

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
(Formerly Walker, Chandiook & Co)
21st Floor, DLF Square
Jacaranda Marg, DLF Phase II
Gurgaon 122002
India

T +91 124 462 8000
F +91 124 462 8001

Independent Auditor's Report

To the Members of Gobind Sugar Mills Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Gobind Sugar Mills Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, 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.

Management's Responsibility for the Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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.

Auditor's Responsibility

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



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6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

8. The comparative financial information for the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in these financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2015 prepared in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) which were audited by the predecessor auditor whose report dated 01 May 2015 expressed a qualified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2016 in accordance with Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended) on which we issued auditor's report to the shareholders of the Company dated 07 May 2016. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. 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.
10. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b) in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) the financial statements dealt with by this report are in agreement with the books of account;
 - d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act;



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- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting (IFCoFR) of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 12 May 2017 as per Annexure II expressed unmodified opinion;
- g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. the Company, as detailed in Note 39 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company, as detailed in Note 41 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

Walker Chandiook & Co LLP

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Neeraj Goel

per **Neeraj Goel**

Partner

Membership No.: 099514



Place: Gurgaon

Date: 12 May 2017

Walker Chandiook & Co LLP

Annexure I to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited, on the financial statements for the year ended 31 March 2017

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 fixed assets.
 - (b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are 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 fixed assets 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 complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable



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Annexure I to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited, on the financial statements for the year ended 31 March 2017

- (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 (₹ lacs)	Amount paid under Protest (₹ lacs)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods & services, 5% reversal on sale value of bagasse and refund of GTA amount to company	101.54	16.20	FY 2000-01, FY 2007-11, & FY 2013-14	CESTAT, Allahabad
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods & services	12.23	4.46	FY 2008-09 & FY 2011-13	Commissioner Appeals, Lucknow
Central Excise Act, 1944	Disallowance of CENVAT Credit on input goods	7.66	3.62	FY 2000-01, FY 2003-04 & FY 2005-06	High Court, Lucknow
Central Sales Tax Act, 1956	Interest demand on CST of ex-UP sale	2.52	-	FY 2003-04	Additional Commissioner, Sitapur, UP
Tax on Entry of Goods Act, 2000	Entry tax on free sugar sale	1.81	0.62	FY 2001-02	Tribunal Court, Lucknow
UP Trade Tax Act, 1948	Trade tax	0.09	-	FY 2006-07 to FY 2007-08	Tribunal Court, Lucknow

- (viii) There are no loans or borrowings payable to government and no dues payable to debenture-holders. The Company has defaulted in repayment of loans to the following banks and financial institutions:

Name of the bank/ financial institution	Principal Amount of default (₹ lacs)	Period of default (in days)
Vistar Financiers Private Limited	50.00	19
Vistar Financiers Private Limited	100.00	15-16
Federal Bank	1667.00	35
Federal Bank	1666.00	48-52



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- (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 purposes for which the loans were obtained.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid 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 Sections 177 and 188 of 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.

Walker Chandiook & Co LLP

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

Neeraj Goel
per Neeraj Goel
Partner
Membership No.: 099514



Place: Gurgaon
Date: 12 May 2017

Walker ChandioK & Co LLP

Annexure II to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2017

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 Gobind Sugar Mills Limited (the 'Company') as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting (IFCoFR) of the Company of as of that date.

Management's Responsibility for Internal Financial Controls

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

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



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Annexure II to the Independent Auditor's Report of even date to the members of Gobind Sugar Mills Limited on the financial statements for the year ended 31 March 2017 (cont'd)

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 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 internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the IFCoFR criteria established by the Company considering the essential components of internal financial controls stated in the Guidance Note issued by the ICAI.

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

Neeraj Goel

per Neeraj Goel
Partner
Membership No.: 099514



Place: Gurgaon
Date: 12 May 2017

GOBIND SUGAR MILLS LIMITED
Balance sheet as at 31 March 2017

Rs. in lacs

Particulars	Notes	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	38,514.02	21,655.23	5,217.24
(b) Capital work-in-progress	4	1,194.38	14,213.29	16,763.99
(c) Intangible assets	5	44.60	-	-
(d) Financial Assets				
(i) Investments	6	14.82	14.20	14.86
(ii) Others	7	1.34	1.34	1.21
(e) Deferred tax assets(net)	8	7,751.28	7,823.89	5,317.51
(f) Other non-current assets	9	208.20	171.16	1,099.98
(2) Current assets				
(a) Inventories	10	17,932.59	13,660.47	20,956.50
(b) Financial Assets				
(i) Trade receivables	11	1,613.92	1,973.11	19.40
(ii) Cash and cash equivalents	12	54.15	117.09	72.36
(iii) Bank balances other than (ii) above	13	13.35	10.02	568.27
(iv) Loans	14	6.40	5.73	4.97
(v) Others	15	535.40	639.68	-
(c) Current tax assets (net)	16	0.11	0.83	6.91
(d) Other current assets	17	3,483.99	3,644.89	3,484.21
TOTAL		71,368.55	63,930.93	53,527.41
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	18 (a)	320.00	320.00	320.00
(b) Other Equity				
(i) Deemed equity	19	7,821.00	7,821.00	7,778.61
(ii) Reserves and surplus	18 (b)	(5,613.29)	(7,384.18)	(8,861.89)
(iii) Other reserves	18 (c)	0.45	(0.02)	0.24
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	19	17,121.71	18,887.44	18,783.36
(b) Provisions	20	140.86	61.48	-
(c) Other non-current liabilities	21	4,640.66	3,145.97	1,093.86
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	22	22,249.51	23,699.45	17,937.06
(ii) Trade payables	23	16,697.32	9,725.42	13,905.86
(iii) Other financial liabilities (other than those specified in item (c))	24	6,142.21	6,233.41	1,658.68
(b) Other current liabilities	25	1,746.56	1,412.57	861.81
(c) Provisions	26	101.55	8.39	49.82
TOTAL		71,368.55	63,930.93	53,527.41

The accompanying notes are an integral part of these financial statements

Walker Chandiook & Co
As per our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Neeraj
Neeraj Goel

Partner
Membership no: 099514



For and on behalf of the board of directors

Suresh Krishnan

N. Suresh Krishnan
(Chairman)
DIN: 00021965

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

R.N. Ratnam
R N Ratnam
(Director)
DIN: 06422037

Place: Gurgaon
Date: 12 May 2017

Dharmendra Roy
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

GOBIND SUGAR MILLS LIMITED
Statement of profit and loss for the year ended 31 March 2017

Rs. in lacs

Particulars	Notes	Year ended 31 March 2017	Year ended 31 March 2016
Revenue from operations (gross)	27	40,489.27	33,372.08
Other Income	28	1,603.72	1,115.31
Total Revenue		42,092.99	34,487.39
Expenses			
Cost of materials consumed	29	30,394.54	18,661.29
Purchases of Stock-in-Trade		-	610.89
Changes in inventories of finished goods, stock in trade and work in progress	30	(4,268.21)	7,457.29
Excise duty and cess on sale of goods		2,101.91	1,460.64
Employee benefits expense	31	2,039.93	1,387.36
Finance costs	32	4,759.32	3,419.57
Depreciation and amortisation expenses	33	1,146.60	397.37
Other expenses	34 (a)	2,471.60	2,095.94
Total expenses		38,645.69	35,490.35
Profit/(Loss) before exceptional item and tax		3,447.30	(1,002.96)
Exceptional item	34 (b)	1,500.38	-
Profit/(Loss) before tax		1,946.92	(1,002.96)
Income tax expense	35		
Current tax		-	-
Deferred tax		110.14	(2,495.70)
Profit/(Loss) for the period		1,836.78	1,492.74
Other comprehensive income (OCI)			
A. Items that will not be reclassified to profit and loss			
i) Remeasurement of defined benefit plans		(108.85)	(30.63)
ii) Equity instruments designated at fair value through OCI		0.62	(0.34)
iii) Income tax relating to the items that will not be classified to profit and loss		37.53	10.68
B. Items that will be reclassified to profit and loss		-	-
Total other comprehensive income (net of tax)		(70.71)	(20.29)
Total comprehensive income (after tax)		1,766.07	1,472.45
Basic/diluted earning per share (Rs. per equity share)(Face value Rs. 10 per share)	36	55.19	46.01

The accompanying notes are an integral part of these financial statements

Walker Chandiook & Co LLP

As per our report of even date

For **Walker Chandiook & Co LLP**

Chartered Accountants

Neeraj Goel

Neeraj Goel

Partner

Membership no: 099514



For and on behalf of the board of directors

Suresh Krishnan

N. Suresh Krishnan

(Chairman)

DIN: 00021965

R.S. Raghavan

R.S. Raghavan

(Managing Director)

DIN: 00362555

R.N. Ratnam

R N Ratnam

(Director)

DIN: 06422037

Place: Gurgaon

Date: 12 May 2017

Dharmendra Roy

Dharmendra Roy

(Chief Financial Officer)

PAN: ADCPR3374B

Laxman Aggarwal

Laxman Aggarwal

(Company Secretary)

Membership No. A19861

GOBIND SUGAR MILLS LIMITED
Statement of Changes in Equity for the year ended 31 March 2017

a) Equity Share Capital

Particulars	Notes	
As at 01 April 2015		320.00
Changes during the year	18 (a)	-
As at 31 March 2016		320.00
Changes during the year	18 (a)	-
As at 31 March 2017		320.00

b) Other Equity

Rs. in lacs

Particulars	Notes	Deemed equity	Reserves and surplus				Other reserves	Total other equity
			Capital Redemption Reserve	Securities Premium Account	Molasses and Alcohol Storage and Maintenance Reserve	Retained Earnings	Fair value through Other Comprehensive Income - Equity Instruments	
Balance at 01 April 2015	18 (b), 18(c), 19	7,778.61	10.00	200.00	109.02	(9,180.91)	0.24	(1,083.04)
Profit for the year		-	-	-	-	1,492.74	-	1,492.74
Other comprehensive income		-	-	-	-	(20.03)	(0.26)	(20.29)
Total Comprehensive Income for the year		-	-	-	-	1,472.71	(0.26)	1,472.45
Equity component of non convertible redeemable preference shares (NCRPS) issued during the year		42.39	-	-	-	-	-	42.39
Transfers during the year		-	-	-	5.00	-	-	5.00
Balance at 31 March 2016	18 (b), 18(c), 19	7,821.00	10.00	200.00	114.02	(7,708.20)	(0.02)	436.80
Profit for the year		-	-	-	-	1,836.78	-	1,836.78
Other comprehensive income		-	-	-	-	(71.18)	0.47	(70.71)
Total Comprehensive Income for the year		-	-	-	-	1,765.60	0.47	1,766.07
Equity component of NCRPS issued during the year		-	-	-	-	-	-	-
Transfers during the year		-	-	-	5.29	-	-	5.29
Balance at 31 March 2017	18 (b), 18(c), 19	7,821.00	10.00	200.00	119.31	(5,942.60)	0.45	2,208.17

The accompanying notes are an integral part of these financial statements

Walker Chandniok & Co LLP

As per our report of even date
For Walker Chandniok & Co LLP
Chartered Accountants

For and on behalf of the board of directors

Neeraj Goel

Neeraj Goel
Partner
Membership no: 099514



N. Suresh Krishnan

N. Suresh Krishnan
(Chairman)
DIN: 00021965

R.S. Raghavan

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

R. N. Ratnam

R. N. Ratnam
(Director)
DIN: 06422037

Place: Gurgaon
Date: 12 May 2017

Dharmendra Roy
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

GOBIND SUGAR MILLS LIMITED
Statement of cash flows year for the year ended 31 March 2017
Rs. in lacs

Particulars	Year ended 31 March 2017	Year ended 31 March 2016
Cash flow from operating activities		
Profit/(loss) before tax	1,946.92	(1,002.96)
Adjustments for:		
Depreciation and amortisation expenses	1,146.60	397.37
Remeasurement of defined benefit obligation	(108.85)	(30.63)
Loss on disposal of property, plant and equipment	-	80.84
Profit on disposal of property, plant and equipment	(6.58)	-
Finance costs classified as financing cash flow	4,759.32	3,419.57
Dividend received	(0.04)	(10.32)
Interest income received	(1.61)	(13.88)
Molasses Storage & Maintenance reserve	5.29	5.00
Cane subsidy receivable written off	1,500.38	-
Deferred government grant recognised on loan from Sugar development fund	(15.23)	-
Government grants under 5% interest reimbursement scheme	(610.88)	(121.21)
Deferred gain on preference shares issued to entities other than equity shareholders	(102.76)	(81.89)
Unspent Liabilities, Provisions no longer required and Unclaimed Balances adjusted	(49.93)	(399.47)
	6,515.71	3,245.38
Working capital adjustments:		
(Increase)/ decrease in trade receivables	359.19	(1,953.71)
(Increase)/ decrease in inventories	(4,272.12)	7,296.03
Increase/ (decrease) in trade payables	7,021.83	(3,780.97)
(Increase)/ decrease in other financial assets	104.27	(639.68)
(Increase)/ decrease in other current assets	(231.89)	493.52
(Increase)/ decrease in loans	(0.67)	(0.76)
Increase/ (decrease) in other financial liabilities	188.05	116.47
Increase/ (decrease) in other current liabilities	248.79	529.18
Increase/ (decrease) in provisions	172.54	20.05
Cash flow generated from operating activities	12,052.63	4,322.54
Income taxes (paid)/refund - net	0.73	6.08
Net cash flow generated from operating activities	12,053.36	4,328.62
Cash flow from investing activities		
Payments for property, plant and equipment	(5,856.15)	(10,822.01)
Deposits made during the year	(68.17)	(0.77)
Withdrawn/(investment) in bank deposits during the period (having original maturity of more than three months)	(3.33)	558.25
Dividend received	0.04	10.32
Interest income received	1.61	13.88
Receipts from disposal of property, plant and equipment	12.21	1.90
Net cash used in investing activities	(5,913.79)	(10,238.43)
Cash flow from financing activities		
Issuance of non convertible redeemable preference shares	100.00	2,035.00
Proceeds of long term borrowings	2,075.84	6,635.82
Repayment of long term borrowings	(2,156.70)	(4,813.00)
Proceeds from short term borrowings	(1,449.94)	5,762.39
Interest paid during the year	(4,771.65)	(3,665.67)
Net cash flow generated from financing activities	(6,202.51)	5,954.54
Net increase/ (decrease) in cash and cash equivalents	(62.94)	44.73
Cash and cash equivalents at the beginning of the financial year		
Cash and cash equivalents [refer note (12)]	117.09	72.36
Cash and cash equivalents at the end of the financial year [refer note (12)]	54.15	117.09

The accompanying notes are an integral part of these financial statements

Walker Chandiook & Co LLP

As per our report of even date

For Walker Chandiook & Co LLP

Chartered Accountants

Neeraj Guel

Partner

Membership no: 099514



Place: Gurgaon

Date: 12 May 2017

For and on behalf of the board of directors

Suresh Krishnan

 N. Suresh Krishnan
(Chairman)
DIN: 00021965

R. S. Raghavan

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

R. N. Ratnam

 R N Ratnam
(Director)
DIN: 06422037

Bhramendra Roy
Bhramendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

Note 1. Corporate information

Gobind Sugar Mills Limited (the Company) is a public Company domiciled in India incorporated under the provisions of the Companies Act, 1913. Its shares are listed on Calcutta Stock Exchange in India. The Company w.e.f. 19 October 2016, also got its shares listed on Metropolitan Stock Exchange of India (MSEI). The Company is primarily engaged in manufacture and sale of Sugar and its by-products - Molasses. The Company is also engaged in generation and export of Power by utilising its by product - Bagasse, w.e.f. 15 December 2015. The Company presently has manufacturing facilities at Aira Estate, District Lakhimpur Kheri in the State of Uttar Pradesh.

Note 2. Application of new and revised Indian Accounting Standard

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 in preparing these standalone financial statements.

Standard issued but not effective

In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendments to Ind AS 7, 'Statement of cash flows'. These amendments are in accordance with the recent amendments made by International Accounting Standards Board (IASB) to IAS 7, 'Statement of cash flows'. The amendment is applicable to the Company from 01 April 2017.

Amendment to Ind AS 7: The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The Company is evaluating the requirements of the amendment and the effect on the financial statements is being evaluated.

Note 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 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first Ind AS compliant financial statements of the Company.

These financial statements, being first Ind AS financial statements of the Company prepared in accordance with Ind AS, the Company has applied Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has accordingly presented three balance sheets, two statements of profit and loss, two statements of cash flows and two statements of changes in equity and related notes, including comparative information for all statements presented. In future periods, Ind AS 1 requires only one comparative period to be presented. An explanation of how transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in note (48.)

b) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current and non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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



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c) Revenue recognition

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

Revenue is measured at the fair value of the consideration received or receivable. Revenue includes excise duty but excludes sales tax/value added tax.

The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Interest income

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

Dividends

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

Renewable energy certificates income

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

Power banked units

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

d) Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value (based upon the level of inputs available) and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

e) Taxes

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

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the country where the Company operates and generates taxable income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the balance sheet approach on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

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



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f) Property, plant and equipment

Freehold land is carried at historical cost. All other items of Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

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 :-

Buildings : 30-60 years

Plant and equipment : 05-25 years

Furniture and fixtures : 10 years

Vehicles : 08 years

Office equipment : 03-05 years

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.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

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

g) Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and install the specific software. Subsequent expenditures on the maintenance of computer software are expensed as incurred, as it is not probable that future economic benefits will accrue to the Company through these activities.

Acquired computer software is accounted for using the cost model whereby capitalized costs are amortized on a straight line basis over their estimated useful lives which is estimated as five years, as these assets are considered finite. Residual values and useful lives are reviewed at each reporting date. In addition they are subject to impairment testing. Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and install the specific software. Costs associated with maintaining computer software, i.e. expenditure relating to patches and other minor updates as well as their installation, is expensed as incurred. The gain or loss arising on the disposal of an intangible asset is determined as the difference between the proceeds and the carrying amount of the assets, and is recognized in profit or loss in the year the asset is derecognised.

h) Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets of a "Cash Generating Unit" (CGU) to determine whether there is any indication that those assets have suffered an impairment loss. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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



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i) Borrowing costs

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

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

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

j) Leases

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

For arrangements entered into prior to 1 April 2015, the Company has determined whether the arrangements contain lease on the basis of facts and circumstances existing on the date of transition.

Operating leases

Leases in which a significant portion of the risks and rewards are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit and loss account on a straight line basis over the period of lease unless the payments are structured to increase in line with expected general inflation to compensate for lessor's expected exposure to inflationary cost increases.

k) 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, finished goods and traded goods, are valued at lower of cost and net realizable value.

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

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

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

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

l) Post employment and other employee benefits

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

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

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

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

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

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

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

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

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



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m) Financial instruments

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

Financial assets

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

Amortized cost

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

- financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

Financial assets at FVTPL include financial assets that either do not meet the criteria for amortised cost classification or are equity instruments held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments also fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements may apply. Assets in this category are measured at fair value with gains or losses recognised in the statement of profit and loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to the statement of profit and loss on disposal of the investments.

Dividends on these investments in equity instruments are recognised in the statement of profit and loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in the statement of profit and loss are included in the 'Other income' line item.

Impairment of financial asset

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost and financial asset designated as at FVTOCI.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses using the simplified approach permitted under Ind AS 109.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

Derecognition of financial asset

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit and loss.



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n) Earnings per share

Basic Earning per Share is calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted number of equity shares outstanding during the year.

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

o) 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.

p) 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.

q) Provisions, contingent liabilities and contingent assets

Provisions

Provisions are recognized when present obligations as a result of a past event will probably lead to an outflow of economic resources from the Company and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Provisions are not recognized for future operating losses. Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material. Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

Contingent liabilities

In those cases where the possible outflow of economic resources as a result of present obligations is considered not probable or where the amount of the obligation cannot be determined reliably, no liability is recognized.

Contingent assets

Possible inflows of economic benefits to the Company that do not yet meet the recognition criteria of an asset are considered contingent assets.

r) 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.

s) 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.



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Defined benefit obligations

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and attrition rate. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. Refer note (37) for details of assumptions used in the determination of liability and relevant sensitivity analysis.

Recoverability of Deferred tax assets

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences and tax loss carry-forward can be utilised. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in various tax jurisdictions Refer note (8).

Contingent liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable. Refer note (39).

Useful lives of depreciable assets

Management reviews its estimate of the useful lives of Property, plant and equipment at each reporting date, based on the expected utility of the assets, assessed by technical experts. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Inventories

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

t) 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.

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Note 4: Property, Plant and Equipment

Rs. in lacs

Particulars	Freehold Land	Buildings	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Total	Capital work in progress
Year ended 31 March 2016								
Gross carrying amount								
Deemed cost as at 01 April 2015	1,804.46	652.34	2,642.63	51.00	42.56	24.25	5,217.24	16,763.99
Additions	2.42	3,366.03	13,494.60	25.49	0.03	29.53	16,918.10	14,066.93
Disposals	1.41	-	82.86	-	-	0.10	84.37	-
Transfers [note (iii)]	-	-	-	-	-	-	-	16,617.63
Closing gross carrying amount	1,805.47	4,018.37	16,054.37	76.49	42.59	53.68	22,050.97	14,213.29
Accumulated depreciation								
Depreciation charge during the year	-	67.19	307.42	6.26	6.72	9.78	397.37	-
Disposals	-	-	1.63	-	-	-	1.63	-
Closing accumulated depreciation	-	67.19	305.79	6.26	6.72	9.78	395.74	-
Year ended 31 March 2017								
Gross carrying amount								
Opening gross carrying amount	1,805.47	4,018.37	16,054.37	76.49	42.59	53.68	22,050.97	14,213.29
Additions	-	4,021.24	13,899.17	5.93	27.99	54.55	18,008.87	4,898.56
Disposals	-	-	57.42	-	-	-	57.42	-
Transfers [note (iii)]	-	-	-	-	-	-	-	17,917.48
Closing gross carrying amount	1,805.47	8,039.61	29,896.12	82.42	70.58	108.23	40,002.42	1,194.38
Accumulated depreciation								
Opening accumulated depreciation	-	67.19	305.79	6.26	6.72	9.78	395.74	-
Depreciation charge during the year	-	213.97	878.37	8.65	7.18	36.29	1,144.46	-
Disposals/Adjustments	-	-	51.79	-	-	-	51.79	-
Closing accumulated depreciation	-	281.16	1,132.36	14.91	13.90	46.07	1,488.40	-
Net carrying amount as on 31								
March 2016	1,805.47	3,951.18	15,748.58	70.23	35.87	43.90	21,655.23	14,213.29
Net carrying amount as on 31								
March 2017	1,805.47	7,758.45	28,763.75	67.51	56.68	62.16	38,514.02	1,194.38

Note 4.1

- Property, plant and equipment (moveable and immovable) are hypothecated against secured borrowings. Refer note 19 for the same.
- For amounts of borrowing costs capitalised and the capitalisation rate used to determine the amount of borrowing costs eligible for capitalisation, refer note 32.
- Transfer from CWIP represents assets becoming ready to use and are included in the additions number under respective categories.



Note 5: Intangible Assets

Rs. in lacs

Particulars	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Computer Software			
Gross block - Opening			
Additions	45.67	-	-
Disposals	-	-	-
Gross block - Closing	45.67	-	-
Accumulated amortisation			
Accumulated amortisation - Opening	-	-	-
Amortisation charge during the year	1.07	-	-
Disposals	-	-	-
Accumulated amortisation - Closing	1.07	-	-
Net carrying amount	44.60	-	-

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Note 6: Non-Current investments

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Investments at Amortised cost			
<i>(unquoted - non trade investments)</i>			
20 Years U.P.State Development Loan, 2008	-	-	0.20
6 Years National Saving Certificates	-	-	0.12
5 Years National Saving Certificates	1.00	1.00	1.00
	<u>1.00</u>	<u>1.00</u>	<u>1.32</u>
Investment in equity shares at FVOCI			
<i>(quoted, fully paid - non trade investments)</i>			
Premium Exchange & Finance Limited [180,240 shares (previous year: 180,240 shares) of Rs.10 each]	5.59	5.59	5.59
Master Exchange & Finance Limited [188,460 shares (previous year: 188,460 shares) of Rs.10 each]	5.90	5.90	5.90
Duke Commerce Limited [24,700 shares (previous year: 24,700 shares) of Rs.10 each]	0.64	0.64	0.64
Chambal Fertilizers & Chemicals Limited [1,947 shares (previous year: 1,947 shares) of Rs.10 each]	1.69	1.07	1.41
	<u>13.82</u>	<u>13.20</u>	<u>13.54</u>
Total	<u>14.82</u>	<u>14.20</u>	<u>14.86</u>
Total non current investments			
Aggregate book value of quoted investments	13.82	13.20	13.54
Aggregate market value of quoted investments	13.82	13.20	13.54
Aggregate book value of unquoted investments	1.00	1.00	1.32

Note 7: Other financial assets (at amortised cost)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Sundry deposits (secured, considered good)	1.34	1.34	1.21
Other recoverables	10.78	10.78	10.85
Less: Provision for doubtful recoverables	(10.78)	(10.78)	(10.85)
Total	<u>1.34</u>	<u>1.34</u>	<u>1.21</u>

Note 8: Deferred tax asset (Net)

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
The balance comprises temporary differences attributable			
Deferred tax asset			
Carry forward of unused tax losses and unused tax	12,468.95	8,894.05	5,838.68
Deductible temporary differences allowable against taxable profits in future years	501.34	382.06	506.56
Deferred government grants	171.90	184.46	-
Others	34.39	72.94	-
Deferred tax liability			
Property, plant and equipment exceeds its tax base	(5,408.03)	(1,709.46)	(979.48)
Borrowings-due to effective interest rate method	(17.27)	(0.16)	(48.26)
Total	<u>7,751.28</u>	<u>7,823.89</u>	<u>5,317.51</u>



Note 9: Other non current assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Advances for purchase of property, plant and equipments (unsecured, considered good)	49.01	80.14	1,009.73
Claims receivable (unsecured, considered doubtful)	0.59	0.59	0.59
Less: Provision for doubtful recoverables	(0.59)	(0.59)	(0.59)
Deposit against disputed demands (unsecured, considered)	159.19	91.02	90.25
Total	208.20	171.16	1,099.98

Note 10: Inventories	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Raw materials	-	33.58	35.89
Rice husk/fire wood chips	43.27	3.82	-
Work in progress	86.93	359.43	330.77
Finished goods	16,560.13	11,716.12	18,971.38
Store and spares	478.52	413.98	343.25
By-Products			
Molasses	436.31	808.48	990.09
Bagasse	113.16	257.59	264.62
Press - mud	24.56	27.47	-
Scrap	189.71	40.00	20.50
Total	17,932.59	13,660.47	20,956.50

Note 11: Trade receivables	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Unsecured, considered good	1,613.92	1,973.11	19.40
Unsecured, considered doubtful	1.32	1.32	1.32
Less: impairment allowance	(1.32)	(1.32)	(1.32)
Total	1,613.92	1,973.11	19.40

Note 12: Cash and cash equivalents	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Cash on hand	5.39	6.91	0.35
Balances with banks:			
In current accounts	48.73	110.15	71.98
In saving account	0.03	0.03	0.03
Total	54.15	117.09	72.36

There are no restrictions in regards to cash and cash equivalents at the end of the reporting period and prior periods

Note 13: Bank balances other than (ii) above	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Balances with banks (others):			
Deposits with original maturity of more than 3 months but less than 12 months	13.33	10.00	568.25
In Post office savings bank account	0.02	0.02	0.02
Total	13.35	10.02	568.27



Note 14: Loans (at amortised cost)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Loan to employees			
Considered good	6.40	5.73	4.97
Considered doubtful	0.35	0.35	0.35
Less: impairment allowance	(0.35)	(0.35)	(0.35)
Total	6.40	5.73	4.97

Note 15: Other financial assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Other receivables	2.43	2.27	-
Unbilled revenues	532.97	637.41	-
Total	535.40	639.68	-

Note 16: Current tax assets (net)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Advance payment of Tax, Refunds receivable and Tax deducted at source	0.11	0.83	6.91
Total	0.11	0.83	6.91

Note 17: Other current assets	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Surplus of gratuity plan	-	-	47.01
Balance with revenue authorities	856.63	1,150.49	1,044.87
Advances to suppliers	416.65	264.60	76.65
Prepaid expenses	41.77	50.78	18.78
Cane subsidy receivable (considered good)	-	1,435.64	2,172.95
Interest reimbursement from government of Uttar Pradesh under Sugar Industry, Co-generation and Distillery	1,761.80	654.20	-
REC certificates	320.01	14.73	-
Power banked (drawable)	48.79	41.88	-
Interest subvention receivable under SEFASU 2014	30.20	32.57	123.94
Insurance claim receivable	8.15	-	-
Total	3,483.99	3,644.89	3,484.21



Note 18 (a): Equity share capital and other equity	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Authorised share capital:			
65,000,000 (31 March 2016: 65,000,000) (01 April 2015: 65,000,000) Equity Shares of INR 10/- each	6,500.00	6,500.00	6,500.00
	6,500.00	6,500.00	6,500.00
Issued, subscribed and fully paid up			
3,200,000 (31 March 2016: 3,200,000)(01 April 2015: 3,200,000) Equity Shares of INR 10/- each	320.00	320.00	320.00
	320.00	320.00	320.00
Total	320.00	320.00	320.00

Movement in equity share capital

	Number of shares	Equity share capital (par value)
As at 01 April 2015	3,200,000	320.00
Changes during the period	-	-
As at 31 March 2016	3,200,000	320.00
Changes during the period	-	-
As at 31 March 2017	3,200,000	320.00

Terms and rights attached to equity share holders

The Company has only one class of equity shares having a par value of Rs.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.

Shares of the Company held by Holding Company	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Zuari Investments Limited, the holding company w.e.f 25 August 2014	164.06	164.06	164.06
1,640,632 (1,640,632) equity shares of Rs.10 each fully paid			

<u>Details of shareholders holding more than 5% shares in the Company</u>	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
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Equity shares of Rs. 10 each fully paid

Zuari Investments Limited, holding company w.e.f. 25 August 2014			
Number of shares held	1,640,632	1,640,632.00	1,640,632.00
%age of shares held	51.27%	51.27%	51.27%
Mr. Akshay Poddar			
Number of shares held	235,000	235,000.00	235,000.00
%age of shares held	7.34%	7.34%	7.34%



Note 18 (b): Reserves and surplus

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Capital Redemption Reserve [refer note (i) below]	10.00	10.00	10.00
Securities premium account [refer note (ii) below]	200.00	200.00	200.00
Molasses and alcohol storage and maintenance reserve [refer note (iii) below]	119.31	114.02	109.02
Retained earnings [refer note (iv) below]	(5,942.60)	(7,708.20)	(9,180.91)
Total	(5,613.29)	(7,384.18)	(8,861.89)

	As at 31 March 2017	As at 31 March 2016
(i) Capital redemption reserve		
Opening balance	10.00	10.00
Appropriations during the year	-	-
Utilisations during the year	-	-
Closing balance	10.00	10.00
(ii) Securities premium account		
Opening balance	200.00	200.00
Additions during the year	-	-
Utilisations during the year	-	-
Closing balance	200.00	200.00
(iii) Molasses and alcohol storage and maintenance reserve		
Opening balance	114.02	109.02
Additions during the year	5.29	5.00
Utilisations during the year	-	-
Closing balance	119.31	114.02
(iv) Retained earnings		
Opening balance	(7,708.20)	(9,825.62)
Adjustments directly to retained earnings on date of transition to Ind AS		
a) Application of effective interest rate method on Deferred tax impact on above	-	148.53 (48.19)
b) Interest on financial liability of NCRPS	-	(610.04)
c) PPE at fair value Deferred tax impact on PPE at fair value	-	1,435.96 (289.77)
d) Deferred gain recognised on issuance of NCRPS	-	8.22
Closing balance	(7,708.20)	(9,180.91)
Net profit for the year	1,836.78	1,492.74
Remeasurement of defined benefit plans	(71.18)	(20.03)
Closing balance	(5,942.60)	(7,708.20)



Nature and purpose of other reserves**Capital Redemption Reserve**

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 utilized for bonus issue of shares.

Securities premium reserve

Security premium reserve is created when the Company issue shares at the premium. The aggregate amount of premium received on the shares is transferred to a separate account called "security premium reserve". The same will be utilised in accordance with the provisions of the Companies Act, 2013 and related provisions. This reserve is carried forward from earlier years.

Molasses and alcohol storage and maintenance reserve

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

Note 18 (c): Other reserves

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Fair value through Other Comprehensive Income - Equity Instruments	0.45	(0.02)	0.24
Total	0.45	(0.02)	0.24

	As at 31 March 2017	As at 31 March 2016
<u>Fair value through Other Comprehensive Income - Equity Instruments</u>		
Opening balance	(0.02)	-
Adjustments to OCI on date of transition to Ind AS (net of tax impact)	-	0.24
	(0.02)	0.24
Changes in fair value of FVOCI equity instruments	0.62	(0.34)
Tax impact	(0.14)	0.08
Closing balance	0.45	(0.02)



Note 19: Borrowings	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Term Loans (secured) :			
At amortised cost			
Indian rupee loan from banks	5,914.10	7,154.19	4,610.39
Cane soft loan	1,652.89	1,652.21	-
Loan under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan)	1,423.40	2,260.21	2,253.98
Loan from a financial institution	6,636.20	7,218.09	5,540.02
Loan from a body corporate	-	-	4,480.08
Loan from Sugar Development Fund	965.47	-	-
Loan from related parties (unsecured)			
At amortised cost			
Non convertible redeemable preference share capital (NCPRS)	3,460.76	2,944.20	2,211.89
Total non current borrowings	20,052.82	21,228.90	19,096.36
Less: Current maturity of long term borrowings	2,931.11	2,341.46	313.00
Total	17,121.71	18,887.44	18,783.36

1) Term Loans in Indian rupee from banks

a) Term Loan of Rs. 5,914.10 lacs (31 March 2016 : Rs.7,154.19 lacs)(01 April 2015 : Rs. 4,610.39 lacs) from State Bank of India is secured by first equitable mortgage charge on all moveable and immoveable 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, and second charge on current assets of the Company (both present and future), on pari passu basis with other term lenders. Also, Zuari Global Limited has provided corporate guarantee for the said loan.

The aforesaid loan is repayable in 24 quarterly installments commencing from 31 March 2016 and carries interest @ 3% p.a above base rate. The 1st to 23rd quarterly installments will be of Rs. 313 lacs each and the 24th installment will be of Rs. 301 lacs.

b) Term Loan of Rs.1,652.89 lacs (31 March 2016: Rs. 1,652.21 lacs)(01 April 2015: Nil) as soft loan from State Bank of India is secured by first equitable mortgage charge on all moveable and immoveable 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, and second charge on current assets of the Company (both present and future), on pari passu basis with other term lenders.

The aforesaid loan is repayable in 16 quarterly installments commencing from 1 October 2017 and carries interest @ 2.3%p.a above base rate.

2) Term Loans under Financial Assistance Scheme to Sugar Units under SEFASU 2014 from banks (Excise Duty Loan)

a) Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Rs. 793.70 lacs (31 March 2016: Rs.1,099 lacs) (01 April 2015: Rs.1,099 lacs) from District Co-operative Bank is repayable in 5 years including 2 years of moratorium period and carry interest of 12% p.a. As per the scheme, the interest is payable by the Government of India/National Bank for Agriculture and Rural Development (NABARD). The loan is secured by residual charge on free assets of the Company. This charge is yet to be created.

b) Loan under financial assistance scheme to Sugar Units under SEFASU 2014 of Rs. 629.70 lacs (31 March 2016: Rs. 1,161.21 lacs) (01 April 2015: Rs.1,154.98 lacs) from State Bank of India is secured by first pari passu charge on the hypothecated current assets, both present and future and second pari passu charge basis on entire fixed assets of the Company with other working capital lenders. The said loan is repayable in 12 quarterly installments starting from 30th June, 2016 and carry interest of 12.50% p.a. As per the scheme, the interest to the extent of 12% p.a. is payable directly by the Government of India/National Bank for Agriculture and Rural Development (NABARD) to State Bank of India.



3) Term Loan from a financial institution of Rs. 6,636.20 lacs (31 March 2016: Rs.7,218.09 lacs) (01 April 2015: Rs.5,540.02 lacs) from Indian Renewal Energy Development Agency Limited (IREDA) is secured by first equitable mortgage charge on all moveable and immoveable 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, and second pari-passu charge on Current Assets of the Company (excluding receivables from the power project on which IREDA and State Bank India will have exclusive first pari-passu charge), on pari passu basis with other lenders. Also, Zuari Global Ltd. has provided corporate guarantee for the said loan.

The said loan is repayable in 40 quarterly installments starting from expiry of 1 year from the date of commissioning of co-generation project and carries interest @ 12.65%/13.25% p.a. Also, additional interest @ 1.00% will be charged during construction period.

4) Term loan from a body corporate of Nil (31 March 2016: Nil) (01 April 2015: Rs.4,480.08 lacs) from Aditya Birla Finance Limited was secured by first equitable mortgage charge on all moveable and immoveable 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, and second pari-passu charge on Current Assets of the Company. Also, Zuari Global Limited issued a corporate guarantee for the said loan. The said loan carried an interest rate of 3% above SBI base rate, and was fully repaid during the last year.

5) Term loan from Sugar Development Fund of Rs. 965.47 lacs (31 March 2016: Nil) (01 April 2015: Nil) is secured by first equitable mortgage charge on all moveable and immoveable 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. The loan carries a fixed rate of interest @ 4.75% p.a. [effective interest rate being 12.5%(refer below)] and for a time period of 9.5 year including 5 years including moratorium period.

The loan received from Sugar Development Fund is received at rate of interest below than market rate. Therefore, the said loan has been fair valued using discounted cash flow technique for initial recognition and will be subsequently carried at amortised cost. The discount rate which has been used for initial recognition i.e. 12.5% p.a. is bench marked to other secured financial liabilities of the Company.

6) Non-Convertible redeemable preference shares

The Non-Convertible Redeemable Preference Shares (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, 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. (refer below)

	Financial liability carried at Amortised cost	Deferred gain arising of initial measurement difference	Deemed equity
Balance as at 1 April 2015 (Face value: Rs. 10,525 lakhs)	2,211.89	1,136.32	7,778.61
NCRPS issued during the year (Face value: Rs. 2,035 lakhs)	309.72	1,682.89	42.39
Interest expense and related amortisation of deferred gain	422.60	(81.89)	-
Balance as at 31 March 2016 (Face value: Rs. 12,560 lakhs)	2,944.20	2,737.32	7,821.00
NCRPS issued during the year (Face value: Rs. 100 lakhs)	15.22	84.78	-
Interest expense and related amortisation of deferred gain	501.34	(102.76)	-
Balance as at 31 March 2017 (Face value: Rs. 12,660 lakhs)	3,460.76	2,719.34	7,821.00

Rs. in lacs



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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.

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
1st Series	03 January 2012	15,000,000
2nd Series	18 June 2012	5,000,000
3rd Series	27 September 2012	33,000,000
4th Series	28 June 2013	3,500,000
5th Series	20 September 2013	3,500,000
6th Series	31 December 2013	10,000,000
7th Series	31 March 2014	11,750,000
8th Series	30 June 2014	5,250,000
9th Series	17 November 2014	2,000,000
10th Series	14 January 2015	2,750,000
11th Series	12 February 2015	13,500,000
12th Series	30 April 2015	1,500,000
13th Series	05 May 2015	500,000
14th Series	25 May 2015	10,000,000
15th Series	06 July 2015	750,000
16th Series	31 July 2015	1,000,000
17th Series	28 August 2015	6,600,000
18th Series	10 November 2016	1,000,000
Total		126,600,000

Note 20: Provisions

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Employee Benefit obligations			
Gratuity payable [note (37)]	53.09	-	-
Leave obligations	87.77	61.48	-
Total	140.86	61.48	-

Note 21: Other non current liabilities

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Deferred gain on preference shares issued to entities other than equity shareholders	2,597.79	2,634.57	1,093.86
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013			
Deferred government grant 5% - Sugar expansion	497.23	-	-
Deferred government grant 5% - Power Cogeneration plant	489.83	511.40	-
Deferred government grant on loan from Sugar Development Fund	1,055.81	-	-
Total	4,640.66	3,145.97	1,093.86



Note 22: Borrowings (at amortised costs)	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Cash credit from Banks (repayable on demand) (refer note 1 below)	15,473.22	11,943.83	9,572.70
<i>Other borrowings</i>			
Loan from a body corporate (refer note 2)	3,800.00	3,800.00	3,864.36
Loan from banks (refer note 3)	-	4,983.07	4,500.00
Loans from others - financial institutions (refer note 4)	2,976.29	2,972.56	-
Total	22,249.51	23,699.45	17,937.06

The above amount includes

Secured borrowings	18,449.51	19,899.45	14,072.70
Unsecured borrowings	3,800.00	3,800.00	3,864.36

1) Cash Credit

- a) Cash Credit of Rs.1,480.43 lacs (31 March 2016: Rs. 1,962.51 lacs) (01 April 2015: Rs. 1,954.03 lacs) from State Bank of India is secured by hypothecation of entire current assets including book debts both present and future on pari passu basis (excluding receivables from the power project on which IREDA and State Bank India will have exclusive first pari-passu charge) and by second charge on entire fixed assets of the Company, with other working capital bankers. This loan carries interest at the rate of 5.00% p.a. above 1-Year MCLR.
- b) Cash Credit of Rs. 5,132.20 lacs (31 March 2016: Rs. 4,119.29 lacs) (01 April 2015: Rs. 4,046.24 lacs) from District Cooperative Bank Ltd., Lakhimpur Kheri, is secured by pledge of stock of finished goods and also by second pari passu charge on immovable property, plant and equipment on and carries interest @ 10.05% p.a. The said charge is yet to be created.
- c) Cash Credit of Rs. 1,757.11 lacs (31 March 2016: Rs. 1,522.56 lacs) (01 April 2015: Rs. 1,572.43 lacs) from District Cooperative Bank Ltd., Barabanki, is secured by pledge of stock of finished goods and carries interest @ 11.25% p.a. The said charge is yet to be created.
- d) Cash Credit of Rs. 1,499.94 lacs (31 March 2016: Rs. 2,000 lacs) (01 April 2015: Nil) from District Cooperative Bank Ltd., Pilibhit, is secured by pledge of stock of finished goods and carries interest 11.20% p.a. The said charge is yet to be created.
- e) Cash Credit of Rs. 1,606.46 lacs (31 March 2016: Rs. 1,260.47 lacs) (01 April 2015: Nil) from District Cooperative Bank Ltd., Shahjahanpur, is secured by pledge of stock of finished goods and carries interest 11.25% p.a. The said charge is yet to be created.
- f) Cash Credit of Rs. 3,997.08 lacs (31 March 2016: Rs. 1,079 lacs) (01 April 2015: Rs. 2,000 lacs) from Ratnakar Bank Ltd. is secured by first pari-passu charge by way of hypothecation on entire current assets, excluding cogen project receivables, and second pari passu charge by way of equitable mortgage/hypothecation on all immovable and moveable fixed assets of the company, with other lenders of the Company. The loan carries interest @ 11.25% p.a.

2) Loans from body corporates

- a) Loan from Texmaco Infrastructure & Holdings Limited of Rs.1,300 lacs (31 March 2016: Rs.1,300 lacs) (01 April 2015: Rs.1,300 lacs) is repayable on demand and carries interest @ 16% p.a.
- b) Loan from Adventz Finance Private Limited (erstwhile Adventz Investments & Holdings Limited) of Rs.2,500 lacs (31 March 2016: Rs.2,500 lacs) (01 April 2015: Rs.2,500 lacs) is repayable on demand and carries interest @ 13.50% p.a.
- c) Loan of Nil (31 March 2016: Nil) (01 April 2015: Rs.64.36 lacs) from New Eros Tradecom Limited (NETL) carried interest @ 10.50%.



3) Loan from banks

a) Loan of Rs. Nil (31 March 2016: Rs. 4,983.07 lacs) (01 April 2015: Nil) from Federal Bank Limited is repayable in three equal instalments i.e. Rs. 1,666.67 lacs each to be repaid on 21st April, 2016, 21st July, 2016 and 21st October, 2016 and carries interest @ 12.00% p.a. Also, Zuari Global Limited has issued a corporate guarantee for the said loan.

b) Loan of Rs. Nil (31 March 2016: Nil) (01 April 2015: Rs.4,500 lacs) from HDFC Bank Limited is repayable in two instalments and carried interest @ 11.75% p.a. Also, Zuari Global Limited has issued a corporate guarantee for the said loan.

4) Other loans from financial institutions

Loan of Rs. 2,976.29 lacs (31 March 2016: Rs. 2,972.56 lacs) (01 April 2015: Nil) from Indian Renewable Energy Development Agency Limited is repayable on or before end of two years from the date of 1st disbursement or upon release of SDF Loan, whichever is earlier and carries interest @ 12.70% p.a. is secured by first equitable mortgage charge on all moveable and immoveable 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, and second pari-passu charge on Current Assets of the Company (excluding receivables from the power project on which IREDA and SBI will have exclusive first pari-passu charge), on pari passu basis with other lenders. Also, Zuari Global Ltd. has provided corporate guarantee for the said loan.

The loan was treated short term as the Company was expecting disbursement of loan of Sugar Development Fund shortly. Loan is expected to be disbursed shortly.

Note 23: Trade payables

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Trade payables (refer note 42 for details of dues to micro and small enterprises)	16,697.32	9,725.42	13,905.86
Total	16,697.32	9,725.42	13,905.86

Note 24: Other financial liabilities

	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Current maturity of long term borrowings	2,931.11	2,341.46	313.00
Interest accrued and due on borrowings and deposits	213.07	231.38	417.38
Employee related payables	279.34	275.39	146.93
Deposits received from Sugar agents and others	69.41	79.61	68.91
Payable towards purchase of capital goods	2,422.58	3,273.16	657.36
Other payables towards expenses	226.71	32.41	55.10
Total	6,142.21	6,233.41	1,658.68



Note 25: Other current liabilities	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Advance received from customers against sale of goods	157.92	100.76	51.93
Statutory dues	566.34	377.21	156.25
Excise duty on closing stock	793.96	810.25	611.17
Deferred gain on preference shares issued to entities other than equity shareholders	121.55	102.76	42.46
Benefits under scheme of Sugar Industry, Cogeneration and Distillery Promotion Policy 2013			
Deferred government grant 5% - Sugar expansion	21.05	-	-
Deferred government grant 5% - Power Cogeneration plant	21.58	21.58	-
Deferred government grant on loan from Sugar Development Fund	64.15	-	-
Total	1,746.56	1,412.57	861.81
Note 26: Short term provisions	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Employee Benefit obligations			
Gratuity payable [note (37)]	87.75	-	-
Leave obligations	13.80	8.39	49.82
Total	101.55	8.39	49.82



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Gobind Sugar Mills Limited

Summary of Significant accounting policies and other explanatory information for the year ended 31 March 2017

Note 27: Revenue from operations (gross)	Year ended 31 March 2017	Year ended 31 March 2016
Sale of products		
Finished products (including excise duty and cess)	34,204.79	28,717.46
Traded products	-	616.97
Power	3,952.33	1,890.50
By products (including excise duty and cess)	2,265.86	1,722.34
Other operating revenues		
Scrap Sales	15.01	380.92
Pressmud Sales	44.37	2.01
Power banked units	6.91	41.88
Total	40,489.27	33,372.08

Note 28: Other income	Year ended 31 March 2017	Year ended 31 March 2016
Interest income on		
Loans, deposits, advances etc.	1.52	13.79
Long-term investments	0.09	0.09
Refund from Income tax Department	0.75	-
Dividend on long term investments	0.04	10.32
Profit on sale of fixed assets	6.58	-
Insurance and other claims	-	6.46
Rent and hire charges	0.50	0.46
Unspent liabilities, provisions no longer required and unclaimed balances adjusted	49.93	399.47
Deferred gain on preference shares issued to entities other than equity shareholders	102.76	81.89
Government grants		
Interest reimbursement from U.P Government under Sugar Industry, Cogeneration and Distillery Promotion Policy 2013	581.23	114.83
Government grants on excise term loans and cane soft loan	308.70	366.99
Amotisations of :-		
Deferred government grant recognised on loan from Sugar development fund	15.22	-
Deferred government grant 5% - Sugar expansion	21.57	6.38
Deferred government grant 5% - Power Coogeneration plant	8.08	-
Export subsidy	181.50	65.10
Renewable energy certificates income	307.58	14.73
Miscellaneous Receipts	17.65	34.80
Total	1,603.72	1,115.31



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Note 29: Cost of materials consumed	Year ended 31 March 2017	Year ended 31 March 2016
Raw materials at the beginning of the year:-		
Sugar Cane	33.58	35.89
Bagassee	257.59	264.63
Rice husk	3.82	-
Add: Purchases and procurement expenses	30,355.89	19,015.34
Less: Internal generated bagasse transferred to pre-operative expense (allocated) under power and fuel	(99.90)	(359.57)
Raw materials at the end of the year		
Sugar Cane	-	(33.58)
Bagassee	(113.16)	(257.59)
Rice husk	(43.27)	(3.82)
Total	30,394.54	18,661.29
Note 30: Changes in inventories of finished goods, stock in trade and work in progress	Year ended 31 March 2017	Year ended 31 March 2016
Inventories at the end of the year		
Finished goods	16,560.13	11,716.12
Stock-in-trade		-
By Products	460.86	835.95
Work-in-progress	86.93	359.43
Scrap	189.71	40.00
	17,297.63	12,951.50
Inventories at the beginning of the year		
Finished goods	11,716.12	18,971.38
Stock-in-trade		-
By Products	835.95	990.09
Work-in-progress	359.43	330.77
Scrap	40.00	20.50
	12,951.50	20,312.74
Increase of excise duty and cess on inventories	77.92	96.05
Total	(4,268.21)	7,457.29



Note 31: Employee benefits expense	Year ended 31 March 2017	Year ended 31 March 2016
Salaries, wages and bonus etc.	1,821.99	1,226.50
Contribution to provident and other funds	137.44	97.12
Gratuity expense	39.82	22.20
Workmen compensation	-	-
Employees' welfare expenses	45.32	41.54
Less: amounts capitalised	(4.63)	
Total	2,039.93	1,387.36

Note 32: Finance costs	Year ended 31 March 2017	Year ended 31 March 2016
Interest cost of borrowings carried at amortised cost	5,831.59	5,421.86
Other borrowing costs	64.94	87.12
Less: amounts capitalised towards qualifying assets (refer below)	(1,137.21)	(2,089.40)
Total	4,759.32	3,419.57

Note: The capitalisation rate used to determine the amount of borrowings costs to be capitalised is weighted average interest rate applicable to the entity's general borrowings during the year, in this case 12.69% p.a. (13.00% p.a.).

Note 33: Depreciation and amortisation expenses	Year ended 31 March 2017	Year ended 31 March 2016
Depreciation on property, plant and equipment	1,145.53	397.37
Amortisation of intangible assets	1.07	-
Total	1,146.60	397.37

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Note 34 (a): Other expenses	Year ended 31 March 2017	Year ended 31 March 2016
Consumption of stores and spares	508.36	354.46
Packing materials	290.18	266.52
Power & fuel	122.82	128.89
Repairs to and maintenance of:		
Buildings	38.90	37.88
Machinery	397.39	504.61
Others	1.42	1.03
Rent	64.00	97.83
Rates & taxes	67.97	15.20
Insurance	86.96	53.71
Payment to auditors		
As auditors		
Audit fees	9.00	9.25
Limited review fees	5.25	4.00
In other capacity		
Tax audit fees	2.00	2.50
For certificates and other services	0.76	0.75
Reimbursement of expenses	3.38	2.87
Payment to cost auditors	0.35	0.65
Commission on sales	52.59	56.56
Freight & forwarding charges etc.	347.23	186.68
Charity and donations	0.82	1.22
Loss on disposal of property, plant and equipment	-	80.84
Bad Debts, irrecoverable claims and advances written off	68.70	0.45
Molasses storage & maintenance reserve	5.29	5.00
Director's sitting fees	6.51	6.21
Miscellaneous expenses	416.12	278.83
Less: amounts capitalised	(24.42)	-
Total	2,471.60	2,095.94

Note 34 (b): Exceptional item

The Government of Uttar Pradesh issued press release for grant of subsidy for Sugar industry for the crushing season 2015-2016 linked to average selling price of sugar and by-products during the period 1 October 2015 to 31 May 2016. During the current period, the Company recognized subsidy amounting to Rs. 64.74 lacs related to the crushing season 2015-2016 in initial days of April 2016 (total subsidy recognized for the said crushing season amounted to Rs. 1,500.38 lacs, based on estimated average selling prices of the period mentioned above).

Considering the substantial delay in receiving the same and changes in expectations of the Company regarding its realization, the Company decided to derecognize the whole amount of subsidy as an exceptional item.



Note 35: Income tax expense	Year ended 31 March 2017	Year ended 31 March 2016
Income tax expense in the statement of profit and loss comprise		
Current tax expense	-	-
Deferred tax expense	110.14	(2,495.70)
Income tax expense	110.14	(2,495.70)

A reconciliation of the income tax provision to the amount computed by applying the statutory income tax rate to the income before income taxes is summarized below

	Year ended 31 March 2017	Year ended 31 March 2016
Profit/(Loss) before tax	1,946.92	(1,002.96)
Enacted tax rates in India	34.61%	34.61%
Computed expected tax expense	673.79	(347.11)
Tax effect on expiry of bought forward losses	28.07	38.56
Tax effect on amounts which are not deductible /(taxable) in calculating taxable income		
Interest on financial liability - NCRPS	173.50	146.25
Amortised deferred gains on NCRPS	(43.03)	(28.34)
Additional deductions on investments (investment allowa	(722.00)	(665.67)
Tax effect on changes in tax rates	-	(148.49)
Tax effects of amounts which are not used in deferred tax calculation as they would be reversed in tax holiday periods	-	(1,499.82)
Other items	(0.20)	8.91
Income tax expense	110.14	(2,495.70)

Movement in deferred tax assets (net)	As at 31 March 2017	As at 31 March 2016
Deferred tax assets (net)		
Opening balance	7,823.89	5,317.51
Deferred tax expenses recognised in :-		
Profit and loss	(110.14)	2,495.70
Other comprehensive income	37.53	10.68
Closing balance	7,751.28	7,823.89

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Note 36: Earnings per share (EPS)

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

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

Particulars	As at 31 March 2017	As at 31 March 2016
Profit attributable to equity holders of the Company	1,766.07	1,472.45
Weighted average number of equity shares used as the denominator in calculating basic and diluted earnings per share	3,200,000	3,200,000
EPS (basic and diluted) (Rs.)	55.19	46.01
Face value per share (Rs.)	10.00	10.00

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Note 37: Defined Benefit plan (Gratuity Plan)

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn basic salary) for each completed year of service subject to completion of two years service.

Policy for recognising 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 recognised 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.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to Government Bonds Yield. If plan liability is funded and return on plan assets is below this rate, it will create a plan deficit.

Interest rate risk: A decrease in the bond interest rate (discount rate) will increase the plan liability

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.

The following tables set out the funded status of the gratuity plan and amounts recognised in the Company's financial statements as at 31 March 2017:

Particulars	Rs. in lacs		
	Gratuity (Funded)		
	31 March 2017	31 March 2016	01 April 2015
i. Net liability/(Surplus of gratuity fund) arising from defined benefit obligation	140.84	0.00	(47.01)

Particulars	Gratuity (Funded)		
	31 March 2017	31 March 2016	
	Rs in lacs	Rs in lacs	
ii. Change in benefit obligations:			
Present value of obligations as at 1 April	A	298.53	298.39
Current Service Cost	B	39.82	25.96
Interest Cost	C	23.88	23.87
Past Service Cost	D	-	-
Remeasurement (gains)/losses: Actuarial (gains) /losses arising from experience adjustments	E	84.97	28.13
Benefits Paid	F	28.40	77.82
Present value of obligation as at 31 March (A+B+C+D+E-F)		418.80	298.53
iii. Change in Plan Assets			
Fair Value of Plan Assets as at 1 April	A	298.53	345.40
Interest Income	B	23.89	27.63
Employer's Contribution	C	7.82	5.81
Remeasurement gains/(losses): Return on plan assets (excluding amounts included in net interest expense)	D	(23.88)	(2.49)
Benefits Paid	E	28.40	77.82
Fair value of plan asset as at 31 March (A+B+C+D-E)		277.97	298.53



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iv. Amount recognised in the statement of profit and loss (remeasurements)

Particulars		Gratuity (Funded)	
		31 March 2017	31 March 2016
		Rs in lacs	Rs in lacs
Current service cost	A	39.83	25.96
Net interest expense/(income)	B	-	(3.76)
Interest income	C		
Defined benefit cost recognized in the statement of profit and loss (A+B+C)		39.83	22.20

Remeasurements - other comprehensive income

v. Amount recognised in other comprehensive income (remeasurements)

Particulars		Gratuity (Funded)	
		31 March 2017	31 March 2016
		Rs in lacs	Rs in lacs
		Rs in lacs	Rs in lacs
Actuarial (gains)/losses arising from experience adjustments	A	84.97	28.13
Return on plan assets (excluding amounts included in net interest expense)	B	(23.88)	(2.49)
Components of defined benefit costs recognised in other comprehensive income (A-B)		108.85	30.63

vi. Principal actuarial assumptions:

Particulars	Refer Notes	As at	As at	As at
		31 March 2017	31 March 2016	01 April 2015
Discount Rate (p.a.)	1	7.50%	8%	8.00%
Expected future salary increase (p. a.)	2	9.00% for 2017-18 & 7.50% for 2018-19	9.00% for 2016-17, 2017-18 & 7.50% for 2018-19	8.35%
Expected return on plan assets		8.00%	8.00%	8.00%

Notes:

- 1 The rate used to discount post-employment benefit obligations is determined by reference to market yields at the balance sheet date on
2 The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

Demographic assumptions:

	As at	As at	As at
	31 March 2017	31 March 2016	01 April 2015
Retirement age	60 years	60 years	60 years
Mortality rate	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.	Published rates under Indian Assured Lives Mortality (2006-2008) ultimate table.

Withdrawal rate

Varying between Nil to 4.20% per annum depending upon the duration and age of the employees



vii. The major categories of plan assets as a percentage of total plan assets are as follows:

Particulars	As at	As at	As at
	31 March 2017	31 March 2016	01 April 2015
Investments with LIC	100.00%	100.00%	100.00%

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.

viii. Sensitivity Analysis

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and

Assumptions Sensitivity Level	Friday, March 31, 2017			
	Discount rate		Future salary increases	
	0.50% increase Rs. in lacs	0.50 % decrease Rs. in lacs	0.50% increase Rs. in lacs	0.50% decrease Rs. in lacs
Impact on defined benefit obligation	(11.73)	12.45	12.36	(11.76)

Assumptions Sensitivity Level	Thursday, March 31, 2016			
	Discount rate		Future salary increases	
	0.50% increase Rs. in lacs	0.50 % decrease Rs. in lacs	0.50% increase Rs. in lacs	0.50% decrease Rs. in lacs
Impact on defined benefit obligation	(9.95)	10.56	10.66	(10.14)

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

	Rs. in lacs	
	31 March 2017	31 March 2016
Within the next 12 months (next annual reporting period)	87.75	38.34
Between 2 and 5 years	42.98	106.77
Above 5 years	288.09	153.42
Total expected payments	418.83	298.53

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Note 38: Leases**Operating lease**

Certain office premises, godowns, cane purchasing centre etc. are held on operating lease. The lease term is ranging upto 3 years and are further renewable by mutual consent on mutually agreed terms. There is no escalation clause in the lease agreements. There are no restrictions imposed by lease agreements. There are no subleases. The leases are cancellable.

Particulars	Rs. in lacs	
	Year ended 31 March 2017	Year ended 31 March 2016
Lease payments made for the year	64.00	97.83

Note 39: Contingent Liabilities

	Rs. in lacs		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
a) Demands / Claims by various Government Authorities and others not acknowledged as debts and contested by the Company			
i) Excise duty and service tax	150.03	213.13	390.82
ii) Sales tax and entry tax	4.42	4.42	4.42
iii) Others	36.56	8.79	4.31
	<u>191.01</u>	<u>226.34</u>	<u>399.55</u>

Based on discussions with the solicitors/ favourable decisions in similar cases/ legal opinions taken by the Company, the management does not expect these claims to succeed and hence, no provision there against is considered necessary.

b) VAT/Sales Tax liability on sale of Molasses

The Company has sold molasses to certain parties without charging sales tax on the basis of stay order by Hon'ble Supreme Court. In case the order is decided against the parties by the Hon'ble SC, the Company would be liable to collect and pay VAT/Sales tax to the department along with interest and penalty. Amount involved is indeterminate.

Note 40: Capital and other commitments

a) Capital commitments contracted at the end of the reporting period but not recognised as liabilities is as follows:-

	Rs. in lacs		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Property, plant and equipment	500.61	5,424.70	8,783.83



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Note 41: Disclosure of specified bank notes

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 08 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	1,051,500	566,896	1,618,396
(+) Permitted receipts	-	2,035,883	2,035,883
(-) Permitted payments	-	(2,414,261)	(2,414,261)
(-) Amount deposited in banks	(1,051,500)	-	(1,051,500)
Closing cash in hand as on 30 December 2016	-	188,518	188,518

i) For this purpose the specified bank notes (SBN) shall be the notes specified in notification no S.O. 3407(E), dated 08 November 2016.

Specified Bank Notes (SBN) means Rs 500 and Rs 1000 notes which ceased to be legal tender post 08 November 2016 midnight as per notification no S.O. 3407(E), dated 08 November 2016.

ii) The Company does not maintain independent records of denomination of currency in its books of accounts. However, on 08 November 2016 when Rs. 500 and Rs. 1000 ceased to be legal tender, the Company management counted and prepared details of total cash, and deposited the entire SBNs with its bankers.

Note 42: Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

	As at 31 March 2017	As at 31 March 2016	Rs in lacs As at 01 April 2015
(i) Principal amount remaining unpaid to any supplier at the end of accounting period (including retention money against performance).	6.25	0.89	2.52
(ii) Interest due on above.	0.13	0.07	0.13
Total of (i) & (ii)	6.38	0.96	2.65
(iii) Amount of interest paid by the Group to the suppliers in terms of section 16 of the Act.	-	-	-
(iv) Amount paid to the suppliers beyond the respective due date.	119.24	7.20	6.92
(v) Amount of interest due and payable for the period of delay in payments (which have been paid but beyond the due date during the year) but without adding the interest specified under the Act.	0.92	0.54	0.27
(vi) Amount of interest accrued and remaining unpaid at the end of accounting period.	1.05	0.61	0.4
(vii) Amount of 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 this Act.	1.05	0.40	1.96



Note 43: Related party disclosures**List of related parties:-****Related parties where control exists**

Ultimate Holding Company	Zuari Global Limited
Holding Company	Zuari Investments Limited

Related parties with whom transactions have taken place

Fellow Subsidiaries	Indian Furniture Private Limited
	Zuari Management Services Limited
	Zuari Sugar & Power Limited (erstwhile Zuari Financial Services Limited)

Key management personnel	Soundara Raghavan Rangachari	- Managing Director
	Dharmendra Roy	- Chief Financial Officer
	Laxman Aggarwal	- Company Secretary

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. Issue of Preference Share Capital*Rs . in lacs*

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Holding Company				
Zuari Investments Limited	31 March 2017	-	-	-
	31 March 2016	50.00	-	-
Fellow Subsidiaries				
Zuari Sugar & Power Limited	31 March 2017	-	-	-
	31 March 2016	1,000.00	-	-

Refer note 19 for further details on difference between transaction value and outstanding value of NCRPS

c. Professional Services received*Rs . in lacs*

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Holding Company				
Zuari Investments Limited	31 March 2017	1.98	-	-
	31 March 2016	-	-	-
Ultimate Holding Company				
Zuari Global Ltd.	31 March 2017	138.00	-	76.00
	31 March 2016	-	-	-

d. Reimbursement of expenses made*Rs . in lacs*

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Ultimate Holding Company				
Zuari Global Ltd.	31 March 2017	-	-	-
	31 March 2016	0.12	-	-

- The Company has availed cash credit and term loans from banks, body corporate and financial institutions of Rs.40,053.14 lacs (Rs.28,332.14 lacs), which are further secured by letter of comfort/corporate guarantee provided by Zuari Global Limited.



e. Purchase of Fixed Assets*Rs. in lacs*

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Fellow Subsidiary				
Indian Furniture Products Limited	31 March 2017	169.71	12.41	-
	31 March 2016	0.10	-	-

f. Remuneration to key managerial personnel*Rs. in lacs*

	Year ended	Transaction during the year	Amount owed by related parties	Amount owed to related parties
Key management personnel				
Soundara Raghavan Rangachari (M.D.)*	31 March 2017	-	-	-
	31 March 2016	-	-	-
Dharmendra Roy (CFO)	31 March 2017	16.61	-	2.03
	31 March 2016	12.24	-	3.02
Laxman Aggarwal (CS)	31 March 2017	14.10	-	0.08
	31 March 2016	12.99	-	-

The remuneration to the key managerial personnel does not include the provision made for gratuity and leave benefits, as they are determined on an actuarial basis for the Company as a whole.

* The Company has paid managerial remuneration of Rs. 12 (Rs. 12: 31 March 2016) to Shri Soundara Raghavan Rangachari

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Note 44: Segment information

For operational management purposes, the Company is organised into business units based on its products and has two reportable segments:

- Sugar division which is involved in extraction of Sugar from Sugar Cane
- Power division which is involved in co-generation of Power using by product of Sugar division i.e. bagasse.

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		Eliminations		Total operations	
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016
Revenue from operations								
External customers	36,530.03	32,713.23	3,959.24	658.85	-	-	40,489.27	33,372.08
Inter segment transactions	3,293.10	2,288.24	2,471.40	1,538.75	(5,764.50)	(3,826.99)	-	-
Total revenue from segments	39,823.12	35,001.47	6,430.64	2,197.60	(5,764.50)	(3,826.99)	40,489.27	33,372.08
Revenue from operations as per statement of profit and loss							40,489.27	33,372.08

- Revenue from external customer for sugar segment comprises of selling sugar through various sugar selling agents and selling molasses.
- Revenue from external customer for power division comprises of selling energy generated through co-generation plant to Government of Uttar Pradesh

Segment results

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

	Sugar		Power		Total operations			
	31 March 2017	31 March 2016	31 March 2017	31 March 2016	31 March 2017	31 March 2016		
Segments profit/loss			6,265.20	481.02	3,105.25	2,251.07	9,370.46	2,732.09
Depreciation and amortisation			512.97	212.08	633.63	185.29	1,146.60	397.37
Exceptional items			1,500.38	-	-	-	1,500.38	-
Finance cost			1,768.50	1,675.47	-	-	1,768.50	1,675.47
Profit before tax from segments			2,483.36	(1,406.53)	2,471.62	2,065.78	4,954.98	659.25
Unallocable incomes and expenses								
Finance cost							(2,990.83)	(1,744.10)
Other expenses							(120.00)	-
Other incomes							102.77	81.89
Profit before tax as per statement of profit and loss							1,946.92	(1,002.96)

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			Total operations		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Total segment assets	43,192.61	36,170.18	41,746.55	20,409.84	19,922.66	11,780.86	63,602.45	56,092.84	53,527.41
Unallocated									
Deferred tax assets							7,751.28	7,823.89	-
Investments							14.82	14.20	-
Total assets as per the balance sheet							71,368.55	63,930.93	53,527.41

Segment liabilities

Segment liabilities are measured in the same way as in the financial statements. These liabilities are allocated based on the operations of the segments.

Borrowings to the extent directly related to a segment are considered as the segment liabilities

	Sugar			Power			Total operations		
	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015	31 March 2017	31 March 2016	01 April 2015
Total segment liabilities	32,170.54	21,669.25	23,478.56	-	-	-	32,170.54	21,669.25	23,478.56
Unallocated									
Non-current liabilities							21,903.23	22,094.89	19,877.22
Current borrowings							6,776.29	11,755.63	8,364.36
Other liabilities							7,990.32	7,654.37	2,570.31
Total liabilities as per the balance sheet							68,840.38	63,174.13	54,290.45



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Note 45: Financial instruments

Following table summarises carrying value of financial assets and liabilities by each category

	Carrying value		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Financial assets			
a. FVTOCI financial instruments:			
Quoted equity shares	13.82	13.20	13.54
b. Amortised Cost:			
i) Security deposits made	1.34	1.34	1.21
ii) Trade receivables	1,613.92	5.73	4.97
iii) Cash and cash equivalents	54.15	639.68	-
iv) Bank balances other than above	13.35	0.83	6.91
v) Loans	6.40	3,644.89	3,484.21
vi) Investments in unquoted-non trade investments	1.00	1.00	1.32
vii) Others	535.40	639.68	-
Total	2,239.38	4,946.34	3,512.16
Financial liabilities			
a. Amortised Cost:			
Long term borrowings	17,121.71	18,887.44	18,783.36
Borrowings	22,249.51	23,699.45	17,937.06
Trade payables	16,697.32	9,725.42	13,905.86
Other current financial liabilities	6,142.21	6,233.41	1,658.68
Total	62,210.75	58,545.72	52,284.96

The management assessed that carrying value of financial assets and financial liabilities, carried at amortised cost, are approximately equal to their fair values at respective balance sheet dates and do not significantly vary from the respective amounts in the balance sheets.

Investment carried at FVTOCI are valued using market quoted prices (Level 1 valuation)

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Note 46: Financial risk management objectives and policies

The Company is 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 risk, such as equity price risk and commodity risk.

The sensitivity analyses in the following sections relate to the position as at 31 March 2017 and 31 March 2016.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant at 31 March 2017.

The analyses 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. The analysis for the contingent consideration liability is provided in Note **.

The following assumptions have been made in calculating the sensitivity analyses:

- The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2017 and 31 March 2016.

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, 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. The Company has not taken any floating rate borrowing, hence the interest rate risk is considered to be minimal. The Company has used movement in bank rates by Reserve Bank of India for making a sensitivity analysis for interest rate risk.

	Increase/decrease in basis points	Effect on profit before tax (in lacs)
31-Mar-17		
Rupees	+50	224.29
Rupees	-50	(224.29)
31-Mar-16		
Rupees	+50	208.53
Rupees	-50	(208.53)

ii. Currency risk

The Company's transactions do not expose the Company to exchange rate fluctuations. The operations of the Company are INR based. INR is its functional currency.

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.



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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 trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Applicability

- Trade receivables and unbilled revenue
- Balances with Banks
- Others

Customer credit risk is managed through the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on the security held in his account. Outstanding customer receivables are regularly monitored. Also considering the nature of the business, the sugar division of the Company do not have any outstanding trade receivables.

Trade receivables and unbilled revenue of the Company represents receivables from Madhyanchal Vidyut Vitran Nigam Limited (an undertaking of Government of Uttar Pradesh) in respect of supply of power. Since it is receivable from a Government undertaking, the management doesn't consider the credit risk to be significant.

Summary	<i>Rs. in lacs</i>		
	As at 31 March 2017	As at 31 March 2016	As at 01 April 2015
Not due	1,267.93	1,052.64	-
Overdue (0-3 months)	878.96	1,557.88	19.40
Total	2,146.89	2,610.52	19.40

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made only with banks as fixed deposits.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 2017 and 31 March 2016 is the carrying amounts as summarised in Note 12 and 13. As a policy the Company only invest with Banks and Financial institutions of high credit worthiness and therefore, doesn't consider the credit risk in respect of these balance to be significant.

Other balances are not significant and hence, not analysed separately.

Liquidity risk

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

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

	On demand	Less than 3 months	3 to 12 months	> 1 year	Total
Year ended					
31 March 2017					
Borrowings	22,249.51	-	-	17,121.71	39,371.22
Trade payables	-	16,697.32	-	-	16,697.32
Other financial liabilities	-	3,943.87	2,198.33	-	6,142.21
Total	22,249.51	20,641.19	2,198.33	17,121.71	62,210.75
Year ended					
31 March 2016					
Borrowings	23,699.45	-	-	18,887.44	42,586.89
Trade payables	-	9,725.42	-	-	9,725.42
Other financial liabilities	-	4,477.32	1,756.10	-	6,233.41
Total	23,699.45	14,202.74	1,756.10	18,887.44	58,545.72
Year ended					
01 April 2015					
Borrowings	17,937.06	-	-	18,783.36	36,720.42
Trade payables	-	13,905.86	-	-	13,905.86
Other financial liabilities	-	1,423.93	234.75	-	1,658.68
Total	17,937.06	15,329.79	234.75	18,783.36	52,284.96



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Note 47: 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 and ensure access to external sources of financing, in part by maintaining an adequate rating. 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 Debt to Equity ratio is seen to be gradually improving.

The position on reporting date is summarized in the following table:

	As at 31 March 2017	As at 31 March 2016	<i>Rs. in lacs</i> As at 01 April 2015
Long term borrowings (including financial liability part of non cummulative redeemable preference shares)	17,121.71	18,887.44	18,783.36
Current maturities of long-term borrowings	2,931.11	2,341.46	313.00
Short-term borrowings	22,249.51	23,699.45	17,937.06
Total Debt (a)	42,302.33	44,928.35	37,033.42
Total Equity (b)	2,528.17	756.80	(763.04)
Debt to Equity ratio (a/b)	16.73	59.37	-

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Note 48: First time adoption of Ind AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind ASs. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind ASs applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind ASs. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

The company has applied Ind AS 101 in preparing these first financial statements. The effect of transition to Ind ASs on equity, total comprehensive income and reported cash flows are presented in this section and are further explained in the notes that accompany the tables.

Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Ind AS exemptions availed

a) Deemed cost for property, plant and equipment

On the date of transition to Ind AS, the Company has considered fair value of its Property, plant and equipments as its deemed cost. Refer below for details.

Particulars	Carrying amounts under previous GAAP	Fair values as on 01 April 2015	(Gains)/losses transfer to retained earnings
Freehold Land	377.86	1,804.46	(1,426.60)
Buildings	646.69	652.34	(5.65)
Plant and Equipments	2,638.92	2,642.63	(3.71)
Furniture and Fixtures*	51.00	51.00	-
Vehicles*	42.56	42.56	-
Office Equipments*	24.25	24.25	-
Total	3,781.28	5,217.24	(1,435.96)

* Carrying values of the items have been considered as fair values considering the nature of the items and amounts involved.

b) Designation of previously recognised financial instruments

Ind AS allows an entity to designate investments in equity investments at FVTOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investments in equity investments.

Ind AS exceptions availed

a) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on the facts and circumstances existing at the date of transition, if retrospective application is impracticable. Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that existed on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

b) Estimates

The estimates at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from the following items where application of Indian GAAP did not require estimation:
 FVTOCI – unquoted equity shares

The estimates used by the Company to present these amounts in accordance with Ind AS reflect conditions at 1 April 2015, the date of transition to Ind AS and as of 31 March 2016.



Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represents the reconciliations from previous GAAP and Ind AS.

(The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of below mentioned notes related to reconciliations)

Reconciliation of equity as at date of transition (01 April 2015)

Rs. in lacs

	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	vii	3,781.29	1,435.96	5,217.25
(b) Capital work-in-progress		16,764.00	-	16,764.00
(c) Financial Assets				
(i) Investments	i	14.54	0.31	14.85
(ii) Others		1.21	-	1.21
(i) Deferred tax assets (net)	ii	5,655.53	(338.02)	5,317.50
(j) Other non-current assets		1,099.98	-	1,099.98
(2) Current assets				
(a) Inventories		20,956.50	-	20,956.50
(b) Financial Assets				
(i) Trade receivables		19.40	-	19.40
(ii) Cash and cash equivalents		72.36	-	72.36
(iii) Bank balances other than (iii) above		568.27	-	568.27
(iv) Loans		4.97	-	4.97
(v) Others		-	-	-
(c) Current Tax Assets (Net)		6.91	-	6.91
(d) Other current assets		3,484.21	-	3,484.21
TOTAL		52,429.16	1,098.24	53,527.40
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		320.00	-	320.00
(b) Other Equity				
(i) Deemed equity	vi	10,525.00	(2,746.39)	7,778.61
(ii) Reserves and surplus		(9,506.60)	644.71	(8,861.89)
(iii) Other reserves	i	-	0.24	0.24
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii,vi	16,720.00	2,063.36	18,783.36
(ii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions		-	-	-
(c) Other non-current liabilities	vi	-	1,093.86	1,093.86
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings		17,937.06	-	17,937.06
(ii) Trade payables		13,905.86	-	13,905.86
(iii) Other financial liabilities (other than those specified in item (c))		1,658.68	-	1,658.68
(b) Other current liabilities	vi	819.35	42.46	861.81
(c) Provisions		49.82	-	49.82
TOTAL		52,429.17	1,098.24	53,527.41



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Reconciliation of equity as at date of transition (31 March 2016) Rs. in lacs

	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	vii	20,219.27	1,435.96	21,655.23
(b) Capital work-in-progress		14,213.29	-	14,213.29
(c) Financial Assets				
(i) Investments	i	14.23	(0.03)	14.20
(ii) Others		1.34	-	1.34
(d) Deferred tax assets(net)	ii,x	5,867.85	1,956.04	7,823.89
(e) Other non-current assets		171.16	-	171.16
(2) Current assets				
(a) Inventories	ix	13,702.35	(41.88)	13,660.47
(b) Financial Assets				
(i) Trade receivables		1,973.11	-	1,973.11
(ii) Cash and cash equivalents		117.09	-	117.09
(iii) Bank balances other than (iii) above		10.02	-	10.02
(iv) Loans		5.73	-	5.73
(v) Others		639.68	-	639.68
(c) Current Tax Assets (Net)		0.83	-	0.83
(d) Other current assets	ix	3,603.01	41.88	3,644.89
TOTAL		60,538.97	3,391.96	63,930.93
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital		320.00	-	320.00
(b) Other Equity				
(i) Deemed equity	vi	12,560.00	(4,739.00)	7,821.00
(ii) Reserves and surplus	vi,x	(9,449.64)	2,065.46	(7,384.18)
(iii) Other reserves	i	-	(0.02)	(0.02)
Liabilities				
(1) Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii,vi	16,047.86	2,839.58	18,887.44
(ii) Other financial liabilities (other than those specified in item (b), to be specified)		-	-	-
(b) Provisions		61.48	-	61.48
(c) Other non-current liabilities	vii,x	-	3,145.97	3,145.97
(2) Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	iii	23,743.83	(44.38)	23,699.45
(ii) Trade payables		9,725.42	-	9,725.42
(iii) Other financial liabilities (other than those specified in item (c))		6,233.41	-	6,233.41
(b) Other current liabilities	vii,x	1,288.22	124.35	1,412.57
(c) Provisions		8.39	-	8.39
TOTAL		60,538.97	3,391.96	63,930.93

Reconciliation of total comprehensive income for the year ended 31 March 2016 Rs. in lacs

	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Revenue from operations (gross)	iv	31,869.56	1502.52	33,372.08
Other Income	vi,viii,ix	1,199.42	(84.11)	1,115.31
Total Revenue		33,068.98	1,418.41	34,487.39
Expenses				
Cost of materials consumed		18,661.29	-	18,661.29
Purchases of Stock-in-Trade		610.89	-	610.89
Changes in inventories of finished goods, stock in trade and work in progress		7415.41	41.88	7,457.29
Excise duty and cess on sale of goods	iv	-	1460.64	1,460.64
Employee benefits expense	v	1417.99	(30.63)	1,387.36
Finance costs	iii,vi,viii	2630.46	789.11	3,419.57
Depreciation and amortisation expenses		397.37	-	397.37
Other expenses		2095.94	-	2,095.94
Total expenses		33,229.35	2,261.00	35,490.35
Profit/(Loss) before exceptional item and tax		(160.37)	(842.59)	(1,002.97)
Exceptional items		-	-	-
Profit/(Loss) before tax		(160.37)	(842.59)	(1,002.97)
Income tax expense				
- Current tax		-	-	-
- Deferred tax	ii,x	(212.33)	(2,283.37)	(2,495.70)
Profit for the year		51.96	1,440.78	1,492.74
Other comprehensive income	i,v	-	(20.29)	(20.29)
Total comprehensive income		51.96	1,420.49	1,472.45



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Reconciliation of total equity as at 31 March 2016 and 01 April 2015

Rs. in lacs

	Notes to first time adoption	31 March 2016	01 April 2015
Total equity (shareholder's funds) as per previous GAAP		3,430.36	1,338.40
Ind AS adjustments			
Non convertible redeemable preference shares (NCRPS) derecognised for initial measurement under Ind AS 109 "Financial Instruments"	vi	(12,560.00)	(10,525.00)
Deemed equity (recognised on difference between transaction price and fair value of NCRPS)	vi	7,821.00	7,778.61
Interest on financial liability part of NCRPS	vi	(942.53)	(601.82)
Impact of application of effective interest rate method for borrowings	iii	149.00	148.53
Effect of considering fair valuation of property, plant and equipment at deemed cost on the date of transition to Ind AS	vii	1,435.96	1,435.96
Fair valuation of equity investment through other comprehensive income	i	(0.03)	0.31
Tax impacts on above	ii	(351.46)	(338.02)
For capital grants recognised as revenue grants (net impact)	x	(532.99)	-
Deferred tax adjustments	x	2,307.47	-
Total equity as per Ind AS		756.80	(763.04)

Reconciliation of total comprehensive income for the year ended 31 March 2016

Rs. in lacs

	Notes to first time adoption	31 March 2016
Profit after tax after previous GAAP		51.96
Ind AS adjustments		
Interest on financial liability part of NCRPS	vi	(340.71)
Impact of application of effective interest rate method for borrowings	iii	0.47
Actuarial losses on employee benefit obligations reclassified to other comprehensive income	v	30.63
Tax impact on the above adjustments	ii	(24.11)
For capital grants recognised as revenue grants (net impact)	x	(532.99)
Adjustment to deferred tax assets	x	2,307.49
Profit after tax as per Ind AS		1,492.74
Other comprehensive income	iv	(20.29)
Total comprehensive income		1,472.45

Impact of Ind AS adoption on the statements of cash flows for the year ended 31 March 2016

Rs. in lacs

Particulars	Notes to first time adoption	Previous GAAP	Effect of transition to Ind AS	As per Ind AS
Net cash flow from operating activities	vi,iii,ix	3,718.62	610.00	4,328.62
Net cash flow from investing activities		(9,182.70)	(1,055.72)	(10,238.43)
Net cash flow from financial activities	vi,iii,ix	5,508.81	445.73	5,954.54
Net increase/(decrease) in cash and cash equivalents		44.73	-	44.73
Cash and cash equivalents as at 1 April 2015		72.36	-	72.36
Cash and cash equivalents as at 31 March 2016		117.09	-	117.09



i. Financial assets

Financial assets such as loans made to employees of the Company were being carried over at nominal cost under IGAAP. On application of Ind AS 109, all such financial assets are now being measured at amortised cost using effective rate of interest. At the date of transition to Ind AS, there has been no impact since the company has availed Ind AS 101 exemption with respect to measurement of financial instruments. The amounts relating to the same were not material. Therefore nominal costs of the financial assets have been considered as the amortised costs.

The Company has investments in quoted equity shares. In line with the requirements of Ind AS 109, the Company has decided to value all such investments at its fair value. On doing so, the company has elected to remeasure the investments held under equity shares via Other Comprehensive Income at the date of transition and accordingly the Company has credited FVTOCI reserve (net of tax impacts) and debited investments as on transition date. Similarly during the year ended 31 March 2016, the company has recognised a loss owing to decline in value of equity investments through FVTOCI Reserve. For quoted investments, the Company has considered market value of the such investments. For unquoted investments, the Company has considered cost of acquisition to be an appropriate estimate of their fair value.

ii. Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity as on 01 April 2015. Further, as on 31 March 2016, impacts of deferred tax due to Ind AS adjustments were adjusted in tax expense or other relevant heads of the Statement of profit and loss account.

iii. Borrowings

Ind AS 109 requires transition costs incurred towards borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the statement of profit and loss over the tenure of the borrowings as part of the interest expense by applying effective interest rate method.

Under previous GAAP, they were charged directly to the statement of profit and loss account when incurred.

iv. Excise duty

Under the previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty is presented on the face of the statement of profit and loss as part of expenses. However, the same does not have any impact on the total equity and profits.

v. Remeasurement of post employment benefit obligations

Under Indian GAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on actuarial basis. Under Indian GAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, remeasurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised in OCI. Due to this, for the year ended 31 March 2016, the employee benefit cost is reduced and remeasurement gains/losses on defined benefit plans has been recognized in the OCI .

vi. Non convertible redeemable preference shares (NCRPS)

The Company has issued non convertible redeemable preference shares which carry dividend @ 7.00% p.a. 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. Dividend shall accrue annually to the holders of the NCRPS and shall accordingly be paid on each anniversary of allotment of NCRPS or on premature redemption of NCRPS as aforesaid. However, 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 in any particular financial year(s), the right of holders of NCRPS to receive the dividend for such year(s) shall expire.

Under Indian GAAP, the preference shares were classified as equity and dividend payable thereon was treated as distribution of profit as and when distributed or to be distributed.

Under Ind AS, NCRPS (being a financial instrument) are separated into liability and equity components based on the terms of the contract. Interest on liability component is recognised using the effective interest method. Difference between fair values (financial liability part) and transaction prices of the instruments is recognised as deemed equity (if the financial instruments are issued to equity shareholders) or deferred gain (if the financial instruments are issued to other group companies). Deferred gain recognised on financial instruments issued to other group companies is amortised on the basis of finance cost recognised on the corresponding financial liability part on initial split of financial instruments.

vii. Property, plant and equipment

Under Ind AS, the Company has considered fair values as on 01 April 2015 of property, plant and equipment as deemed costs in accordance with Ind AS 101. Depreciation, on the basis of revised values is calculated considering the useful life of the property, plant and equipment. Gains arising on adoption of fair values of property, plant and equipment have been credited (net of tax impacts) to retained earnings as on the transition date.



A handwritten signature in black ink, appearing to be a stylized name.

viii. Government grants

The Company has availed loans under the various schemes of the government at concessional rates for which interests paid were reimbursed to the Company upto an extent. Under previous GAAP, the interest cost reimbursed to the Company by the government was set off by the Company against the finance costs charged. However, under Ind AS, the Company has revised the same in accordance with Ind AS 20 "Accounting for Government Grant and Disclosure of Government Assistance" to present such reimbursed interest cost as "other income".

ix. Power banked units

Under previous GAAP, Power banked units were treated as inventory - finished product and presented in statement of profit and loss account through changes in inventories. However, on transition to Ind AS, such units are treated as part of "other current assets" and corresponding effect is taken to the "other operating income". The effect of the same has been considered restated financials as on 31 March 2016. On transition date, there were no banked units in stock as power cogeneration business did not commence.

x. Correction of errors discovered while transition to Ind AS

The Company became eligible for interest reimbursement under the Scheme of Sugar Industry, Co-generation and Distillery Promotion Policy 2013 (scheme) which entitles Company to receive reimbursement of 5% on the interest payable on the loans obtained from banks / financial institutions / sugar development fund (SDF) on account of plant and machinery purchased for power co-generation plant. The Company started recognizing interest reimbursement in respect of Cogeneration plant with effect from year ended 31 March 2016 based upon achievement of criteria prescribed for the grant in the scheme. The Company recognised the above subsidy as revenue grant which also includes subsidy with respect to interest during the construction period of the co-generation plant and capacity expansion of existing sugar mill amounting to Rs. 539.37 lacs respectively. Auditors had qualified their audit report for the year ended 31 March 2016.

The Company revisited the presentation of the subsidies while transitioning from previous GAAP. The amount of Rs. 532.99 lacs (net of amortized amounts) have been transferred to the "deferred income" as mandated by Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance" and presented under relevant heads of other current and non current liabilities. The impact of the last year's errors discovered during transition have been taken to the respective period's financials and shown as a reconciling item in accordance with requirements of Ind AS 101 "First-time Adoption of Indian Accounting The Company discovered certain deferred tax adjustments for deferred tax liability reversal on Power plant during tax holiday period and on additional benefits available to the Company under Income-tax Act 1961 as investment allowance.

Note 49: Approval of financial statements for issue

The financial statements were approved for external issue by the board of directors on 12 May 2017.

Walker Chandio & Co LLP
As per our report of even date
For **Walker Chandio & Co LLP**
Chartered Accountants

Neeraj Goel

Neeraj Goel
Partner
Membership no: 099514



Place: Gurgaon
Date: 12 May 2017

For and on behalf of the board of directors

N. Suresh Krishnan

N. Suresh Krishnan
(Chairman)
DIN: 00021965

Dharmendra Roy
Dharmendra Roy
(Chief Financial Officer)
PAN: ADCPR3374B

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

Laxman Aggarwal
Laxman Aggarwal
(Company Secretary)
Membership No. A19861

R.N. Ratnam

R N Ratnam
(Director)
DIN: 06422037