director and Chairman of the Board of Directors of the Company. The Board of Directors in its meeting held on 08th August, 2020 has appointed Mrs. Manju Gupta as Additional Director (Non - Executive and independent) and subject to approval of shareholders to be appointed for further term of 3 (three) consecutive years effective from 08th August, 2020. Accordingly, as on the date of this report, the Company was having 4 (four) Non Executive Independent Directors, One Non Executive Director and Three Executive Directors (including Managing Director) having experience in vast and varied fields.

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 Regulations 16(1)(b) and 25 of Listing Regulations read with Section 149(6) of Companies Act, 2013. In the opinion of the Board, the Independent Directors fulfil the conditions specified in the listing regulations and are independent of the management. They have also registered themselves in the databank with the Institute of Corporate Affairs of India as an Independent Director as per Rule 6(1) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

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. R. S. Raghavan shall retire from the Board by rotation and is eligible for re appointment.

x) During the year under review, four Board Meetings were held on 17th May 2019, 01st August 2019, 04th November 2019 and 03rd February 2020. 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 below:

Sr. No.	Name of Directors	Name of Listed Entities where the Director of the Company is Director as on 31.03.2020	Category of Directorship of the listed Entities where the Director of the Company is Director as on 31.03.2020
1	Mr. N Suresh Krishnan	Zuari Agro Chemicals Limited	Non Executive Director
		Mangalore Chemicals and Fertilisers Limited	Executive, Managing 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	Zuari Global Limited	Executive, Managing Director
4	Mr. L M Chandrasekaran	NIL	NIL
5	Mrs. Indira Varadarajan	NIL	NIL
6	Mr. Bhaskar Chatterjee	NIL	NIL
7	Mr. Alok Saxena	NIL	NIL
8	Mr. Vijay Kumar Kathuria	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:

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)	3	No	9	1	4	--
Mr. R. S. Raghavan	Managing Director	4	Yes	9	2	2	--
Mr. Marco Wadia	Independent NED	4	No	14	5	5	--
Mr. L M Chandrasekaran	Independent NED	4	Yes	5	1	4	--
Mrs. Indira Varadarajan#	Independent NED	4	No	2	--	--	--
Mr. Bhaskar Chatterjee^	Independent NED	1	No	5	--	5	--
Mr. Alok Saxena^	Executive Director (ED)	1	No	1	--	--	--
Mr. Vijay Kumar Kathuria^	Executive Director (ED)	1	Yes^^	9	--	1	--

* Includes Audit Committee and Stakeholders relationship committee only

\$ Status as at the end of financial year

Term of 5 years expired on 31st March 2020 and was not re-appointed

^ Appointed as Additional Directors by Board of Directors at Board meeting held on 03rd February 2020 and subject to approval of Shareholders at the forthcoming Annual General Meeting

^^ Attended the AGM in the capacity as CFO of Zuari Global Limited

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	Expertise in Specific Functional Areas
1.	Mr. Akshay Poddar#	Corporate Strategy, Business Management and Finance.
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.

Sr. No.	Name of Directors	Expertise in Specific Functional Areas
3	Mr. Marco Wadia	Legal profession having specialised in corporate matters and mergers and acquisitions.
4	Mr. L M Chandrasekaran	Experience in Production, Technical services, Project Management, Business Development, Factory Operations including Safety, Environment Management etc.
5	Mrs. Indira Varadarajan*	Activist in Social sector including association with various NGOs. Actively involved in various CSR activities in various states of India
6	Mr. Bhaskar Chatterjee	Experience in Engineering and execution of Projects, Technical services, Factory Operations etc.
7	Mr. Alok Saxena	Experience in field of sugar production, plant operation, project management, safety & environment management, business process restructuring etc.
8	Mr. Vijay Kumar Kathuria	Experience in Capital Markets, Merchant Banking & Investments Banking, Corporate Advisory Services, Finance, Accounts, Taxation and Audits etc.
9	**Mrs. Manju Gupta	Professional expertise in Business strategy and General Management

Appointed w.e.f. 12th June 2020

* The tenure of Mrs. Indira Varadarajan expired at the end of day on 31st March 2020 and was elected not to be re-appointed due to her personal reasons.

** Appointed w.e.f. 08th August, 2020

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.zuarisugar.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.zuarisugar.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 03rd February 2020 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 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/ Secretarial Auditor 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 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 was re-constituted vide the meeting of Board of Directors held on 17th May 2019 in view of cessation of Mr. R N Ratnam, Chairman of the Audit Committee due to completion of term of five years on 31st March 2019. Further, the Committee was again re-constituted vide Board meeting held on 03rd February 2020 wherein Mr. Bhaskar Chatterjee, Additional Director, was appointed as the Audit Committee member to be effective from 01st April 2020. Accordingly, after the aforesaid re-constitutions, the Audit Committee currently comprised of following:

Composition of Audit Committee

Sl. No.	Name of Member	Designation/ Category	Status
1	Mr. L. M. Chandrasekaran	Non Executive Independent Director	Chairman
2	Mr. R S Raghavan	Executive Director	Member
3	Mr. Marco Wadia	Non Executive Independent Director	Member
4	Mr. Bhaskar Chatterjee	Non Executive Independent Director	Member

Accordingly, the Audit Committee comprised of four Directors out of which three are independent Non-Executive Directors and one is Executive Director. Mr. Gaurav Dutta, Company Secretary of the Company, was appointed as the Secretary of the Committee in view of resignation of Mr. Laxman Aggarwal as Company Secretary, effective from 01st July 2020.

During the year under review, the Committee met four times on 17th May 2019, 01st August 2019, 04th November 2019 and 03rd February 2020. The attendance of the members at the meetings was as follows:

Name of the Member	Status	No. of meetings attended
Mr. L. M. Chandrasekaran	Chairman	4
Mr. R. S. Raghavan	Member	4
Mr. Marco Wadia	Member	4
Mr. Bhaskar Chatterjee*	Member	1

* Appointed as an Additional Directors vide Board Meeting held on 03rd February 2020

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. L M Chandrasekaran, the Chairman of the Audit Committee attended the last Annual General Meeting held on 27th September 2019.

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 was re-constituted by the Board vide its meeting held on 17th May 2019 in view of cessation of Mr. R N Ratnam, Chairman of the Nomination and Remuneration Committee due to completion of term of five years on 31st March 2019.

Subsequent to the financial year under review, the following changes were approved by the Board of Directors vide its meeting held on 12th June 2020:

- Resignation of Mr. N. Suresh Krishnan as Director and Chairman of the Board w.e.f. 28th May 2020;
- Appointment of Mr. Akshay Poddar as an Additional Director and Chairman on the Board w.e.f. 12th June 2020;
- Resignation of Mr. Laxman Aggarwal as Company Secretary w.e.f. 01st July 2020;
- Appointment of Mr. Gaurav Dutta as Company Secretary w.e.f. 01st July 2020.

Keeping in view the aforesaid changes, the Nomination and Remuneration Committee was again re-constituted and after the said re-constitutions, the Committee currently comprised of following:

Composition of Nomination and Remuneration Committee

Sl. No.	Name of Member	Designation	Status
1	Mr. Marco Wadia	Non Executive Independent Director	Chairman
2	Mr. Akshay Poddar	Non Executive Director	Member
3	Mr. L M Chandrasekaran	Non Executive Independent Director	Member
4	Mr. Bhaskar Chatterjee	Non Executive Independent Director	Member

Accordingly, the Nomination and Remuneration Committee comprised of four Directors out of which three are independent Non-Executive Directors and one is Non Executive Director. Mr. Gaurav Dutta, Company Secretary of the Company, was appointed as the Secretary of the Committee in view of resignation of Mr. Laxman Aggarwal as Company Secretary, effective from 01st July 2020.

During the year under review, the Committee met one time on 03rd February 2020. The attendance of the members at the meetings during the year 2019-20 was as follows:

Name of the Member	Status	No. of meetings attended
Mr. Marco Wadia	Chairman	1
Mr. N. Suresh Krishnan	Member	0
Mr. L M Chandrasekaran	Member	1

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 2019-20:

i) **Executive Director – Mr. R S Raghavan**

Managing Director	Salary (Rs. in Lakhs)	Perquisites Rs.	Retirement Benefits Rs.	Total (Rs. in Lakhs)
Mr. R. S. Raghavan	12.14	NIL	NIL	12.14

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. During the year under review, the Board of Directors of the Company vide its meeting held on 03rd February 2020, accorded its approval for payment of consolidated remuneration of Rs. 96 Lakhs per annum to Mr. R S Raghavan – Managing Director of the Company with effect from 15th February 2020 in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and subject to approval of members of the Company in the forthcoming Annual General Meeting.

ii) **Executive Director – Mr. Alok Saxena**

Executive Director	Salary (Rs. In Lakhs)	Perquisites Rs.	Retirement Benefits Rs.	Total (Rs. In Lakhs)
Mr. Alok Saxena	6.60	NIL	NIL	6.60

During the year under review, the Board of Directors of the Company vide its meeting held on 03rd February 2020, appointed Mr. Alok Saxena (President – Unit Head) and holding DIN – 08640419 as an Additional Director of the Company as “Executive Director – Operations” to hold office upto the date of the next Annual General Meeting of the Company as per the existing terms and conditions including payment of remuneration in the capacity as “President – Unit Head” of the Company.

Subsequent to the financial year under review, the Board of Directors of the Company vide its meeting held on 12th June 2020, accorded its approval for increase in the Consolidated remuneration of Mr. Saxena to Rs. 67.67 Lakhs per annum (Fixed : Rs. 60.90 Lakhs per annum + Variable : Rs. 6.77 Lakhs per annum) with effect from 03rd February 2020 in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and subject to approval of members of the Company in the forthcoming Annual General Meeting.

iii) **Executive Director – Mr. Vijay Kumar Kathuria**

Executive Director	Salary (Rs. In Lakhs)	Perquisites Rs.	Retirement Benefits Rs.	Total (Rs. In Lakhs)
Mr. Vijay Kumar Kathuria	NIL	NIL	NIL	NIL

Vide its meeting held on 12th June 2020, the Board also approved to pay the consolidated salary of 12 Lakhs per annum to Mr. Vijay Kumar Kathuria – Executive Director (Finance & Commercial) with effect from 03rd February 2020 in accordance with the provisions of Section II of Part

II of Schedule V to the Companies Act, 2013 and subject to approval of members of the Company in the forthcoming Annual General Meeting.

Subsequent to the financial year under review, the Board of Directors of the Company vide its meeting held on 12th June 2020, accorded its approval for paying the Consolidated remuneration to Mr. Kathuria of Rs. 12.00 Lakhs per annum (inclusive of provident fund, gratuity and other retiral benefits) with effect from 03rd February 2020 in accordance with the provisions of Section II of Part II of Schedule V to the Companies Act, 2013 and subject to approval of members of the Company in the forthcoming Annual General Meeting.

iv) 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 2019-20 are as follows:

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. Marco Wadia	2,85,000
2.	Mr. L M Chandrasekaran	3,10,000
3.	Mrs. Indira Varadarajan	1,85,000
4.	Mr. Bhaskar Chatterjee	40,000

(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.

The total remuneration paid to the Directors during the period is within the threshold as prescribed under Regulation 17 of the SEBI (LODR) Regulations, 2015, as amended.

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 was re-constituted by the Board vide its meeting held on 17th May 2019 in view of cessation of Mr. R N Ratnam, member of the Stakeholders Relationship Committee due to completion of term of five years on 31st March 2019.

Subsequent to the financial year under review, the following changes were approved by the Board of Directors vide its meeting held on 12th June 2020:

- Resignation of Mr. N. Suresh Krishnan as Director and Chairman of the Board w.e.f. 28th May 2020;
- Resignation of Mr. Laxman Aggarwal as Company Secretary w.e.f. 01st July 2020;
- Appointment of Mr. Gaurav Dutta as Company Secretary w.e.f. 01st July 2020.

Keeping in view the aforesaid changes, the Stakeholders Relationship Committee was again re-constituted and after the said re-constitutions, the Committee currently comprised of following:

Composition of Stakeholders Relationship Committee

Sl. No.	Name of Member	Designation	Status
1	Mr. L M Chandrasekaran	Non Executive Independent Director	Chairman
2	Mr. R S Raghavan	Executive Director	Member
3	Mr. Bhaskar Chatterjee	Non Executive Independent Director	Member

Accordingly, the Stakeholders Relationship Committee comprised of three Directors out of which two are independent Non-Executive Directors and one is Executive Director. Mr. Gaurav Dutta, Company Secretary of the Company, was appointed as the Secretary of the Committee in view of resignation of Mr. Laxman Aggarwal as Company Secretary, effective from 01st July 2020.

During the year under review, the Committee met three times on 16th August 2019, 13th September 2019 and 13th November 2019. The attendance of the members at the meetings for the year 2019-20 was as follows:

Name of the Member	Status	No. of meetings attended
Mr. N. Suresh Krishnan	Chairman	3
Mr. R S Raghavan	Member	3
Mr. L M Chandrasekaran	Member	0

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 2020. There were no share transfer applications pending for registration on 31st March 2020.

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:

Mrs. Indira Varadarajan, member of the CSR Committee was ceased as Director of the Company due to completion of her term of five years on 31st March 2020 and Mr. Alok Saxena was appointed as member of the CSR Committee w.e.f. 01st April 2020 as approved by the Board of Directors vide its meeting held on 03rd February 2020.

Subsequent to the financial year under review, the following changes were approved by the Board of Directors vide its meeting held on 12th June 2020:

- Resignation of Mr. N. Suresh Krishnan as Director and Chairman of the Board w.e.f. 28th May 2020;
- Resignation of Mr. Laxman Aggarwal as Company Secretary w.e.f. 01st July 2020;
- Appointment of Mr. Gaurav Dutta as Company Secretary w.e.f. 01st July 2020.

Keeping in view the aforesaid changes, the CSR Committee was re-constituted and after the said re-constitutions, the Committee comprised of following:

Composition of CSR Committee

Sl. No.	Name of Member	Designation	Status
1	Mr. R. S. Raghavan	Executive Director	Chairman
2	Mr. L M Chandrasekaran	Non Executive Independent Director	Member
3	Mr. Bhaskar Chatterjee	Non Executive Independent Director	Member
4	Mr. Alok Saxena	Executive Director	Member

Accordingly, the CSR Committee comprised of four Directors out of which two are independent Non-Executive Directors and two are Executive Directors. Mr. Gaurav Dutta, Company Secretary of the Company, was appointed as the Secretary of the Committee in view of resignation of Mr. Laxman Aggarwal as Company Secretary, effective from 01st July 2020.

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 2016-17; 2017-18; 2018-19) is not applicable in this financial year.

During the year under review, the Committee met one time on 17th May 2019. The attendance of the members at the meetings for the year 2019-20 was as follows:

Name of the Member	Status	No. of meetings attended
Mr. N. Suresh Krishnan	Chairman	1
Mr. R S Raghavan	Member	1
Mr. L M Chandrasekaran	Member	1
Mrs. Indira Varadarajan	Member	1

The CSR Policy of the Company is displayed on the Company's website at www.zuarisugar.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
2018-19	27.09.2019	2.45 p.m.	Registered office Birla Mill Complex, P.O. Birla Lines, G T Road, Near Clock Tower, Kamla Nagar, North Delhi – 110007
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

The last Annual General Meeting was held on 27th September 2019 which was attended by Mr. L M. Chandrasekaran (Chairman of the Audit Committee).

Both Mr. Marco Wadia (Chairman of the Nomination and Remuneration Committee) and Mr. N. Suresh Krishnan (Chairman of Stakeholders Relationship Committee) authorized Mr. Chandrasekaran to attend the said AGM on behalf of the respective Committees.

There was no extraordinary general meeting held during 2019-20.

Special Resolutions Passed

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

Details of Special Resolutions passed in AGM / EGM:

During Financial Year	Date of AGM/ EGM	Particulars of Special Resolution
2019-20	27 th September 2019 (AGM)	Re-appointment of Mr. Marco Wadia as an Independent Director of the Company for a period of 5 years
2018-19	10 th August 2018 (AGM)	Appointment of Mr. R. S. Raghavan as Managing Director of the Company for a period of 3 years
2017-18	NIL	NIL

During the last financial year, no Special Resolution was passed through postal ballot.

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. 39 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.zuarisugar.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) The Company has adopted a Vigil Mechanism / Whistle Blower Policy and no personnel are being denied access to the Audit Committee. The Policy has been uploaded on the Company's website at www.zuarisugar.com.
- vi) During the year under review, the Company converted 7,42,130 Compulsorily Convertible Preference Shares (CCPS) of the face value of Rs. 10/- each held by Zuari Investments Limited, promoter of the Company, into 7,42,130 Equity Shares of the face value of Rs. 10/- each ranking pari-passu with the existing equity shares of the Company.
- vii) During the year under review, the Company paid an aggregate amount of Rs. 26 lakhs to auditors for conducting the Statutory audit, Tax audit and out of pocket expenses etc. and Rs. 3.25 lakhs for issue of certificates and other services.
- viii) Disclosure of commodity price risks and commodity hedging activities to be provided. : N.A.

14. Means of Communication

- i) 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 'Jansatta', in Hindi in Delhi editions, the same were not separately sent to the members.
- ii) The financial results are simultaneously posted on the Company's website at www.zuarisugar.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.zuarisugar.com.

Compliance Officer:

Name : Mr. Gaurav Dutta
 Address : 5th Floor, Tower – A, Global Business Park,
 Sector – 26, M G Road, Gurugram – 122002, Haryana
 Phone : 0124-4827800
 Fax : 0124-4212046
 Email : gaurav.dutta@adventz.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) **68th Annual General Meeting**
 Day : Friday
 Date : 25th September 2020
 Time : 2.45 p.m.
 Venue : Birla Mill Complex, P.O. Birla Lines, G T Road,
 Near Clock Tower, Kamla Nagar, Delhi -110007

ii) Tentative Financial Calendar for the year 2020-21

First Quarter Results	On or before 14 th August, 2020*
Second Quarter Results	On or before 14 th November, 2020
Third Quarter Results	On or before 14 th February, 2021
Fourth Quarter (Audited Annual 2020-21) Results	On or before 30 th May, 2021
Publication of Audited Results for 2020-21	On or before 01 st June, 2021

* which was extended by SEBI vide Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/140 dated 24th July 2020 upto 15th September, 2020 in view of COVID-19.

iii) Book Closure

The Register of Members and Share Transfer Books of the Company shall remain closed from 19th September 2020 to 25th September 2020 (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 2019-20 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.

Vaishno Chamber, 5th Floor, Room No. 502 & 503, 6, Brabourne Road, Kolkata - 700 001
 Tel : 91 033 4004 9728
 Fax : 91 033 4073 1698
 e-mail : kolkata@linkintime.co.in
 Website : www.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, 2020 was as follows:

No. of Equity Shares	No. of share holders	% of total shareholders	No. of shares held	% of total shares
1 – 100	2265	70.3198	99452	2.2234
101 - 500	762	23.6572	161506	3.6106
501 - 1000	108	3.353	75070	1.6783
1001 – 2000	39	1.2108	56920	1.2725
2001 – 3000	8	0.2484	18109	0.4048
3001 – 4000	13	0.4036	44133	0.9866
4001 – 5000	2	0.0621	8542	0.1910
5001 – 10000	8	0.2484	58126	1.2995
10001 and above	16	0.4967	3951189	88.3333
Total	3221	100.00	4473047	100.00

Note: Total No. of Shareholders as per Regulation 31 report as on 31.03.2020 are 3208 as compared to 3221 numbers as per Distribution Schedule as shown above. The reason for the difference in number of shareholders is the PAN based clubbing of common shareholders in the Regulation 31 report. As per SEBI requirements, the Distribution schedule should be prepared on actual no. of shareholders, but Reg. 31 report is to be prepared after clubbing of shareholders folios having the same PAN. Accordingly, the total no. of shareholders reflected in distribution schedule and Reg. 31 shareholding report are not matched.

b) Details of Shareholdings as on 31st March, 2020 was as follows:

Sl. No.	Particulars	No. of shares	Percentage
1.	Promoters	3348679	74.8635
2.	Bodies Corporate	607084	13.5720
3.	Individuals	516447	11.5458
4.	HUF	821	0.0184
5.	Non Resident Indians (Non Repat)	16	0.0004
	Total	4473047	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 2020, the 41,05,804 Equity Shares (91.79%) 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**

As on the beginning of the financial year 2019-20, the Company had 7,42,130 outstanding Compulsorily Convertible Preference Shares (CCPS) issued by the Company to Zuari Investments Limited, promoter of the Company, on preferential allotment basis.

During the financial year under review, the Company converted 7,42,130 CCPS as mentioned above into 7,42,130 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
Gobind Sugar Mills Ltd.

5th Floor, Tower A,
Global Business Park
Sector – 26, M G Road
Gurgaon – 122 002, Haryana
Tel : 91 - 124 – 482 7800
e-mail : ig.gsml@adventz.com
Website : www.zuarisugar.com

Link Intime India Pvt. Ltd.

Unit : Gobind Sugar Mills Ltd.
Vaishno Chamber, 5th Floor,
Room No. 502 & 503,
6, Brabourne Road,
Kolkata - 700 001
Tel : 91 033 4004 9728
Fax : 91 033 4073 1698
e-mail : kolkata@linkintime.co.in
Website : www.linkintime.co.in

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. **Brief details of Directors appointed / to be re-appointed on retirement by rotation**

(i) **Mr. Akshay Poddar**

Mr. Akshay Poddar aged 43, is a scion of the renowned Poddar family of Kolkata, promoters of the Adventz Group. The group has a glorious track record of promoting and managing businesses in diversified industries like Fertilizers, Agri-inputs, Heavy Engineering, Process Engineering, Sugar, Consumer Products, Real Estate, Investments and Furniture etc. The annual turnover of the Adventz Group is over US \$2.5 billion.

The Adventz group believes in empowerment of farmers and securing interests of all stakeholders. The Group Companies have won awards for practicing best CSR Activities, taking care of community services hand in hand with commercial activities and to conserve the environment. Mr. Poddar serves as Director on the Board of various Group Companies. Mr. Poddar is an alumnus of the London School of Economics & Political Science, University of London and graduated with Honours in Accounting & Finance in 1999. Mr. Poddar is also associated as a Member with Indian Chamber of Commerce, Kolkata, Young Leaders Forum (YLF), The Indus Entrepreneurs etc. to name a few.

Names of companies in which Mr. Akshay Poddar is a Director are as follows*:

Sl No	Name of the Company	Designation
1	Adventz Securities Enterprises Ltd	Director
2	Lionel Edwards Limited	Director
3	Lionel India Limited	Director
4	Mangalore Chemicals & Fertilisers Ltd	Director
5	Texmaco Infrastructure & Holdings Ltd	Director
6	Texmaco Rail & Engineering Ltd	Director
7	Zuari Agro Chemicals Limited	Director
8	Indian Chamber of Commerce	Director
9	The Fertiliser Association of India	Director
10	Abhishek Holdings Pvt Ltd.	Director
11	Adventz Finance Pvt Ltd	Director
12	Adventz Investment Company Pvt Ltd	Director
13	Greenland Trading Pvt Ltd	Director
14	Indrakshi Trading Company Pvt Ltd	Director
15	Hettich India Private Ltd	Director
16	Touax Texmaco Railcar Leasing Pvt Ltd	Director
17	Adventz Homecare Pvt Ltd	Director
18	Globalware Trading & Holdings Limited	Director
19	Felicabo Worldwide Limited	Director
20	Adventz Trading DMCC	Director
21	Adventz Properties Limited	Director
22	Adventz Investments Limited	Director
23	Adventz General Trading LLC	Director
24	Hettich Middle East DMCC	Director

* Status as on the date of this report

Mr. Akshay Poddar holds 2,35,000 Equity Shares (5.25%) in the shareholding of the Company.

(ii) Mr. Bhaskar Chatterjee

Mr. Bhaskar Chatterjee aged 73, graduated in Mechanical Engineering from Jadavpur University, Kolkata in the year 1968 and having rich experience of more than 42 years. He started his career as a Management Trainee with DCM Group in Delhi and worked as Mechanical Engineer with DCM Chemicals and Shriram Chemicals & Fertiliser units at Delhi and Kota, Rajasthan. In 1972, he joined Zuari Agro Chemicals Ltd., Goa and worked in various capacities as Project Engineer, Purchasing manager, Maintenance Manager and General Manager Projects and Technical Services. In 1996, he moved to Simon India Ltd., New Delhi (an EPC Company focused on Engineering and Project Execution of Industrial Process Plants) as Director Operations and later became COO of Simon. He retired from active service in August 2012. He has also been conferred by various professional and social organizations for his achievements and social commitments. Currently, Mr. Chatterjee is acting as an Independent Director on the Boards of Zuari Sugar & Power Ltd., Zuari Finserv Ltd., Zuari Investments Ltd. and Indian Furniture Products Ltd.

The other professional achievements of Mr. Chatterjee include the following:

- Past Chairman of Goa chapter of Indian Institute of Materials Management and faculty member of their Training Institute.
- Alumni member of IIM Ahmedabad having qualified in their three tier executive Development Programme.
- Fellow of Institution of Engineers, India.
- Past Chairman All India Technical Development Committee, an association promoted by various Companies in the Chemicals, Fertilisers, Oil & Gas sector for development of indigenous manufacturing capability for import substitution.

Names of companies in which Mr. Bhaskar Chatterjee is a Director are as follows*:

Sl. No.	Name of the Company	Designation
1	Indian Furniture Products Limited	Director
2	Zuari Investments Limited	Director
3	Zuari Sugar & Power Limited	Director
4	Zuari Finserv Limited	Director
5	Gobind Sugar Mills Limited	Director

* Status as on the date of this report

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

(iii) Mr. Alok Saxena

Mr. Alok Saxena aged 57, is a Sugar Technologist having experience of more than 35 years in field of sugar production, plant operation, project management, safety & environment management, business process restructuring etc. He did his graduation in science from Kumaun University in 1981 and thereafter he completed Post Graduate Diploma in Sugar Technology from National Sugar Institute, Kanpur in 1984. He was topper of his batch and conferred Mahatma Gandhi Gold Medal for the same.

Mr. Saxena is having more than 12 years' experience of heading a sugar plant and associated with GSML as President - Unit Head, from April, 2013. He has also worked as Chief General Manager in Triveni Engineering & Industries limited

and as Vice President in Bajaj Hindusthan Limited. He is also member of council of Sugar Technologist Association of India. He was conferred by various professional and social organizations for his achievements and social commitments.

Names of companies in which Mr. Saxena is a Director are as follows*:

Sl. No.	Name of the Company	Designation
1	Gobind Sugar Mills Limited	Director

* Status as on the date of this report

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

(iv) Mr. Vijay Kumar Kathuria

Mr. Vijay Kumar Kathuria aged 55, having rich experience of more than 32 years, worked at senior positions in multiple Companies in various fields like Capital Markets, Merchant Banking & Investments Banking, Corporate Advisory Services, Finance, Accounts, Taxation and Audits etc. He is the member of ICAI (The Institute of Chartered Accountants of India), ICSI (The Institute of Company Secretaries of India) and ICWAI (The Institute of Costs & Works Accountants of India).

Currently, Mr. Kathuria is Chief Financial Officer of Zuari Global Limited, the ultimate holding Company and he is also a Director in multiple group companies.

Names of companies in which Mr. Vijay Kumar Kathuria is a Director are as follows*:

Sl. No.	Name of the Company	Designation
1	Zuari Investments Limited	Director
2	Zuari Sugar & Power Limited	Director
3	Zuari Insurance Brokers Limited	Director
4	Zuari Finserv Limited	Director
5	Soundaryaa IFPL Interiors Limited	Director
6	Zuari Management Services Limited	Director
7	Gobind Sugar Mills Limited	Director
8	Valley View Landholdings Private Limited	Director
9	Zuari Indian Oiltanking Private Limited	Director
10	Indian Furniture Products Limited	Additional Director

* Status as on the date of this report

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

(v) Mr. R S Raghavan

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

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

Mr. R. S. Raghavan, aged about 71 years, is a Chartered Accountant and Company Secretary and has over 48 years of experience in wide range of industries such as Fertilisers, Chemicals, Steel, Textile and Electronics. He also has rich experience in Merchant Banking activities such as mergers and acquisitions, raising loans etc. He was also associated

with renowned companies including Steel Authority of India, Samtel Color Limited and Birla Home Finance Limited at senior positions.

Mr. R. S. Raghavan is Managing Director of 2 Companies Viz. Gobind Sugar Mills Limited and Zuari Global Limited and he has also been associated with various group entities of "Adventz" and related companies.

Names of companies in which Mr. R. S. Raghavan is a Director are as follows*:

Sl. No.	Name of the Company	Designation
1	Gobind Sugar Mills 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 Finserv Limited	Director
7	Zuari Insurance Brokers Limited	Director
8	New Eros Tradecom Limited	Director
9	Zuari Sugar & Power limited	Director
10	Soundaryaa IFPL Interiors Limited	Director
11	Avineon India Private Limited	Director

* Status as on the date of this report

Mr. Raghavan 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.zuarisugar.com.

19. Credit rating

During the financial year 2019-20, 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 BB+; Stable (Double B Plus; Outlook: Stable)	Revised from CARE BBB (CE); Stable (Triple B Credit Enhancement; Outlook: Stable)

Sl. No.	Facilities	Amount (Rs. Crores)	Rating	Rating Action
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 rating was earlier based on unconditional and irrevocable corporate guarantee provided by Zuari Global Limited.

The rating is currently under surveillance.

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 received 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.zuarisugar.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. Akshay Poddar 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. Akshay Poddar is the Chairman and Mr. R S Raghavan is 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.

For and on behalf of the Board

R.S. Raghavan
Managing Director
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana

Date : 08th August, 2020

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

GLOBAL ECONOMY

Global economic activity remained subdued during the major part of 2019 and recorded lowest growth in a decade due to trade disputes and slow down in domestic investments. United Nations (UN) predicts a growth of 2.5% in 2020 and 2.7% in 2021. However, flare up of trade tensions, financial turmoil or geo political tensions could lower the growth to 1.8%. Growing discontent with social and environmental quality of economic growth amid pervasive inequalities and deepening climate crisis could further accelerate the degrowth in world economy. Global manufacturing activities also declined sharply. Rising tariff and rapid shift in trade policies eroded the business confidence. Weak business confidence amid growing tensions between the United States and China on trade and technology. As the reach of US tariffs and retaliation by trading partners has steadily broadened since January 2018, the cost of some intermediate inputs has risen and uncertainty about future trade relationships led to dampening investment growth across most regions of the world. Among emerging market and developing economies, central banks in several countries (for example, Brazil, Chile, India, Indonesia, Mexico, Peru, Philippines, Russia, South Africa, Thailand and Turkey) have cut policy rates since start of 2019. Emerging and Developing Asia remains the main engine of the world economy, but growth is softening gradually with the structural slowdown in China.

In January 2020, the IMF estimated global GDP growth at 2.9 per cent for 2019, the lowest since the global financial crisis (GFC). Early into 2020, signs of stabilisation seemed to appear in the form of de-escalating trade tensions between the US and China and receding possibility of a hard Brexit. Economic growth was sluggish but was still gaining momentum from first half of the 2019. As per World Bank's forecasts, advanced economies are expected to slow as a group to 1.4% from 1.6%, mainly reflecting lingering weakness in manufacturing. Globally, growth was expected to accelerate to 3.3% in 2020 and further to 3.4% in 2021.

IMPACT OF THE COVID-19 PANDEMIC

The COVID-19 pandemic is unleashing a global economic collapse unmatched since the great depression of 1929.

- The world economy to shrink by 3.2% in 2020 and only a modest rebound is expected in 2021.
- Gross Domestic Product (GDP) in developed countries will shrink by nearly 5% in 2020 while those of developing countries will contract by 0.7% in 2020.
- World trade is expected to contract by nearly 15% in 2020 due to sharply reduced global demand and disruptions in global supply chains.

Global commodity prices, especially of crude oil, have declined sharply with the pandemic costs worldwide. Protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. With nearly 90% of the world economy under some form of lockdown, unemployment rate soared high worldwide. This is leading to inequalities in income within and between countries. Further, the inequalities in income will undermine social cohesion and breed more discontent and instability around the world.

As a result of the pandemic, the global economy is projected to shrink by 3.2% percent in 2020. Governments, throughout the world, have rolled out large fiscal stimulus measures roughly equal to 10% of GDP

to cushion the impact of COVID-19. The immediate priority is to contain the fallout from the COVID-19 outbreak, especially by increasing health care expenditures to strengthen the capacity and resources of the health care sector while adopting measures that reduce contagion. Economic policies will also need to cushion the impact of the decline in activity on people, firms, and the financial system; reduce persistent scarring effects from the unavoidable severe slowdown; and ensure that the economic recovery can begin quickly once the pandemic fades. Stronger international cooperation – containing the pandemic and extending economic and financial assistance to countries hard hit by the crisis – will remain critical for accelerating recovery, building back better and putting the world back on the trajectory of sustainable development.

Global growth is expected to rebound to 5.8 percent in 2021, well above trend, reflecting the normalization of economic activity from very low levels. The advanced economy group is forecast to grow at 4.5 percent, while growth for the emerging market and developing economy group is forecast at 6.6 percent. Globally many central banks have eased monetary, liquidity and regulatory policies to support domestic demand, including through emergency off-cycle meetings. Bilateral swap lines between some central banks that were deployed during the global financial crisis have been activated. The fiscal response in affected countries has been swift and sizable in many advanced economies. Many emerging market and developing economies have also begun providing or announcing significant fiscal support to heavily impacted sectors and workers.

The COVID-19 pandemic is shaking the fundamental premise of globalisation. Trade, economic and financial integration – the tenets of globalisation – have enabled the economic effects of local containment measures to quickly spill over to other countries. Globalisation faced a critical credibility test as many countries restricted export of essential goods, medical supplies and equipment at a time when countries needed them desperately to fight the pandemic and save lives. Countries will abandon globalisation if it is perceived that it endangers public health and brings in economic risks while not helping them to withstand the unexpected shock. India did well to supply medicines to the world without putting any embargos.

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. The implementation of an ambitious set of reforms has supported economic activity and helped put a break on inflation and on both fiscal and current account deficits. India became the world's fifth largest economy last year, according to data from the IMF's World Economic Outlook. When ranked by nominal GDP, the country leapfrogged France and the UK. According to Asian Development Bank forecast, the Indian economy is expected to grow at a rate of 6.2% during next 2021-22.

India suffered a sharp slowdown in its economic growth during 2019, from 6.1% in fiscal 2018 to 5.0%, as a credit crunch that originated in the nonbanking financial sector severely hampered bank lending. COVID-19 has not yet spread extensively in India but measures to contain the virus and a weaker global environment will whip up headwinds, offsetting support from corporate and personal income tax cuts as well as financial sector reforms which are meant to revive credit flows. GDP growth in India is forecast to slow further to 4.0% fiscal year 2020 before strengthening to 6.2% in fiscal year 2021.

Assuming a normal monsoon in FY2020, agriculture is likely to remain strong and support rural incomes. Government measures will alleviate rural distress and help revive rural consumption. The FY2020 budget increased allocations to agriculture and rural sectors by 28.1% to equal 0.8% of GDP. A 16-point action plan in the budget includes hikes to minimum support prices that aim to ensure a minimum 50% profit margin to farmers, an ambitious target of \$210 billion in credit to agriculture from public and private financial institutions, and an increased allocation to a central government program of conditional cash transfers to small landholders.

Government measures to address financial sector stress helped growth in financial services, real estate, and other professional services accelerate from 6.8% in FY2018 to a robust 7.3% The economy will suffer in FY 2020 due to containment measures and weaker external demand. A major downside risk is a significant prolongation of the national lockdown. More positively, fiscal stimulus should support activity, as should monetary policy, although the fiscal deficit will spike in tandem. Ongoing reforms to personal and corporate taxes and measures to strengthen agriculture and the rural economy and alleviate financial sector stress will help accelerate India's recovery

Further to counter the impact of COVID-19, the central government has allocated \$2 billion to strengthen the health system and introduced a \$22.5 billion (0.8% of GDP) relief package, including direct cash transfers and increased free distribution of food and gas to the poor and vulnerable, insurance covers for health workers, welfare support for construction workers and support for small businesses. The central government had increased capital expenditure to the equivalent of 1.8% of GDP in the FY2020 budget announced before the pandemic. To support an ambitious plan to invest \$1.4 trillion in designated National Infrastructure Pipeline projects in the next 5 years, the central government has allocated \$3 billion as equity support to infrastructure finance companies to leverage more long-term lending from the market. Central government expenditure was budgeted to grow by 13.9% in FY2020. The central bank on 27 March 2020 cut its policy rate by 75 basis points to 4.4%, the lowest ever and rolled out a range of measures to preserve financial stability and mitigate the economic impact of COVID-19.

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	2019	2020 Forecast	2021 Forecast
GDP Growth	5.0	4.07.2	6.27
Inflation	4.7	3.0	3.8

Source: Asian Development Outlook 2020

GLOBAL SUGAR INDUSTRY

Sugar crops in many parts of the world are projected to expand in response to rising demand for sugar and other uses and relatively high market prices. World sugar production is expected to increase by 50 Million tonnes to reach over 209 Mt in 2020-21. The bulk of the additional sugar production will come from the developing countries and the main growth will be from Brazil. Brazil has expanded production rapidly in the past two decades, but a slowdown in investment in new mills occurred after the financial crisis of 2008, slowing overall growth in following years. The recent surge in sugar prices has improved profitability and should trigger additional investment to come on stream

within the decade, with output rising by around 11 Million tonnes to nearly 50 Million tonnes by 2020-21.

India, the second largest global producer and the world's leading consumer, is expected to boost production substantially to 32 Mt of sugar per year, on average, in the coming decade. Annual sugar output will continue to be subject to periodic large swings in response to the longstanding production cycle. Some other countries of Asia, such as China and Pakistan, are also expected to continue to experience milder forms of production cycles, which contribute to fluctuations in production and their import volumes. Outside this group, an expansion drive underway in Thailand is expected to continue as investment projects currently in the pipeline come on stream, lifting production to around 8.7 Million tonnes by 2020-21, and maintaining its position as the world's third largest producer.

The global sugar market reached a volume of 190.2 Million Tons in 2019. The global sugar market to exhibit stable growth during 2020-2025. Over the next ten years, global sugar production is projected to expand by 14%, from 178 Mt in the base period (September 2016 to October 2019) to 207 Mt in 2028, with 85% of the projected increase originating in developing countries. Sugarcane is a crop primarily grown in tropical countries and has the notable quality of serving as both a food and a fuel source. Along with supplying 86 per cent of the world's sugar (the remaining coming from beet), sugarcane also serves as a key biofuel feedstock, given that it is highly efficient in converting sunlight into energy. Seventy-five per cent of the sugarcane produced globally is consumed by the food manufacturing sector; the balance is used in biofuel production. It is used across the globe for innumerable food and non-food applications.

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

According to ISMA's expectation sugar production in SS19-20 is expected to fall to 26.5 million tonnes (20% down as compared to production in SS 2018-19) due to lack of availability of water in Maharashtra and Karnataka. As against the expected production, in the first six months of SS which is Oct'19 - Mar'20, there is a de-growth in the production by almost 22% to 23.27 million tonnes (as against 29.68 million tonnes in the similar period of the last sugar season). The lower production is primarily due to lower contribution by Maharashtra owing to lower sugar output on account of damaged crops due to floods. After the breakup of COVID 19 most of the sugar mills still remained operational as sugar is considered an essential commodity excepting few who have suspended operations. The crushing operations could however be affected in April till early May on account of labour shortages amid the COVID breakout and some other inputs like lime, sulphur, bags & other packing material which remain affected due to disruptions in transportation. Distillery units of certain sugar mills have started producing hand sanitizers as well.

Further, due to COVID-19, there are concerns that the sugar industry might also experience a fall in sugar consumption. Temporary disruptions in the supply chain have been experienced by the millers in the past few weeks; and a drop in the consumption from the usual of ~26 million tonnes is expected as there are curbs on social gatherings, celebrations, weddings, etc. People are also avoiding cold drinks & ice-creams to prevent falling sick. The FMCG and beverage companies are either working on reduced capacities or have suspended operations. All this is likely to have an impact on the annual sugar consumption. In the current scenario, CARE Ratings expected domestic sugar consumption could fall to ~25 - 25.5 million tonnes (as against 26 million tonnes expected previously) with the possibility that the consumption could be further lower given the extension in the nationwide lockdown.

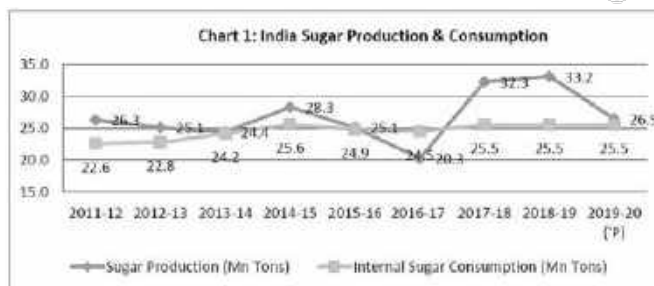
UP SUGAR INDUSTRY

Uttar Pradesh is the largest sugar producing State in India. As many as 30 districts of Uttar Pradesh produce sugarcane with the western part of the state, comprising the upper Ganga-Yamuna Doab, Rohilkhand, and trans-Saryu areas together accounting for 70% share of the total sugarcane output of the State. The State accounted for approx. 36% of India's sugar production..

As per ISMA, Uttar Pradesh is estimated to have sugarcane area at 22.92 lakh hectares, as against 23.21 lakh hectares in SS 2019-20, i.e. a marginal decrease by about 1 per cent. It is expecting a marginal increase in yield of sugar in SS 2020-21, owing to good overall standing crop condition and continued replacement of cane by high yielding cane varieties in more areas. Thus, sugar production in Uttar Pradesh in SS 2020-21 is estimated to be around 12.3 million tonnes. It is noteworthy that current year's sugar production of the State turned out to be about 5 –6 lakh tonnes more, mainly because of much better yields as also cane diversion from Gur / Khandsari manufacturing units to sugar units, owing to premature closure of their operations due to lockdown.

SUGAR PRODUCTION IN INDIA IN 2019-2020

Indian Sugar Mills Association (ISMA) estimated India's sugar production at 270 lakh tonnes in SS 2019-20. As per ISMA, the sugar mills across the country have produced 268.21 lakh tonnes of sugar between October 1 2019 and May 31, 2020. This is 59.32 lakh tonnes less than 327.53 lakh tonnes produced at the same time last year. As compared to 10 sugar mills which were crushing sugarcane on 31st May 2019, 18 sugar mills are crushing sugarcane on 31st May 2020 this year.



Source: ISMA, CARE

ISMA had earlier estimated a production of 265 lakh tonnes for the current season. However, the gur and khandsari manufacturers shut their operations in U.P very early because of the lock down which led to a substantial quantity of sugarcane getting diverted to the sugar mills. This resulted in extra sugarcane crushing by the mills in U.P and an additional around 5 - 6 lac tons of sugar production is expected in the current season, mainly from U.P, and from a special season in Tamil Nadu and Karnataka, above the previous estimation of 265 lakh tons made by ISMA.

COMMON PROBLEMS FACED BY INDIAN 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 seasonal 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 production efficiency measures 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. Bagasse can also be used to generate and export power by installing high pressure boilers. Molasses comprise another important by-product which can be

gainfully used for the manufacture of Ethanol or potable 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 and also for producing bio gas/

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:

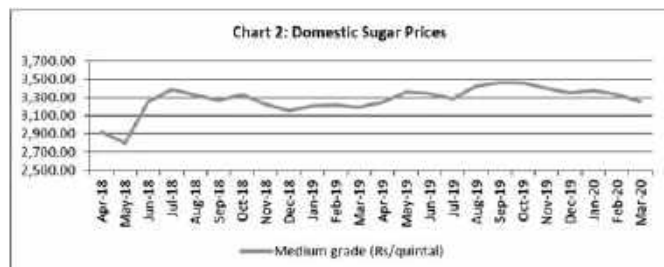
Over half of sugar mills are located in Maharashtra and Uttar Pradesh and about 60 per cent of the production comes from these two states. On the other hand, there are several states in the north-east, Jammu and Kashmir and Orissa where there is no appreciable growth of this industry. This leads to regional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

The excess supply of sugar in India restrained the growth in prices in the recent past. In a high supply and inventory scenario, sugar prices generally fall sometimes even so below cost of production, resulting in losses to the sugar millers. What resulted in the sugar prices in SS19 to stay above cost of production was the levy of minimum support prices by the government all throughout and further control in supply by bringing back monthly quota of sugar releases by government. The prices so far from October 2019-February 2020 remained steady at average of Rs.34 per kg in the current season. The prime reasons that supported the stability in sugar prices so far were lower production in the on-going sugar season and focus on higher export and diversion of sugarcane towards ethanol. The wholesale domestic prices however declined marginally in March 2020 to Rs 32.52 per kg after the COVID-19 breakout. The MSP by the government is however providing cushion to the domestic mill owners in the current environment.



Source: CMIE

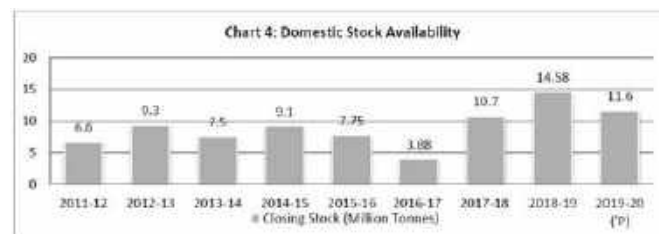
The international sugar prices increased on a sequential basis in each of the months during October 2019 to February 2020. During February 2020, the average international prices were up by 17%-22% compared to the prices in October 2019. The white sugar prices in London and the raw (CIF) sugar prices in New York that had averaged at USD 339 per tonne and US cent 12.6 per lb, respectively, in October 2019 increased and averaged at USD 415 per tonne (white sugar price in London) and US cent 14.8 per lb (raw sugar price in New York) in February 2020. The global sugar prices were hovering around 14.5 cents per pound since mid-Jan 2020. However with the recent impact of fall in crude oil prices, expectation of Brazil to increase sugar production and due to COVID-19 pandemic there has been a decline in the global prices as well. Raw sugar prices in the international market were down by ~20% to US cent 11.8 per pound in March 2020 from US cent 14.8 per pound in Feb 2020. Owing to on-going pandemic and low crude price, CARE Ratings believe it is unlikely that the global sugar prices will bounce back to earlier levels of Jan or Feb 2020. This may put some pressure on the exports from India.



Source: CMIE

SUGAR INVENTORY POSITION

The sugar season 2019-20 started with a balance of 14.58 million tonnes in October'19 and by clubbing the estimation of production which will be 26.5 million tonnes, the total availability of sugar is estimated to be around 40.58 million tonnes. Against the availability, the consumption is estimated to be around 25.5 million tonnes, after assuming 4 million tonnes of exports, India is likely to end with closing stock of ~11.58 million tonnes in Sep'20 (which is higher than the earlier estimate of ~10 million tonnes). This will be more than enough to meet the requirements of domestic consumption.



Source: ISMA, CARE

ETHANOL PRODUCTION

The government is planning to more than double ethanol production and increase blending of ethanol with petrol to reduce oil imports. It plans to enhance ethanol production capacity to 9 billion litres from 3.55 billion litres in two years. For this, it has given in-principle approval to 362 new plants in sugar mills for adding capacity of 5.5 billion litres. This will require an investment of Rs 18,000 crore. The enhanced capacity will help meet the government's target of 10% ethanol blending by 2022. This is likely to reduce the country's oil imports by 2 million tonnes annually and reduce the oil import bill by Rs 7,000 crore. Ethanol can be produced directly from cane juice as well as from B-grade and C-grade molasses. The price of ethanol from sugarcane juice has been fixed at Rs 59.48 per litre while ethanol extracted from C-grade

molasses fetches Rs 43.75 a litre and that from B grade molasses gets Rs 54.27 a litre. The country needs at least 4.25 billion litres of ethanol to meet the 10% blending target.

Last year, 1.91 billion litres of ethanol was blended with petrol, achieving just 5.5% blending. This year, so far oil companies have signed up contracts for 1.4 billion litres and contracts of additional 310 million litres are in the pipeline. There is demand of 5.11 billion litres from oil companies. Since there is around 21% dip in production, the target of ethanol blending could reach 4.5% only.

The outbreak of COVID-19 & subsequent lockdown has reduced the demand for petrol & diesel drastically nationwide resulting in lower offtake from OMC's depot which in turn has resulted in reduced procurement by OMCs from sugar millers owing to problems of storages. Further slide in crude prices has also resulted in reduced off take of ethanol. The ethanol requisition was contracted for by the OMC targeting 10 per cent blending, the reduction in the demand for fuel has impacted the ethanol requirement as well. Now, the Indian Sugar Mills Association (ISMA) has asked the OMCs to reallocate ethanol to other depots, which have ready storage space and can take additional ethanol supplies beyond the contract.

EXPORT OF SUGAR

The government announced the Minimum indicative export quota (MIEQ) scheme to encourage export of sugar to reduce surplus in the country. Under MIEQ, the industry was allowed to export 6 million tonnes of duty-free sugar in SS 2019-20. Production and transportation subsidy for millers was declared by the Central government with the condition to export proportionate quantities of sugar for millers. Moreover, the government is supporting those sugar mills that have plans to export sugar above their original Maximum Admissible Export Quantity (MAEQ) by reallocating the quotas of those mills that have failed to export sugar under MAEQ.

This subsidy was essentially introduced when the global prices were trading 20-30% below the cost of production for Indian millers & export seemed unviable without any support. In August 2019, the export subsidy of Rs.10.4 per kg to sugar mills for the sugar season 2019-20 was announced by the government. With the up-tick in global sugar prices and higher incentive by the government, sugar export looked promising for Indian sugar producers. The raw sugar prices in New York averaged at (Rs.21.3 per kg plus Rs.10.4 per kg) Rs.31.7 per kg in October 2019-February 2020 in rupee terms including the export incentive of Rs.10.4 per kg for sugar exports. During this period, the prices after considering export incentives averaged higher than the MSP of Rs.31. As per the industry data, of the allocated quota, sugar mills had cumulatively contracted for around 3.5 million tonnes and shipped around 2.8 million tonnes out of their factories for exports. Due to the lockdown, India's private ports have declared force majeure and government ports are also operating at lower capacities owing to shortages of labourers. This brought the current sugar exports to a standstill.

COGENERATION OF POWER

Co-generation is the concept of producing two forms of energy from one fuel. One of the forms of energy must always be heat and the other may be electrical or mechanical energy. In a conventional power plant, fuel is burnt in a boiler to generate high-pressure steam which is used to drive a turbine which in turn drives an alternator through a steam turbine to produce electrical power. The exhaust steam is generally condensed to water which goes back to the boiler. As the low-pressure steam has a large quantum of heat which is lost in the process of condensing, the efficiency of conventional power plants is only around 35%. In a cogeneration plant, very high efficiency levels, in the range

of 75%–90% can be reached. This is so, because the low-pressure exhaust steam coming out of the turbine is not condensed, but used for heating purposes in factories or houses.

After the crushing of sugarcane to extract the juice, the residue left over is bagasse 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 mills.

One tonne of sugar can produce ~300 kg of Bagasse which can be converted to ~130 kwh of power. The sugar mills in India consume their own bagasse to in the boilers to generate steam which is converted to power in the turbines. The power so generated is internally consumed to run the sugar mill and auxiliary equipment and the surplus power is exported. The pass out steam is used to boil the sugarcane juice to extract sugar.

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

	2019-20	2018-19
Sugarcane crushed (lac Quintals)	143.20	126.20
Recovery (%)	11.66	11.66
Sugar produced (lac Quintals)	16.69	14.71
Crushing days	169	164

The Cogen power plant operating performance is as mentioned below:

	2019-20	2018-19
Power Generation (Mn Units)	131.24	132.36
Power Export to Grid (Mn Units)	92.07	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 from time to time are placed before and the Audit Committee of the Board of Directors. 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 and bottom 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 100 KLPD Ethanol plant.

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 to the extent possible, 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.

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.

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.

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.

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. The credit risk is reduced, presently, since the Company sells sugar on "cash and carry" basis. Surplus power is sold to UP Government based on power purchase agreement with Uttar Pradesh Power Corporation Limited. The risk of not realising power dues is non existent but there could be delays. Ethanol is sold to Oil Marketing companies which are central government undertaking and risk of not realising the dues non existent but there could be delays.

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

The liquidity of the sugar companies could be impacted in the near term owing to disruptions in the dispatches on account of lockdown issues. Sugar companies have to resort to additional working capital borrowings in order to fund the high level of inventory which leads to increase in its working capital intensity which can be further accentuated by stretch in the receivables from the respective power distribution companies for the power sale. Integrated sugar mills sell the surplus electricity generated (after their captive consumption) to the respective State power distribution companies. Liquidity profile of the power distribution companies is expected to be adversely impacted after the breakout of Covid-19 as the lockdown imposed by the government is impacting the demand for electricity which will have an impact on their revenue and cash accruals and may result in delay in payments by them. The moratorium extended by RBI amid the lockdown will bring in some relief for the sugar millers in the near term. However, the mills might be cash strapped owing to dip in the demand of sugar due to lockdown, fall in sugar prices and rising cane arrears. Large sugar companies who have sufficient liquidity cushion in the form of unused working capital lines, sufficient Cash or liquid investments or have a strong parent to meet both- their operational expenses and debt obligations will be in a favourable position. Liquidity pressures could mount on Companies which have high repayment obligations in the short to medium term and are holding excess inventory. Sugar millers are looking to the Government of India to increase the Minimum Support Price of sugar from the existing Rs. 3,100/- per quintal to Rs. 3,300/- per quintal which if it materialises would help the sugar mills in clearing the cane dues to

the farmers. Cane arrears are also likely to get accumulated in the current scenario and any further extension in lockdown may put more pressure on the liquidity of the millers.

COMPANY OUTLOOK

The Company with its holistic approach was able to crush 1.43 Cr Quintal sugarcane with recovery of 11.66% in year 19-20. Company has received allocation of 15000 KL ethanol supply to OMCs depot for ES 19-20 starting from December. Distillery project was commissioned in Nov 19, commercial production started and Ethanol supply commenced to OMCs depot as per OMCs requirement. From last two years sugar is being surplus in country and Govt. of India is allocating export quota with subsidy to liquidate the excess stock. For crushing year 19-20, Govt of India has allocated 32,814 MT, company has successfully completed its export obligation quantity to different geography of world. Due to premium quality of sugar, GSML has secured its position in international market.

The future outlook of the industry and of the company are highly dependent on the supportive measures, which may be taken by the State/Central Governments to ensure viability of sugar mills. However, the Company is relentlessly working on increasing its operational efficiencies, instituting cost controls and increasing productivity in respect of all controllable factors to make its operations resilient.

CAUTIONERY STATEMENT

The statements in the Management Discussions and 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

R.S. Raghavan
Managing Director
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana
 Date : 08th August, 2020

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 2020

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:

	FY 2019-20	2018-19
1. Electricity :		
a) Purchased :		
Units (in lacs)	22.388	19.002
Total amount (Rs. in lacs)	180.47	146.998
Rate/Unit (Rs.)	8.06	7.74
b) Own Generation :		
i) Through Diesel Generator :		
Units (in lacs)	0.2923	0.1791
HSD (Rs. in lacs)	7.507	4.191
Units per liter of diesel-oil	2.75	2.80
Cost/Unit (Rs.)	25.70	23.40
ii) Through Steam :		
30.85 MW Turbine / Generator	1297.97	1346.73
Units (in lacs)		
Fuel oil/gas (Unit in MT)	265545.33	266787.94
Cost/Unit (Rs.)		3.77
iii) Through Steam:		
3.0 MW Turbine / Generator Units	111.21	100.94
(in lacs) Fuel oil/gas (Unit in MT)	44402.08	43558.69
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)	-	-
Electricity	-	-
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. 97.65 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. 638.01 Lacs (USD 958000)
d) Expenditure in Foreign Currency	Rs. 682.64 Lacs (USD 968854.73)

For and on behalf of the Board

R.S. Raghavan
Managing Director
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana

Date : 08th August, 2020

DECLARATION ON CODE OF CONDUCT

Date: August 08, 2020

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"), 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 2019-20.

For and on behalf of the Board

R.S. Raghavan
Managing Director

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 31.03.2020.

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

(CS A. K. LABH)
Practicing Company Secretary
FCS – 4848 / CP No - 3238
UDIN: F004848B00052671

Place : Kolkata
Dated : 08th August 2020

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

Gobind Sugar Mills Limited

Birla Mill Complex, P.O. Birla Lines

G. T. Road, Near Clock Tower

Kamla Nagar, North Delhi

Delhi – 110007

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Gobind Sugar Mills Limited** having CIN: L15421DL1952PLC354222 and having registered office at Birla Mill Complex, P.O. Birla Lines, G. T. Road, Near Clock Tower, Kamla Nagar, North Delhi, Delhi – 110007 (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, 2020 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.	Marco Philippos Ardeshir Wadia	00244357	21.08.2012
3.	Soundararaghavan Rangachari	00362555	21.08.2012
4.	Lingapuram Chandrasekaran Madhyagowder	01245052	08.02.2017
5.	Indira Varadarajan	07128153	23.03.2015
6.	Bhaskar Chatterjee	00688184	03.02.2020
7.	Alok Saxena	08640419	03.02.2020
8.	Vijay Kumar Kathuria	00338125	03.02.2020

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 : 08th August, 2020

CS Atul Kumar Labh
Membership No. : FCS 4848
CP No. : 3238
UDIN : F004848B000562680

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 is one material contract / 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 as mentioned below. However, all the other related party transactions of the Company has entered with related parties at arm's length, the details of which are given in the notes to financial statements.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Zuari Sugar & Power Limited (ZSPL), Fellow Subsidiary
b)	Nature of contracts/arrangements/transaction	Sale of Finished Goods and reimbursement of expenses
c)	Duration of the contracts/arrangements/transaction	Ongoing in ordinary course of business
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	1. Sale of Sugar – 16094.36 lakhs 2. reimbursement of expenses – 12.84 lakhs
e)	Date of approval by the Board	07.02.2019
f)	Amount paid as advances, if any	-

For and on behalf of the Board

R.S. Raghavan
Managing Director
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana

Date : 08th August, 2020

**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:

SI. No.	Name of the Director*	Ratio of the remuneration to the median remuneration of the employees
1.	Mr. Akshay Poddar# Non Executive Director and Chairman of Board	NA
2.	Mr. N. Suresh Krishnan^ Non - Executive Director	Nil
3.	Mr. R. S. Raghavan Managing Director	20:1
4.	Mr. Marco Wadia^^ Independent Director	Nil
5.	Mrs. Indira Varadarajan^^^ Independent Director	Nil
6.	Mr. L M Chandrasekaran Independent Director	Nil
7.	Mr. Bhaskar Chatterjee^^^^ Independent Director	Nil
8.	Mr. Alok Saxena^^^^ Executive Director- Operations	14.09:1
9.	Mr. Vijay Kumar Kathuria^^^^ Executive Director – Finance & Commercial	NA
10.	Mrs. Manju Gupta§ Independent Director	NA

appointed w.e.f. 12th June 2020

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

^ Resigned from the Board w.e.f. 28th May 2020

^^ 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

^^^ Term of 5 years expired on 31st March 2020 and not been reappointed

^^^^ appointed w.e.f. 3rd February 2020

§ appointed w.e.f. 8th August 2020

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

SI.No.	Name and designation	Percentage increase in remuneration
1.	Mr. Akshay Poddar# Non Executive Director and Chairman of Board	Nil
2.	Mr. N. Suresh Krishnan Non Executive Director	Nil
3.	Mr. R. S. Raghavan^ Managing Director	100%
4.	Mr. Marco Wadia* Independent Director	Nil
5.	Mrs. Indira Varadarajan* Independent Director	Nil
6.	Mr. L M Chandrasekaran* Independent Director	Nil
7.	Mr. Bhaskar Chatterjee* Independent Director	Nil
8.	Mr. Alok Saxena Executive Director – Operations^^	NA
9.	Mr. Vijay Kumar Kathuria Executive Director – Finance & Commercial^	NA
10.	Mrs. Manju Gupta§ Independent Director	NA

Sl.No.	Name and designation	Percentage increase in remuneration
11.	Mr. Dharmendra Roy Chief Financial Officer	10%
12.	Mr. Laxman Aggarwal Company Secretary	14%
13.	Mr. Gaurav Dutta [@] Company Secretary	NA

appointed w.e.f. 12th June 2020

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

^ the remuneration of Mr. R.S. Raghavan has been increased from Rs. 12/- per annum to Rs. 96 lakhs per annum

^^ Mr. Alok Saxena and Mr. Vijay Kumar Kathuria being appointed w.e.f. 3rd February 2020

\$ appointed w.e.f. 8th August 2020

@ appointed w.e.f. 1st July 2020

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

9.5%

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

There are 254 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 10.22%.

There is one Managing Director and 2 Executive Directors. There was increase in remuneration paid to the Managing Director during the financial year ended 31st March 2020 from Rs. 12/- per annum to consolidated remuneration of Rs. 96 Lakhs per annum. There is an increase in the remuneration paid to one Executive Director – Operations from Rs. 56.39 lakhs per annum to Rs. 67.67 lakhs per annum.

(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

(i) Top Ten Employee in terms of remuneration drawn:

Name	Designation	Remuneration received during financial year 2019-20 (Rs. in lakhs)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment; (DOJ)	The age of such employee	The last employment held by such employee before joining the company;	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
Mr. Brajesh Kumar	General Manager (Commercial)	32.27	Permanent	Bachelor's degrees in Science (Agriculture & Technology) and MBA –Agri Business and more than 12 years of professional experience	03.06.2019	40 years	Jubilant Life Sciences Ltd., Gajraula	NIL	NIL
Mr. S.N. Mishra	General Manager (Energy)	31.44	Permanent	Bachelor's degree in science and in Technology specializing in Electrical Engineering and having more than 26 years of experience	19.09.2013	54 years	Bajaj Hindusthan Ltd.- Paliya, U.P.	NIL	NIL
Mr. Ramesh K. Tiwari	Vice President (Production)	28.65	Permanent	Master degree in Physics and A.N.S.I. and more than 26 years of experience	03.11.2015	54 years	Bajaj Hindusthan Ltd., Khambar khera, U.P.	NIL	NIL
Mr. D. P. Singh Yadav	Senior General Manager (Engineering)	26.33	Permanent	Bachelor's degree in Technology specializing in Mech. Engineering + ANSI + B.O.E. and more than 28 years of experience	08.08.2018	Age - 55 years	Balrampur Chini Mills, Babhnan	NIL	NIL

Name	Designation	Remuneration received during financial year 2019-20 (Rs. in lakhs)	Nature of employment	Qualifications and experience of the employee	Date of commencement of employment; (DOJ)	The age of such employee	The last employment held by such employee before joining the company;	The percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) of Rule 5	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:
Mr. Rajesh Kumar Tripathi	AGM (Human Resource)	14.35	Permanent	Bachelor's degree in Science and a degree in PGDPM and Industrial relations and more than 18 years of professional experience.	14.11.2017	Age - 36 years	Dalmia Bharat Sugar and Industries Ltd.- Ramgarh, U.P.	NIL	NIL
Mr. Ajay Kumar Tiwari	AGM (Distillery)	13.9	Permanent	Diploma in Alchohol Technology (DIFAT) from NSI Kanpur and more than 22 year experience	24.08.2018	Age - 48 years	Dalmia Bharat Sugar and Industries Ltd.- Jawaharpur, U.P.	NIL	NIL
Mr. Shrinivas Singh	Manager Mill House	12.4	Permanent	Diploma in Mech. Engg. From UPTU+ ANSI and more than 22 Years Experience	05-11-2016	Age - 49 years	Kumbhi Chini Mill Kumbhi	NIL	NIL
Mr. Ashutosh Tripathi	Sr. Manager (Power Plant)	13.22	Permanent	Diploma in Mech. Engg. From UPTU+ BOE from Kolkata and more than 21 Years Experience	06-09-2018	Age - 44 years	Mankapur Chini Mill (Unit of BML)	NIL	NIL
Mr. Arvind Kumar Singh	Manager (Finance)	8.9	Permanent	Diploma in Industrial Accounting + MBA (Finance) and more than 12 Years Experience	12-07-2019	Age - 34 years	The Seksaria Sugar Factory Limited	NIL	NIL
Mr. Sukant Kumar Srivastava	Sr. Manager (Production)	11.3	Permanent	M.Sc.+ ANSI from NSI Kanpur and more than 23 Years Experience	09-11-2018	Age - 53 years	Narmada Sugar Mill Madhya Pradesh	NIL	NIL

- (ii) None of the employees employed throughout the financial year or part thereof, were in receipt of remuneration in that year, which in the aggregate, in excess of the limit prescribed under rule Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 or as the case may be at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company

For and on behalf of the Board

R.S. Raghavan
Managing Director
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana

Date : 08th August, 2020

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 “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 <https://zuarisugar.com/wp-content/uploads/2020/02/CORPORATE-SOCIAL-RESPONSIBILITY-POLICY.pdf>

2. The Composition of the CSR Committee:

Mr. R. S. Raghavan – Member
Mr. L. M. Chandrasekaran – Member
Mr. Alok Saxena – Member

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

Average Net Loss Rs. 2,863.34 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. However, in an effort to support the Central and State Governments in the fight against COVID-19 virus, the Company spent approx. Rs. 19.57 Lakhs during the financial year and upto the date of signing of this report towards undertaking various CSR activities voluntarily as a measure of good Corporate Governance.

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

(In Rs.)

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	Amount spent on the project or programs	Cumulative expenditure upto the reporting period	Amount spent direct or through implementing Agency
1.	Contribution to CM COVID Care Fund	Social Welfare	Donation to Government	N.A.	10,00,000	10,00,000	Spent Directly
2.	Distribution of Hand Sanitizers	Social Welfare & Health	Local Area	N.A.	3,94,295	13,94,295	Spent Directly
3.	Distribution of masks to prevent Corona	Social Welfare & Health	Local Area	N.A.	52,410	14,46,705	Spent Directly
4.	Distribution of lunch packets to poor people in corona active area	Social Welfare & Health	Local Area	N.A.	40,651	14,87,356	Spent Directly
5.	Sanitizer Spray with Tractor	Social Welfare & Health	Khamaria Pandit	N.A.	12,391	14,99,747	Spent Directly
6.	Spray Machine Sanitizer	Social Welfare & Health	Local Area	N.A.	908	15,00,655	Spent Directly
7.	Purchase and distribution of 50 PPE Kits	Social Welfare & Health	Local Area	N.A.	20,000	15,20,655	Spent Directly
8.	HSD & MS for fogging machine	Social Welfare & Health	Local Area	N.A.	7,160	15,27,815	Spent Directly
9.	Solar Set with Panel For Hospital	Social Welfare & Health	Local Area	N.A.	4,30,000	19,57,815	Spent Directly
TOTAL					19,57,815	19,57,815	Spent Directly

During the financial year 2019-20, the Company undertook various CSR initiatives as a measure of good corporate governance as referred in the Directors Report. Your Company has been extending help and assistance on continuous basis 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

R.S. Raghavan
Managing Director
Chairman of CSR Committee
DIN: 00362555

Bhaskar Chatterjee
Director
DIN: 00688184

Place : Gurugram, Haryana
Date : 08th August, 2020

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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**

Birla Mill Complex, P.O. Birla Lines
G. T. Road, Near Clock Tower
Kamla Nagar, North Delhi
Delhi – 110007

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 Birla Mill Complex, P.O. Birla Lines, G. T. Road, Near Clock Tower, Kamla Nagar, North Delhi, Delhi – 110007 (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 31.03.2020 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 statutes 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.

We have relied upon the accuracy of the documents and information as shared by the Company with us through appropriate Information Technology tools to assist us in completing the secretarial audit work during lock down period due to unprecedented situation prevailing in the Country due to CoVID-19 virus pandemic and the

same is subject to physical verification by us post normalization of the situation.

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 31.03.2020 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 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. Sugarcane (Control) Order, 1966
8. Export (Quality Control and Inspection) Act, 1963
9. Agricultural and Processed Food Products Export Act, 1986

10. Indian Boilers Act, 1923

to the extent of its applicability to the Company during the financial year ended 31.03.2020 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 had issued 7,42,130 new equity shares against conversion of 7,42,130 Compulsorily Convertible Preference Shares (CCPS) to Zuari Investments Limited on preferential basis during the year under review.
- b) The Registered Office of the Company was shifted from the State of West Bengal to National Capital Territory of Delhi w.e.f. 24th August, 2019 as per the Certificate received from Registrar of Companies, Delhi in terms of the order of the Regional Director, Eastern Region, Kolkata dated 17th July, 2019.
- c) The Board of Directors vide its meeting held on 17th July, 2020 approved a Scheme of Amalgamation ("the Scheme") for merger of Gobind Sugar Mills Limited with Zuari Global Limited ("ZGL"), the ultimate Holding Company, in accordance with the provisions of

Sections 230 to 232 and other applicable provisions of Companies Act, 2013 and rules framed thereunder subject to the requisite approvals of the jurisdictional National Company Law Tribunals ('NCLT'), stock exchanges where the shares of the Company are listed and other regulatory authorities.

- d) The Company is yet to take shareholders' approval in terms of Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for entering into material related party transactions with Zuari Sugar & Power Limited.
- e) In the light of heightened concern on spread of Covid-19 across the nation and as per the notifications issued by the Central / State Government(s), the Company had temporarily shut down operations at its Corporate office and moved to Work from Home Policy for all its office employees at Corporate office with effect from 23rd March, 2020 till such time as has been specified in such notifications. However, the Company had gradually started normal operations at its Office in a phased manner with effect from 08th June 2020 with due permissions from local authorities in compliance of the directives issued and permissions granted by Central/ State Government(s) Authorities.

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

CS Atul Kumar Labh
Practicing Company Secretary
Membership No. : FCS 4848
FCS : 4848 / CP No.- 3238
UDIN : F0048B000562669

Place : Kolkata
Date : 08th August, 2020

Walker Chandiook & 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 31st March 2020, 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 of the Company as at 31st March 2020, and its loss (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
<p>Recoverability of deferred tax assets</p> <p>Refer note 3(f) of Summary of significant accounting policies and other explanatory information and the note 9 of the financial statements of the Company for the year ended 31st March 2020.</p> <p>At the balance sheet date 31st March 2020, deferred tax assets (net) including deferred tax asset recognized for carried forward tax losses and unabsorbed depreciation amounted to INR 3,295.76 lacs.</p> <p>During the year ended 31st March 2020, the Company has incurred losses after tax (total comprehensive loss) of INR 7,418.98 lacs (31st March 2019: INR 3,558.94 lacs).</p> <p>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.</p>	<p>Our audit procedures in relation to the recognition of deferred tax assets included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • 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. • 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.

Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the Financials Statements for the Year ended 31st March 2020 (Cont'd)

Key audit matter	How our audit addressed the key audit matter
<p>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.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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 9 in respect of deferred tax balances.
<p>Valuation of Inventory</p> <p>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 12 of the financial statements of the Company for the year ended 31st March 2020.</p> <p>At the balance sheet date 31st March 2020, the Company held INR 48,066.15 lacs of Inventories. Inventories mainly consists of finished goods - Sugar and other product – molasses, both treated as joint products.</p> <p>Manufacturing of Sugar is complex process which leads to generation of certain joint products and by products which are used for generation of other products, 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, allocation of costs of production between joint products based on their relative sales value and net realisable value (NRV) of different products which is further dependent upon the market conditions, minimum selling prices, subsequent inventory sale data, current sale prices, notifications/press releases from the government authorities, technical estimates of expected recovery of final products being produced and incremental cost of products manufactured using joint 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.</p> <p>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</p>	<p>Our audit procedures in relation to valuation of inventory included, but were not limited to, the following:</p> <ul style="list-style-type: none"> • 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/industrial data trends such as sugar recovery rates, generation of Molasses, ethanol recovery rates, fixed and planned storage facilities of Molasses and capacity utilisations of the plant. • Verified net realisable value of bagasse and molasses based on market quotation obtained by the management in case of bagasse, contracts for sale of ethanol and notifications/press releases from the government authorities. • 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 up to balance sheet date, sale orders in hand as on that date, minimum selling prices introduced by the government and prices prevailing in exchange market, allocation of costs of production between joint products based on relative sales value. • We also assessed the appropriateness of the disclosures included in note 12 in respect of valuation of inventories.
<p>Going concern basis of accounting</p> <p>We refer to the note 48 of the financial statements of the Company for the year ended 31st March 2020 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 7,418.98 lacs. Also as at 31st March 2020, the current liabilities exceed the current assets by INR 14,892.62 lacs.</p> <p>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:</p> <ol style="list-style-type: none"> a) Improving sugar sale prices; b) Expansion plans in form of setting up of 16 MW Co-Generation Power Plant; c) Newly commenced Distillery having capacity of 100,000 litres per day; and 	<p>Our audit procedures included, but were not limited to, the following in relation to assessment of appropriateness of going concern basis of accounting:</p> <ul style="list-style-type: none"> • 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;

Independent Auditor’s Report of even date to the members of Gobind Sugar Mills Limited on the Financials Statements for the Year ended 31st March 2020 (Cont’d)

Key audit matter	How our audit addressed the key audit matter
<p>d) Industry focused state and central government trade policies.</p> <p>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. Also, the Company has availed moratorium period for principal and interest payments, under Covid 19 - Regulatory Package announced by Reserve Bank of India by rescheduling its repayments of loans and payment of interest. 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.</p> <p>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.</p>	<ul style="list-style-type: none"> • 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. • 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 Distillery plant. 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. • 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 accompanying financial statements have been approved by the Company’s Board of Directors. 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 financial position, 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 is 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 skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the Financials Statements for the Year ended 31st March 2020 (Cont'd)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances;
 - 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, based on our audit, 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, based on our audit, we report, to the extent applicable, 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 of the accompanying financial statements;
 - 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 31st March 2020 from being appointed as a director in terms of section 164(2) of the Act;
 - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12th June 2020 as per Annexure II expressed opinion; and
 - 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 36 to the financial statements, has disclosed the impact of pending litigations on its financial position as at 31st March 2020;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31st March 2020;
 - 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 31st March 2020; 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

Neeraj Goel

Partner

Membership No.: 099514

UDIN: 20099514AAAACY7824

Place: Gurugram

Date: 12th June 2020

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 31st March 2020
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) The Company is regular in depositing 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, to the appropriate authorities. 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 become 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	3.29	0.13	FY 2011-12	Customs Excise and Service Tax Appellate Tribunal, Allahabad
Central Excise Act, 1944	Disallowance of CENVAT Credit on input services	8.65	4.32	FY 2007-08	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
Goods and Service Tax	Difference in date of tax invoice and date of tax invoice mentioned in E Way Bill	3.18	1.59	FY 2019-20	Assistant commissioner, Uttar Pradesh

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 31st March 2020 (Cont'd)

- (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 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, the term loans were applied for the purpose for which the loans were obtained, though surplus funds which were not required for immediate utilization were temporarily used for the purpose other than for which the loan was sanctioned but were ultimately utilized for the stated end-use.
- (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 not made any preferential allotment or private placement of shares or fully or 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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No. 099514

UDIN: 20099514AAAACY7824

Place: Gurugram

Date: 12th June 2020

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 31st March 2020

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 31st March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') of the Company as at that date.

Management's Responsibility and Those Charged with Governance 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 31st March 2020, 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 Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

Partner

Membership No. 099514

UDIN: 20099514AAAACY7824

Place: Gurugram

Date : 12th June 2020

BALANCE SHEET AS AT 31 MARCH 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	4	54,300.74	39,453.87
(b) Capital work-in-progress	5	250.60	7,142.03
(c) Right-of-use assets	35	485.87	
(d) Other intangible assets	6	15.94	25.10
(e) Financial assets			
(i) Investments	7	16.25	16.15
(ii) Other financial assets	8	196.71	17.32
(f) Deferred tax assets (net)	9	3,295.76	7,257.95
(g) Other non-current assets	10	148.16	919.11
(h) Non-current tax assets (net)	11	48.09	45.96
		58,758.12	54,877.49
Current assets			
(a) Inventories	12	48,066.15	46,006.49
(b) Financial assets			
(i) Investments	7		117.00
(ii) Trade receivables	13	4,105.88	3,830.78
(iii) Cash and cash equivalents	14	141.21	161.92
(iv) Other bank balances	15	3.89	1.57
(v) Loans	16	4.47	38.51
(vi) Other financial assets	8	6,760.19	5,290.13
(c) Other current assets	10	1,363.55	1,310.50
		60,445.34	56,756.90
Total assets		119,203.46	111,634.39
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	17(a)	447.30	373.09
(b) Instruments entirely equity in nature	17(b)		74.21
(c) Other equity	17(c)	(9,811.73)	(2,399.45)
		(9,364.43)	(1,952.15)
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	18	47,855.40	45,046.19
(ii) Lease liabilities	35	415.67	-
(b) Provisions	19	341.36	405.41
(c) Other non-current liabilities	20	4,617.50	5,544.65
		53,229.93	50,996.25
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	19,159.16	19,387.07
(ii) Trade payables	22		
-Total outstanding due of micro, small and medium enterprises		128.82	41.75
-Total outstanding due of creditors other than micro, small and medium enterprises		35,679.53	29,994.65
(iii) Other financial liabilities	23	16,480.06	9,666.19
(b) Other current liabilities	20	3,696.71	3,399.07
(c) Provisions	19	193.68	101.56
		75,337.96	62,590.29
Total equity and liabilities		119,203.46	111,634.39

The accompanying notes forms an integral part of the financial statements.

As per our report of even date.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

Gobind Sugar Mills Limited**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram**Date:** 12 June 2020**R.S. Raghavan**

(Managing Director)

DIN: 00362555

Place: Gurugram**Date:** 12 June 2020**Alok Saxena**

(Executive Director Operations)

DIN: 08640419

Place: Aira, Lakhimpur**Date:** 12 June 2020**Dharmendra Roy**

(Chief Financial Officer)

PAN: ADCPR3374B

Place: Aira, Lakhimpur**Date:** 12 June 2020**Laxman Aggarwal**

(Company Secretary)

Membership No. A 19861

Place: Gurugram**Date:** 12 June 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	Notes	Year ended 31 March 2020	Year ended 31 March 2019
Income			
Revenue from operations	24	57,900.03	46,384.92
Other income	25	4,117.87	5,280.16
Total income		62,017.90	51,665.08
Expenses			
Cost of materials consumed	26	48,642.35	43,215.11
Changes in inventories of finished goods and work-in-progress	27	(2,451.92)	(7,395.58)
Employee benefits expense	28	2,677.80	2,403.48
Finance costs	29	8,426.98	6,945.91
Depreciation and amortization expenses	30	2,122.57	1,800.40
Other expenses	31	6,106.46	7,323.93
Total expenses		65,524.24	54,293.25
Loss before tax		(3,506.34)	(2,628.17)
Tax expense:			
Current tax	32	-	-
Deferred tax charge		3,949.72	954.30
Loss for the year		(7,456.06)	(3,582.47)
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss			
Re-measurement gains/(losses) on defined benefit plans		49.45	37.16
Equity instruments designated at fair value through OCI		0.10	(1.18)
Income tax effect on above		(12.47)	(12.45)
Other comprehensive income		37.08	23.53
Total comprehensive loss for the year		(7,418.98)	(3,558.94)
Loss per equity share (Basic and Diluted)	33	(166.69)	(97.31)

The accompanying notes forms an integral part of the financial statements.

As per our report of even date.

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

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

Neeraj Goel
Partner
Membership No.: 099514

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

Alok Saxena
(Executive Director Operations)
DIN: 08640419

Place: Gurugram
Date: 12 June 2020

Place: Gurugram
Date: 12 June 2020

Place: Aira, Lakhimpur
Date: 12 June 2020

Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

Place: Aira, Lakhimpur
Date: 12 June 2020

Place: Gurugram
Date: 12 June 2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
A Cash flow from operating activities		
Loss before tax	(3,506.34)	(2,628.17)
Adjustments for:		
Depreciation and amortization expenses	2,122.57	1,800.40
Loss on disposal of property, plant and equipment	1.59	2.91
Dividend received	(1.80)	-
Fair valuation gains on financial assets measured at fair value through profit and loss	-	(0.14)
Profit on sale of investments in mutual funds	(17.21)	(28.50)
Interest income	(4.09)	(3.00)
Bad debts, cane subsidies and other receivables written off	1.08	1,170.85
Amortization of government grants	(922.31)	(500.34)
Amortization of deferred gains	(153.81)	(142.21)
Finance costs	8,426.98	6,945.91
Loss on account of foreign exchange rate fluctuation	280.42	183.75
Fair value losses on derivatives not designated as hedges	471.52	213.46
Transfer to Molasses and alcohol storage and maintenance reserve	6.70	2.51
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	(71.51)	(212.44)
Operating profit before changes in working capital	6,633.79	6,804.99
Changes in working capital:		
- trade receivables	(275.10)	(2,238.38)
- inventories	(2,059.66)	(7,056.86)
- trade payables	5,771.95	1,753.15
- other financial assets	(1,652.85)	(3,361.05)
- other assets	(54.14)	582.60
- loans	34.04	(31.75)
- other financial liabilities	(685.50)	1,110.41
- other liabilities	446.61	1,057.64
- provisions	77.52	55.50
Cash flow generated from/(used in) operations	8,236.66	(1,323.75)
Income taxes paid	2.13	45.74
Net flow generated from/(used in) operations	8,234.53	(1,369.49)
B Cash flow from investing activities		
Payments for property, plant and equipment	(8,159.10)	(9,030.75)
Proceeds from sale of property, plant and equipment	3.15	4.50
Investment in mutual funds	(9,669.50)	(11,740.34)
Proceeds from sale of mutual funds	9,803.73	11,651.98
Interest received	4.09	2.53
Dividend received	1.80	-
Net cash flow used in investing activities	(8,015.83)	(9,112.08)
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	10,032.52	21,372.31
Repayment of long-term borrowings	(5,338.60)	(3,139.11)
Payment of lease liabilities	(29.13)	-
Repayment of short-term borrowings (net)	(227.91)	(3,925.74)
Finance costs paid	(4,676.29)	(5,014.85)
Net cash flow (used in)/generated from financing activities	(239.41)	10,565.66
Net increase/(decrease) in cash and cash equivalents	(20.71)	84.09
Cash and cash equivalents at the beginning of the financial year	161.92	77.83
Cash and cash equivalents at the end of the financial year	141.21	161.92

(All amounts in INR lacs unless otherwise stated)

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*

Cash and cash flow statements as per above comprise of the following:
Cash and cash equivalents

	31 March 2020	31 March 2019
	141.21	161.92
Balance as per statement of cash flows (as per above)	141.21	161.92

*Refer note 14 for further details.

- 4 Also, refer note 21.1 for changes in liabilities arising from financing activities.

5 Non cash transactions

- i) Interest accruals on Non-Convertible Redeemable Preference Shares and impacts of application of effective interest method for the year ended 31 March 2020 amounts to INR 1,736.03 lacs (31 March 2019 : INR 1,631.36 lacs).
- ii) During the year ended 31 March 2020, the Company has converted Compulsorily Convertible Preference shares into Equity Shares. Refer note 17 (a) for further details.
- iii) Acquisition of right-of-use assets - refer note 35.

The accompanying notes forms an integral part of the financial statements.

As per our report of even date.

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

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

Neeraj Goel
Partner
Membership No.: 099514

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

Alok Saxena
(Executive Director Operations)
DIN: 08640419

Place: Gurugram
Date: 12 June 2020

Place: Gurugram
Date: 12 June 2020

Place: Aira, Lakhimpur
Date: 12 June 2020

Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

Place: Aira, Lakhimpur
Date: 12 June 2020

Place: Gurugram
Date: 12 June 2020

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

(All amounts in INR lacs unless otherwise stated)

a) Equity share capital

Particulars	Notes	Amount
As at 01 April 2018		320.00
Increase during the year	17(a)	53.09
As at 31 March 2019		373.09
Increase during the year	17(a)	74.21
As at 31 March 2020		447.30

b) Instruments entirely equity in nature

Particulars	Notes	Amount
As at 01 April 2018		-
Increase during the year	17(b)	74.21
As at 31 March 2019		74.21
Converted during the year	17(b)	(74.21)
As at 31 March 2020		-

c) Other equity

Particulars	Notes	Deemed equity	Reserves and surplus				Other reserves- Fair value through OCI - Equity instruments	Total other equity
			Capital redemption reserve	Securities premium	Molasses and alcohol storage and maintenance reserve	Retained earnings		
Balance at 31 March 2018	17(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)	(2,410.68)
Balance at 31 March 2019	17(c)	7,821.00	10.00	1,345.74	124.50	(11,701.38)	0.69	(2,399.45)
Loss for the year		-	-	-	-	(7,456.06)	-	(7,456.06)
Transfers during the year		-	-	-	6.70	-	-	6.70
Other comprehensive income		-	-	-	-	36.98	0.10	37.08
Total		-	-	-	6.70	(7,419.08)	0.10	(7,412.28)
Balance at 31 March 2020	17(c)	7,821.00	10.00	1,345.74	131.20	(19,120.46)	0.79	(9,811.73)

The accompanying notes forms an integral part of the financial statements.

As per our report of even date.

For **Walker Chandio & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

For and on behalf of the Board of Directors of

Gobind Sugar Mills Limited**Neeraj Goel**

Partner

Membership No.: 099514

Place: Gurugram

Date: 12 June 2020

R.S. Raghavan

(Managing Director)

DIN: 00362555

Place: Gurugram

Date: 12 June 2020

Alok Saxena

(Executive Director Operations)

DIN: 08640419

Place: Aira, Lakhimpur

Date: 12 June 2020

Dharmendra Roy

(Chief Financial Officer)

PAN: ADCPR3374B

Place: Aira, Lakhimpur

Date: 12 June 2020

Laxman Aggarwal

(Company Secretary)

Membership No. A 19861

Place: Gurugram

Date: 12 June 2020

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2020

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. The Company is primarily engaged in extraction of sugar from sugar cane and its sale along with its other products. The Company is also engaged in generation and export of power by utilizing by product – bagasse and manufacture and sale of ethanol utilizing molasses. The Company presently has manufacturing facilities at Aira Estate, District Lakhimpur Kheri in the State of Uttar Pradesh being its principal place of business. During the year ended 31 March 2020, the Company has shifted its registered from the State of West Bengal to National Capital of Delhi.

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 49) 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 7) and non-financial assets (refer note 11) measured at fair value or net realizable value as applicable.

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

The Company has applied Ind AS 116, Leases, for the first time for their annual reporting period commencing 1 April 2019. The Company had to change its accounting policies as a result of adopting Ind AS 116. The Company adopted the new standard retrospectively but recognized the cumulative effect of initially applying the new standard on 1 April 2019. Refer note 46 for details. The other amendments did not have any impact on the amounts recognized in earlier periods and are not expected to affect the current period.

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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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 realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

d) Revenue recognition

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. Recognizing 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, the Company recognizes 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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.

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

Revenue is recognized 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 recognized 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.

The Company derives revenue primarily from three segments – Sugar, Power and Ethanol. Sugar segment of the Company principally generate revenue from sale of goods (sugar and by products including transportation services for certain contracts), Power segment generates revenue by generating power units and selling it to Government of Uttar Pradesh and Ethanol segment generate revenue from sale of goods (ethanol). For more detailed information about reportable segments, refer note 40.

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 within next 30 working days from receipt of bill contractually.

For Ethanol segment:

Revenue is recognized, recognizes revenue when the customers obtain the control of goods. This usually happens when the ethanol is supplied at Oil marketing companies ('OMC') location. For ethanol supplied, the customer is billed separately and transaction price is received within 21 days from the receipt of ethanol at OMC location.

Interest income:

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

Dividends:

Dividend is recognized 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 recognized at latest trade price on the basis of prevailing

market price as confirmed by trade exchange regulated by Central Electricity Regulatory Commission ('CERC').

Power banked units:

Income from power banked units is recognized 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 is 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 recognized 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 recognized 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 recognized 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 favorable interest is regarded as a government grant. The loan or assistance is initially recognized 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 recognized in Statement of Profit and Loss except to the extent that is related to an item recognized 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 recognized for all taxable temporary differences. Deferred income tax assets are recognized 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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 utilized. Unrecognized deferred income tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred 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 recognized 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 recognized is derecognized 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 derecognized.

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 recognized 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 amortized over the useful economic life and assessed for impairment, whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization 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 recognized 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 recognized in the statement of profit or loss when the asset is derecognized.

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 Company 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 recognized 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 recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized 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 capitalized up to 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 capitalization.

l) Leases

As a lessee

As inception of the contract, the Company assesses whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to control the use an asset (the underlying asset) for a period of time in exchange for consideration'.

To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

- the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Company has the right to direct the use of the identified asset throughout the period of use.

The Company assess whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

Measurement and recognition of leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero, as the case may be.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the balance sheet. Also, the Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term.

In the comparative period, as a lessee, the lease payments in respect of assets taken on operating lease are charged to the profit or loss on a straight line basis over the period of the lease unless the payments are structured to increase in line with the expected general inflation to compensate the lessor's expected inflationary cost increase.

As a lessor

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

The Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

The accounting policies applicable to the Company as a lessor in the comparative period were not different from Ind AS 116. However, when the Company was an intermediate lessor the sub-leases were classified with reference to the underlying asset.

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 recognized 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.

Joint products, whose cost is not identifiable, are valued by allocating the cost between the products on the relative sales value of each product at the completion of the production, considering it as a rational and consistent 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 recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Actuarial gains/losses are not reclassified to profit or loss in subsequent periods.

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

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognizes 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 non-routine 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 recognized immediately in the statement of profit and loss.

Financial assets:

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

Amortized cost

A financial asset shall be measured at amortized 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 amortized 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 amortized 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 recognized 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 recognized 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 recognized 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 recognizing 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 115, 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 amortized 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 amortized cost using the effective interest rate (EIR) method. Gains and losses are recognized in statement of profit and loss when liabilities are derecognized. Amortized 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 amortization 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 amortized 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 derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109. A financial liability (or a part of a financial liability) is derecognized 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 realization 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 34 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 recognized 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 utilized. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions. Refer note 9.

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 36.

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 realizable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realization of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

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 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
Additions	-	3,185.67	13,669.91	4.52	44.12	18.94	16,923.16
Disposals	-	-	23.49	-	0.65	8.53	32.67
As at 31 March 2020	1,934.81	11,598.20	47,303.03	102.03	183.04	61.70	61,182.81
Accumulated depreciation							
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
Adjustments 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
Charge for the year	-	363.47	1,659.28	11.16	26.74	10.90	2,071.55
Adjustments for disposals	-	-	20.64	-	0.09	7.21	27.93
As at 31 March 2020	-	1,277.69	5,351.33	65.01	148.25	39.79	6,882.07
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
Net block as at 31 March 2020	1,934.81	10,320.51	41,951.70	37.02	34.79	21.91	54,300.74

Notes:

(i) Contractual obligations

Refer note 37 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) Capitalised borrowing costs

Refer note 29 for disclosure of capitalized borrowing costs.

(iii) Property, plant and equipment have been pledged as security for liabilities, for details refer note 18.2 and note 44.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

5 Capital work-in-progress

(All amounts in INR lacs unless otherwise stated)

Particulars	Total	
i) Balance as at 31 March 2018		757.26
Additions during the year		7,735.14
Capitalized during the year		(1,350.37)
Balance as at 31 March 2019		7,142.03
Additions during the year		9,569.97
Capitalized during the year		(16,461.40)
Balance as at 31 March 2020		250.60
ii) Preoperative expenses (pending allocation) included in Capital work-in-progress above	As at 31 March 2020	As at 31 March 2019
Finance costs (refer note 29 for further details)	1,297.92	284.85
Miscellaneous expenses (including store consumables, travelling expenses etc)	344.38	212.59
Consultancy and professional charges	498.89	161.44
Employee benefits expenses	272.04	92.63
Power and fuel (refer note 26 for further details)	275.57	70.00
	2,688.80	821.51
Capitalized during the year	(2,688.80)	(45.52)
Total	-	775.99

6 Other intangible assets

Computer software	Total
Gross carrying value	
As at 31 March 2018	45.67
Additions	-
Disposals	-
As at 31 March 2019	45.67
Additions	-
Disposals	-
As at 31 March 2020	45.67
Accumulated amortization	
As at 31 March 2018	10.82
Charge for the year	9.75
Adjustments for disposals	-
As at 31 March 2019	20.57
Charge for the year	9.16
Adjustments for disposals	-
As at 31 March 2020	29.73
Net carrying value as at 31 March 2019	25.10
Net carrying value as at 31 March 2020	15.94

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
7 Investments		
Non-Current:		
<i>Measured at amortized cost</i>		
5 Years National Saving Certificates	1.00	1.00
Total (a)	1.00	1.00
Investments in unquoted shares (non trade investments)		
<i>Designated at fair value through OCI</i>		
Premium Exchange & Finance Limited 180,240 (previous year: 180,240) equity shares of INR 10/- each, fully paid up	5.59	5.59
Master Exchange & Finance Limited 188,640 (previous year: 188,640) equity shares of INR 10/- each, fully paid up	5.90	5.90
Investments in quoted shares (non trade investments)		
<i>Designated at fair value through OCI</i>		
Duke Commerce Limited 24,700 (previous year: 24,700) equity shares of INR 10/- each, fully paid up	0.69	0.64
Chambal Fertilizers & Chemicals Limited 1,947 (previous year: 1,947) equity shares of INR 10/- each, fully paid up	3.07	3.02
Total (b)	15.25	15.15
Total (a+b)	16.25	16.15
Aggregate amount of quoted investments	3.76	3.66
Aggregate market value of quoted investments	3.76	3.66
Aggregate amount of unquoted investments	12.49	12.49
Aggregate amount of impairment in value of investments	-	-
Current:		
Investments in mutuals funds (quoted)		
<i>Measured at fair value through profit and loss</i>		
SBI Liquid Fund - Regular Growth Plan [Nil (previous year: 4037.924) 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	-	-
8 Other financial assets		
Non-Current		
<i>Measured at amortized cost</i>		
Sundry deposits (unsecured, considered good)	9.64	3.39
Fixed deposits with bank having more than 12 months maturity	187.07	13.93
Total	196.71	17.32
Current		
<i>Measured at amortized cost</i>		
Unbilled revenues	543.24	764.10
Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery Promotion Policy, 2013	2,411.87	2,115.82
Interest subvention under Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol production capacity	340.50	-
Interest subvention receivable under soft loan	340.11	-
Interest subvention receivable under scheme for extending financial assistance to sugar undertakings (SEFASU), 2014	-	14.58
Amounts held with Central Electricity Regulatory Commission (CERC) (refer note below)	102.25	102.25
Assistance to sugar mills for sugar cane purchase	2,340.49	1,724.02
Assistance to sugar mills under the scheme for creation and maintenance of buffer stock	452.10	298.05
Other receivables [refer note 39 for receivables from related parties]	229.63	271.31
Total	6,760.19	5,290.13

Notes:

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
9 Deferred tax assets (net)		
Tax effect of items constituting deferred tax assets:		
Unused tax losses and depreciation	8,623.21	12,719.95
Expenses allowed on payment basis	527.51	674.43
Deferred government grants	240.37	334.22
Disallowances under section 40(a)(ia) of the Income tax Act, 1961	122.01	167.77
Lease liabilities	125.49	-
Total deferred tax assets	9,638.59	13,896.37
Tax effect of items constituting deferred tax liabilities		
Property, plant and equipment (including right-of-use assets) exceeds its tax base	(6,276.22)	(6,604.07)
Financial assets and financial liabilities at amortized cost	(66.61)	(34.35)
Total deferred tax liabilities	(6,342.83)	(6,638.42)
Net deferred tax assets	3,295.76	7,257.95

Notes:

(i) Movement in deferred tax assets/(liabilities) for year ended 31 March 2020:

	As at 31 March 2019	Charged/(credited) to		As at 31 March 2020
		Profit or Loss	OCI	
Tax effect of items constituting deferred tax assets:				
Unused tax losses and depreciation	12,719.95	(4,096.74)	-	8,623.21
Expenses allowed on payment basis	674.43	(134.45)	(12.47)	527.51
Deferred government grants	334.22	(93.85)	-	240.37
Disallowances under section 40(a)(ia) of the Income tax Act, 1961	167.77	(45.76)	-	122.01
Lease liabilities	-	125.49	-	125.49
Tax effect of items constituting deferred tax liabilities				
Property, plant and equipment (including right-of-use assets) exceeds its tax base	(6,604.07)	327.85	-	(6,276.22)
Financial assets and financial liabilities at amortized cost	(34.35)	(32.26)	-	(66.61)
	7,257.95	(3,949.72)	(12.47)	3,295.76

Movement in deferred tax assets/(liabilities) for year ended 31 March 2019:

	As at 31 March 2018	Charged/(credited) to		As at 31 March 2019
		Profit or Loss	OCI	
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 amortized cost	(13.13)	(21.22)	-	(34.35)
	8,224.70	(954.30)	(12.45)	7,257.95

(ii) The Company carries an amount of INR 3,295.76 lacs as deferred tax assets (net) as at 31 March 2020. The management of the Company is confident of generating sufficient taxable profits in the near future considering the power purchase arrangement with the Uttar Pradesh Power Corporation Limited, signed contracts for supply of ethanol with Oil Marketing Companies, reduced finance costs due to expected repayment of term loans, future expansion plans like setting up of 16 MW Co-generation Power Plant and industry focused trade policies of the government.

(iii) Refer note 32 explaining the impact of reduced income-tax rates permitted under section 115 BBA of Income-tax Act 1961, as introduced by the Taxation Laws (Amendment) Ordinance, 2019.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
10 Other assets		
Non-current		
Unsecured, considered good		
Capital advances	2.79	774.83
Deposit against disputed demands	145.37	144.28
Total	148.16	919.11
Current		
Unsecured, considered good		
Balance with revenue/statutory authorities	782.21	848.44
Advances to suppliers	275.25	145.77
Prepaid expenses	83.79	118.52
Renewable energy certificates (REC)	214.43	146.70
Power banked (drawable)	7.87	51.07
Total	1,363.55	1,310.50
11 Non - current tax assets (net)		
Income tax receivable	48.09	45.96
Total	48.09	45.96
12 Inventories		
<i>(Valued at lower of cost and net realizable value, unless otherwise stated)</i>		
Finished goods		
Sugar [refer note (i)]	41,713.13	38,685.90
Ethanol	511.92	-
Sugarcane	56.72	89.81
Molasses	3,488.08	4,953.50
Work-in-progress	923.35	610.21
Stores and spares	759.28	831.36
By-products (valued at net realizable value)		
Bagasse	204.66	491.75
Pressmud	120.91	108.46
Scrap stock	288.10	235.50
Total	48,066.15	46,006.49

Notes:

- (i) Write down of inventories of finished goods of sugar to net realizable value on account higher of cost of production amounts to INR 41.15 lacs (31 March 2019: Nil). This is recognized as an expense during the year ended 31 March 2020 and included under "Changes in inventories of finished goods and work-in-progress" in the Statement of Profit and Loss.
- (ii) For inventories pledged as securities against financial liabilities, refer note 18.2, 21.2 and 44.

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
13 Trade receivables		
<i>Measured at amortized cost</i>		
Unsecured, considered good	4,105.88	3,830.78
Unsecured, credit impaired	1.32	1.32
Less: Loss allowance	(1.32)	(1.32)
Total	4,105.88	3,830.78

(All amounts in INR lacs unless otherwise stated)

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
14 Cash and cash equivalents		
Cash on hand	9.35	7.33
Balances with bank:		
In current account	131.86	154.59
Total	141.21	161.92
15 Other bank balances		
<i>Measured at amortized cost</i>		
Balances with banks (other than presented in note 14 above):		
Deposits with original maturity of more than 3 months but less than 12 months	3.89	1.57
Total	3.89	1.57
16 Loans		
<i>Measured at amortized cost</i>		
Security deposits (unsecured, considered good)	3.12	34.31
Loan to employees (secured, considered good)	1.35	4.20
Loan to employees (credit impaired)	0.31	0.31
Less: Loss allowance	(0.31)	(0.31)
Total	4.47	38.51

Particulars	As at 31 March 2020	As at 31 March 2019
17 Equity		
(a) Equity share capital		
Authorised share capital:		
40,000,000 (31 March 2019: 40,000,000) equity shares of INR 10/- each#	4,000.00	4,000.00
	4,000.00	4,000.00
# During the year ended 31 March 2019, the Company reclassified the Authorised Share Capital of the Company from the existing INR 2,000,000,000 comprising of 65,000,000 Equity Shares of INR 10 each and 135,000,000 Preference Shares of INR 10/- each to INR 2,000,000,000 comprising of 40,000,000 Equity Shares of INR 10/- each and 160,000,000 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:		
4,473,047 (31 March 2019: 3,730,917) equity shares of INR 10/- each	447.30	373.09
Total	447.30	373.09
(i) Movement in equity share capital		
	Number of shares	Amount
As at 31 March 2018	3,200,000	320.00
Issued during the year	530,917	53.09
As at 31 March 2019	3,730,917	373.09
Issued during the year*	742,130	74.21
As at 31 March 2020	4,473,047	447.30

*The Company wide resolution dated 17 April 2019, passed by the Board of Directors of the Company, has allotted 742,130 equity shares of the Company at INR 100/- per equity share (face value of INR 10/- per equity share and INR 90/- being security premium per equity share) to Zuari Investments Limited (Holding Company) by conversion of Compulsorily Convertible Preference Shares (CCPS) into equity shares of the Company which are then listed on Metropolitan Stock Exchange of India Limited. Also during the year ended 31 March 2019, the Company on 14 November 2018, issued 530,917 equity shares on preferential basis to the Holding Company at INR 100/- per equity share (face value of INR 10/- per equity share and INR 90/- being security premium per equity share).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

(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

Zuari Investments Limited ('ZIL')		
2,913,679 (2,171,549) equity shares of INR 10/- each fully paid	<u>291.37</u>	<u>217.15</u>

(iv) Details of shareholders holding more than 5% shares in the Company

Equity shares of INR 10/- each fully paid:

Zuari Investments Limited		
Number of shares held	2,913,679	2,171,549
%age of shares held	65.14%	58.20%
Mr. Akshay Poddar		
Number of shares held	235,000	235,000
%age of shares held	5.25%	6.30%

Particulars	As at 31 March 2020	As at 31 March 2019
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(b) Instruments entirely equity in nature

Authorised share capital:		
160,000,000 (31 March 2019: 160,000,000) preference shares of INR 10/- each	16,000.00	16,000.00

Issued, subscribed and fully paid up:		
Nil (31 March 2019: 742,130) Compulsorily Convertible Preference Shares ('CCPS') of INR 10/- each	-	74.21

(i) Movement in CCPS

	Number of shares	Amount
As at 31 March 2018	-	-
Issued during the year	742,130	74.21
As at 31 March 2019	<u>742,130</u>	<u>74.21</u>
Converted during the year [refer note 17(a)(i)]	742,130	74.21
As at 31 March 2020	<u>-</u>	<u>-</u>

(ii) Terms and rights attached to the CCPS

The Company had only one class of CCPS having a par value of INR 10/- per CCPS. These CCPS's did not carry dividend and each CCPS was convertible into one equity share of the Company at any time not later than 18 months from the date of allotment of such CCPS.

(c) Other equity**1 Capital redemption reserve**

Opening balance	10.00	10.00
Appropriations during the year	-	-
Utilisations during the year	-	-
Closing balance	<u>10.00</u>	<u>10.00</u>

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.

2 Securities premium

Opening balance	1,345.74	200.00
Additions during the year	-	1,145.74
Utilisations during the year	-	-
Closing balance	<u>1,345.74</u>	<u>1,345.74</u>

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

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.

3 Molasses and alcohol storage and maintenance reserve

Opening balance	124.50	121.99
Additions during the year	6.70	2.51
Utilisations during the year	-	-
Closing balance	131.20	124.50

Nature and purpose:

The above mentioned reserve is created under Molasses Control Order, 1961 which requires every sugar factory to set aside certain amount as mentioned in the order. The amount credited in said account shall be utilised only for purposes of construction or erection of storage facilities for molasses.

Particulars	As at 31 March 2020	As at 31 March 2019
4 Retained earnings		
Opening balance	(11,701.38)	(8,143.38)
Loss for the year	(7,456.06)	(3,582.47)
Transactions of other comprehensive income directly recognized in reserves		
Re-measurement of defined benefit plans (net of tax impacts)	36.98	24.47
Closing balance	(19,120.46)	(11,701.38)
(i) Total (1+2+3+4)	(17,633.52)	(10,221.14)

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	0.79	0.69
Total	0.79	0.69

Fair value through OCI- equity instruments

Opening balance	0.69	1.63
Changes in fair value of FVTOCI equity instruments (net of tax)	0.10	(0.94)
Closing balance	0.79	0.69

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 18.1 for further details.

Total other equity [(i) +(ii)+(iii)]	(9,811.73)	(2,399.45)
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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

18 Borrowings (Non-current)

Measured at amortized cost

Term loans (secured) (refer note 18.2):

- From banks

Indian rupee loan	5,472.66	7,396.15
Cane soft loan	13,964.65	11,085.66
Loan under under SEFASU, 2014 (Excise duty loan)	-	60.98

- From others

Loan from Sugar Development Fund (SDF)	4,969.10	4,594.12
Loan from a financial institution (IREDA)	11,939.00	7,513.13
Foreign currency loan (External commercial borrowings) (FMO)	10,536.67	9,766.77

Inter-corporate loan from related party (unsecured) (refer note 18.2)#	7,042.00	7,042.00
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Financial liability part of NCRPS issued (unsecured) (refer note 18.1)#

To related parties	5,503.90	4,704.76
To others	36.89	31.53

Total non current borrowings	59,464.87	52,195.10
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Less: Current maturities of long term borrowings presented under "Other financial liabilities" (refer note 23)	11,609.47	7,148.91
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Total	47,855.40	45,046.19
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#Refer note 39 for borrowings from related parties

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

18.1 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 amortized in the ratio of financial costs on the financial liability part of instruments.

Particulars	Financial liability carried at amortized cost	Deferred gain arising of initial measurement	Deemed equity
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 amortization 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
NCRPS issued during the year	-	-	-
Interest expense and related amortization of deferred gain#	804.50	(153.81)	-
Balance as at 31 March 2020 (Face value: INR 12,660.00 lacs)	5,540.79	2,301.76	7,821.00

#Interest cost is presented under "finance costs" and amortization 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	15,000,000	150,000,000
2	18 June 2012	5,000,000	50,000,000
3	27 September 2012	33,000,000	330,000,000
4	28 June 2013	3,500,000	35,000,000
5	20 September 2013	3,500,000	35,000,000
6	31 December 2013	10,000,000	100,000,000
7	31 March 2014	11,750,000	117,500,000
8	30 June 2014	5,250,000	52,500,000
9	17 November 2014	2,000,000	20,000,000
10	14 January 2015	2,750,000	27,500,000
11	12 February 2015	13,500,000	135,000,000
12	30 April 2015	1,500,000	15,000,000
13	05 May 2015	500,000	5,000,000
14	25 May 2015	10,000,000	100,000,000
15	06 July 2015	750,000	7,500,000
16	31 July 2015	1,000,000	10,000,000
17	28 August 2015	6,600,000	66,000,000
18	10 November 2016	1,000,000	10,000,000
	Total	126,600,000	1,266,000,000

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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

18.2 Details of long term borrowings



(All amounts in INR lacs unless otherwise stated)

S. no.	Nature of loan	Lender	As at 31 March 2020		As at 31 March 2019		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)	1,232.38	1,252.00	2,167.01	1,252.00	First equitable mortgage/Hypothecation pari passu 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 land of 27.045 acres at Village Allipur, Paragana Dhauraha, District Kheri, Uttar Pradesh* Extension of hypothecation charge (2nd charge) on entire current assets of the company on pari passu basis with other term lenders. *Receivables from the power project jointly financed by IREDA, SBI and SDF shall be first shared on pari passu charge basis between IREDA, SBI and SDF for the term loan and on second pari passu charge basis for working capital facilities and soft loan of SBI.	12.35% - 12.65% (P.Y. 12.25%-12.90%)	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. The loan is repayable in 16 equal quarterly installments commencing from 1 April 2019 and ending on 1 January 2023. The loan is repayable in 16 equal quarterly installments commencing from 1 October 2017 and ending on 1 July 2021.
2	Term loan (Indian rupee loan from banks)#		2,238.28	750.00	2,977.08	1,000.00		11.75%-12.05% (11.40%-11.55%)	
3	Term loan (Cane soft loan)		322.74	312.00	619.11	416.00		10.35%-11.25% (P.Y. 10.95%-11.25%)	
4	Term loan (Cane soft loan)		3,354.59	1,126.00	-	-		(P.Y. 11.50%)	
5	Term loan (Loan under SEFASU 2018)@	Zila Sahakari Bank Ltd.	6,470.45	2,378.87	8,266.47	1,784.14	Residual charge on free assets of the Company.	5.00% (P.Y. 5.00%)	The loan is repayable in 60 equal monthly installments starting from 31 July 2019.
6	Term loan (Loan under SEFASU 2014 (Excise duty loan)#	Zila Sahakari Bank Ltd.	-	-	-	60.98	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.
7	Term loan (Loan from Sugar Development Fund (for Power Co-generation Plant) Fund)# * @	Sugar Development Fund (for Power Co-generation Plant)	2,493.73	742.28	3,032.70	-	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% (P.Y. 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)	1,733.09	-	1,561.42	-		4.50% (P.Y. 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)	3,705.83	787.68	4,289.45	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 receivables on which IREDA, SBI and SDF have first pari passu charge.	11.45% (P.Y. 11.45%-11.74%)	The said loan is repayable in 40 equal quarterly installments starting from 30 September 2016.
10	Term loan (loan from a financial institution)#		6,112.16	1,333.33	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 passu with other term lenders including SDF and Exclusive charge on Escrow/TRA account opened for Distillery receivables.	11.95% (P.Y. 11.95%)	The loan is repayable in 23 quarterly installments commencing from 30 June 2020 ending on 31 December 2025. The 1st to 22nd quarterly installments will be of INR 333.33 lacs each and the 23rd installment will be of INR 166.74 lacs.
11	Term loan (Foreign currency loan)	Netherlandse Financierings Maatschappij Voor Ontwikkelingszaden N.V. (F.M.O)	10,009.36	527.31	9,118.66	648.11	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.	5.96% (P.Y. 5.60%)	The loan is repayable in installments starting from 10 July 2020 onwards (payable half yearly), being first 5 instalments of USD 3.50 lac each, next 5 instalments of USD 10.00 lacs each, next 3 for USD 15.00 lacs each and last being USD 27.50 lacs.
12	Intercompany loan from related party	Zuari Investments Limited (ZIL)	4,642.00	2,400.00	5,842.00	1,200.00	Unsecured	12.00% (P.Y. 12.00%)	The loan is repayable in 6 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 43,091.93 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 amortized cost. The discount rate which has been used for initial recognition i.e. 11.80% - 12.30% p.a. is benchmarked to other secured financial liabilities of the Company. Differential amount arising on fair valuation is treated as deferred government grant which is amortized over the tenure of loan and is recognized 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
19 Provisions		
Non-current		
Employee benefit obligations		
Gratuity (refer note 34)	219.94	288.16
Leave obligations (refer note 34)	121.42	117.25
Total	341.36	405.41
Current		
Employee benefit obligations		
Gratuity (refer note 34)	169.64	87.75
Leave obligations (refer note 34)	24.04	13.81
Total	193.68	101.56
20 Other liabilities		
Non-current		
Deferred gain on preference shares issued to entities other than equity shareholders	2,094.58	2,301.76
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy, 2013:		
Deferred government grant 5% - Sugar expansion	434.07	455.13
Deferred government grant 5% - Power Cogeneration plant	425.12	446.69
Benefits under scheme of Enhancing and augmentation of ethanol production capacity:		
Deferred government grant 5% - Ethanol plant	184.41	-
Benefits of loans at below market rates of interest:		
Deferred government grant on loan from Sugar Development Fund	740.51	1,110.09
Deferred government grant 5%-Cane soft loan	738.81	1,230.98
Total	4,617.50	5,544.65
Current		
Advance received from customers against sale of goods#	1,925.98	1,351.83
Statutory dues	725.75	1,048.47
Deferred gain on preference shares issued to entities other than equity shareholders	207.18	153.81
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	21.57	21.58
Benefits under scheme of Enhancing and augmentation of ethanol production capacity		
Deferred government grant 5% - Ethanol plant	7.79	-
Benefits under scheme of Scheme of Extending financial assistance for sugar undertakings		
Deferred government grant on loan from Sugar Development Fund	295.10	201.59
Deferred government grant 5%-Cane soft loan	492.29	600.74
Total	3,696.71	3,399.07
# Refer note 39 for advances received against purchase of goods from related parties.		
21 Borrowings (Current)		
<i>Measurement at amortized cost</i>		
Cash credit from banks - secured (refer note 21.2)	16,479.16	16,507.07
Loan from body corporates - unsecured (refer note 21.2)	2,680.00	2,880.00
Total	19,159.16	19,387.07

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019	
21.1 Changes in liabilities arising from financing activities:			
	Non-current borrowings (including current maturities)	Current borrowings	Lease liabilities
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	-
Cash adjustments			
Cash inflows	10,032.52	-	-
Cash outflows	(5,338.60)	(227.91)	(29.13)
Interest paid	(2,542.62)	(2,105.49)	(28.18)
Non-cash adjustments			
Lease liabilities (refer note 35)	-	-	527.73
Forex adjustments	280.42	-	-
Interest accruals/expense	4,793.98	2,105.49	28.18
Effective interest rate adjustments	44.07	-	-
As at 31 March 2020	59,464.87	19,159.16	498.60

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21.2 Details of short term borrowings#

(All amounts in INR lacs unless otherwise stated)

S. no.	Nature of loan	Lender	As at 31 March 2020	As at 31 March 2019	Nature of securities	Interest rate
1	Cash credit limit	State Bank of India (Kolkata)	6,135.20	5,760.34	Primary Hypothecation charge on entire current assets including book debts both present and future on pari passu basis with other working capital lenders.* Collateral Extension of 2 nd charge on the entire fixed assets of the Company on pari passu 2 nd Charge basis with other working capital lenders. *Receivables from the power project jointly financed by IREDA, SBI and SDF shall be first shared on pari passu charge basis between SBI, IREDA and SDF for the term loan and on second pari passu charge basis for working capital facilities and soft loan of SBI.	10.75%-17.00% (P.Y. 11.25%-12.05%)
2	Cash credit limit*	Zila Sahakari Bank Ltd. (Khamaria)	5,692.59	5,984.56	First charge on finished goods, work in progress and raw material. Pari passu charge on land, building and plant and machinery against principal and interest amount.	9.55%- 10.05% (P.Y. 10.05%)
3	Cash credit limit*	Zila Sahakari Bank Ltd. (Barabanki)	1,769.59	1,769.51		10.25% (P.Y. 10.25%)
4	Cash credit limit*	Zila Sahakari Bank Ltd. (Pilibhit)	1,298.26	1,399.11		10.05% (P.Y. 10.05%)
5	Cash credit limit*	Zila Sahakari Bank Ltd. (Shahjahanpur)	1,583.52	1,593.55		10.05% (P.Y. 10.05%)
6	Loan from body corporates	Texmaco Infrastructure & Holdings Limited	1,100.00	1,300.00		12.50% (P.Y. 12.50%)
7	Loan from body corporates	Adventz Security Enterprises Limited	80.00	80.00	12.50% (P.Y. 12.50%)	
8	Loan from body corporates	Adventz Investments & Holdings Limited	1,500.00	1,500.00	12.50% (P.Y. 12.50%)	
					Unsecured	

#All short term borrowings are repayable on demand.

* Charges against the same are yet to be created.

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Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
22 Trade payables		
-Total outstanding due of micro, small and medium enterprises*	128.82	41.75
-Total outstanding due of creditors other than micro, small and medium enterprises #	35,679.53	29,994.65
Total	35,808.35	30,036.40
*Refer note 38 for details of dues to micro and small enterprises. #Refer note 39 for payables to related parties.		
23 Other financial liabilities (current)		
<i>Measurement at amortized cost</i>		
Current maturities of long term borrowings	11,609.47	7,148.91
Current maturities of lease liabilities	82.93	-
Interest accrued but not due on borrowings, deposits and others	1,804.92	349.65
Marked to market value of derivative instruments not designated as hedges	665.22	213.46
Deposits received from sugar agents and others	114.96	111.03
Payable towards purchase of capital goods#	2,094.54	993.95
Other payables towards expenses	108.02	849.19
Total	16,480.06	9,666.19
# Refer note 39 for payable to related parties.		

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
24 Revenue from operations		
Operating revenues		
Sale of finished goods	50,674.00	40,476.37
Sale of power	3,627.43	5,710.59
Sale of by-products	1,195.88	51.37
Total (a)	55,497.31	46,238.33
Other operating revenues		
Scrap sales	62.23	146.59
Export subsidy	2,340.49	-
Total (b)	2,402.72	146.59
Total (a+b)	57,900.03	46,384.92

Notes:

24.1 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 uncertainty 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 40).

Particulars	Year ended 31 March 2020			Total
	Sugar	Power	Ethanol	
Revenues by Geography				
India	44,048.44	3,627.43	2,278.00	49,953.87
Other than India	5,543.44	-	-	5,543.44
Total	49,591.88	3,627.43	2,278.00	55,497.31
Revenues by Offerings				
Sale of finished goods				
Sugar	48,396.00	-	-	48,396.00
Ethanol	-	-	2,278.00	2,278.00
Sale of power	-	3,627.43	-	3,627.43
Sale of by-products				
Molasses	1,180.34	-	-	1,180.34
Press-mud	15.54	-	-	15.54
Total	49,591.88	3,627.43	2,278.00	55,497.31
Revenues by Sales Channel				
Direct sales	21,546.45	3,627.43	2,278.00	27,451.88
Sales through intermediaries	28,045.43	-	-	28,045.43
Total	49,591.88	3,627.43	2,278.00	55,497.31

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	Year ended 31 March 2019			
	Sugar	Power	Ethanol	Total
Revenues by Geography				
India	40,448.15	5,710.59	-	46,158.74
Other than India	79.59	-	-	79.59
Total	40,527.74	5,710.59	-	46,238.33
Revenues by Offerings				
Sale of finished goods				
Sugar	40,476.37	-	-	40,476.37
Ethanol	-	-	-	-
Sale of power	-	5,710.59	-	5,710.59
Sale of by-products				
Molasses	27.13	-	-	27.13
Press-mud	24.24	-	-	24.24
Total	40,527.74	5,710.59	-	46,238.33
Revenues by Sales Channel				
Direct sales	25,600.76	5,710.59	-	31,311.35
Sales through intermediaries	14,926.98	-	-	14,926.98
Total	40,527.74	5,710.59	-	46,238.33

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers.

Particulars	As at	As at
	31 March 2020	31 March 2019
Receivables		
Trade receivables	4,105.88	3,830.78
Unbilled revenues	543.24	764.10
	4,649.12	4,594.88
Contracts assets		
Contract liabilities (advances from customers against sale of goods)		
Opening balance	1,351.83	221.79
Revenue recognized that was included in the contract liability balance at the beginning of the year	(1,351.83)	(221.79)
Closing balance	1,925.98	1,351.83

25 Other income

Particulars	Year ended	Year ended
	31 March 2020	31 March 2019
Interest income on		
Loans, deposits, advances etc.	3.19	3.13
Long-term investments	0.90	0.13
Dividend income	1.80	-
Fair valuation gains on financial assets measured at fair value through profit and loss	-	0.14
Profit on sale of investments in mutual funds	17.21	28.50
Insurance and other claims	25.82	0.34
Rent and hire charges	9.91	8.66
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	71.51	212.44
Amortization of deferred gain on NCRPS	153.81	142.21
Government grants:		
Interest reimbursement from U.P Government under Sugar Industry, Cogeneration and Distillery Promotion Policy, 2013	591.74	755.49
Interest reimbursement under Scheme for Extending Financial Assistance to Sugar Mills for enhancing and augmentation of ethanol production capacity	145.69	-
Assistance to sugar mills for sugar cane purchase	451.13	1,724.02
Assistance to sugar mills under the scheme for creation and maintenance of buffer stock	867.09	451.24
Government grants on excise term loans and cane soft loan	340.11	49.11
Amortizations of :-		
Deferred government grant recognized on loan from Sugar Development Fund	276.08	251.68
Deferred government grant 5% - Sugar expansion	21.05	21.05
Deferred government grant 5% - Power Coogeneration plant	21.57	21.57
Deferred government grant for Ethanol plant	2.60	-
Deferred government grant 5% - Cane Soft Loan	601.01	206.04
Other assistances	-	664.29
Renewable energy certificates income	476.60	282.67
Management consultancy services	-	440.00
Miscellaneous income	39.05	17.45
Total	4,117.87	5,280.16

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
26 Cost of materials consumed		
Raw materials at the beginning of the year:-		
Sugarcane	89.81	56.94
Bagasse	491.75	1,042.89
	<u>581.56</u>	<u>1,099.83</u>
Add: Purchases and procurement expenses		
Sugarcane	48,440.27	42,588.52
Bagasse	-	107.67
Rice husk	-	0.65
	<u>48,440.27</u>	<u>42,696.84</u>
Less: Internal generated bagasse transferred to pre-operative expense (allocated) under power and fuel	118.10	-
	-	-
Less: Raw materials at the end of the year		
Sugarcane	56.72	89.81
Bagasse	204.66	491.75
	<u>261.38</u>	<u>581.56</u>
Total	<u><u>48,642.35</u></u>	<u><u>43,215.11</u></u>
27 Changes in inventories of finished goods and work-in-progress		
Inventories at the end of the year		
Finished goods	42,225.05	38,685.90
Molasses	3,488.08	4,953.50
By products	120.91	108.46
Work-in-progress	923.35	610.21
Scrap	288.10	235.50
	<u>47,045.49</u>	<u>44,593.57</u>
Inventories at the beginning of the year		
Finished goods	38,685.90	33,746.71
Molasses	4,953.50	2,297.01
By products	108.46	80.07
Work-in-progress	610.21	755.45
Scrap	235.50	318.75
	<u>44,593.57</u>	<u>37,197.99</u>
Total	<u><u>(2,451.92)</u></u>	<u><u>(7,395.58)</u></u>
28 Employee benefit expenses		
Salaries, wages, bonus and gratuity expense#^	2,457.77	2,186.07
Contribution to provident fund#	182.72	157.82
Employee welfare expenses	37.31	59.59
Total	<u><u>2,677.80</u></u>	<u><u>2,403.48</u></u>
# Refer note 34.		
^Refer note 39 for benefits paid to related parties.		

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
29 Finance costs		
Interest cost of financial liabilities measured at amortized cost	8,860.95	6,779.96
Other borrowing costs	38.13	34.34
Exchange difference on foreign currency term loan regarded as adjustment to borrowing costs	540.97	416.46
	<u>9,440.05</u>	<u>7,230.76</u>
Less: amounts capitalized towards qualifying assets (refer below)	(1,013.07)	(284.85)
Total	<u><u>8,426.98</u></u>	<u><u>6,945.91</u></u>

Note:

The capitalization rate used to determine the amount of borrowings costs to be capitalized is weighted average interest rate applicable to the Company's general borrowings during the year which is 11.68% p.a. during the year ended 31 March 2020 (31 March 2019: 11.58% p.a.).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
30 Depreciation and amortization expenses		
Depreciation of property, plant and equipments	2,071.55	1,790.65
Depreciation of right-of-use assets (refer note 35)	41.86	-
Amortization of intangible assets	9.16	9.75
Total	2,122.57	1,800.40
31 Other expenses		
Consumption of stores and spares	592.65	531.00
Packing materials	615.47	498.71
Power and fuel	163.81	154.85
Repairs to and maintenance of :		
Buildings	82.11	79.73
Machinery	1,212.70	1,240.75
Others	6.78	1.73
Rent (refer note 35)	298.68	210.87
Rates and taxes	40.31	19.01
Insurance	150.58	127.24
Legal and professional	72.56	148.51
Payment to auditors:		
As auditors	26.00	23.50
For certificates and other services	3.25	1.00
Out of pocket expenses	2.15	2.16
Liquidated damages	302.18	-
Commission on sales	95.78	109.53
Freight and forwarding charges	951.25	705.26
Charity and donations	3.42	0.78
Loss on disposal of property, plant and equipment	1.59	2.91
Bad debts, cane subsidies and other receivables written off	1.08	1,170.85
Molasses and alcohol storage and maintenance reserve (refer note 17)	6.70	2.51
Director's sitting fees (refer note 39)	8.20	10.40
Loss on account of foreign exchange rate fluctuation	280.42	183.75
Printing and stationary	25.91	24.38
Fair value losses on derivatives not designated as hedges	471.52	213.46
Service charges for export obligations	157.15	1,445.44
Miscellaneous expenses	534.21	415.60
Total	6,106.46	7,323.93
32 Tax expense		
The tax expense comprises of :		
Current tax	-	-
Deferred tax charge	3,949.72	954.30
Total	3,949.72	954.30
Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Loss before tax	(3,506.34)	(2,628.17)
Enacted income tax rates in India	25.17%	34.61%
Expected tax credit	(882.55)	(909.56)
Tax effect on expiry of bought forward losses	130.11	1,675.08
Tax effect on amounts which are not deductible /(taxable) in calculating taxable income		
Interest on financial liability - NCRPS	202.48	238.00
Amortized deferred gains on NCRPS	(41.87)	(49.22)
Impact of the Taxation Laws (Amendment) Ordinance, 2019 (refer note below) due to:		
Change in tax rates	1,020.87	-
Other benefits no longer available in respect of set off of unabsorbed additional depreciation brought forward and deductions under Chapter VI-A of the Income-tax Act 1961	3,514.84	-
Other items	5.85	-
Total	3,949.72	954.30

Note:

The Company elected to exercise the option of reduced income-tax rates permitted under section 115BBA of the Income-tax Act 1961 ("the Act"), as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, deferred tax assets (net) are re-measured, basis the rate prescribed in the said section subject to certain conditions as prescribed therein. Impact on account of change in income tax rates amounted to INR 1,020.87 lacs and other benefits no longer available in respect of set off of unabsorbed additional depreciation brought forward and deductions under Chapter VI-A under the heading "C - deductions in respect of certain incomes" of the Act amounted to INR 3,514.84 lacs. The full impact of this change amounting to INR 4,535.71 lacs has been recognized during the year ended 31 March 2020. Accordingly, tax expense presented in the financial statements for the year ended 31 March 2020 is higher by one time charge of INR 4,535.71 lacs on account of remeasurement of deferred tax assets (net).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

33 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 2020	Year ended 31 March 2019
Loss attributable to equity share holders of the Company	(7,456.06)	(3,582.47)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share	4,473,047	3,681,316
Face value per share (INR per share)	10.00	10.00
Losses per share (basic and diluted) (INR)	(166.69)	(97.31)
Reconciliation of numbers of shares considered above for computing loss per share:-		
Particulars	As at 31 March 2020	As at 31 March 2019
Equity shares		
Opening	3,730,917	3,200,000
Issued during the year [refer note 17(a)(i) for details]	742,130	530,917
Closing	4,473,047	3,730,917
Compulsorily Convertible Preference Shares (CCPS)		
Opening	742,130	-
Issued during the year	-	742,130
Converted during the year [refer note 17(a)(i) for details]	(742,130)	-
Closing	-	742,130
Weighted average number of share used above	4,473,047	3,681,316

34 Employee benefit obligations

Particulars	31 March 2020		31 March 2019	
	Current	Non-current	Current	Non-current
Gratuity	169.64	219.94	87.75	288.16
Leave encashment	24.04	121.42	13.81	117.25
Total	193.68	341.36	101.56	405.41

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 five years service.

Policy for recognizing actuarial gains and losses:

Actuarial gains and losses of defined 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

(i) Amount recognized in the statement of profit and loss is as under:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	65.71	61.48
Interest cost	53.03	52.51
Net impact on loss (before tax)	118.74	113.99
Actuarial loss/(gain) recognized during the year	(49.19)	(40.59)
Amount recognized in total comprehensive income	69.55	73.40

(ii) Change in the present value of obligation:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Present value of defined benefit obligation as at the beginning of the year	716.68	677.56
Current service cost	65.71	61.48
Interest cost	53.03	52.51
Benefits paid	(57.14)	(34.28)
Actuarial gain	(49.19)	(40.59)
Present value of defined benefit obligation as at the end of the year	729.09	716.68

(iii) Movement in the plan assets recognized in the balance sheet is as under:

Description	Year ended 31 March 2020	Year ended 31 March 2019
Fair value of plan assets at the beginning of the year	340.77	307.67
Interest income	25.22	23.84
Contributions	30.40	46.97
Benefits paid	(57.14)	(34.28)
Actuarial gains/(losses)	0.26	(3.43)
Fair value of plan assets at the end of the year	339.51	340.77

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	As at 31 March 2020	As at 31 March 2019
Present value of funded obligation as at the end of the year	729.09	716.68
Fair value of plan assets as at the end of the period funded status	339.51	340.77
Unfunded/funded net liability recognized in balance sheet	389.58	375.91

(v) Breakup of actuarial (gain)/loss:

Description	As at 31 March 2020	As at 31 March 2019
Actuarial loss from change in demographic assumption	0.36	-
Actuarial (gain)/loss from change in financial assumption	(16.95)	19.15
Actuarial gain from experience adjustment	(32.58)	(59.74)
Total actuarial (gain)/loss	(49.17)	(40.59)

(vi) Actuarial assumptions

Description	As at 31 March 2020	As at 31 March 2019
Discount rate	6.85%	7.40%
Rate of increase in compensation levels	8 % for first 2 years and 6.5% thereafter	7.50% for 2018-19
Expected rate of return on plan assets	7.50%	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 99.06 lacs.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020
(All amounts in INR lacs unless otherwise stated)
(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 2020	As at 31 March 2019
Investments with LIC	100%	100%

(viii) Sensitivity analysis for gratuity liability

Description	As at 31 March 2020	As at 31 March 2019
Impact of change in discount rate		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	(18.44)	(18.68)
- Impact due to decrease of 0.50 %	19.51	19.77
Impact of change in salary increase		
Present value of obligation at the end of the year		
- Impact due to increase of 0.50 %	19.43	19.60
- Impact due to decrease of 0.50 %	(18.54)	(18.70)

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 2020	As at 31 March 2019
Within next 12 months	169.64	144.18
Between 1-5 years	256.73	120.81
Beyond 5 years	302.71	451.67

(x) Weighted average duration of defined benefit obligation is 10.63 years as at 31 March 2020 and 10.19 years as at 31 March 2019.

B Leave encashment

Amount recognized in the statement of profit and loss is as under:

Description	As at 31 March 2020	As at 31 March 2019
Current service cost	42.45	32.50
Interest cost	9.70	9.20
Actuarial loss recognized during the year	3.98	16.44
Amount recognized in the statement of profit and loss	56.13	58.14

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 182.72 lacs (31 March 2019 - INR 157.82 lacs).

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

35 Leases

Where Company is a Lessee

The Company leases several buildings in form of sugar godown and registered office:

Lease term is :	(in years)
Sugar Godowns	3
Registered office	9

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee.

i. **Right-of use asset**

Right-of-use assets related to leased buildings that do not meet the definition of investment property are presented as property, plant and equipment below:

	For the year ended 31 March 2020
Recognized as at 1 April 2019 (refer note 46)	-
Additions	527.73
Adjustments	-
De-recognition	-
Depreciation	(41.86)
Impairment	-
Closing balance as at 31 March 2020	485.87

ii. **Lease liabilities**

Recognized as at 1 April 2019 (refer note 46)	-
Additions	527.73
Interest accrued	28.18
Payments	(57.31)
Closing balance as at 31 March 2020	498.60
Current (current maturities of lease liabilities)	82.93
Non current	415.67

Note : Refer note 42 for maturity analysis of lease liabilities.

iii. **Amounts recognized in the statement of profit or loss**

	Note reference	For the year ended 31 March 2020
Depreciation	30	41.86
Interest on lease liabilities	29	28.18
Income from sub-leasing right-of-use assets	25	(9.91)
Expenses relating to short-term leases	31	298.68
Net impact on statement of profit and loss		358.80

iv. **Amounts recognized in the cash flow statement**

	For the year ended 31 March 2020
Payment for finance cost	28.18
Payment of lease liabilities	29.13
Total cash outflows	57.31

- v. Extension and termination options are included in a leases of building in the Company. These are used to maximise operational flexibility in terms of managing the assets used in the Company's operations. The extension and termination options held are exercisable only by the Company and not by the respective lessor. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension and termination options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control. The Company has estimated that the potential future lease payments when the Company is reasonably certain of exercising the extension and not exercising the termination options and the impacts of the same have been captured while calculating lease liabilities under Ind AS 116.
- vi. Payments associated with short-term leases are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.
- vii. The Company does not have any variable lease payment arrangements.

Where Company is a Lessor

The Company has sub-leased out some of its short term leased properties. All leases are classified as operating leases from a lessor perspective where head lease is a short term lease considering sub-lease classification under the accounting standard.

Operating lease (sub-leases classified as operating leases).

The Company has leased one of its sugar godown which is classified as a short tem lease. Rental income recognized during the year amounts to INR 9.91 lacs.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

36 Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
(i) Demands / claims by various government authorities and others not acknowledged as debts and contested by the Company		
i) Excise duty and service tax	22.78	19.60
ii) Sales tax and entry tax	4.42	4.42
iii) Others	5.12	5.12
	<u>32.32</u>	<u>29.14</u>

Based on discussions with the solicitors/ favorable 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 High Court of Allahabad and is pending with Hon'ble Supreme Court. It says that during the pendency of special appeal before Hon'ble Supreme Court, the Company shall not realise taxes on sale of molasses. 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.

37 Capital and other commitments**(i) Capital commitments contracted at the end of the reporting period but not recognized as liabilities is as follows:-**

Particulars	As at 31 March 2020	As at 31 March 2019
Property, plant and equipment	32.85	7,715.48
	<u>32.85</u>	<u>7,715.48</u>

38 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 w, 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 2020	As at 31 March 2019
Principal amounts remaining unpaid	128.82	41.75
Interest accrued and due thereon remaining unpaid	3.97	2.89
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	15.13	11.16
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.	15.13	11.16

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

39 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 Zuari Sugar & Power Limited Zuari Management Services Limited
Joint venture of subsidiary of ultimate holding company		Forte Furniture India Private Limited
Associate of holding company		New Eros Tradecom Limited
Key management personnel	Shri R.S. Raghavan Shri Alok Saxena Shri R.N. Ratnam Shri Bhaskar Chatterjee Shri Marco Wadia Smt Indira Varadarajan Shri L. M. Chandrasekaran	– Managing Director – Executive Director (appointed w.e.f 3 February 2020) – Independent Director (resigned w.e.f 31 March 2019) – Independent Director (appointed w.e.f 3 February 2020) – Independent Director – Independent Director – 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)

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2020	-	-	114.82
	31 March 2019	-	-	98.15
Fellow subsidiaries				
Simon India Limited	31 March 2020	-	-	1,283.43
	31 March 2019	-	-	1,097.08
Zuari Insurance Brokers Limited	31 March 2020	-	-	93.41
	31 March 2019	-	-	79.85
Zuari Sugar & Power Limited	31 March 2020	-	-	3,930.15
	31 March 2019	-	-	3,359.51
Associate of holding company				
New Eros Tradecom Limited	31 March 2020	-	-	82.09
	31 March 2019	-	-	70.17

*Shown under head long term borrowings.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Related party disclosures as per Ind AS-24 (cont'd.)

(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 2020	-	-	7,042.00
	31 March 2019	7,042.00	-	7,042.00

*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 2020	1.85	-	2.04
	31 March 2019	1.87	-	2.04
Ultimate holding company				
Zuari Global Limited	31 March 2020	120.00	-	64.80
	31 March 2019	120.00	-	307.45
Holding company				
Zuari Investments Limited	31 March 2020	-	-	199.80
	31 March 2019	-	-	199.80
Fellow subsidiary				
Zuari Management Services Limited	31 March 2020	22.40	-	-

*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 2020	12.84	-	-
	31 March 2019	15.51	-	-
Ultimate holding company				
Zuari Global Limited	31 March 2020	-	-	-
	31 March 2019	0.91	-	-

The Company has availed cash credit and term loans from banks, body corporate and financial institutions of INR 43,091.93 lacs (INR 43,091.93 lacs), which are further secured by corporate guarantees provided by Zuari Global Limited.

d. Purchase of property, plant and equipment

	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 2020	19.02	-	131.85
	31 March 2019	9.69	-	124.13
Joint venture of subsidiary of ultimate holding company				
Forte Furniture India Private Limited	31 March 2020	2.09	-	1.21
	31 March 2019	2.92	-	1.09
Fellow Subsidiary				
Indian Furniture Products Limited	31 March 2020	9.27	-	-
	31 March 2019	-	-	3.28

*Shown under head "Other financial liabilities".

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Related party disclosures as per Ind AS-24 (cont'd.)

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 2020	16,094.36	-	711.91
	31 March 2019	17,602.14	-	524.25

*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 2020	-	219.37	-
	31 March 2019	440.00	226.80	-

* Shown under head "Other financial assets".

g. Interest expense on inter corporate deposits

	Year ended	Transactions during the year	Amount owed by related parties	Amount owed to related parties*
Holding company				
Zuari Investments Limited	31 March 2020	966.96	-	1,242.49
	31 March 2019	365.08	-	345.62

* Shown under head "Other financial liabilities".

h. Remuneration to key managerial personnel

	Year ended	Transactions during the year*	Amount owed by related parties	Amount owed to related parties
Key management personnel				
Shri R. S. Raghavan	31 March 2020	12.14	-	-
	31 March 2019	-	-	-
*The Company has paid managerial remuneration of INR 12/- to Shri R. S. Raghavan for the year ended 31 March 2019.				
Shri Alok Saxena	31 March 2020	6.60	-	-
	31 March 2019	-	-	-

i. 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 2020	-	-	-
	31 March 2019	1.55	-	-
Shri Bhaskar Chatterjee	31 March 2020	0.40	-	-
	31 March 2019	-	-	-
Shri Marco Wadia	31 March 2020	2.85	-	-
	31 March 2019	3.10	-	-
Smt Indira Varadarajan	31 March 2020	1.85	-	-
	31 March 2019	2.00	-	-
Shri L. M. Chandrasekaran	31 March 2020	3.10	-	-
	31 March 2019	3.75	-	-



Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

40 Segment information

(All amounts in INR lacs unless otherwise stated)

For operational management purposes, the Company is organised into business units based on its products and has three 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. bagasse.
- Ethanol division which is involved in manufacturing of ethanol using Molasses.

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 policies 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			Ethanol			Eliminations			Total operations		
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March
	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	2019
Revenue from operations:	51,994.60	40,674.33	3,627.43	5,710.59	2,278.00	-	57,900.03	-	-	-	-	57,900.03	46,384.92	-	-
External customers	7,024.97	4,047.38	3,501.08	3,596.71	135.89	-	(10,661.94)	(7,644.09)	-	-	-	-	-	-	-
Inter segment transactions															
Total revenue from segments	59,019.57	44,721.71	7,128.51	9,307.30	2,413.89	-	(10,661.94)	(7,644.09)	-	-	-	57,900.03	46,384.92	-	-

Revenue from operations as per Statement of Profit and Loss

57,900.03

46,384.92

Note:

- Revenue from external customer for sugar segment comprises of selling sugar directly as well as 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.
- Revenue from external customer for ethanol division comprises of selling ethanol to oil marketing companies.

Segment results

Interest incomes and interest cost related to the specific segments are allocated to the segments.

	Sugar			Power			Ethanol			Total operations		
	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	31 March	
	2020	2019	2020	2020	2019	2020	2020	2019	2020	2020	2019	
Segments profit/(loss) during the year before depreciation and amortization, finance costs and tax	2,201.35	(826.80)	1,927.54	3,627.43	(331.61)	-	3,797.28	-	-	-	2,800.63	
Depreciation and amortization	1,252.32	1,084.85	680.99	715.55	189.26	-	2,122.57	-	-	-	1,800.40	
Finance costs	1,763.59	1,797.72	-	-	-	-	1,763.59	-	-	-	1,797.72	
Profit/(loss) before tax	(814.56)	(3,709.37)	1,246.55	2,911.88	(520.87)	-	(88.88)	(88.88)	-	-	(797.49)	


Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

	Sugar		Power		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Unallocable incomes and expenses								
Finance costs					(6,663.40)		(6,663.40)	(5,148.19)
Other expenses					(871.93)		(871.93)	(1,962.65)
Other incomes					4,117.87		4,117.87	5,280.16
Loss before tax as per Statement of Profit and Loss					(3,506.34)		(3,506.34)	(2,628.17)

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.

	Sugar		Power		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Total segment assets	77,671.07	75,347.09	20,425.14	20,979.34	17,795.24	7,916.86	115,891.45	104,243.29
Unallocated								
Deferred tax assets							3,295.76	7,257.95
Investments							16.25	133.15
Total assets as per the balance sheet							119,203.46	111,634.39

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		Ethanol		Total operations	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019	31 March 2020	31 March 2019
Total segment liabilities	54,967.51	46,543.47	-	-	-	-	54,967.51	46,543.47
Unallocated								
Non-current liabilities							53,229.93	50,996.25
Current liabilities							-	2,880.00
Other liabilities							20,370.45	13,166.82
Total liabilities as per the balance sheet							128,567.89	113,586.54

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

41 Fair value measurements

41.1 Financial instruments by category

	Carrying value	
	As at 31 March 2020	As at 31 March 2019
Financial assets		
A FVTOCI financial instruments:		
Investment in quoted equity shares [refer note (i) below]	15.25	15.15
B Amortized cost:		
Other financial assets	196.71	17.32
Trade receivables	4,105.88	3,830.78
Cash and cash equivalents	141.21	161.92
Other bank balances	3.89	1.57
Loans	4.47	38.51
Investments in unquoted-non trade investments	1.00	1.00
Other financial assets (current)	6,760.19	5,290.13
C Fair value through profit and loss:		
Investment in mutual funds	-	117.00
Total	11,228.60	9,473.38
Financial liabilities		
A Amortized cost:		
Non-current borrowings	47,855.40	45,046.19
Current borrowings	19,159.16	19,387.07
Trade payables	35,808.35	30,036.40
Lease liabilities	415.67	-
Other financial liabilities (current)	16,480.06	9,666.19
Total	119,718.64	104,135.85

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 amortized 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.

41.2 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 2020 and 31 March 2019:

	Level 1	Level 2	Level 3	Total
Recurring basis:				
Financial assets measured at FVTOCI (Investment in equity shares)#				
<u>As at 31 March 2020</u>				
Carrying value	15.25	-	-	15.25
Fair value	15.25	-	-	15.25
<u>As at 31 March 2019</u>				
Carrying value	15.15	-	-	15.15
Fair value	15.15	-	-	15.15
Financial assets measured at FVTPL (Investment in mutual funds)#				
<u>As at 31 March 2020</u>				
Carrying value	-	-	-	-
Fair value	-	-	-	-
<u>As at 31 March 2019</u>				
Carrying value	117.00	-	-	117.00
Fair value	117.00	-	-	117.00
Derivative instruments not designated as hedges measured at FVTPL				
<u>As at 31 March 2020</u>				
Carrying value	-	665.22	-	665.22
Fair value	-	665.22	-	665.22
<u>As at 31 March 2019</u>				
Carrying value	-	213.46	-	213.46
Fair value	-	213.46	-	213.46

Notes:

These investments are valued using market quoted prices.
 There were no transfers between level 1 and level 2.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

42 Financial instruments risk

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 summarized 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 2020 and 31 March 2019.

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 2020	31 March 2019
Variable rate borrowings	23,475.98	32,554.56
Fixed rate borrowings	55,148.05	39,027.61
Total borrowings	78,624.03	71,582.17
Interest rate sensitivity		
	+ / (-) in basis points	Effect on loss before tax
31 March 2020		
Rupees	+50	108.46
Rupees	-50	(108.46)
31 March 2019		
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 balance sheet date, the Company has hedged its expected foreign currency payments (interest payments as of now being payable subsequently) which are to be made with in 12 months.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

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 2020 USD	31 March 2019 INR in lacs	31 March 2020 USD	31 March 2019 INR in lacs
Financial liabilities - Foreign currency borrowings	14,403,522	10,536.67	14,065,051	9,766.77

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 2020		
Rupees	+500	720.18
Rupees	-500	(720.18)
31 March 2019		
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.

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.

Summary	As at 31 March 2020	As at 31 March 2019
Trade receivables (including unbilled revenues) (refer note i)		
Not due	543.24	764.10
Overdue (0-12 months)	4,105.88	3,830.78
Cash and cash equivalents (refer note ii)	141.21	161.92
Other bank balances (refer note ii)	190.96	1.57
Loans (refer note iii)	4.47	38.51
Security deposits (refer note iii)	9.64	17.32
Investments in unquoted securities (refer note iii)	1.00	1.00
Other receivables (refer note iv)	331.88	373.56
Incentive receivables (refer note iv)	5,885.07	4,152.47
Total	11,213.35	9,341.23

Note:

- (i) Trade receivables and unbilled revenue of the Company represents receivables substantially from Uttar Pradesh Power Corporation 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 as fixed deposits are made in compliances of contractual requirements. Therefore credit risk in regard 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 regard 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.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

The table below summarizes 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 2020				
Borrowings				
Non current				
Borrowings (other than financial liability part of NCRPS) #	17,531.52	57,062.10	8,148.01	82,741.63
Financial liability part of NCRPS	-	5,300.00	7,360.00	12,660.00
Current borrowings	19,159.16	-	-	19,159.16
Trade payables	35,808.35	-	-	35,808.35
Lease liabilities (including current maturities)	193.20	495.30	592.10	1,280.60
Other financial liabilities	4,787.66	-	-	4,787.66
Total	77,479.89	62,857.40	16,100.11	156,437.40
As at 31 March 2019				
Borrowings				
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	147,753.92

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.

43 Capital management

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:

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

(All amounts in INR lacs unless otherwise stated)

Particulars	As at 31 March 2020	As at 31 March 2019
Long term borrowings (including financial liability part of non convertible redeemable preference shares)	47,855.40	45,046.19
Lease liabilities	415.67	-
Current maturities of long-term borrowings including lease liabilities	11,692.40	7,148.91
Short-term borrowings	19,159.16	19,387.07
Total Debt (a)	79,122.63	71,582.17
Total Equity (b)	(9,364.43)	(1,952.15)
Debt to Equity (a/b)	(8.45)	(36.67)

44 Assets pledged as security:

The carrying amounts of assets pledged as security for current and non-current borrowings are:

Particulars	As at 31 March 2020	As at 31 March 2019
Financial assets		
Current:		
Trade receivables	4,105.88	3,830.78
Cash and cash equivalents	141.21	161.92
Other bank balances	3.89	1.57
Loans	4.47	38.51
Other financial assets	6,760.19	5,290.13
Non current:		
Investments	16.25	16.15
Other financial assets	196.71	17.32
Total financial assets (a)	11,228.60	9,356.38
Non financial assets		
Current:		
Inventories	48,066.15	46,006.49
Other current assets	1,363.55	1,310.50
Non current:		
Property, plant and equipment	54,300.74	39,453.87
Capital work-in-progress	250.60	7,142.03
Other intangible assets	15.94	25.10
Other non-current assets	148.16	919.12
Total non financial assets (b)	104,145.14	94,857.11
Total assets pledged as security (a + b)	115,373.74	104,213.49

45 Offsetting financial assets and financial liabilities:

The following table represents recognized financial instruments that are subject to enforceable master netting arrangements and similar agreements but not set off as at 31 March 2020 and 31 March 2019.

Particulars	As at 31 March 2020	As at 31 March 2019
Amounts subject to master netting arrangements		
Non current borrowings	36,345.41	30,650.04
Current borrowings	6,135.20	5,760.34
	42,480.61	36,410.38
Financial instruments collateral:		
Trade receivables	4,105.88	3,830.78
Cash and cash equivalents	141.21	161.92
Other bank balances	3.89	1.57
Loans	4.47	38.51
Investments	16.25	16.15
Other financial assets	6,956.90	5,307.45
	11,228.60	9,356.38
Net amount*	31,252.01	27,054.00

Net amount shows impact on Company's balance sheet, if all rights were exercised.

Summary of significant accounting policies and other explanatory information for the year ended 31 March 2020

46 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 adopted revised reporting i.e. Ind AS 116 with effect from 1 April 2019 using “Modified Retrospective Approach”. There is no impact of adoption of Ind AS 116 on the retained earnings of the Company on transition date as the Company has availed practical expedient available in the revised reporting standard for transition. It says, the leases for which the lease term ends within 12 months of the date of initial application i.e. 1 April 2019, the entity shall account for those leases in the same way as short-term leases. As on transition date, there were no leases with lease term being more than 12 months on the transition date and therefore, the Company has accounted for all the lease on date of transition as short term leases as described in the accounted standard.

47 The outbreak of Coronavirus (Covid 19) has severely impacted businesses globally including India. On 24 March 2020, Government of India (GOI) declared this pandemic a health emergency and ordered temporary closure of all non-essential businesses, though essential category businesses were allowed to operate adhering to the guidelines issued by GOI and respective state governments. As the nature of business performed by the Company falls under the essential category and the Company continued to operate its manufacturing facilities and distribute its products in accordance with the said guidelines. Though, there have been some operational difficulties due to lock down imposed, the impact on overall operations have not been significant. The management of the Company has considered all internal and external sources of information, including economic forecasts and estimates from market sources as at the date of the approval of these financial statements in determining carrying values of its assets and liabilities in accordance with applicable Ind AS. On the basis of the evaluation and current indicators of future economic conditions, the Company has assessed the impact of the situation on the capital, profitability, liquidity positions etc., and based on their assessment, the pandemic doesn't have any material impact on the financial statements of the Company. The management will continue to closely monitor any material change to future economic conditions and would take necessary actions accordingly.

48 As on 31 March 2020, the accumulated losses of the Company amounted to INR 17,633.52 lacs. The management of the Company is confident to generate sufficient profits and cash from operations in near future considering improved sugar sale prices, industry focused state and central government trade policies, expanded operations in form of commencement of Ethanol Plant (Distillery having capacity of 100,000 litres per day) and setting up of 16 MW Co-generation Power Plant. Also, the Company has availed moratorium period for principal and interest payments, under Covid 19 - Regulatory Package announced by Reserve Bank of India by rescheduling its repayments of loans and payment of interest. In view of the same, the management of the Company is confident of generating sufficient cash flows in the future to meet the Company's financial obligations. Hence, these financial results have been prepared on a going concern basis.

As per our report of even date.

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

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

Neeraj Goel
Partner
Membership No.: 099514

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

Alok Saxena
(Executive Director Operations)
DIN: 08640419

Place: Gurugram
Date: 12 June 2020

Place: Gurugram
Date: 12 June 2020

Place: Aira, Lakhimpur
Date: 12 June 2020

Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Laxman Aggarwal
(Company Secretary)
Membership No. A 19861

Place: Aira, Lakhimpur
Date: 12 June 2020

Place: Gurugram
Date: 12 June 2020



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