Notes forming part of the Standalone Financial Statements

Note No. : 1 Corporate information

Balrampur Chini Mills Limited ("BCML" or "Company") having Corporate Identity Number ("CIN") L15421WB1975PLC030118 is a public limited company incorporated and domiciled in India and has its registered office situated at FMC Fortuna, 2nd Floor, 234/3A, AJC Bose Road, Kolkata – 700020, West Bengal, India.

Company's shares are listed on the BSE Ltd. and National Stock Exchange of India Ltd.

The Company is one of the major integrated sugar manufacturing companies in India. The principal activity of the Company is manufacturing and sale of sugar. Besides this the allied business activities of the Company primarily consists of manufacturing and sale of Ethanol, Ethyl Alcohol, generation and sale of Power and manufacturing and sale of agricultural fertilizers.

The financial statements for the year ended 31st March, 2020 were approved for issue by the Board of Directors of Company on 23rd June, 2020 and are subject to adoption by the shareholders in the ensuing Annual General Meeting.

Note No. : 2 Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared under Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 ("Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) under historical cost convention on an accrual basis, except certain financial instruments and biological assets which are measured in terms of relevant Ind AS at fair value/cost, other relevant provisions of the Act (to the extent notified).

All Ind AS issued and notified till the financial statements are approved for issue by the Board of Directors have been considered in preparing these financial statements.

Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in the accounting policy hitherto in use.

All the assets and liabilities (other than deferred tax assets/liabilities) have been classified as current or non-current as per Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013. The operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents. Company has ascertained its operating cycle as 12 months for current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are considered as non-current.

The items included in the financial statements (including notes thereon) are measured using the currency of the primary economic environment in which Company operates ("the functional currency") and are, therefore, presented in Indian Rupees ("INR" or "Rupees" or "Rs." or "₹"). All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest Lacs.

2.2 Recent pronouncements

New and revised standards adopted by the Company

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified "Ind AS" - 116 - Leases which replaces the existing lease standard, "Ind AS" - 17 Leases and other interpretations and added Appendix C, Uncertainty over Income Tax Treatments to Ind AS 12 – Income taxes.

(a) Ind AS 116 – Leases

The Company has applied "Ind AS" – 116 - Leases, with effect from 1st April 2019 under modified retrospective approach with cumulative effect of adoption being given effect to on the date of application. Impact in this respect has been given in Note No. 36(13).

(b) Appendix C, Uncertainty over Income Tax treatments to Ind AS 12 – Income taxes have also been revised with effect from the said date. Revision in the standard did not have any material impact on the financial statements.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

2.3 Revenue recognition

Contract with a customer is accounted for only when it has commercial substance and all of the following criteria are met:

(i) Parties to the contract have approved the contract and are committed to performing their respective obligations;

(ii) Each party's rights regarding the goods or services to be transferred and payment terms there against can be identified;

(iii) Consideration in exchange for the goods or service to be transferred is collectible and determinable.

(a) Revenue from operations

Revenue is measured based on the consideration specified in the contract with the customers and excludes amounts collected on behalf of third parties. The revenue from sales is recognized when control over the goods or services have been transferred and/or goods/services are delivered/provided to the customers. Delivery occurs when the goods have been shipped or delivered to the specific location as the case may be and the customer has either accepted the goods under the contract or Company has sufficient evidence that all the criteria for acceptance have been satisfied. For further information, Refer to Note No. 36(11).

Returns, discounts and rebates as determined are deducted from sales.

(b) Other Income

(i) Interest income

For all debt instruments measured at amortized cost, interest income is recognized using the Effective Interest Rate ("EIR"). Interest income is included in "Other Income" in the statement of profit and loss.

(ii) Dividend Income

Dividend income is recognized when Company's right to receive the dividend is established, i.e. in case of interim dividend, on the date of declaration by the Board of Directors; whereas in case of final dividend, on the date of approval by the shareholders.

(iii) Insurance claims

Insurance claims are accounted for based on claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

2.4 Property, plant and equipment ("PPE") and Capital work-in-progress ("CWIP")

(a) Property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses if any.

For this purpose, cost includes deemed cost on the date of transition and the purchase cost of assets, including non-recoverable duties and taxes, and any directly attributable costs of bringing an asset to the location and condition of its intended use. Interest on borrowings used to finance the construction of qualifying assets is capitalized as part of the cost of the asset until such time that the asset is ready for its intended use.

(b) Costs incurred subsequent to initial capitalization are included in the asset's carrying amount only when it is probable that future economic benefits associated therewith will flow to the Company and it can be measured reliably.

The carrying amount of the replaced part is derecognized. The costs of regular servicing of property, plant and equipment are recognized in the statement of profit and loss as and when incurred.

The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for provisions are met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components; otherwise, these are added to and depreciated over the useful life of the main asset.

The cost and related accumulated depreciation are eliminated from the financial statements upon sale or when no future economic benefits are expected to arise from the use of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

(c) Property, plant and equipment includes leasehold land classified as Right of use assets.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

(d) Depreciation methods, estimated useful lives and residual value

Depreciation on items of property, plant and equipment commences when the assets are available for their intended use. It is provided on a straight-line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset specified under Schedule II to the Companies Act, 2013 except in respect of items of "Plant and Equipment" and "Vehicles" whose estimated useful lives are determined based on technical evaluation to reflect the actual usage of the assets. The management believes that these estimated useful lives are realistic and reflect a fair approximation of the period over which the assets are likely to be used.

The estimated useful lives considered are as follows:

Category	31st March 2020
Buildings	03 - 60 years
Roads	03 - 10 years
Plant and equipment	05 - 25 years
Furniture and fixtures	10 years
Vehicles	05- 10 years
Office equipments	03 - 05 years
Computers	03 - 06 years
Electrical installation and equipment	05 - 10 years
Pipelines	15 years

Each item of property, plant and equipment individually costing ₹ 5,000/- or less are depreciated over a period of one year from the date the said asset is available for use.

Leasehold land classified as Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The residual values of assets (individually costing more than ₹ 5,000/-) is not more than 5% of the original cost of the asset.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(e) Expenditure during the construction period

Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of property, plant and equipment) incurred on projects under implementation are treated as Pre-operative expenses pending allocation to the assets and are shown under Capital work-in-progress. Capital work-in-progress is stated at the amount incurred up to the balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

2.5 Intangible assets (Computer Software)

(a) Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset.

Intangible assets purchased are measured at cost as at the date of acquisition, less accumulated amortization and impairment losses if any.

For this purpose, cost includes deemed cost on the date of transition and acquisition price, license fees, non-refundable taxes and costs of implementation/system integration services and any directly attributable expenses, wherever applicable for bringing the asset to its working condition for the intended use.

(b) Amortization methods, estimated useful lives and residual value

Computer software is amortized on a straight-line basis (without keeping any residual value) over its estimated useful lives of five years from the date they are available for use.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

The estimated useful lives, residual values and amortization method are reviewed at the end of each financial year and are given effect to, wherever appropriate.

(c) The cost and related accumulated amortization are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the statement of profit and loss.

2.6 Inventories

(a) Inventories (other than By-products and Scraps) are valued at lower of cost and net realizable value after providing for obsolescence if any.

Cost of inventory comprises of the purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories. The cost of inventories is computed on a weighted average basis.

Net Realizable Value (NRV) 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.

(b) By-products and Scraps are valued at net realizable value.

2.7 Biological assets

Biological assets comprise Standing crops (crops under development) of sugarcane.

The biological process starts with the preparation of land for planting seedlings and ends with the harvesting of crops. When harvested, the cane is transferred to inventory at fair value less costs to sell or at cost whichever is applicable.

For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost i.e. the total expenses incurred on such plantation up to the balance sheet date.

2.8 Government grants

Government grants are recognized when there is reasonable assurance that the grant would be received and the Company would comply with all the conditions attached to them.

Government grants related to property, plant and equipment, including non-monetary grants, are presented in the balance sheet by deducting the grant in arriving at the carrying amount of the asset.

Government grants of revenue in nature are recognized on a systematic basis in the statement of profit and loss over the period necessary to match them with the related costs and are adjusted with the related expenditure. If not related to a specific expenditure, it is considered as income and included under "Other Operating Revenue" or "Other Income".

The benefit of a government loan at a below-market rate of interest or loan with interest subvention is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.9 Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of such asset till such time that is required to complete and prepare the asset to get ready for its intended use. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs also include exchange differences to the extent regarded as an adjustment to the borrowing costs.

All other borrowing costs are charged to the statement of profit and loss in the period in which they are incurred.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

2.10 Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's lease asset class primarily consist of leases for land. At the inception of the contract, Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) Company has substantially all of the economic benefits from the use of the asset through the period of the lease and (iii) Company has the right to direct the use of the asset.

At the date of commencement of the lease, Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low-value leases. For these short-term or low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date of the lease plus any initial direct cost less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

2.11 Provisions, contingent liabilities and contingent assets

(a) A provision is recognized if, as a result of a past event, Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are not recognized for future operating losses.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation as at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset. The expense relating to the provision is presented in the statement of profit and loss, net of any reimbursement.

(b) Contingent Liabilities are disclosed in respect of possible obligations that arise from past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of Company or where any present obligation cannot be measured in terms of future outflow of resources or where a reliable estimate of the obligation cannot be made.

(c) A contingent asset is not recognized in the financial statements, however, it is disclosed, where an inflow of economic benefits is probable.

(d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.12 Dividend payable

The final dividend on equity shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors. A corresponding amount is recognized directly in Equity.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

2.13 Foreign currency transactions and translations

Transactions in foreign currencies are initially recorded at the exchange rate prevailing on the date the transaction first qualifies for recognition.

Monetary assets and liabilities related to foreign currency transactions remaining outstanding on the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Any income or expense arising on account of foreign exchange difference, either on settlement or on translation, is recognized in the statement of profit and loss.

Non-monetary items which are carried at historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction.

2.14 Employee benefits

(a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits, are recognized as an expense at the undiscounted amount in the statement of profit and loss in the year in which the related service is rendered.

(b) Defined contribution plans

The Company pays provident and other fund contributions to publicly administered fund as per related Government regulations.

The Company has no further obligation, other than the contributions payable to the respective funds. The Company recognizes contribution payable to such funds as an expense when an employee renders the related service.

(c) Defined benefit plans

The Company operates a defined benefit gratuity plan, which requires contributions to be made to "The Balrampur Sugar Company Limited Employees Gratuity Fund" ("the Trust"). Trustees administer contributions made to the Trust and contributions are invested through insurance companies.

The liability or asset recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated by external actuaries using the projected unit credit method.

Re-measurements, comprising of actuarial gains and losses, any change in the effect of the asset ceiling and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), are recognized immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income ("OCI") in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

(d) Compensated absences

The employees of the Company are entitled to compensated absences which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absences is determined by actuarial valuation using the projected unit credit method for the unused entitlement that has accumulated as at the balance sheet date.

The benefits are discounted using the market yields as at the end of the balance sheet date that has terms approximating to the terms of the related obligation. Re-measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

2.15 Financial instruments

Financial assets and financial liabilities are recognized in the balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial assets and financial liabilities at initial recognition based on its nature and characteristics.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

Financial assets

(a) Initial recognition and measurement

The financial assets include equity and debt securities, trade and other receivables, loans and advances, cash and bank balances and derivative financial instruments.

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed for such measurement:

(i) Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date.

(ii) Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

(iii) Level 3: Unobservable inputs for the asset or liability.

(b) Subsequent measurement

For the purpose of subsequent measurement, financial assets are classified in the following categories:

(i) At amortized cost,

(ii) At fair value through other comprehensive income (FVTOCI), and

(iii) At fair value through profit or loss (FVTPL).

Financial assets at amortized cost

A 'financial asset' is measured at the amortized cost if both the following conditions are met:

(i) The asset is held within a business model whose objective is to hold the asset for collecting contractual cash flows, and

(ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Amortized cost is determined using the Effective Interest Rate ("EIR") method. Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held both for collection of contractual cash flows and for selling the financial assets and contractual terms of the financial assets give rise to cash flows representing solely payments of principal and interest.

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

Financial assets that are not classified in any of the categories above are fair value through profit or loss.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

Equity investments

Equity investments in the scope of Ind AS - 109 are measured at fair value except for investment in associates which are carried at cost.

The Company makes an election to present changes in fair value either through OCI or through profit or loss on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If Company decides to classify an equity instrument at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in OCI. Profit or loss arising on sale thereof is also taken to OCI and the amount accumulated in this respect is transferred within the Equity.

(c) De-recognition

Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset.

Financial liabilities

(a) Initial recognition and measurement

The financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, derivative financial instruments, etc.

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

(b) Subsequent measurement

For subsequent measurement, financial liabilities are classified into two categories:

(i) Financial liabilities at amortized cost, and

(ii) Derivative instruments at fair value through profit or loss (FVTPL).

Financial liabilities at amortized cost

After initial recognition, financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process.

Discount or premium on acquisition and fees or costs forms an integral part of the EIR.

(c) De-recognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

Derivative financial instruments

Initial recognition and subsequent measurement

A derivative financial instrument, such as foreign exchange forward contracts are used to hedge foreign currency risks. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value.

Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

Offsetting of financial instruments

Financial assets and financial liabilities including derivative instruments are offset and the net amount is reported in the balance sheet if there is currently an enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

Equity share capital

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of new equity shares are recognized as a deduction from equity, net of any tax effects.

2.16 Impairment of Assets

(a) Non-financial assets

An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

To assess impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

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.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed so that the asset is recognized at its recoverable amount but not exceeding the value which would have been reported in this respect if the impairment loss had not been recognized.

(b) Financial assets

The Company recognizes loss allowances using the Expected Credit Loss ("ECL") model for financial assets measured at amortized cost and fair value through other comprehensive income.

The Company recognizes lifetime expected credit losses for trade receivables.

Loss allowance equal to the lifetime expected credit losses, are recognized if the credit risk of the financial asset has significantly increased since initial recognition.

2.17 Taxes

Income tax expense comprises current tax and deferred tax and is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in Equity or other comprehensive income (OCI).

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities using the tax rates and tax laws that are enacted or substantively enacted by the balance sheet date and applicable for the period.

Current tax items in correlation to the underlying transaction relating to OCI and Equity are recognized in OCI and Equity respectively.

Management periodically evaluates positions taken in the tax returns to situations in which applicable tax regulations are subject to interpretation and full provisions are made where appropriate based on the amount expected to be paid to the tax authorities.

Notes forming part of the Standalone Financial Statements

Note No. : 2 Significant accounting policies *(contd.)*

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

(b) Deferred income tax

Deferred income tax assets and liabilities are recognized for the deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in financial statements.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that the same will be reversed or sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

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

2.18 Earnings per Share

(a) Basic earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares outstanding during the year.

(b) Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined at the end of each period presented.

The number of equity shares and potential dilutive Equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected before the approval of the financial statements by the Board of Directors.

2.19 Segment reporting

Operating segments are identified and reported taking into account the different risk and return, organizational structure and internal reporting system.

2.20 Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts, and short term highly liquid investments with an original maturity of three months or less and which carry an insignificant risk of changes in value.

2.21 Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit/loss before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing flows. The cash flows from operating, investing and financing activities of the Company are segregated.

Notes forming part of the Standalone Financial Statements

Note No. : 3 Use of critical estimates, judgments and assumptions

The preparation of the financial statements in conformity with the measurement principle under Ind AS requires the management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of revenue, expenses, assets and liabilities including the accompanying disclosures and the disclosure of contingent assets and liabilities.

The estimates, judgments and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods affected.

The application of accounting policies that require critical judgments and accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed herein below.

(i) Estimated useful life of property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and expected residual value at the end of its life. The useful lives and residual value of the asset are determined by the management when the asset is acquired and reviewed periodically including at each financial year end. The lives are based on technical evaluation, technological obsolesces and historical experience with similar assets as well as anticipation of future events, which may impact their lives. This re-assessment may result in a change in depreciation and amortization expense in future periods.

(ii) Current taxes and deferred taxes

Significant judgment is required in the determination of the taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes and option to be exercised for application of reduced rates of taxation on possible cessation of tax deduction and exhaustion of MAT credit entitlement in future years based on estimates of future taxable profits.

Deferred tax assets are recognized for unused losses (carry forward of prior years' losses) and unused tax credit to the extent that taxable profit would probably be available against which the losses could be utilized. Significant judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. The Company reviews the carrying amount of deferred tax assets and liabilities at each balance sheet date with consequential change being given effect to in the year of determination.

(iii) Retirement benefit obligations

The Company's retirement benefit obligations cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, inflation, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at every financial year end.

(iv) Fair value measurements of financial instruments

The fair values of financial instruments that are not traded in an active market and cannot be measured based on quoted prices in active markets are determined using valuation techniques including the Discounted Cash Flow (DCF) model. The Company uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions at regular intervals.

The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

Notes forming part of the Standalone Financial Statements

Note No. : 3 Use of critical estimates, judgments and assumptions *(contd.)*

(v) Provisions, contingent liabilities and contingent assets

The timing of recognition and quantification of the provisions, contingent liabilities and contingent assets require the application of judgment to existing facts and circumstances which are subject to change on the actual occurrence or happening. Judgment is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company and possible inflow of resources in respect of the claims made by the Company which has been considered to be contingent in nature. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Notes forming part of the Standalone Financial Statements

Note No. : 4 Property, plant and equipment and Capital work-in-progress

(₹ in Lacs)

Particulars	Property, Plant and Equipment													Capital work-in-progress @
	Land (Free hold)	Land (Lease hold)	Land (Right of use)	Buildings	Roads	Plant and equipment	Furniture & Fixtures	Vehicles	Office equipment	Computers	Electrical Installation and equipment	Pipelines	Total	
Gross block														
Gross carrying amount as at 1st April, 2019	6543.87	402.54	–	37692.52	1608.22	111152.89	826.83	1574.63	188.35	790.52	12115.37	8199.65	181095.39	4582.51
Additions during the year	105.74	–	634.93	4262.31	761.22	18709.93	193.08	340.16	42.32	118.55	3072.20	3321.36	31561.80	24902.40
Disposals/deductions during the year	0.69	402.54	–	93.89	–	767.70	35.08	220.46	10.67	18.30	1.91	17.00	1568.24	28245.27
Gross carrying amount as at 31st March, 2020	6648.92	–	634.93	41860.94	2369.44	129095.12	984.83	1694.33	220.00	890.77	15185.66	11504.01	211088.95	1239.64
Depreciation /amortisation														
Accumulated depreciation / amortisation as at 1st April, 2019	–	25.66	–	5049.84	1225.32	21837.00	376.78	588.69	92.45	452.62	6480.09	2964.95	39093.40	–
Depreciation/ amortisation for the year	–	–	10.29	1430.52	87.38	6504.01	94.33	275.49	34.69	143.09	682.76	811.09	10073.65	–
Disposals/deductions during the year	–	25.66	(25.66)	16.73	–	182.98	24.12	145.58	7.29	14.91	0.04	2.12	393.77	–
Accumulated depreciation / amortisation as at 31st March, 2020	–	–	35.95	6463.63	1312.70	28158.03	446.99	718.60	119.85	580.80	7162.81	3773.92	48773.28	–
Net carrying amount as at 31st March, 2020	6648.92	–	598.98	35397.31	1056.74	100937.09	537.84	975.73	100.15	309.97	8022.85	7730.09	162315.67	1239.64
Gross block														
Gross carrying amount as at 1st April, 2018	6583.56	402.54	–	36491.75	1591.46	107389.18	744.14	1437.83	168.07	657.74	11196.18	7647.76	174310.21	1125.21
Additions during the year	14.73	–	–	1211.18	16.76	4393.52	108.94	369.81	34.42	150.43	961.01	552.65	7813.45	9887.65
Disposals/deductions during the year	54.42	–	–	10.41	–	629.81	26.25	233.01	14.14	17.65	41.82	0.76	1028.27	6430.35
Gross carrying amount as at 31st March, 2019	6543.87	402.54	–	37692.52	1608.22	111152.89	826.83	1574.63	188.35	790.52	12115.37	8199.65	181095.39	4582.51
Depreciation /amortisation														
Accumulated depreciation / amortisation as at 1st April, 2018	–	19.22	–	3724.05	1161.61	15743.38	315.47	459.75	75.27	317.70	5938.13	2192.89	29947.47	–
Depreciation/ amortisation for the year	–	6.44	–	1328.30	63.71	6215.04	81.81	276.69	28.36	142.53	572.78	772.06	9487.72	–
Disposals/deductions during the year	–	–	–	2.51	–	121.42	20.50	147.75	11.18	7.61	30.82	–	341.79	–
Accumulated depreciation / amortisation as at 31st March, 2019	–	25.66	–	5049.84	1225.32	21837.00	376.78	588.69	92.45	452.62	6480.09	2964.95	39093.40	–
Net carrying amount as at 31st March, 2019	6543.87	376.88	–	32642.68	382.90	89315.89	450.05	985.94	95.90	337.90	5635.28	5234.70	142001.99	4582.51

@ Refer Note No. 4A.

Notes:

a) Depreciation capitalised and transferred to Capital work in progress ₹ 12.18 lacs (Previous year: ₹ 3.16 lacs) - Refer Note No. 4A.

b) The finance costs on borrowings capitalised during the year amounted to ₹ 20.47 lacs (Previous year: ₹ 26.82 lacs) using the capitalisation rate of 4.43% (Previous year: 6.52%) per annum which is the effective interest rate on such borrowings.

c) The Company has availed loans from banks and other entities against security of the fixed assets as referred in Note No. 18.

d) Disposals/deductions/adjustments during the year include reclassification with respect to Right-of-use ("ROU") asset on implementation of "Ind AS" 116 with corresponding increase of such assets being shown under Additions/reclassification during the year [Refer Note No. 36(13) for other disclosures].

e) Buildings include ₹ 1.66 Lacs being cost to 79833 equity shares of Fortuna Services Ltd.

Notes forming part of the Standalone Financial Statements

Note No. : 4A Capital work-in-progress

(₹ in Lacs)

Particulars	As at 31st March, 2020			As at 31st March, 2019		
Building, plant and equipment, electrical installations etc. in - progress						
Additions during the year			24513.80			9715.83
(A)			**24513.80**			**9715.83**
Preoperative and trial run expenses						
Additions during the year :						
Cost of materials consumed			32.84			45.59
Employee benefits expense						
Salaries and wages		87.95			13.27	
Contribution to provident and other funds		7.99			1.22	
Staff welfare expense		1.37	97.31		-	14.49
Finance costs						
Interest [Refer Note No. 4(b)]			20.47			26.82
Depreciation expense			12.18			3.16
Other expenses						
Consumption of stores						
Process chemicals	–			0.96		
Others	0.09	0.09		0.02	0.98	
Power and fuel		25.55			–	
Insurance		1.15			0.03	
Rates and taxes (excluding taxes on income)		9.48			1.46	
Professional expenses		138.97			93.65	
Miscellaneous expenses		52.04	227.28		5.39	101.51
(B)			**390.08**			**191.57**
Income during trial run :						
Inter division transfers						
Power			1.48			13.26
Credit during pre-operative / trial run :						
Sales			–			6.49
(C)			**1.48**			**19.75**
Total additions during the year D= (A+B-C)			**24902.40**			**9887.65**
Balance brought forward						
Building, plant and equipment , electrical installations etc. in - progress (E)			4582.51			1125.21
F = (D+E)			**29484.91**			**11012.86**
Capitalised during the year (G)			28245.27			6430.35
Capital work-in-progress at the end of the year H= (F-G)			**1239.64**			**4582.51**

Note:

The Company has commissioned on 12th January, 2020, 160 KLPD zero discharge effluent waste distillery at Gularia unit along with 7.56 MW incineration boiler and corresponding cost included under (G) above has been capitalised and transferred to property, plant and equipment.

Notes forming part of the Standalone Financial Statements

Note No. : 5 Intangible assets

(₹ in Lacs)

Particulars	Intangible assets Computer Software (Acquired)
Gross block	
Gross carrying amount as at 1st April, 2019	**540.68**
Additions during the year	15.42
Gross carrying amount as at 31st March, 2020	556.10
Amortisation	
Accumulated amortisation as at 1st April, 2019	386.92
Amortisation for the year	80.25
Accumulated amortisation as at 31st March, 2020	467.17
Net carrying amount as at 31st March, 2020	88.93
Gross block	
Gross carrying amount as at 1st April, 2018	490.59
Additions during the year	50.09
Gross carrying amount as at 31st March, 2019	540.68
Amortisation	
Accumulated amortisation as at 1st April, 2018	286.35
Amortisation for the year	100.57
Accumulated amortisation as at 31st March, 2019	386.92
Net carrying amount as at 31st March, 2019	153.76

Note:

The Company has availed loans from banks and other entities against security of the aforesaid assets (Refer Note No. 18 for charge created/ security terms for the said loans).

Notes forming part of the Standalone Financial Statements

Note No. : 6 Investments

(i) Non-current (₹ in Lacs)

Particulars	Face value	Number of Shares / debentures	As at 31st March, 2020	Number of Shares / debentures	As at 31st March, 2019
(a) Investment in Equity instruments (Carried at cost)					
Fully paid up :					
Unquoted					
Investment in associates *					
Visual Percept Solar Projects Pvt. Ltd.	₹10	8914500	2228.63	8914500	2228.63
Auxilo Finserve Pvt. Ltd. [Refer Note No. 36(18)]	₹10	155000000	15750.00	75000000	7500.00
(A)			17978.63		9728.63
(b) Investment in Equity instruments (Designated at fair value through other comprehensive income)					
Fully paid up :					
Unquoted					
Asia Sugar Industries Pvt. Ltd.	₹10	–	–	250000	60.93
Fortuna Services Ltd.	₹1	–	–	70287	0.70
(B)			–		61.63
(c) Investment in Debentures # (Measured at amortised cost)					
Fully paid up :					
Unquoted					
Investment in associate					
Visual Percept Solar Projects Pvt. Ltd.	₹100	–	–	1822500	2210.63
(C)			–		2210.63
(d) Investment in Post Office National Saving Certificates (Measured at amortised cost)					
Unquoted		–			4.84
(Deposited with government authorities)					
(D)			–		4.84
E = (A + B + C + D)			17978.63		12005.73
Aggregate amount of quoted investments			Not applicable		Not applicable
Aggregate market value of quoted investments			Not applicable		Not applicable
Aggregate amount of unquoted investments			17978.63		12005.73
Aggregate amount of impairment in value of investments			Nil		Nil
Aggregate amount of investments carried at cost			17978.63		9728.63
Aggregate amount of investments carried at amortized cost			–		2215.47
Aggregate amount of investments designated at fair value through other comprehensive income			–		61.63

* The list of associates along with proportion of ownership interest held and country of incorporation are disclosed in Note No. 6 to Consolidated Financial Statements.

As per modified terms adopted during the year, debentures are to be redeemed fully in four equal installments at a premium of 25% along with proportionate coupon @ 14% per annum, the last installment being redeemable on 30th June 2020 has been shown under current investments.

Notes forming part of the Standalone Financial Statements

Note No. : 6 Investments *(contd.)*

(ii) Current (₹ in Lacs)

Particulars	Face value	Number of debentures	As at 31st March, 2020	Number of debentures	As at 31st March, 2019
Investment in Debentures (Measured at amortised cost)					
Fully paid up :					
Unquoted					
Investment in associate					
Visual Percept Solar Projects Pvt. Ltd.*	₹100	455625	564.58	–	–
			564.58		–
Aggregate amount of unquoted investments			564.58		–
Aggregate amount of impairment in value of investments			Nil		Nil
Aggregate amount of investments carried at amortized cost			564.58		–

* Redeemable on 30th June, 2020.

Note No. : 7 Trade and other receivables (carried at amortized cost)

(i) Non-current (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Trade receivables				
Credit impaired		97.63		97.63
Less : Allowance for impaired receivables		97.63		97.63
		–		–

(ii) Current (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Trade receivables*		23928.87		44985.00
Other receivables		–		18.36
		23928.87		**45003.36**

* Refer Note No. 18 for charge created against trade receivables.

* The above includes ₹ Nil (Previous year: ₹ 15878.23 lacs) against which the Company holds irrevocable letter of credit (""LCs"") issued by banks in favour of the Company. Amount received as discounting of receivables backed by LCs have been shown as Post-shipment credit under Borrowings - Current - Refer Note No. 18(ii).

Notes forming part of the Standalone Financial Statements

Note No. : 8 Other financial assets (carried at amortized cost)

(i) Non-current (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Security deposits		92.41		68.70
Fixed deposits with banks				
(Bank deposits with more than 12 months maturity)				
For Molasses storage fund (Earmarked)	0.97		–	
With excise authorities (Pledged)	105.17	106.14	71.27	71.27
Interest accrued but not due on				
Fixed deposits with banks	5.58		3.38	
National saving certificates	–	5.58	2.16	5.54
		204.13		**145.51**

(ii) Current (Unsecured, considered good unless stated otherwise) (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Advances to employees		182.20		149.03
Claims receivable*		29597.40		18973.48
Interest accrued but not due on				
Fixed deposits with banks	2.64		6.39	
Others	3.25	5.89	2.66	9.05
		29785.49		**19131.56**

* Includes claim for subsidy [Refer Note No. 36(8)]

Note No. : 9 Non-current tax assets (net)

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Advance tax		48027.66		42924.98
Less : Provision for taxation		47187.39		37671.06
		840.27		**5253.92**

Note No. : 10 Other non-current assets (Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Capital advances		70.26		2623.26
Advances other than capital advances				
Other advances				
Advances to suppliers and others				
Considered doubtful	10.33		16.33	
Less: Allowance for bad and doubtful advances	10.33	-	16.33	-
Others				
Prepaid expenses	93.93		121.03	
Duties and taxes paid under protest	319.35	413.28	454.03	575.06
		483.54		**3198.32**

Notes forming part of the Standalone Financial Statements

Note No. : 11 Inventories

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Raw materials	6941.76		5624.42	
Add : Goods-in-transit	31.12	6972.88	1.81	5626.23
Packing materials		382.59		430.11
Work-in-progress				
Sugar	3319.55		3707.98	
Molasses	342.54	3662.09	317.82	4025.80
Finished goods				
Sugar	196201.76		209204.53	
Industrial alcohol	3554.70		404.89	
Banked power	168.78		81.29	
Others	64.78		6.34	
	199990.02		**209697.05**	
Add : Goods-in-transit	2617.06	202607.08	190.16	209887.21
Stores and spares	6066.03		5446.23	
Add : Goods-in-transit	125.81		329.37	
	6191.84		5775.60	
Less: Provision for obsolescence /non-moving stores and spares [Refer Note No. 33]	100.92	6090.92	97.36	5678.24
Loose tools		0.16		0.17
By-products		9759.90		5895.37
Scrap		21.51		45.95
		229497.13		**231589.08**
Notes				
(i) Carrying amount of inventories pledged as security for loans		225053.87		230987.10
(Refer Note No. 18 for charge created/security terms against borrowings)				
(ii) Refer Note No. 2(6) for mode of valuation.				

Note No. : 12 Biological assets

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Reconciliation of changes in book value of biological assets:				
Opening balance		17.49		11.60
Additions during the year		25.57		28.10
Decrease due to harvested sugarcane transferred to inventory *		30.56		22.21
Closing balance		**12.50**		**17.49**

* includes sugarcane captively consumed

Notes forming part of the Standalone Financial Statements

Note No. : 13 Cash and cash equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Balances with banks				
On current accounts		46.72		179.04
Cheques on hand		-		0.53
Cash on hand		102.52		32.19
		149.24		**211.76**

Note No. : 14 Bank balances other than cash and cash equivalents

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Earmarked balances				
Fixed deposits for molasses storage fund				
Current portion of original maturity period				
more than 12 months	–		2.50	
Original maturity period up to 12 months	98.80	98.80	45.20	47.70
Unpaid dividend accounts		193.56		165.44
Fixed deposits pledged with excise authorities				
Current portion of original maturity period more than 12 months		0.02		15.02
Other bank balances *		23.96		52.92
		316.34		**281.08**

* Balances in subsidy accounts and escrow accounts for buy-back of equity shares and cane payment.

Note No. : 15 Other current assets (Unsecured, considered good unless stated otherwise)

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Advances other than capital advances				
Other advances				
Advances to suppliers and others	661.10		898.49	
Income tax refundable	4798.53		–	
GST, Vat and other taxes / duties	496.10	5955.73	402.66	1301.15
Others				
Prepaid expenses	945.42		743.90	
Interest accrued on income tax refund	455.86		–	
Miscellaneous	25.38	1426.66	25.40	769.30
		7382.39		**2070.45**

Notes forming part of the Standalone Financial Statements

Note No. : 16 Share capital

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
(a) Authorised				
Equity shares of par value ₹ 1/- each	400000000	4000.00	400000000	4000.00
Preference shares of par value ₹ 100/- each	2500000	2500.00	2500000	2500.00
		6500.00		**6500.00**
(b) Issued, subscribed and fully paid up				
Equity shares of par value ₹ 1/- each	220000000	2200.00	228438327	2284.38
		2200.00		**2284.38**

Issue of 16910 (Previous year: 16910) equity shares on Right basis has been kept in abeyance in view of pending disputes.

(c) Reconciliation of number and amount of equity shares outstanding:

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares	(₹ in lacs)	No. of shares	(₹ in lacs)
At the beginning of the year	228438327	2284.38	228428327	2284.28
Add: Shares issued on exercise of Employee Stock Options [Refer Note No. 36(3)]	-	-	10000	0.10
Less: Buyback of shares [Refer Note No. 36(5)]	8438327	84.38	-	-
At the end of the year	**220000000**	**2200.00**	**228438327**	**2284.38**

(d) The Company has only one class of equity shares. The Company declares and pays dividend in Indian rupees. The holders of equity shares are entitled to receive dividend as declared from time to time and are entitled to one vote per share.

(e) 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 dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

(f) Shareholders holding more than 5 % of the equity shares in the Company :

Name of the shareholder	As at 31st March, 2020		As at 31st March, 2019	
	No. of shares held	% of holding	No. of shares held	% of holding
Shri Vivek Saraogi	35869184	16.30	35680017	15.62
Smt. Sumedha Saraogi	23027099	10.47	9166061	4.01
Late Karan Saraogi	–	–	17052904	7.46

(g) The aggregate number of equity shares bought back in immediately preceding last five years ended 31st March, 2020 - 25038327 equity shares (previous period of five years ended 31st March, 2019 - 16600000 equity shares).

(h) The Company has reserved Nil (Previous year: Nil) equity shares of par value ₹ 1/- each for issue at a premium of ₹ 44/- each to eligible employees of the Company under Employee Stock Option Scheme.

Notes forming part of the Standalone Financial Statements

Note No. : 17 Other equity

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
A. Reserve & Surplus				
(a) Capital reserves				
Balance as per last account		1075.58		1075.58
(b) Capital redemption reserve				
Balance as per last account	2820.10		2820.10	
Add: Transfer from securities premium on buy back of equity shares [Refer Note No. 36(5)]	84.38	2904.48	–	2820.10
(c) Securities premium				
Balance as per last account	24587.05		24578.91	
Add: On exercise of Employee Stock Options Scheme	–		8.14	
Less : Utilised on buy back of equity shares [Refer Note No. 36(5)]	14682.69		–	
Less: Transfer to capital redemption reserve on buy back of equity shares [Refer Note No. 36(5)]	84.38	9819.98	–	24587.05
(d) Share options outstanding account				
Balance as per last account	–		13.23	
Less: Options exercised [Refer Note No. 36(3)]	–		3.74	
Less: Options forfeited [Refer Note No. 36(3)]	–	–	9.49	–
(e) General reserve				
Balance as per last account	90000.00		64977.91	
Add: Transfer from retained earnings	20000.00	110000.00	25022.09	90000.00
(f) Storage fund for molasses				
Balance as per last account	39.85		139.94	
Add: Created during the year	47.34		39.08	
Less: Written back during the year	–	87.19	139.17	39.85
(g) Retained earnings				
Balance as per last account	87462.92		62820.28	
Impact of change in accounting policy relating to accounting of Government Grant	–		(0.39)	
	87462.92		62819.89	
Add: Profit for the year	50928.18		57063.86	
Add: Transfer from other comprehensive income	(701.39)		(513.88)	
Less: Transfer to General reserve	20000.00		25022.09	
Less: Buyback expenses [net of tax ₹ 56.53 lacs (Previous year: ₹ Nil) [Refer Note No. 36(5)]	105.24		–	
	117584.47		94347.78	
Less: Interim dividend paid during the year	5500.00		5710.96	
Less: Tax on interim dividend paid during the year	1130.54	110953.93	1173.90	87462.92
(A)		**234841.16**		**205985.50**
B. Other comprehensive income				
Balance as per last account	–		–	
Add: Other comprehensive income for the year	(701.39)		(513.88)	
Less: Transfer to retained earnings	(701.39)	–	(513.88)	–
(B)		–		–
C = (A + B)		**234841.16**		**205985.50**

Notes forming part of the Standalone Financial Statements

Note No. : 17 Other equity *(contd.)*

Foot notes:

i) Capital reserves comprise of reserve arising consequent to business combination in earlier years, in accordance with applicable accounting standard and in terms of the relevant scheme sanctioned by the Court.

ii) Capital redemption reserve is created consequent to redemption of preference share capital and buy back of equity shares. This reserve shall be utilised in accordance with the provisions of the Act.

iii) Securities premium is used to record the premium on issue of shares. This reserve is being utilised in accordance with the provisions of the Act.

iv) The share options outstanding account is used to record the value of equity-settled share based payment transactions with employees under its employee share option plan. The amounts recorded in share options outstanding account are transferred to securities premium upon exercise of stock options by employees.

v) The general reserve represents amount transferred out of the profits of the Company and reserve aggregating to ₹ 4224.23 lacs (Previous year: ₹ 4224.23 lacs) arising consequent to business combination in earlier years, in accordance with applicable accounting standard and in terms of the relevant scheme sanctioned by the Court. It is not earmarked for any specific purpose.

vi) The storage fund for molasses has been created to meet the cost of construction of molasses storage tank as required under Uttar Pradesh Sheera Niyantran (Sansodhan) Adesh, 1974. During the previous year ended 31st March, 2019, ₹ 139.17 lacs was utilized from the fund and credited to the Statement of Profit and Loss in the year of utilization. The said storage fund is represented by investment in the form of fixed deposits with banks amounting to ₹ 99.77 lacs (Previous year: ₹ 47.70 lacs).

vii) Retained earnings represents the undistributed profit / amount of accumulated earnings of the Company.

viii) Other Comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation and gain or loss on non-current equity investments. This would not be re-classified to Statement of Profit and Loss.

Notes forming part of the Standalone Financial Statements

Note No. : 18 Borrowings

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Carried at amortized cost		
Term loans		
From banks		
Secured		
Rupee loans:		
ICICI Bank Ltd. (ICICI) (Acting as an agent on behalf of Government of Uttar Pradesh) [Refer Footnote (a)(i) below]	21279.87	27391.12
ICICI Bank Ltd. (ICICI) [Refer Footnote (a)(ii) below]	5000.00	–
HDFC Bank Ltd. (HDFC) [Refer Footnote (a)(iii) below]	7522.50	–
From entities other than banks		
Secured		
Rupee loans:		
Government of India, Sugar Development Fund (SDF) [Refer Footnote (a)(iv) below]	–	533.40
Long term maturities of lease obligation Unsecured	223.75	–
	34026.12	**27924.52**

a) Nature of securities for the aforesaid borrowings including current maturities of long term debt [Refer note no.19(ii)] and deferred income [refer note no.20]:

i) Rupee Term Loan from Government of Uttar Pradesh amounting to ₹ 31031.89 lacs (Previous Year: ₹ 36508.11 lacs) under the Scheme for Financial Assistance to Sugar Undertakings, 2018, of Uttar Pradesh Government is secured by pari passu first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to seven cogen units of the Company viz. Balrampur, Babhnan, Haidergarh, Akbarpur, Mankapur, Kumbhi and Gularia.

ii) Rupee Term Loan from ICICI amounting to ₹ 5000.00 lacs (Previous year: ₹ Nil) under Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets, both present and future, pertaining to Gularia distillery unit of the Company.

iii) Rupee Term Loan from HDFC amounting to ₹ 8024.00 lacs (Previous year: ₹ Nil) under Scheme for Extending Financial Assistance to Sugar Mills for enhancement and augmentation of ethanol capacity, is secured by pari passu first charge, by way of hypothecation of all the movable fixed assets, both present and future, pertaining to Gularia distillery unit of the Company.

iv) Rupee Term Loan from SDF amounting to ₹ 533.40 lacs (Previous year: ₹ 1066.81 lacs) is secured by an exclusive second charge by way of equitable mortgage on immovable properties and hypothecation of movable properties (excluding current assets and book debts), both present and future, pertaining to Company's sugar and cogeneration units at Rauzagaon.

v) Release of securities in respect of a long-term loan fully repaid by the Company is in progress.

Notes forming part of the Standalone Financial Statements

Note No. : 18 (i) Borrowings *(contd.)*

b) Terms of Repayment:

	Lender of Loan	Rate of Interest (ROI) (%)	Amount outstanding as at 31st March, 2020		Amount outstanding as at 31st March, 2019		Period of maturity w.r.t. the Balance Sheet date as at 31st March, 2020	Number of installments outstanding as at 31st March, 2020	Amount of each installment (₹ in Lacs)	Details of security offered
			Current (₹ in Lacs) [Refer note no.19(ii)]	Non-current (₹ in Lacs)	Current (₹ in Lacs) [Refer note no.19(ii)]	Non-current (₹ in Lacs)				
1	Government of U.P. (through ICICI Bank Ltd.)	* 5% p.a. (Fixed)	7301.63	21279.87^	5476.22	27391.12	4 years 3 months and 3 days	51	608.47	Refer note no. 18 (i) (a) (i) above
		Sub - Total	7301.63	21279.87	5476.22	27391.12				
2	ICICI Bank Limited	ICICI one year MCLR (+) 0.70% effective rate 8.95%	-	5000.00	-	-	4 years 8 months and 30 days	4	1250.00	Refer note no. 18 (i) (a)(ii) above
		Sub - Total	-	5000.00	-	-				
3	HDFC Bank Limited	HDFC one year MCLR (+) 0.60% effective rate 8.75%	501.50	7522.50	-	-	4 years 8 months and 30 days	16	501.50	Refer note no. 18 (i) (a) (iii) above
		Sub - Total	501.50	7522.50	-	-				
4	Government of India, Sugar Development Fund	# Bank Rate (-) 2% i.e. 4% p.a.	533.40	-	533.40	533.40	5 months and 15 days	1	533.40	Refer note no. 18 (i) (a) (iv) above
		Sub - Total	533.40	-	533.40	533.40				
		Grand Total	8336.53	33802.37	6009.62	27924.52				

* Rate of interest has been fixed by the Government of Uttar Pradesh @5% for entire tenure of the loan under the Scheme of Extending Financial Assistance to Sugar Undertaking - 2018

Bank rate as prevailing on the date of disbursement.

^ excluding ₹ 2450.40 Lacs (Previous year: ₹ 3640.78 Lacs) on account of effective interest rate adjustment for being taken to Deferred Income as stated in Note No. 36(8)(xiii).

Notes forming part of the Standalone Financial Statements

Note No. : 18 Borrowings *(contd.)*

(ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Carried at amortized cost				
Loans repayable on demand				
Working capital loans				
From banks				
Secured				
Rupee loans				
State Bank of India (SBI)	46889.20		66879.25	
HDFC Bank Ltd. (HDFC)	20000.72		12957.16	
Kotak Mahindra Bank Ltd. (KOTAK)	9255.44		5100.07	
ICICI Bank Ltd. (ICICI)	14723.84		68.46	
Bank of Baroda (BOB)	15000.00	105869.20	–	85004.94
Foreign currency loans				
Pre-shipment packing credit				
HDFC Bank Ltd. (HDFC)		–		4363.10
Other loans				
Working capital loans				
From banks				
Secured				
Rupee loans				
HDFC Bank Ltd. (HDFC)		–		38762.94
Foreign currency loans				
Post-shipment credit (Bill discounted with banks)				
HDFC Bank Ltd. (HDFC)	–		5674.92	
ICICI Bank Ltd. (ICICI)	–	–	5660.34	11335.26
		105869.20		**139466.24**
Summary of current borrowings				
Secured borrowings		105869.20		139466.24
Unsecured borrowings		–		–
		105869.20		**139466.24**

Notes forming part of the Standalone Financial Statements

Note No. : 18 Borrowings *(contd.)*

Nature of securities :

a) **Working capital loans from SBI are secured / to be secured:**

i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with HDFC, ICICI, Kotak and BOB.

ii) by way of exclusive hypothecation of entire current assets of all the Cogeneration units of the Company.

iii) by way of third charge on immovable and movable properties (excluding current assets and book debts), both present and future, of all the ten sugar units of the Company on pari passu with HDFC.

During the year Company has appointed Security Trustee for custody of the title deeds of immovable properties of all the ten sugar units of the Company. At present title deeds of eight sugar units has been handed over and accordingly charge has been created.

b) **Working capital loans from HDFC are secured / to be secured (except as given in (c) below)**

i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with SBI, ICICI, Kotak and BOB.

ii) by way of third charge on immovable and movable properties (excluding current assets and book debts), both present and future, of all the ten sugar units of the Company on pari passu with SBI.

During the year Company has appointed Security Trustee for custody of the title deeds of immovable properties of all the ten sugar units of the Company. At present title deeds of eight sugar units has been handed over and accordingly charge has been created.

c) Working Capital Loan from HDFC amounting to ₹ Nil (Previous Year: ₹ 38762.94 lacs) under the Scheme for extending Soft Loans to Sugar Mills by Central Government was secured by first charge, by way of hypothecation of movable fixed assets, both present and future, pertaining to nine sugar units of the Company viz. Balrampur, Babhnan, Tulsipur, Haidergarh, Akbarpur, Mankapur. Kumbhi, Gularia and Maizapur and was further secured by way of hypothecation of movable fixed assets, both present and future, pertaining to three distillery units of the Company viz. Balrampur, Babhnan and Mankapur. The said amount has been fully repaid during the year and charge has been duly satisfied.

d) **Working capital loans from ICICI are secured:**

i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with SBI, HDFC, Kotak and BOB.

e) **Working capital loans from Kotak are secured:**

i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with SBI, HDFC, ICICI and BOB.

f) **Working capital loans from BOB are secured:**

i) by way of hypothecation of entire stock of sugar, sugar in process, mill stores, bagasse, molasses and other current assets including book debts, both present and future, of all the ten sugar units of the Company on pari passu basis with SBI, HDFC, ICICI and Kotak.

Notes forming part of the Standalone Financial Statements

Note No. : 19 Other financial liabilities (Carried at amortized cost)

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Interest accrued but not due on borrowings		–		153.09
		–		**153.09**

(ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Current maturities of long - term debt *		8336.53		6009.62
Current maturities of lease obligation		16.63		-
Interest accrued but not due on borrowings		660.97		502.51
Unpaid dividend @		193.56		165.44
Other payables				
Retention monies	1615.33		889.09	
Security deposits	1832.06		516.60	
Accrued expenses	188.23		160.10	
Unpaid salaries and other payroll dues	3568.33		3414.10	
Others	172.12	7376.07	163.48	5143.37
		16583.76		**11820.94**

* Refer Note No. 18(i) (a) and (b) for nature of securities and terms of repayment respectively.

@ There are no amounts due and outstanding to be credited to Investor Education and Protection Fund.

Note No. : 20 Deferred income

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Opening balance		3640.78		14.17
Add: Addition during the year [Refer Foot Note (xiii) of Note No. 36(8)]		-		4051.19
Less: Transferred to the Statement of Profit and Loss		1190.38		424.58
[Refer Note No. 36(8) (h) and (i)]				
Closing balance		**2450.40**		**3640.78**
Current		982.59		1190.38
Non - Current		1467.81		2450.40
[Refer Note No. 36(8) for other disclosures]				

Notes forming part of the Standalone Financial Statements

Note No. : 21 Provisions

(i) Non-current (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Provision for employee benefits - unavailed leave		672.10		528.45
[Refer Note No. 36(9)]				
		672.10		**528.45**

(ii) Current (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Provision for employee benefits [Refer Note No. 36(9)]				
Unavailed leave	438.83		434.55	
Gratuity	1584.12	2022.95	137.41	571.96
Other provisions				
Provision for contingencies [Refer Note No. 36(2)]		0.42		0.42
		2023.37		**572.38**

Note No. : 22 Deferred tax liabilities (net)

As at 31st March, 2020 (₹ in Lacs)

Particulars	Opening Balance	Recognized in profit or loss	Recognized in equity	Recognized in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities					
Depreciation	27481.87	(5670.97)	–	–	21810.90
Investments	135.64	(97.56)	–	–	38.08
	27617.51	**(5768.53)**	**–**	**–**	**21848.98**
Tax effect of items constituting deferred tax assets					
Carried forward tax losses/unabsorbed depreciation	231.81	(192.41)	–	–	39.40
Expenses allowable on payment basis	337.83	(164.69)	–	–	173.14
VRS expenses	28.65	(28.65)	–	–	-
MAT credit entitlement	19187.71	(237.12)	56.53	214.97	19222.09
	19786.00	**(622.87)**	**56.53**	**214.97**	**19434.63**
Net deferred tax liabilities / expense	**7831.51**	**(5145.66)**	**(56.53)**	**(214.97)**	**2414.35**

Notes forming part of the Standalone Financial Statements

Note No. : 22 Deferred tax liabilities (net) *(contd.)*

As at 31st March, 2019 (₹ in Lacs)

Particulars	Opening Balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing Balance
Tax effect of items constituting deferred tax liabilities				
Depreciation	27334.72	147.15	-	27481.87
Investments	157.82	(22.18)	-	135.64
	27492.54	**124.97**	**-**	**27617.51**
Tax effect of items constituting deferred tax assets				
Carried forward tax losses/unabsorbed depreciation	224.77	7.04	-	231.81
Expenses allowable on payment basis	299.06	38.77	-	337.83
VRS expenses	57.28	(28.63)	-	28.65
MAT credit entitlement	8565.95	10515.95	105.81	19187.71
	9147.06	**10533.13**	**105.81**	**19786.00**
Net deferred tax liabilities / expense	**18345.48**	**(10408.16)**	**(105.81)**	**7831.51**

The ultimate realisation of deferred tax assets, carried forward losses and unused tax credits is dependent upon the generation of future taxable income. Deferred tax assets including MAT credit entitlement is recognised on management's assessment of reasonable certainty for reversal/ utilisation thereof against future taxable income.

According to the provisions of section 115BAA of the Income Tax Act 1961, as announced by the Taxation Laws (Amendment) Ordinance 2019 and promulgated as the Taxation Laws (Amendment) Act, 2019 enacted on 11th December 2019 with effect from 1st April 2019, domestic companies have an option to pay income tax at 22% plus applicable surcharge and cess ("the concessional rate") by foregoing certain exemptions/ deductions ('the new tax regime') as specified in the said section.

Based on the assessment of the possible impact of the new tax regime, the Company has decided to continue with existing tax structure till certain deductions are available and accumulated Minimum Alternate Tax (MAT) credit is substantially exhausted and thereafter, to opt for new tax regime as stated above.

Accordingly, deferred tax liabilities (net) have been re-measured and the Company has recognized deferred tax income amounting to ₹ 7522.77 lacs (Previous Year: Nil) on account of the re- measurement of deferred tax liabilities that are expected to be reversed consequent to adoption of lower tax rate post switchover to the new tax regime.

Note No. : 23 Other Non-current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Deferred gain on changes in fair value of financial assets		–		35.93
		–		**35.93**

Notes forming part of the Standalone Financial Statements

Note No. : 24 Trade and other payables

Current (₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Trade payables				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 36(4)]		203.75		95.43
Total outstanding dues of creditors other than micro enterprises and small enterprises		66790.75		60529.44
		66994.50		**60624.87**
Other payables				
Payable to suppliers of capital goods				
Total outstanding dues of micro enterprises and small enterprises [Refer Note No. 36(4)]		8.67		29.08
Total outstanding dues of creditors other than micro enterprises and small enterprises		792.01		1196.44
		800.68		**1225.52**
		67795.18		**61850.39**

Note No. : 25 Other Current liabilities

(₹ in Lacs)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
Other advances				
Advances from customers		3216.45		469.12
Others				
Statutory liabilities	2371.49		2731.20	
Others [Refer Note No. 36(4)]	323.77	2695.26	352.09	3083.29
		5911.71		**3552.41**

Note No. : 26 Revenue from operations

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Sale of goods				
Domestic sales				
Sugar	365701.47		324572.10	
Industrial alcohol	54530.76		46324.88	
Power	16160.76		32801.46	
Bagasse	7270.67		5454.44	
Others	2594.85	446258.51	2301.42	411454.30
Export sales				
Sugar		–		16168.76
		446258.51		**427623.06**
Other operating revenue				
Government grants [Refer Note No. 36(8)]				
Insurance and storage charges on buffer stock	555.70		360.57	
Export incentive and assistance	27225.08		–	
Re-imbursement of transportation expenses for export	90.11	27870.89	593.88	954.45
Revenue from operations		**474129.40**		**428577.51**
[Refer Note No. 36(11) for other disclosures]				

Notes forming part of the Standalone Financial Statements

Note No. : 27 Other income

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Interest income on financial assets carried at amortized cost				
Non-current investments				
Debentures	284.93		191.66	
National saving certificates	0.37		0.60	
	285.30		192.26	
Deposit with banks and others	15.34	300.64	23.75	216.01
Interest income on income tax refund		455.86		-
Gain on sale of highly liquid investments				
(treated as cash equivalent)		836.60		1317.57
Government grants [Refer Note No. 36(8)]				
Amortized portion of deferred income		-		14.17
Other non-operating income				
Net gain on foreign currency transactions and translations	1.92		-	
Fair value gain on derivatives	-		773.24	
Insurance claims	237.11		100.44	
Liabilities no longer required written back	713.73		805.87	
Profit on sale/discard of property, plant and equipment (net)	476.28		-	
Recovery towards written off balances	4.84		3.58	
Provision for doubtful advances written back	6.00		-	
Provision for contingencies written back [Refer Note No. 36(2)]	-		0.21	
Storage fund for molasses written back [Refer Note No. 17 (vi)]	-		139.17	
Miscellaneous	821.69	2261.57	904.24	2726.75
		3854.67		**4274.50**

Note No. : 28 Cost of materials consumed

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Sugar cane *		344149.85		354036.80
Others		2265.96		5503.90
		346415.81		**359540.70**

* Refer Note No. 36(8) (b) and (c) for adjustments of government grants.

Notes forming part of the Standalone Financial Statements

Note No. : 29 Changes in inventories of finished goods, by-products and work-in-progress

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Finished goods				
Opening stock				
Sugar	209249.90		151651.93	
Industrial alcohol	549.68		2884.21	
Banked power	81.29		67.12	
Others	6.34	209887.21	71.64	154674.90
Less : Closing stock				
Sugar	198648.63		209249.90	
Industrial alcohol	3716.67		549.68	
Banked power	168.78		81.29	
Others	73.00	202607.08	6.34	209887.21
Less: Power used during the trial run of capital projects		12.93		-
Decrease/(Increase) (A)		**7267.20**		**(55212.31)**
By-products				
Opening stock		5895.37		7493.94
Less : Closing stock		9759.90		5895.37
Less: Bagasse used during the trial run of capital projects		32.84		42.00
(Increase)/Decrease (B)		**(3897.37)**		**1556.57**
Work- in-progress				
Opening stock				
Sugar	3707.98		3511.47	
Molasses	317.82	4025.80	333.63	3845.10
Less : Closing stock				
Sugar	3319.55		3707.98	
Molasses	342.54	3662.09	317.82	4025.80
Decrease/(Increase)(C)		**363.71**		**(180.70)**
Decrease/(Increase) D = (A + B + C)		**3733.54**		**(53836.44)**

Note No. : 30 Employee benefits expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Salaries and wages		22547.21		20612.69
Contribution to provident, gratuity and other funds		2456.45		2163.42
Employee stock option expense [Refer Note No. 36(3)]		–		(9.49)
Staff welfare expense		399.90		279.17
		25403.56		23045.79
Less: Recovery towards deputation of employee		3.95		–
		25399.61		**23045.79**

Notes forming part of the Standalone Financial Statements

Note No. : 31 Finance costs

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Interest				
On long term borrowings	1874.94		748.99	
On short term borrowings	4452.22		3152.22	
Others *	52.74	6379.90	145.04	4046.25
Other borrowing costs		37.12		47.26
		6417.02		**4093.51**
* Includes interest on statutory dues		4.33		2.71
* Includes interest on shortfall in payment of advance income-tax		21.94		133.86

Note No. : 32 Depreciation and amortisation expense

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Depreciation and amortisation of property, plant and equipment [Refer Note No. 4]		10061.48		9484.56
Amortisation of intangible assets [Refer Note No. 5]		80.25		100.57
		10141.73		**9585.13**

Notes forming part of the Standalone Financial Statements

Note No. : 33 Other expenses

(₹ in Lacs)

Particulars	Year ended 31st March, 2020		Year ended 31st March, 2019	
Consumption of stores				
Process chemicals	2884.53		3343.76	
Others	258.28	3142.81	362.34	3706.10
Packing materials		3729.91		4520.87
Power and fuel		404.05		425.87
Rent		68.64		67.33
Repairs				
Buildings	320.36		473.60	
Machinery	6660.77		6019.96	
Others	187.67	7168.80	191.97	6685.53
Insurance		775.21		537.22
Rates and taxes (excluding taxes on income)		508.17		574.27
Commission to non-executive directors		92.20		79.50
Directors' fees		25.80		26.00
Payments to auditors				
As auditor for statutory audit	45.00		45.00	
For other services (Limited reviews and certifications)	21.00	66.00	15.20	60.20
Cost audit fees		3.50		3.50
Professional expenses #		606.75		5635.22
Freight and handling expenses		6100.01		2463.46
Brokerage and commission		587.25		494.18
Net loss on foreign currency transactions and translations		-		110.80
Charity and donation		20.36		13.03
Corporate social responsibility expense [Refer Note No. 36(6)]		1092.89		293.44
Miscellaneous expenses [Refer Note No. 36(8)(d)(i)]		5477.03		4810.33
Loss on sale/discard of property, plant and equipment (net)		-		201.24
Claims receivable written off [Refer foot note (x) of Note No.36(8)]		262.94		-
Sundry debit balances/advances written off		196.59		63.74
Payment towards balances earlier written back		3.70		11.78
Transfer to storage fund for molasses		47.34		39.08
Provision for obsolescence /non-moving store and spares		3.56		97.36
		30383.51		**30920.05**
# Includes expenses incurred towards fulfillment of export obligation		**153.41**		**5343.84**

Notes forming part of the Standalone Financial Statements

Note No. : 34 Tax expense

(₹ in Lacs)

Particulars		Year ended 31st March, 2020	Year ended 31st March, 2019
Current tax		9710.33	12847.57
Deferred tax [Refer Note No. 22]		(5145.66)	(10408.16)
		4564.67	**2439.41**
Reconciliation of Tax Expense			
Profit before tax		55492.85	59503.27
Applicable tax rate (using the Company's tax rate)		34.944%	34.944%
Computed tax expense	(A)	**19391.42**	**20792.82**
Adjustments for:			
Expenses not allowed for tax purpose		270.16	138.15
Effect of tax deductions		(5940.48)	(7512.96)
Changes in recognized deductible temporary differences		(7460.30)	(247.47)
Effect of transition adjustment under MAT		(24.53)	(30.26)
Recognition of MAT credit		(1671.60)	(10700.87)
Net adjustments	(B)	**(14826.75)**	**(18353.41)**
Tax Expense	C=(A+B)	**4564.67**	**2439.41**

Note No. : 35 Other comprehensive income

(₹ in Lacs)

Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
Items that will not be reclassified to profit or loss		
Re-measurements of defined benefit plans	(1170.37)	(789.91)
Equity Instruments through Other Comprehensive Income	60.00	-
	(1110.37)	**(789.91)**
Less: Income tax relating to items that will not be reclassified to profit or loss	408.98	276.03
	(701.39)	**(513.88)**

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures

1. Contingent liabilities and commitments (to the extent not provided for)

(a) Contingent liabilities :

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(i)	Claims against the Company not acknowledged as debts :		
	- Excise duty demand - under appeal	–	167.00
	- Sales tax demand- under appeal	10.23	12.98
	- Others - under appeal/litigation	235.71	605.91
		245.94	**785.89**
(ii)	Claims for acquisition of 1.99 acres of land for the Distillery unit at Balrampur and compensation there against is under dispute as the matter is subjudice	Amount not ascertainable	Amount not ascertainable

Also refer Note No. 36(16) (b) for availment of remission of taxes and levies pending final decision at the Hon'ble Supreme Court on the matter.

The amounts shown in (i) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals/litigations.

(b) Commitments :

Estimated amount of contracts remaining to be executed on capital account and not provided for

(₹ in Lacs)

Sl. No.	Particulars	As at 31st March, 2020	As at 31st March, 2019
(i)	Estimated amount of contracts remaining to be executed on capital account and not provided for	984.86	16717.77
(ii)	Advance paid against above	70.26	2623.26

Other Commitment :

On 23rd June, 2020, the Board of Directors of the Company have approved the buyback of 1,00,00,000 fully paid-up equity shares of the face value of ₹ 1/- each of the Company at a price not exceeding ₹ 180/- per Equity share ("Maximum Buyback Price") and for an amount not exceeding ₹ 18000.00 Lacs ("Maximum Buyback Size") through the "Tender Offer" route using the stock exchange mechanism in the manner as prescribed in the Companies Act, 2013 and relevant rules thereunder and the Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

2. Disclosures as required by Indian Accounting Standard (Ind AS) 37 Provisions, Contingent liabilities and Contingent assets :

(a) Provision for contingencies

(i) Provisions for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other claims against the Company based on the Management's assessment.

(ii) Movements in Provision for contingencies:

(₹ in Lacs)

Particulars	Litigation claims
Balance as at 1st April, 2019	0.42
Provided during the year	-
Balance as at 31st March, 2020	0.42
- Non-current	-
- Current	0.42
Balance as at 1st April, 2018	**0.63**
Reversed during the year upon final decision	0.21
Balance as at 31st March, 2019	**0.42**
- Non-current	-
- Current	0.42

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision/out of Court settlement/disposal of appeals. The Company does not expect any reimbursement in respect of above provisions.

(b) Contingent assets

During the normal course of business, several unresolved claims are currently outstanding. The inflow of economic benefits, in respect of such claims cannot be measured due to uncertainties that surround the related events and circumstances. Also refer Note No. 36(16)(a) in this respect.

3. The Employee Stock Option Scheme 2005 (Scheme 2005) of the Company was formulated by the Committee of the Board of Directors of the Company and approved by the Board at its meeting held on 11th August, 2005 and 31st October, 2005 and by the shareholders at the Extraordinary General Meeting of the Company held on 8th September, 2005 and in accordance with the Employee Stock Option Scheme and Employee Stock Purchase Scheme Guidelines, 1999 prescribed by the Securities and Exchange Board of India.

Options granted had vesting period of one year and exercise period of maximum eight years.

The maximum number of options granted till 31st March, 2019 stands at 52,45,500 and each option was equivalent to one equity share of par value of ₹ 1/- each of the Company.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

The details of Options granted, lapsed and exercised as at 31st March, 2019 are as under :

Particulars	During year ended 31st March, 2019	Cumulative upto 31st March, 2019
Year of Issue	**2008-09**	**Not Applicable**
Series	5th Series	
Date of grant of Option	28/05/2009	
Initial exercise price (₹)	45.00	
Revised exercise price (₹)	Not applicable	
Market price on the date of grant (₹)	82.35	
Excess of initial exercise price over revised exercise price (₹)	Not applicable	
Excess of market price over exercise price/ revised exercise price (₹)	37.35	
Options vested (Nos.)	-	4593000
Outstanding at the beginning of the year (Nos.)	25500	5245500
Granted (Nos.)	-	-
Exercised (Nos.) *	-	4422500
Forfeited/Lapsed and expired (Nos.)	25500	823000
Outstanding at the end of the year (Nos.)	-	-
Exercisable at the end of the year (Nos.)	-	-
Money realised on exercise of Options (₹ in Lacs)	-	2014.29

* Includes 10,000 options which were exercised within 31st March, 2018 against which allotment of equity shares were made during the year ended 31st March, 2019.

Total Number of Options outstanding/exercisable as at 1st April, 2018 relating to 1st, 2nd, 3rd and 4th series is Nil. Therefore, in the above table related information has been excluded under during the year ended 31st March 2019, however, included under cumulative upto 31st March 2019.

Other information:

(a) Total number of equity shares arising as a result of exercise of Options as at 31st March, 2019 : 44,22,500
Options equivalent to 10,000 equity shares were exercised during the year ended 31st March, 2018, however, equity shares against the Options exercised were allotted during the year ended 31st March, 2019.

(b) Details of Options granted to :-

(i) Senior Managerial Personnel: No Options have been granted during the year ended 31st March, 2019;

(ii) Any other employee who receives a grant in any one year of Options amounting to 5% or more of Options granted during year ended 31st March, 2019 : Nil.

4. Based on the information/documents available with the Company, information as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods are as follows:

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

As at 31st March, 2020: (₹in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	203.75	8.67	212.42
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	–	–	–
(iii)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	1.97	1.30	3.27
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	4.97	0.03	5.00
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year**	4.97	0.03	5.00
(vi)	The 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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–	–

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 24.

** Included in the line item "Others" under Note No. 25.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

As at 31st March, 2019: (₹ in Lacs)

Sl. No.	Description	Trade Payables	Payable to suppliers of capital goods	Total
(i)	The principal amount remaining unpaid to suppliers as at the end of accounting year *	95.43	29.08	124.51
(ii)	The interest due thereon remaining unpaid to suppliers as at the end of accounting year	-	0.01	0.01
(iii)	The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	1.19	1.98	3.17
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	1.97	1.29	3.26
(v)	The amount of interest accrued during the year and remaining unpaid at the end of the accounting year**	1.97	1.30	3.27
(vi)	The 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 of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	–	–	–

* Included in the line item "Total outstanding dues of micro enterprises and small enterprises" under Note No. 24.

** Included in the line item "Others" under Note No. 25.

5. During the year ended 31st March, 2020, the Company had undertaken a Buy Back of 84,38,327 equity shares of the Company, through the "Tender Offer" route using the Stock Exchange Mechanism, for an aggregate amount of ₹ 14767.07 Lacs (being 9.82% of the total paid-up equity share capital and free reserves of the Company as on 31st March, 2018), at a price of ₹ 175/- per equity share on a proportionate basis in accordance with the provisions contained in the Companies Act, 2013 (as amended), rules made thereunder, the SEBI (Buy Back of Securities) Regulations, 2018 and other applicable circulars, clarifications and notifications and the settlement in respect of share bought back have been completed on 4th June, 2019. Formalities pertaining to extinguishment of the shares bought back were completed on 10th June,2019.

   Consequent to the said buy-back, the equity share capital has been reduced by ₹84.38 Lacs and an amount equivalent to the face value of the equity shares bought back has been transferred from Securities premium to Capital Redemption Reserve and differential amount of ₹14682.69 Lacs with respect to aggregate consideration in excess of face value of the equity shares bought back has also been adjusted from Securities premium.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

6. Expenditure on Corporate Social Responsibility (CSR) activities :

(a) Details of CSR expenditure: (₹ in Lacs)

Sl. No.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
(i)	Gross amount required to be spent by the Company during the year	1092.67	772.16
(ii)	Amount spent during the year :		
	i) Construction/acquisition of any asset		
	- in cash	–	27.75
	- yet to be paid in cash	–	–
	ii) On purposes other than (i) above		
	- in cash	1092.89	265.69
	- yet to be paid in cash	–	–

(b) CSR expenditure under relevant clauses of schedule VII of the Act: (₹ in Lacs)

Sl. No.	Description of CSR activities	Year ended 31st March, 2020	Year ended 31st March, 2019
(i)	Promoting healthcare including preventive healthcare	75.43	34.73
(ii)	Eradicating hunger, poverty and malnutrition and sanitation and making available safe drinking water	490.03	2.55
(iii)	Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	207.10	191.23
(iv)	Setting up homes and hostels for women and orphans; setting up old age homes, day care centres and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups	17.42	0.64
(v)	Animal welfare	22.41	0.72
(vi)	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga	233.52	40.94
(vii)	Measures for the benefit of armed forces veterans, war widows and their dependents	–	5.00
(viii)	Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports	29.15	12.15
(ix)	Rural development projects	3.17	2.43
(x)	Disaster Management	12.80	–
(xi)	Expenditure on administrative overheads	1.86	3.05
		1092.89	**293.44**

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

7. Earnings per share - The numerators and denominators used to calculate Basic / Diluted earnings per share :

Sl. No.	Particulars		Year ended 31st March, 2020	Year ended 31st March, 2019
(i)	Amount used as the numerator			
	Profit after Tax (₹ in Lacs)	(A)	50928.18	57063.86
(ii)	Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings per share *	(B)	221613887	228437725
(iii)	Add: Weighted average number of dilutive potential equity shares account of Employees Stock Option Scheme		–	–
(iv)	Weighted average number of equity shares outstanding used as the denominator for computing Diluted Earnings per share *	(C)	221613887	228437725
(v)	Nominal value of equity shares (₹)		1.00	1.00
(vi)	Basic Earnings per share (₹)	(A/B)	22.98	24.98
(vii)	Diluted Earnings per share (₹)	(A/C)	22.98	24.98

* The weighted average number of shares takes into account the weighted average effect of changes in number of shares due to buy back of shares during the year ended 31st March, 2020 and employee stock options during the year ended 31st March, 2019.

8. The Company is eligible to receive various financial assistance from government authorities. Accordingly, the Company has recognised these government grants in the following manner:

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	Year ended 31st March, 2020	Year ended 31st March, 2019
(i)	Grants related to Income			
	Revenue related Government Grants:			
(a)	Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Plan Scheme (Refer footnote (i) below)	Deducted from Contribution to provident and other funds under Employee benefits expense	24.93	33.91
(b)	Cane purchase subsidy (Refer footnote (ii) below)	Deducted from cost of materials consumed	–	4930.98
(c)	Cane crush subsidy (Refer footnote (iii) and (iv) below)	Deducted from cost of materials consumed	1901.33	12722.14
(d)	Defraying expenditure towards internal transport, freight, handling and other charges on export (Refer footnote (v) and (vi) below)	(i) Deducted from Miscellaneous expenses under Other Expenses	1.77	4194.75
		(ii) Shown as separate line item "Re-imbursement of transportation expenses for export" under Revenue from operations	90.11	593.88
(e)	Towards marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar (Refer footnote (vii) below)	Shown as separate line item "Export incentive and assistance" under Revenue from Operations	27225.08	–

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

Sl. No.	Particulars	Treatment in Accounts	Year ended 31st March, 2020	Year ended 31st March, 2019
(f)	Financial support for maintaining buffer stock of sugar inventory (Refer footnote (viii) below)	(i) Shown as separate line item "Insurance and storage charges on buffer stock" under Revenue from Operations	555.70	360.57
		(ii) Deducted from interest expense on short term borrowings	3197.75	2053.01
(g)	Interest on term loans (Refer footnote (ix) (x) (xi) (xii) below)	(i) Deducted from interest expense on long term borrowings	125.98	637.71
	(Refer footnote (ix) below)	(ii) Deducted from interest expense on long term borrowings capitalised	20.47	-
	(Refer footnote (xii) below)	(iii) Deducted from interest expense on short term borrowings	2683.67	29.74
			35826.79	**25556.69**
	Amortization of Government Grants:			
(h)	Government grant relating to interest on term loans (Refer footnote (xiii) below)	Deducted from interest expense on long term borrowings	1190.38	410.41
(i)	Government grant relating to property, plant and equipment	Shown as separate line item "Deferred income" under Other Income	-	14.17
			1190.38	**424.58**
(ii)	**Grants related to Assets**			
	Government grant relating to property, plant and equipment	Adjusted with carrying amount of property, plant and equipment	-	1.83
			-	**1.83**
			37017.17	**25983.10**

Footnotes:

(i) The Pradhan Mantri Rojgar Protsahan Yojana (PMRPY) Plan Scheme has been designed to incentivise employers for generation of new employment, where Government of India pays the 8.33% Employee Pension Scheme contribution of the employer for the new employment.

(ii) The Government of Uttar Pradesh pursuant to Notification No. 13/2018/1697/46-3-18-3(37)/2018 dated 1st October, 2018 notified a Scheme for assistance to sugar mills @ ₹ 4.50 per quintal of sugarcane purchased during sugar season 2017-18 with a view for timely clearance of sugarcane price and assist the millers from falling sugar and molasses prices. Accordingly, ₹ Nil (Previous Year: ₹ 4930.98 Lacs) was adjusted as reduction from the cost of materials consumed.

(iii) The Central Government pursuant to Notification No. 1(5)/2018-SP-I dated 9th May, 2018 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) had notified a Scheme for assistance to sugar mills @ ₹ 5.50 per quintal of sugarcane crushed during sugar season 2017-18 with a view of offset cost of sugarcane. Accordingly, ₹ Nil (Previous Year: ₹ 546.89 Lacs) was adjusted as reduction from the cost of materials consumed.

(iv) The Central Government pursuant to Notification No. 1(14)/2018-SP-I dated 5th October, 2018 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) had notified a Scheme for assistance to sugar mills @ ₹ 13.88 per quintal of sugarcane crushed during sugar season 2018-19 with a view to offset cost of sugarcane. Accordingly, ₹ 1901.33 Lacs (Previous Year: ₹ 12175.25 Lacs) has been adjusted as reduction from the cost of materials consumed.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(v) The Central Government pursuant to Notification No. 1(4)/2018-SP-I dated 28th September 2018 allocated factory-wise Minimum Indicative Export Quota (MIEQ) of 50 Lakh MT for export of sugar in sugar season 2018-19. The Company was allocated MIEQ of 1,80,160 MT as per the said Notification. The Notification required the mills to undertake exports allocated to them under MIEQ or 16.70 kg of sugar per MT of actual cane crushed by them during sugar season 2018-19, whichever is lower.

The Company has physically exported 75.20 MT (Previous Year: 1,66,701.80 MT) of raw /white sugar by way of direct exports and through merchant exporter.

(vi) The Central Government pursuant to Notification No. 1(14)/2018-S.P.-I dated 5th October, 2018 announced the Scheme for defraying expenditure towards internal transport, freight, handling and other charges on export with a view to facilitate export of sugar during sugar season 2018-19. Based on actual expenditure incurred by the Company on physical exports a sum of ₹ 1.77 Lacs (Previous Year : ₹ 4194.75 Lacs) has been deducted from Miscellaneous expenses under Other expenses. Further, a sum of ₹ 90.11 Lacs (Previous Year: ₹ 593.88 Lacs) has been shown under line item "Re-imbursement of transportation expenses for export" under Revenue from operations.

(vii) The Central Government pursuant to Notification No. 1(14)/2019-S.P.-I dated 16th September, 2019 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) allocated factory wise Maximum Admissible Export Quantity (MAEQ) for export of sugar for the sugar season 2019-20. The Company was allocated MAEQ quota of 2,29,225 MT as per the said Notification. Subsequently, pursuant to re-allocation of MAEQ quota of sugar for export during sugar season 2019-20 of non-performing mills vide Notification No. 1(14)/2019-S.P.-I dated 18th February 2020, the Company was allocated additional MAEQ quota of 85,115 MT.

The Company has physically moved for export 2,60,577 MT of raw /white sugar till 31st March 2020 by way of exports through merchant exporter.

The Central Government pursuant to Notification No. 1(14)/2019-S.P.-I dated 12th September, 2019, notifed a Scheme for providing assistance to sugar mills @ ₹ 10,448.00 per MT on export of sugar covering expenses on marketing costs including handling, upgrading and other processing costs and costs of international and internal transport and freight charges on export of sugar with a view to facilitate export of sugar during sugar season 2019-20 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of farmers for sugar season 2019-20. Accordingly, ₹ 27225.08 Lacs has been shown under line item "Export Incentive and assistance" under Revenue from operations.

(viii) The Central Government pursuant to Notification No. 1(6)/2018-S.P.-I dated 15th June, 2018 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) announced a Scheme for Creation and Maintenance of Buffer Stock of 30 Lakh MT of sugar by the sugar mills in the country for one year w.e.f. 1st July, 2018 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers and to stabilize domestic sugar price. The Company was allocated 1,11,045 MT of buffer stock with respect to its ten sugar mills located in the State of Uttar Pradesh.

Similarly, the Central Government pursuant to Notification No. 1(8)/2019-S.P.-I dated 31st July, 2019 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) announced a Scheme for Creation and Maintenance of Buffer Stock of 40 Lakh MT of sugar by the sugar mills in the country for one year w.e.f. 1st August, 2019 with a view to improve liquidity of the sugar industry; enabling sugar mills to clear cane price arrears of farmers and to stabilize domestic sugar price. The Company was allocated 1,40,801 MT of buffer stock with respect to its ten sugar mills located in the State of Uttar Pradesh.

Accordingly, ₹ 3197.75 Lacs (Previous Year: ₹ 2053.01 Lacs) has been adjusted during the year ended 31st March 2020 as reduction in "Finance cost". Further, storage charges amounting to ₹ 555.70 Lacs (Previous Year: ₹ 360.57 Lacs) shown under line item "Insurance and storage charges on buffer stock" under Revenue from Operations.

(ix) The Central Government vide its Notification No. S.O. 3523 (E) dated 19th July, 2018 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) notified a scheme namely "Scheme for extending financial assistance to sugar mills for enhancement and augmentation of ethanol production capacity" with a view to increase production of ethanol and its supply under Ethanol Blended with Petrol (EBP) Programme, and thereby to improve the liquidity position of the sugar mills enabling them to clear cane price arrears of the farmers for which interest subvention @ 6% or 50% of rate of interest charged by banks (whichever is lower) would be borne by the Central Government for a tenure of 5 years from the date of disbursement of the loan.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

Under the said scheme, HDFC Bank and ICICI Bank has disbursed Rupee Loan aggregating to ₹ 8024.00 Lacs and ₹ 5000.00 Lacs respectively, during the year ended 31st March, 2020 which has been utilized for setting up of 160 KLPD distillery at Gularia unit. Accordingly, ₹ 125.98 Lacs (Previous Year: ₹ Nil) has been adjusted with interest on long term borrowings. Further, a sum of ₹ 20.47 Lacs (Previous Year: ₹ Nil) has been adjusted with interest on long term borrowings capitalised.

(x) Pursuant to the Sugar Industry, Cogeneration and Distillery Promotion Policy, 2013 notified by the Government of Uttar Pradesh, the Company was eligible for re-imbursement @ 5% on the interest payable on the loans obtained from bank for setting up of new Co-Generation unit at Kumbhi Unit. Accordingly, ₹ Nil (Previous Year: ₹ 109.17 Lacs) has been adjusted with interest on long term borrowings.

During, the year ended 31st March, 2020, the Company has received ₹ 61.27 Lacs as full and final settlement of total interest subvention claim as against the outstanding claims receivable amounting to ₹ 324.21 Lacs as at 31st March, 2019.

Accordingly, the Company has written off the balance amount of claims receivable aggregating to ₹ 262.94 Lacs (Previous Year: ₹ Nil).

(xi) The Central Government vide its Notification No. 20-90/2013-S.P.-II dated 3rd January, 2014 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) notified a Scheme for extending financial assistance to sugar undertakings ("SEFASU 2014") with a view to improve the liquidity position of sugar factories to clear cane price arrears of previous sugar seasons and timely settlement of cane price of sugar season 2013-14 relating to the Fair and Remunerative Price (FRP), the Company was eligible for interest subvention upto 12% or at actual rate charged by the banks, whichever was lower. Accordingly, ₹ Nil (Previous Year: ₹ 528.54 Lacs) has been adjusted with interest on long term borrowings.

(xii) The Central Government vide its Notification No. 1(4)/2019-S.P.-I dated 2nd March, 2019 issued by the Ministry of Consumer Affairs, Food and Public Distribution (Department of Food and Public Distribution) notified a Scheme for extending soft loan to sugar mills with a view to facilitate payment of cane price dues of farmers for the Sugar Season 2018-19 relating to the Fair and Remunerative (FRP) of sugarcane fixed by the Central Government for which interest subvention @ 7% would be borne by the Central Government for a tenure of 1 year from the date of disbursement of the loan.

Under the said scheme, during the year ended 31st March 2019, HDFC Bank disbursed Rupee Loan aggregating to ₹ 38762.94 Lacs which was utilized for clearance of sugarcane price for sugar season 2018-19 as per the scheme. Accordingly, ₹ 2683.67 Lacs (Previous Year: ₹ 29.74 Lacs) has been adjusted with interest on short term borrowings.

(xiii) The Government of Uttar Pradesh vide its Order No. - 12/2018/1698 / 46-3-18-3 (36-A) / 2018 dated 28th September, 2018 notified a scheme for assistance to sugar mills under the Scheme for Extending Financial Assistance to Sugar Undertakings-2018 ("SEFASU 2018"), for the purpose of clearance of sugarcane price for sugar season 2016-17 and 2017-18 as per the State Advised Price of sugarcane fixed by the State Government.

Under the said scheme, during the year ended 31st March 2019, the State Government extended Rupee term loan to the Company through ICICI Bank @ 5% p.a. interest for a period of 5 years aggregating to ₹ 36508.11 Lacs which was utilized for clearance of sugarcane price for sugar season 2017-18 as per the scheme.

Pursuant to the requirements of Ind AS 20– "Accounting for Government Grants and Disclosure of Government Assistance" and Ind AS 109 – "Financial Instruments", ₹ 4051.19 Lacs was accounted for during the year ended 31st March, 2019 and included under Note No. 20 - "Deferred income". Accordingly, proportionate income amounting to ₹ 1190.38 Lacs (Previous Year: ₹ 410.41 Lacs) has been adjusted with interest on long term borrowings.

9. **Employee Benefits :**

As per Ind AS - 19 " Employee Benefits", the disclosures of Employee Benefits are as follows:

Defined Contribution Plan :

Employee benefits in the form of Provident Fund are considered as defined contribution plan.

The contributions to the respective fund are made in accordance with the relevant statute and are recognised as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognised as expense in the Statement of Profit and Loss are as under :

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

Defined Contribution Plan	Year ended 31st March, 2020	Year ended 31st March, 2019
Employer's Contribution to Provident Fund	1098.49	947.24
Employer's Contribution to Pension Scheme	745.34	713.21

Gratuity

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the said Act, an employee who has completed five years of continuance service is entitled to the same. The gratuity plan provides a lumpsum payment to employees at retirement, death, incapacitation or termination of employment. The level of benefits depends on the member's length of service and salary at the time of cessation of the employment contract with the Company. The fund is in the form of a trust and is governed by the Board of Trustees who are responsible for its administration. The Company contributes ascertained liabilities towards gratuity to trust.

The following tables summarizes the components of net benefit expense recognised in the Statement of Profit and Loss, the funded status and amounts recognised in the Balance Sheet for the said plan:

(a) Details of funded post retirement plans are as follows : (₹ in Lacs)

Sl. No;.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
I.	**Expenses recognised in the Statement of Profit and Loss:**		
1	Current service cost	512.32	458.82
2	Net interest on the net defined benefit liability/asset	1.43	(40.17)
3	Expense recognised in the Statement of Profit and Loss	513.75	418.65
II.	**Other comprehensive income**		
1	Actuarial gain / (loss) arising from:		
	- change in financial assumptions	551.20	(55.04)
	- changes in experience adjustments	322.23	811.61
2	(Returns)/loss on plan assets excluding amounts included in interest income	296.94	33.34
3	Components of defined benefit costs recognised in Other comprehensive income	1170.37	789.91
III.	**Change in present value of defined benefit obligation :**		
1	Present value of defined benefit obligation at the beginning of the year	6106.16	4912.87
2	Interest expense	445.10	354.35
3	Current service cost	512.32	458.82
4	Benefits paid	499.45	376.45
5	Actuarial gain / (loss) arising from:		
	- changes in financial assumptions	551.20	(55.04)
	- changes in experience adjustments	322.23	811.61
6	Present value of Defined Benefit Obligation at the end of the year	7437.56	6106.16

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

Sl. No;.	Particulars	Year ended 31st March, 2020	Year ended 31st March, 2019
IV.	**Change in fair value of plan assets during the year :**		
1	Plan assets at the beginning of the year	5968.75	4912.87
2	Interest income	443.67	394.52
3	Employers' contributions	237.41	1071.15
4	Benefits paid	499.45	376.45
5	Re-measurement (Returns on plan assets excluding amounts included in interest income)	296.94	33.34
6	Fair Value of Plan Assets at the end of the year	5853.44	5968.75
V.	**Net Asset / (Liability) recognised in the Balance Sheet as at the year end:**		
1	Present value of Defined Benefit Obligation	7437.56	6106.16
2	Fair value of Plan Assets	5853.44	5968.75
3	Funded Status [Surplus/(Deficit)]	(1584.12)	(137.41)
4	Net Asset / (Liability) recognised in Balance Sheet	(1584.12)	(137.41)
	- Current Liability (Short term)	(1584.12)	(137.41)
	- Non-Current Liability (Long term)	–	–
VI.	**Actuarial Assumptions :**		
1	Discount Rate (per annum) %	6.75%	7.60%
2	Expected return on Plan Assets (per annum) %	6.75%	7.60%
3	Expected Rate of Salary increase %	6.00%	6.00%
4	Retirement/Superannuation Age (Year)	60	60
5	Mortality Rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
VII.	**Major Category of Plan Assets as a % of the Total Plan Assets as at the year end :**		
1	Administered by Insurance Companies	99.93%	99.94%
2	Others (Cash and cash equivalents)	0.07%	0.06%
VIII.	**Maturity Profile of Defined Benefit Obligation**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	336.65	371.71
	Between 2 and 5 years	1915.66	1732.22
	Between 5 and 10 years	5605.69	4853.25
	Total expected payments	7858.00	6957.18
	The average duration of the defined benefit plan obligation at the end of the balance sheet date (in years)	10	9
IX.	**Sensitivity analysis on Present value of Defined Benefit Obligations:**		
	Discount rates		
	0.50% Increase	(4.50)%	(4.00)%
	0.50% Decrease	5.00%	5.00%
	Expected rates of salary increases		
	0.50% Increase	5.00%	5.00%
	0.50% Decrease	(4.50)%	(4.50)%

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

The sensitivity analysis above has been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring as at the balance sheet date.

All sensitivities are calculated using the same actuarial method as for the disclosed present value of the defined benefits obligation at year end.

X. The history of funded post retirement plans are as follows : (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018	As at 31st March, 2017	As at 31st March, 2016
Present value of Defined Benefit Obligation	7437.56	6106.16	4912.87	4135.70	3327.08
Fair value of Plan Assets	5853.44	5968.75	4912.87	4135.70	3327.08

(b) Details of unfunded post retirement obligations are as follows: (₹ in Lacs)

Sl. No.	Particulars	Leave Encashment (Unfunded)	
		Year ended 31st March, 2020	Year ended 31st March, 2019
I.	**Components of employer expense :**		
1	Current service cost	41.46	42.73
2	Interest cost	38.58	28.99
3	Actuarial (gain) /loss recognised in the year	153.72	141.11
4	Expense recognised in the Statement of Profit and Loss	233.76	212.83
II.	**Change in present value of obligation :**		
1	Present value of obligation at the beginning of the year	552.48	433.41
2	Interest cost	38.58	28.99
3	Current service cost	41.46	42.73
4	Benefits paid	89.58	93.76
5	Actuarial (gain) /loss recognised in the year	153.72	141.11
6	Present value of obligation at the end of the year	696.66	552.48
III.	**Net Asset / (Liability) recognised in the Balance Sheet as at the year end:**		
1	Present value of defined benefit obligation	696.66	552.48
2	Fair value of plan assets	–	–
3	Funded status [Surplus/(Deficit)]	(696.66)	(552.48)
4	Net Asset / (Liability) recognised in Balance Sheet	(696.66)	(552.48)
IV.	**Actuarial Assumptions :**		
1	Discount Rate (per annum) %	6.75%	7.60%
2	Expected rate of Salary increase %	6.00%	6.00%
3	Retirement/Superannuation Age (Year)	60	60
4	Mortality Rates	IALM 2006-2008 Ultimate	IALM 2006-2008 Ultimate
V.	**Maturity Profile**		
	Expected cash flows (valued on undiscounted basis):		
	Within the next 12 months	25.37	24.93
	Between 2 and 5 years	133.64	90.82
	Between 5 and 10 years	393.64	244.50
	Total expected payments	**552.65**	**360.25**

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(c) Risks related to defined benefit plans:

The main risks to which the Company is exposed in relation to operating defined benefit plans are :

(i) Mortality risk:

The assumptions adopted by the Company make allowances for future improvements in life expectancy. However, if life expectancy improves at a faster rate than assumed, this would result in greater payments from the plans and consequently increases the plan's liabilities. In order to minimise this risk, mortality assumptions are reviewed on a regular basis.

(ii) Market and liquidity risks:

These are the risks that the investments do not meet the expected returns over the medium to long term. This also encompasses the mismatch between assets and liabilities. In order to minimise the risks, the structure of the portfolios is reviewed and asset-liability matching analysis are performed on a regular basis.

(d) Asset - liability management and funding arrangements

The trustees are responsible for determining the investment strategy of plan assets. The overall investment policy and strategy for Company's funded defined benefit plan is guided by the objective of achieving an investment return which, together with the contribution paid is sufficient to maintain reasonable control over various funding risks of the plan.

(e) Other disclosures :

(i) Following are the assumptions used to determine the benefit obligation:

Discount rate:

The yield of government bonds are considered as the discount rate. The tenure has been considered taking into account the past long term trend of employees' average remaining service life which reflects the average estimated term of the post - employment benefit obligations.

Rate of escalation in salary :

The estimates of rate of escalation in salary, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

Rate of return on plan assets:

Rate of return for the year was the average yield of the portfolio in which Company's plan assets are invested over a tenure equivalent to the entire life of the related obligation.

Attrition rate :

Attrition rate considered is the management's estimate based on the past long- term trend of employee turnover in the Company.

(ii) The Gratuity and Provident Fund expenses have been recognised under " Contribution to provident, gratuity and other funds" and Leave Encashment under Salaries and Wages under Note No. 30 - Employee benefits expense.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

10. Related party disclosures :

(a) Name of the related parties and description of relationship :-

(i) Associate Companies (Significant influence can be exercised)	:	1.	Visual Percept Solar Projects Pvt. Ltd. (VPSPPL)
		2.	Auxilo Finserve Pvt. Ltd. (AFPL)
(ii) Key Managerial Personnel (KMP)	:	1.	Shri Vivek Saraogi - Managing Director
		2.	Dr. Arvind Krishna Saxena - Whole-time Director
(iii) Other related parties: Close members of family of KMP : Shri Vivek Saraogi	:	1.	Shri K.N.Saraogi - Father
		2..	Smt. Sumedha Saraogi - Wife
		3.	Late Karan Saraogi - Son (deceased on 20th June 2019)
		4.	Smt. Avantika Saraogi - Daughter
		5.	Smt. Stuti Dhanuka - Sister
Significant influence entities	:	1.	Meenakshi Mercantiles Ltd.
		2.	Udaipur Cotton Mills Co. Ltd.
		3.	Novel Suppliers Pvt. Ltd.
		4.	Kamal Nayan Saraogi (HUF)
		5.	Vivek Saraogi (HUF)
		6.	The Balrampur Sugar Company Limited Employees Gratuity Fund

(b) Transactions with Related parties : (₹ in Lacs)

	Nature of transaction / Name of the related party	Associates	Significant influence entities	Key Managerial Personnel (KMP)	Close members of family of KMP	Total
(i)	Compensation/Remuneration of KMP					
	Shri Vivek Saraogi	-	-	636.43	-	636.43
		(-)	(-)	(645.30)	(-)	(645.30)
	Dr. Arvind Krishna Saxena	-	-	31.52	-	31.52
		(-)	(-)	(29.02)	(-)	(29.02)
(ii)	Investment in equity shares					
	Auxilo Finserve Pvt. Ltd.	8250.00	-	-	-	8250.00
		(3750.00)	(-)	(-)	(-)	(3750.00)
(iii)	Redemption of Investment in debentures					
	(at amortized cost)					
	Visual Percept Solar Projects Pvt. Ltd.	1646.05	-	-	-	1646.05
		(-)	(-)	(-)	(-)	(-)
(iv)	Interest income (at amortized cost)					
	Visual Percept Solar Projects Pvt. Ltd.	284.93	-	-	-	284.93
		(191.66)	(-)	(-)	(-)	(191.66)

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

	Nature of transaction / Name of the related party	Associates	Significant influence entities	Key Managerial Personnel (KMP)	Close members of family of KMP	Total
(v)	Recovery towards deputation of employee					
	Visual Percept Solar Projects Pvt. Ltd.	3.95	-	-	-	3.95
		(-)	(-)	(-)	(-)	(-)
(vi)	Contribution to employees defined benefit plan					
	The Balrampur Sugar Company Limited Employees Gratuity Fund	-	1684.12	-	-	1684.12
		(-)	(1208.56)	(-)	(-)	(1208.56)
(vii)	Interim dividend paid to equity shareholders					
	Shri Vivek Saraogi	-	-	861.73	-	861.73
		(-)	(-)	(892.00)	(-)	(892.00)
	Dr. Arvind Krishna Saxena	-	-	0.39	-	0.39
		(-)	(-)	(0.41)	(-)	(0.41)
	Smt. Sumedha Saraogi	-	-	-	633.18	633.18
		(-)	(-)	(-)	(229.15)	(229.15)
	Late Karan Saraogi	-	-	-	-	-
		(-)	(-)	(-)	(426.32)	(426.32)
	Smt. Avantika Saraogi	-	-	-	83.49	83.49
		(-)	(-)	(-)	(86.81)	(86.81)
	Smt. Stuti Dhanuka	-	-	-	112.14	112.14
		(-)	(-)	(-)	(116.46)	(116.46)
	Meenakshi Mercantiles Ltd.	-	169.30	-	-	169.30
		(-)	(175.21)	(-)	(-)	(175.21)
	Udaipur Cotton Mills Co. Ltd.	-	148.55	-	-	148.55
		(-)	(153.73)	(-)	(-)	(153.73)
	Novel Suppliers Pvt. Ltd.	-	70.23	-	-	70.23
		(-)	(72.68)	(-)	(-)	(72.68)
	Kamal Nayan Saraogi (HUF)	-	178.05	-	-	178.05
		(-)	(184.26)	(-)	(-)	(184.26)
	Vivek Saraogi (HUF)	-	3.85	-	-	3.85
		(-)	(3.99)	(-)	(-)	(3.99)

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

	Nature of transaction / Name of the related party	Associates	Significant influence entities	Key Managerial Personnel (KMP)	Close members of family of KMP	Total
(viii)	**Amount paid upon buyback of Equity shares**					
	Shri Vivek Saraogi	-	-	2118.96	-	2118.96
		(-)	(-)	(-)	(-)	(-)
	Dr. Arvind Krishna Saxena	-	-	1.21	-	1.21
		(-)	(-)	(-)	(-)	(-)
	Smt. Sumedha Saraogi	-	-	-	554.67	554.67
		(-)	(-)	(-)	(-)	(-)
	Late Karan Saraogi	-	-	-	1006.10	1006.10
		(-)	(-)	(-)	(-)	(-)
	Smt. Avantika Saraogi	-	-	-	232.63	232.63
		(-)	(-)	(-)	(-)	(-)
	Smt. Stuti Dhanuka	-	-	-	302.62	302.62
		(-)	(-)	(-)	(-)	(-)
	Meenakshi Mercantiles Ltd.	-	413.48	-	-	413.48
		(-)	(-)	(-)	(-)	(-)
	Udaipur Cotton Mills Co. Ltd.	-	362.80	-	-	362.80
		(-)	(-)	(-)	(-)	(-)
	Novel Suppliers Pvt. Ltd.	-	171.51	-	-	171.51
		(-)	(-)	(-)	(-)	(-)
	Kamal Nayan Saraogi (HUF)	-	434.85	-	-	434.85
		(-)	(-)	(-)	(-)	(-)
	Vivek Saraogi (HUF)	-	9.40	-	-	9.40
		(-)	(-)	(-)	(-)	(-)
(ix)	**Balance Outstanding:**					
	Investment in debentures (at amortized cost)	564.58	-	-	-	564.58
		(2210.63)	(-)	(-)	(-)	(2210.63)
	Remuneration payable	-	-	360.00	-	360.00
		(-)	(-)	(360.00)	(-)	(360.00)
	Contribution to employees defined benefit plan	-	1584.12	-	-	1584.12
		(-)	(137.41)	(-)	(-)	(137.41)

Figures in brackets pertain to previous year

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(c) Details of Remuneration paid/payable to KMP: (₹ in Lacs)

Particulars	Year ended 31st March, 2020			Year ended 31st March, 2019		
	Shri Vivek Saraogi	Dr. Arvind Krishna Saxena	Total	Shri Vivek Saraogi	Dr. Arvind Krishna Saxena	Total
Short-term employee benefits						
- Salary	240.00	25.10	265.10	240.00	23.09	263.09
- Commission	360.00	-	360.00	360.00	-	360.00
- Perquisites	7.63	3.83	11.46	16.50	3.55	20.05
	607.63	**28.93**	**636.56**	**616.50**	**26.64**	**643.14**
Post-employment benefits						
- Contribution to Provident Fund	28.80	2.59	31.39	28.80	2.38	31.18
	636.43	**31.52**	**667.95**	**645.30**	**29.02**	**674.32**

The above remuneration does not include provision for gratuity and leave encashment, which is determined for the Company as a whole.

d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

(e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No provision for bad or doubtful debts has been recognised in current year and previous year in respect of the amounts owed by related parties.

(f) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

11. Revenue

(i) The disclosures pertaining to disaggregation of revenue and performance obligation in terms of Ind AS 115 - Revenue from contracts with customers are as follows:

(a) Sugar

The Sugar segment of the Company principally generates revenue from manufacturing and sale of sugar and its by-products, such as molasses, bagasse, pressmud. Domestic sales of sugar is made on ex-factory terms/agreed terms to wholesale /institutional buyers/ merchant exporters within the country. Domestic sugar sales is majorly done on advance payment terms.

Export sales of sugar to merchant exporters are done on ex-factory /delivered basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyers' specific location (as per agreed terms). The sale price is fixed as per contracted terms and payments terms.

Molasses are sold to customers on ex-factory /delivered basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyer. The sale price is fixed as per contracted terms and payments terms is determined as per Company's credit policy which is up-to 60 days.

Bagasse and pressmud are sold generally on advance payment terms to customers on ex-factory basis in terms of the agreement and revenue is recognised when the goods have been shipped to / delivered to the buyer.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(b) Co-generation

The co-generation segment of the Company principally generates revenue from sale of power to distribution companies.

Power is supplied to distribution companies from the Company's facility in accordance with the sale price, payment terms and other conditions as per the Power Purchase Agreements ("PPA").

(c) Distillery

The distillery segment of the Company principally generates revenue from sale of industrial alcohol which mainly constitutes ethanol sold under contracts with Oil Marketing Companies ("OMCs") and other products to institutional buyers.

For sale of ethanol under contracts with OMCs, sale price is pre-determined based on Expression of Interest ("EOI")/ TENDER floated from OMC's. The prices are on delivered cost basis at OMC's locations inclusive of all duties / levies/ taxes/ charges etc. Payment terms is within 21 days after delivery of material and submission of original invoices.

Other products like Rectified Spirit, ENA, SDS etc. are sold on bulk basis to institutional buyers on Ex-factory/ Delivered cost basis as per agreed terms. Revenue is recognised when goods have been shipped to the buyers' specific location as per agreed terms (as the case may be). The payments terms are fixed as per Company's credit policy which is up-to 45 days.

(d) Others

Other segment principally generates revenue from sale of agricultural fertilizers such as soil conditioner, granulated potash etc.

Agricultural fertilizers such as soil conditioner, granulated potash etc. are sold to customers on ex-factory/ delivered cost basis as per agreed terms. Revenue is recognised when the goods have been shipped to the buyers' specific location as per agreed terms (as the case may be). The payments terms are fixed as per Company's credit policy which is up-to 60 days.

(ii) Disaggregated revenue information have been given along with segment information [Refer Note No. 36(12)(c)].

12. Segment information

(a) The Managing Director has been identified as the Company's chief operating decision-maker (CODM) as defined by Ind AS 108 – Operating Segments. The Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by Business segments. The CODM of the Company evaluates the segments based on their revenue growth, operating income and return on capital employed. No operating segments have been aggregated in arriving at the Business Segment of the Company.

Management has determined the operating segments based on the information reviewed by the CODM for the purpose of allocating resources and assessing performance. The Company has identified three business segments viz. Sugar, Co-generation and Distillery and presented the same in the financial statements on a consistent basis. Revenue and expenses have been identified to a segment on the basis of relationship to operating activities of the segment. Revenue and expenses which relate to enterprise as a whole and are not allocable to a segment on reasonable basis have been disclosed as "Unallocable".

Segment assets and segment liabilities represent assets and liabilities of respective segment. Investments, tax related assets/ liabilities and other assets and liabilities that cannot be allocated to a segment on reasonable basis have been disclosed as " Unallocable".

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(b) The following is an analysis of revenue and results from operations by reportable segments: (₹ in Lacs)

Particulars	Sugar	Co-generation	Distillery	Others	Unallocable	Adjustments / Elimination	Total
Revenue							
External Sales	**373758.86**	**16473.81**	**54908.67**	**1117.17**	**–**	**–**	**446258.51**
	(346965.77)	(33104.67)	(46769.84)	(782.78)	(–)	(–)	(427623.06)
Inter Segment Sales	**49680.87**	**28576.09**	**0.05**	**47.49**	**–**	**(78304.50)**	**–**
	(34238.55)	(28477.86)	(–)	(19.97)	(–)	(–)(62736.38)	(–)
Other operating revenue	**27870.89**	**–**	**–**	**–**	**–**	**–**	**27870.89**
	(954.45)	(–)	(–)	(–)	(–)	(–)	(954.45)
Revenue from operations	**451310.62**	**45049.90**	**54908.72**	**1164.66**	**–**	**(78304.50)**	**474129.40**
	(382158.77)	(61582.53)	(46769.84)	(802.75)	(–)	(–)(62736.38)	(428577.51)
Segment profit	**34422.17**	**4754.53**	**26146.40**	**518.77**	**–**	**–**	**65841.87**
	(16616.65)	(17858.35)	(31652.51)	(284.59)	(–)	(–)	(66412.10)
Unallocable expenditure					**4688.50**		**4688.50**
net of unallocable income					(3031.33)		(3031.33)
Interest income							**756.50**
							(216.01)
Finance costs							**6417.02**
							(4093.51)
Profit before tax							**55492.85**
							(59503.27)
Tax							
Current tax							**9710.33**
							(12847.57)
Deferred tax							**(5145.66)**
							(–)(10408.16)
Profit after tax							**50928.18**
							(57063.86)

Footnotes:

(i) Inter-segment revenues are eliminated upon consolidation and reflected in the 'adjustments and eliminations' column. Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed at Company level. Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed at Company level. Capital expenditure consists of additions to property, plant and equipment, capital work in progress and intangible assets.

(ii) Transactions between segments are primarily transferred at cost/market determined prices. Common costs are apportioned on a reasonable basis.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(iii) Uttar Pradesh Electricity Regulatory Commission vide notification dated 25th July, 2019 reduced the power purchase rates of bagasse-based power plants w.e.f. 1st April, 2019 and revenue in this respect has accordingly been recognised at such reduced rates. The Uttar Pradesh Cogen Association has filed a writ petition, challenging the reduction in power rates before Hon'ble High Court at Allahabad which has been admitted and is pending for decision as on this date.

(iv) Figures in brackets pertain to previous year.

(c) In the following table, revenue is disaggregated by geographical market, major products/service lines and timing of revenue recognition which also includes a reconciliation of the disaggregated revenue with the Company's three strategic divisions, which are its reportable segments.

(₹ in Lacs)

Particulars	Sugar		Co-generation Domestic	Distillery Domestic	Total reportable segment	All other Segment	Total
	Domestic	Export					
Geographical markets							
Within India	318890.46	–	16473.81	54908.67	390272.94	1117.17	391390.11
	(311553.05)	(–)	(33104.67)	(46769.84)	(391427.56)	(782.78)	(392210.34)
Within India to merchant exporter	54868.40	–	–	–	54868.40	–	54868.40
	(19243.96)	(–)	(–)	(–)	(19243.96)	(–)	(19243.96)
Within India to Special Economic Zone	–	–	–	–	–	–	–
	(–)	(16168.76)	(–)	(–)	(16168.76)	(–)	(16168.76)
Total	373758.86	–	16473.81	54908.67	445141.34	1117.17	446258.51
	(330797.01)	(16168.76)	(33104.67)	(46769.84)	(426840.28)	(782.78)	(427623.06)
Major product							
Sugar	333734.50	–	–	–	333734.50	–	333734.50
	(305328.14)	(11473.10)	(–)	(–)	(316801.24)	(–)	(316801.24)
Raw Sugar	31966.97	–	–	–	31966.97		31966.97
	(19243.96)	(4695.66)	(–)	(–)	(23939.62)	(–)	(23939.62)
Industrial alcohol	–	–	–	54530.76	54530.76	–	54530.76
	(–)	(–)	(–)	(46324.88)	(46324.88)	(–)	(46324.88)
Power	–	–	16160.76	–	16160.76	–	16160.76
	(–)	(–)	(32801.46)	(–)	(32801.46)	(–)	(32801.46)
Bagasse	7270.67	–	–	–	7270.67	–	7270.67
	(5454.44)	(–)	(–)	(–)	(5454.44)	(–)	(5454.44)
Others	786.72	–	313.05	377.91	1477.68	1117.17	2594.85
	(770.47)	(–)	(303.21)	(444.96)	(1518.64)	(782.78)	(2301.42)
Total	373758.86	–	16473.81	54908.67	445141.34	1117.17	446258.51
	(330797.01)	(16168.76)	(33104.67)	(46769.84)	(426840.28)	(782.78)	(427623.06)

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

Particulars	Sugar		Co-generation Domestic	Distillery Domestic	Total reportable segment	All other Segment	Total
	Domestic	Export					
Timing of revenue recognition							
Products and services transferred at a point in time	**373758.86**	**–**	**16473.81**	**54908.67**	**445141.34**	**1117.17**	**446258.51**
	(330797.01)	(16168.76)	(33104.67)	(46769.84)	(426840.28)	(782.78)	(427623.06)
Products and services transferred over time	–	–	–	–	–	–	–
	(–)	(–)	(–)	(–)	(–)	(–)	(–)
	373758.86	**–**	**16473.81**	**54908.67**	**445141.34**	**1117.17**	**446258.51**
	(330797.01)	(16168.76)	(33104.67)	(46769.84)	(426840.28)	(782.78)	(427623.06)

Figures in brackets pertain to previous year.

(d) Other information

(₹ in Lacs)

Particulars	Sugar	Co-generation	Distillery	Others	Unallocable	Adjustments / Elimination	Total
Segment assets	**325990.96**	**76116.12**	**42621.65**	**1575.10**	**28483.52**	**–**	**474787.35**
	(337597.83)	(83246.99)	(23116.07)	(1151.31)	(20534.32)	(–)	(465646.52)
Segment liabilities	**81018.70**	**1653.02**	**2279.85**	**171.75**	**152622.87**	**–**	**237746.19**
	(70989.59)	(1659.94)	(1543.04)	(162.01)	(183022.06)	(–)	(257376.64)
Capital expenditure *	**6251.59**	**8042.10**	**11997.80**	**495.06**	**1045.26**	**–**	**27831.81**
	(3183.96)	(4797.50)	(2351.10)	(574.26)	(414.02)	(–)	(11320.84)
Depreciation and amortisation	**5015.43**	**3500.25**	**1293.47**	**45.54**	**287.04**	**–**	**10141.73**
	(4977.45)	(3254.85)	(1064.60)	(16.49)	(271.74)	(–)	(9585.13)
Non cash expenses other than depreciation and amortisation	**68.14**	**431.36**	**10.26**	**–**	**0.67**	**–**	**510.43**
	(271.98)	(211.92)	(18.31)	(–)	(9.95)	(–)	(512.16)

*Includes depreciation, interest and other borrowing costs capitalised.

Note: Figures in brackets pertain to previous year.

(e) **Geographical information:**

Refer Note No. 36(12) (c) above for disclosures relating to revenue disaggregated by geographical market.

(f) **Information about major customers:**

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2020 and 31st March, 2019.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

13. The Company has adopted Ind AS 116 'Leases' with effect from 1st April, 2019 and applied the Standard to lease contracts existing on 1st April, 2019 using the modified retrospective method , and therefore, comparatives for the year ended 31st March 2019 have not been restated.

Consequent to this, such assets have been recognised as "Right-of-use" assets and have been amortized over the term of the lease. Further, finance cost in respect of corresponding lease liabilities has been measured and considered in these financial statements.

The Company's lease asset class primarily consist of leases for land. The Company has entered into various agreements in respect of land under lease arrangements. The lease agreements include renewal and escalation clause and do not provide the Company a right to sub-lease. For most of the lease agreements, original lease term is 30 years subject to maximum of 90 years from the date of inception.

The following is the summary of practical expedients elected on initial application:

(i) Applied the practical expedient to the transactions previously identified as leases under Ind AS 17.

(ii) Applied the exemption not to recognize Right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

Pursuant to the said transition, the Company has re-classified its leased assets as Right-of-use ("ROU") assets. Disposals / deductions / adjustments during the year ended 31st March 2020 as shown under Note No. 4 – Property, plant and equipment include reclassification with respect to Right-of-use asset with corresponding increase of such assets being shown under Additions / reclassification during the year.

Depreciation charge for Right-of-use assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

Further, to above, the Company has certain lease arrangement on short term basis, expenditure on which has been recognised under line item "Rent" under Other expenses.

The effect of adoption of Ind AS 116 'Leases' is not material on the profit before tax, profit for the year and earnings per share.

The details of the contractual maturities of lease liabilities as at 31st March, 2020 on an undiscounted basis have been disclosed under Note No. 36(20)(c).

Movement in lease liabilities :

Particulars	(₹ in Lacs)
Balance as at 1st April, 2019	-
Addition to lease liabilities	232.39
Finance cost accrued during the year	16.31
Payment of lease liabilities	8.32
Balance as at 31st March, 2020	**240.38**
- Non-current	223.75
- Current	16.63

14. Disclosure under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has neither given any loan nor has advanced any amount either during the year ended 31st March, 2020 or year ended 31st March, 2019. Hence, the requirements under the said Schedule is not applicable to the Company and no information is required to be disclosed.

15. Details of Investments covered under section 186 (4) of the Companies Act, 2013 :

Details of investments made are given under the respective note.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

16. (a) The Hon'ble High Court at Allahabad, Lucknow Bench, vide its order dated 12th February, 2019 ("Order") had quashed the G.O. dated 4th June, 2007, vide which the Sugar Industry Promotion Policy 2004 ("SIPP") was withdrawn, and held that the petitioner companies were entitled for all the benefits for the entire period of the validity of SIPP . Consequent to this, the Company in respect of its capital projects and expansions during the period from 2004 to 2008 is entitled for capital subsidy, reimbursement of certain expenses, remission of certain taxes and levies in accordance with the provision of the said policy.

The State Government of UP and others have filed Special Leave Petitions challenging the said Order before the Hon'ble Supreme Court of India and the cases are pending for hearing as on 31st March, 2020. Pending this, the Company's claim for reimbursement of ₹ 33654.94 Lacs and capital subsidy of ₹ 13137.77 Lacs pursuant to SIPP being contingent in nature, has not been recognised.

(b) In terms of SIPP, the Company availed remission of taxes and levies, namely, Entry Tax on Sugar, Trade Tax on Molasses and Cane Purchase Tax, Stamp duty and registration charges on purchase of land aggregating to ₹ 11278.45 Lacs in earlier years. These remissions were availed pursuant to protection earlier provided by the Hon'ble High Court at Allahabad, which has been confirmed pursuant to the Order of the said court as given in Note No. 36(16)(a) above.

In the assessment of Entry Tax on Sugar and Trade Tax on Molasses relating to four sugar units, namely, Akbarpur, Mankapur, Kumbhi and Gularia aggregating to ₹ 6300.63 Lacs (including ₹ 26.62 Lacs pertaining to the year 2017-18, from April 2017 to June 2017, determined during the year ended 31st March, 2020) has been assessed, though these units are also eligible for the remission under the SIPP. However, no demand has been raised and pursued against the Company in view of the protection by the Hon'ble High Court as aforesaid. Since these units are eligible for incentive under SIPP and no demand has yet been raised against the Company, the aforesaid amount of ₹6300.63 Lacs has not been considered as contingent liability.

17. Impact of COVID-19 Pandemic

During March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The Covid -19 pandemic and the consequent lockdown restrictions imposed by the Central and State Governments have impacted business in general. However, since, Company is engaged in the manufacturing of sugar, generation of power and production of Ethanol and other Industrial Alcohol, which all fall under the category of essential commodities and thus, the activities of the Company were being carried out in the normal course under the directives issued by the Ministry of Home Affairs and State Government.

Owing to lock-down demand for sugar was impacted to some extent which is gradually coming to its normal level. In the distillery segment, the Oil Marketing Companies had actively re-allocated the quantities to the new depots to arrest the initial impact on the slow lifting of Ethanol.

The Company's capital and financial resources are well placed and have not been impacted because of the Covid-19. The Company has enough liquidity to meet all its obligations/liabilities and does not expect to face any liquidity crunch.

Overall, Company does not foresee any significant impact on the operational results and the financial health as sugar and allied businesses which the Company operates are all essential products and as such demand of the products will return to a large extent as and when the situation normalizes.

18. The Board of Directors of the Company at its meeting held on 15th September, 2017 considered and approved cumulative investment of ₹ 17500.00 Lacs in tranches over a period of five years in Auxilo Finserve Private Limited ("AFPL"), an unlisted NBFC based in India and engaged in financing activities in education sector.

The Company has so far acquired 15,50,00,000 (Previous Year: 7,50,00,000) Equity shares of AFPL having par value ₹ 10 each with total cost of ₹ 15750.00 Lacs (Previous Year: ₹ 7500.00 Lacs) on preferential issue basis constituting 45.05% (Previous Year: 50.00%). Though, it's proportionate shareholding has come down to 45.05% as at 31st March 2020 due to investment made by an external investor, AFPL continues to be an associate of the Company.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

19. Financial instruments - Accounting, Classification and Fair value measurements

A. Financial instruments by category

As at 31st March, 2020 (₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Carrying and fair value			
			Cost	Amortized cost	FVTOCI	Total
(1)	Financial assets					
(a)	Investments	6	17978.63	564.58	–	18543.21
(b)	Trade and other receivables	7	–	23928.87	–	23928.87
(c)	Cash and cash equivalents	13	–	149.24	–	149.24
(d)	Bank balances other than cash and cash equivalents	14	–	316.34	–	316.34
(e)	Other financial assets	8	–	29989.62	–	29989.62
	Total		**17978.63**	**54948.65**	**–**	**72927.28**
(2)	Financial liabilities					
(a)	Borrowings	18	–	139895.32	–	139895.32
(b)	Trade and other payables	24	–	67795.18	–	67795.18
(c)	Other financial liabilities	19	–	16583.76	–	16583.76
	Total		–	**224274.26**	**–**	**224274.26**

As at 31st March, 2019 (₹ in Lacs)

Sl. No.	Particulars	Refer Note No.	Carrying and fair value			
			Cost	Amortized cost	FVTOCI	Total
(1)	Financial assets					
(a)	Investments	6	9728.63	2215.47	61.63	12005.73
(b)	Trade and other receivables	7	–	45003.36	–	45003.36
(c)	Cash and cash equivalents	13	–	211.76	–	211.76
(d)	Bank balances other than cash and cash equivalents	14	–	281.08	–	281.08
(e)	Other financial assets	8	–	19277.07	–	19277.07
	Total		**9728.63**	**66988.74**	**61.63**	**76779.00**
(2)	Financial liabilities					
(a)	Borrowings	18	–	167390.76	–	167390.76
(b)	Trade and other payables	24	–	61850.39	–	61850.39
(c)	Other financial liabilities	19	–	11974.03	–	11974.03
	Total		–	**241215.18**	**–**	**241215.18**

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

(i) Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade and other receivables and other current financial assets, short term borrowings from banks and financial institutions, trade and other payables and other current financial liabilities approximate their carrying amounts due to the short-term maturities of these instruments.

(ii) The carrying value of debentures approximate their fair value as the instruments are at prevailing market rate.

The Company uses the following fair value hierarchy for determining and disclosing the fair value of financial instruments:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following tables provide the fair value hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis:

Financial assets (At FVTOCI) measured at fair value on a recurring basis (₹ in Lacs)

Particulars	Refer Note No.	Level 1	Level 2	Level 3	Total
Investments in equity instruments	6	–	–	–	–
		(–)	(–)	(61.63)	(61.63)

Note:

(i) Figures in brackets pertain to previous year.

(ii) There have been no transfers between Level 1 and Level 2 either during the year ended 31st March, 2020 or year ended 31st March, 2019.

Description of significant unobservable inputs to valuation :

The following table shows the valuation technique and inputs for financial instruments:

Particulars	As at 31st March, 2020	As at 31st March, 2019
Investments in unquoted equity shares	Adjusted net asset method	

Reconciliation of opening and closing balances for Level 3 fair value: (₹ in Lacs)

Particulars	Investments in unquoted equity shares
Balance as at 1st April, 2019	**61.63**
De-recognised during the year	61.63
Balance as at 31st March, 2020	**–**
Balance as at 1st April, 2018	**56.09**
Net re-measurement gain recognised and deferred during the year	5.54
Balance as at 31st March, 2019	**61.63**

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

20. Financial risk management objectives and policies

The Company's principal financial liabilities includes borrowings, trade payables and other financial liabilities and principal financial assets include trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents and other financial assets.

The Company is exposed to credit risk, liquidity risk and market risk. The Company's senior management under the supervision of Board of Directors oversees the management of these risks. The policies framed with respect to risks summarised below provides assurance that the Company's financial risks are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(a) 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 risks, such as regulatory risk and commodity price risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations.

Sugar is produced over a period of 4 to 5 months and is required to be stored for sale over a period of 12 months, thereby resulting in very high requirement of working capital. Cost of funding depends on the overall fiscal environment in the country as well as the Company's credit worthiness /credit ratings. Failure to maintain credit rating can adversely affect the cost of funds.

To mitigate the interest rate risk, the Company maintains an impeccable track record and ensures long term relation with the lenders to raise adequate funds at competitive rates. Company has access to low cost borrowings because of its healthy Balance Sheet. Moreover, Company deals with five banks thereby reduces risk significantly. In addition, steady revenue from co-generation and distillery business reduces the overall requirement of working capital.

(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. To mitigate foreign exchange risk, the Company covers its position through permitted hedging methods.

Foreign currency exposure : (US $ in Lacs)

Particulars	Hedged	Unhedged	Total
Foreign currency receivables			
Export related trade receivables	–	–	–
	(228.41)	(2.66)	(231.07)
Total	–	–	–
	(228.41)	(2.66)	(231.07)
Foreign currency payables			
Borrowings - Current	–	–	–
	(228.41)	(–)	(228.41)
Interest accrued but not due on borrowings	–	–	–
	(–)	(0.19)	(0.19)
Total	–	–	–
	(228.41)	(0.19)	(228.60)

Figures in brackets pertain to previous year.

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(iii) Commodity price risk

The major segment in which the Company operates, which accounts for around 80% of the Company's revenues, is Sugar and as such the Company is exposed to commodity price risk. Normally, Company does not physically export sugar unless it is mandated by the Government and duly supported by export subsidy. In that case, the Company has a policy in place to hedge the export underlying exposure. For domestic sales, under the current regime, sales quotas are announced by the Government on monthly basis.

Further, there are not many active platforms in India that allow hedging of domestic sugar sales. In addition to the above, the Central Government had announced Minimum Sale Price (MSP) for sale of sugar in the open market by every sugar mill. Such MSP, currently at ₹ 31/- per kilogram acts as a minimum floor price for the sale of sugar by the sugar mills in India. The pricing methodology for ethanol also remained unchanged. Ethanol prices are announced annually by the Central Government based on a formula, which considers the price of sugar and FRP of sugarcane to calculate the ethanol procurement prices. The ethanol prices are delinked with the crude or petrol prices. Thus, there is no price risk in case of ethanol and accordingly it does not require any hedging.

(iv) Other price risk

Company's equity risk exposure is limited to cost and these are subject to impairment testing as per the policies followed in this respect. Accordingly, other price risk is not expected to be material.

(b) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's sugar sales are mostly on cash. Power and ethanol are sold to government entities, thereby the credit default risk is significantly mitigated.

The Company uses judgement in making these assumptions and selecting the inputs for assessing the impairment calculation, based on the Company's past history, existing market conditions as well as future estimates at the end of each balance sheet date.

Financial assets are written off when there is no reasonable expectation of recovery, however, the Company continues to attempt to recover the receivables. Where recoveries are made, these are recognised in the Statement of Profit and Loss.

(i) Trade receivables

Trade receivables are non-interest bearing; Refer Note No. 36(11) for credit terms.

Trade receivables includes ₹ Nil (Previous Year: ₹ 15878.23 Lacs) backed by letter of credit as referred in Note No. 7(ii) discounted / negotiated with banks on recourse basis and thereby the credit risk was retained by the Company and receivables were not de-recognized in the financial statements.

An impairment analysis is performed at each balance sheet date on an individual basis for major customers. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets disclosed under Note No. 7.

The ageing analysis of the receivables has been considered from the date the invoice falls due: (₹ in Lacs)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Upto 6 months	16508.49	40018.49
6 to 12 months	7420.38	4959.94
More than 12 months	97.63	104.20
	24026.50	**45082.63**
Including trade receivables discounted / negotiated with banks	–	11335.26

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

The following table summarizes the change in the loss allowances measured using life time expected credit loss model for trade receivables:

Particulars	(₹ in Lacs)
Balance as at 1st April, 2019	97.63
Provided during the year	–
Reversed during the year	–
Balance as at 31st March, 2020	97.63
Balance as at 1st April, 2018	97.63
Provided during the year	–
Reversed during the year	–
Balance as at 31st March, 2019	97.63
No changes in estimation were made during the reported period.	

(ii) Balances with banks

Credit risk for balances with banks is managed in accordance with the Company's policy.

The Company's maximum exposure to credit risk for the components of the balance sheet as at 31st March, 2020 and 31st March, 2019 is the carrying amounts as stated under Note No. 13 and 14.

(c) Liquidity risk

The Company's objective is to meet the funding requirement and maintain flexibility in this respect through the use of cash credit facilities, short term loans and commercial papers.

The table below summarises the maturity profile of Company's financial liabilities : (₹ in Lacs)

Sl. No.	Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
A.	As at 31st March, 2020				
(i)	Borrowings (excluding current maturities of long - term debt)				
	Non-current				
	Term loans	–	33802.37	–	33802.37
	Long term maturities of lease obligation		66.53	157.22	223.75
	Current				
	Loans repayable on demand	105869.20	–	–	105869.20
		105869.20	**33868.90**	**157.22**	**139895.32**
(ii)	Trade and other payables	67795.18	–	–	67795.18
(iii)	Other financial liabilities	16583.76	–	–	16583.76
	Total	**190248.14**	**33868.90**	**157.22**	**224274.26**

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(₹ in Lacs)

Sl. No.	Particulars	Less than 1 year	1 to 5 years	More than 5 years	Total
B.	**As at 31st March, 2019**				
(i)	Borrowings (excluding current maturities of long - term debt)				
	Non-current				
	Term loans	–	26099.11	1825.41	27924.52
	Current				
	Loans repayable on demand	89368.04	–	–	89368.04
	Other loans	50098.20	–	–	50098.20
		139466.24	**26099.11**	**1825.41**	**167390.76**
(ii)	Trade and other payables	61850.39	–	–	61850.39
(iii)	Other financial liabilities	11820.94	153.09	–	11974.03
	Total	**213137.57**	**26252.20**	**1825.41**	**241215.18**

21. Capital Management

(a) Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company. The Company's objective while managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders.

The Company manages its capital structure and makes adjustments in the light of changes in the financial condition and the requirements of the financial covenants and return of capital to shareholders.

In order to achieve this overall objective, the Company's capital management, amongst other things, also aim to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2020 and 31st March, 2019.

The Company monitors capital using debt-equity ratio, which is total long-term debt divided by total equity

(₹ in Lacs, unless stated otherwise)

Particulars	As at 31st March, 2020	As at 31st March, 2019
Total long-term debt (including current maturities)	44829.68	37574.92
Total equity	237041.16	208269.88
Debt to equity ratio	0.19	0.18

Notes forming part of the Standalone Financial Statements

Note No. : 36 Other disclosures *(contd.)*

(b) Dividend

Particulars	Year ended 31st March 2020	Year ended 31st March 2019
Year to which interim dividend relates	2019-20	2018-19
Interim dividend paid per equity share (₹)	2.50	2.50
Gross amount of Interim dividend (₹ in Lacs)	5500.00	5710.96
Dividend distribution tax on above (₹ in Lacs)	1130.54	1173.90

22. The previous year's figures have been regrouped and rearranged wherever necessary to make them comparable with those of the current year's figures.

As per our report of even date attached.

For **LODHA & CO.**
Chartered Accountants
Firm's ICAI Registration No. - 301051E

For and on behalf of the Board of Directors

sd/-
R. P. Singh
Partner
Membership No. 052438
Place of Signature: Kolkata
Date: 23rd June, 2020

sd/-
Manoj Agarwal
Company Secretary
Place of Signature: Kolkata

sd/-
Pramod Patwari
Chief Financial Officer
Place of Signature: Kolkata

sd/-
Dr. Arvind Krishna Saxena
Whole-time Director
DIN - 00846939
Place of Signature: Balrampur

sd/-
Vivek Saraogi
Managing Director
DIN - 00221419
Place of Signature: Kolkata