



Refer: MSL/BSE/NSE/

02 September, 2022

BSE Limited  
25th Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
Scrip Code: **523371**

National Stock Exchange of India Ltd  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai 400 051  
Scrip Code: **MAWANASUG**

**Sub. : Submission of Annual Report for the Financial Year ended 2021-22**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith Annual Report for the Year ended 31.03.2022.

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

Thanking You,

Yours Faithfully,  
For Mawana Sugars Limited

**(ASHOK KUMAR SHUKLA)**  
**COMPANY SECRETARY**

Enc : a/a

**MAWANA SUGARS LIMITED**

CIN : L74100DL1961PLC003413

**Corporate Office:**

Plot No. 03, Institutional Area  
Sector-32, Gurugram-122 001 (India)  
T 91-124-4298000 F 91-124-4298300

**Registered Office:**

5th Floor, Kirti Mahal, 19, Rajendra Place  
New Delhi-110125 (India)  
T 91-11-25739103 F 91-11-25743659

E corporate@mawanasugars.com  
www.mawanasugars.com



**58th  
ANNUAL  
REPORT**

**2021-2022**



**MAWANA SUGARS LIMITED**

# Mawana Sugars Limited

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## BOARD OF DIRECTORS

Mr. Krishna Shriram	- Chairman - Non-Executive Director
Mr. Dharam Pal Sharma	- Whole Time Director
Mr. Piar Chand Jaswal	- Non-Executive Director
Mr. Mukesh Chauhan	- Non-Executive Director
Mrs. Manju Vira Gupta	- Independent Director
Mr. Satish Agrawal	- Independent Director
Mr. Arun Kumar Kaul	- Independent Director

## COMPANY SECRETARY

Mr. Ashok Kumar Shukla

## CHIEF FINANCIAL OFFICER

Mr. B.B. Mehta

## AUDITORS

M/s. S.R. Batliboi & Co. LLP  
Chartered Accountants  
(ICAI Firm Registration No:301003E/E300005)  
4th Floor, Office 405, Worldmark-2,  
Asset No.8, IGI Airport Hospitality  
District Aerocity, New Delhi -110037

## BANKERS

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

## REGISTERED OFFICE

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

## CORPORATE OFFICE

Plot No.3, Institutional Area  
Sector - 32, Gurugram - 122001, Haryana  
Phone No:91-124-4298000  
Fax No: 91-124-4298300

## WORKS

- Mawana Sugar Works,  
Mawana Distt. Meerut – 250402(U.P.)
- Nanglamal Sugar Complex,  
Garh Road, Village Nanglamal  
Distt. Meerut – 250001(U.P.)

## REGISTRAR & SHARE TRANSFER AGENT

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



# Mawana Sugars Limited

(CIN: L74100DL1961PLC003413)

**Registered Office:** 5th Floor, Kirti Mahal, 19, Rajendra Place, New Delhi – 110125

**Phone No:** 011-25739103, Fax No: 011-25743659

**E-mail:** corporate@mawanasugars.com, Website: www.mawanasugars.com

## NOTICE

NOTICE is hereby given that 58<sup>th</sup> Annual General Meeting of the shareholders of Mawana Sugars Limited (the "Company"/ "MSL") will be held on Thursday, the 29th day of September, 2022 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

### ORDINARY BUSINESS:

- To consider and adopt:
  - the audited financial statements of the Company for the financial year ended 31st March, 2022 and the reports of the Board of Directors and Auditors thereon; and
  - the audited consolidated financial statements of the Company for the financial year ended 31st March, 2022 and the report of Auditors thereon.
- To declare Dividend of Rs.3/- (30%) per equity share of face value of Rs.10/- each for the financial year ended 31.3.2022.
- To appoint a Director in place of Mr. Piar Chand Jaswal (DIN- 07100098) who retires by rotation and being eligible, offers himself for reappointment.
- To consider and if thought fit, to pass the following resolution, with or without modification(s), as an ORDINARY RESOLUTION:

"RESOLVED THAT pursuant to Section 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, (including any statutory modification(s) or re-enactment thereof) and pursuant to the recommendations of the Audit Committee and the Board of Directors of the Company, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) be and is hereby re-appointed as the Statutory Auditor of the Company for the second term of five consecutive years, who shall hold office from the conclusion of this 58<sup>th</sup> Annual General Meeting till the conclusion of the 63<sup>rd</sup> Annual General Meeting of the Company at such remuneration and out-of-pocket expenses, as may be decided by the Board of Directors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to decide and/or alter the terms and conditions of the appointment including the remuneration for subsequent financial years as it may deem fit."

### SPECIAL BUSINESS:

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

"RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and any other applicable law, the remuneration of Rs.1,75,000/- (Rupees One Lac Seventy Five Thousand only) plus GST & out-of-pocket expenses, if any, payable to M/s Bahadur Murao & Co., Cost Accountants (Firm Registration No.4941), the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost accounting records of the Company for the financial year 2022-23, be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution."

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

"RESOLVED THAT pursuant to the provisions of Section 152 and all other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], Mr. Mukesh Chauhan (DIN: 09387262), who was appointed by the Board of Directors as an Additional Director of the Company, with effect from 3rd November, 2021 under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting of the Company in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director of the Company, being so eligible, be appointed as a Non-Executive and Non-Independent Director of the Company, liable to retire by rotation be and is hereby approved.

## NOTICE (Contd.)

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

7. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Regulations”) (including any statutory modification(s) or re-enactment thereof for the time being in force), the appointment of Mr. Satish Agrawal (DIN: 00167589) from the Non-Executive and Non-Independent Director to Non-Executive and Independent Director who meets the criteria for independence as provided in Section 149(6) of the Act along with the rules framed thereunder, and Regulation 16(1)(b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing with effect from 3.11.2021 be and is hereby approved.

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

8. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT subject to the approval of the shareholders of the Company, Mr. Arun Kumar Kaul (DIN -09127653), who is appointed as an Additional Director of the Company by the Board of Directors with effect from 10.08.2022 and who holds office until the date of the ensuing Annual General Meeting, in terms of section 161 of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a Member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 and other applicable provisions,

if any, of the Act read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, Regulation 17 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘SEBI Listing Regulations’), as amended from time to time, the appointment of Mr. Arun Kumar Kaul (DIN -09127653), that meets the criteria for independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, for a term of five years w.e.f. from August 10, 2022 to August 09, 2027 and who would not be liable to retire by rotation, be and is hereby approved.”

9. To Consider and if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

“RESOLVED THAT pursuant to recommendation of the Nomination and Remuneration Committee and Board of Directors and subject to the provisions of Sections 196, 197, 203 and Schedule – V of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, and other applicable provisions, if any, of the Companies Act, 2013 and Article of Association of the Company, consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Dharam Pal Sharma (DIN-07259344), Whole Time Director of the Company for a period of 2 years w.e.f. 13.08.2022 to 12.08.2024 and payment of the following remuneration for the said period:

Sl. No.	Particulars	Remuneration
1.	Basic Salary	Rs.66,000/- per month.
2.	Provident Fund	As per the rules of the Company.
3.	Gratuity	As per the rules of the Company.
4.	Medical (Reimbursement)	Expenses incurred for self and family upto Rs.1,250/- p.m. as per the rules of the Company.
5.	Leave Travel Allowance	Rs.2,000/- per month.
6.	Conveyance Allowance	Rs.1,600/- per month.

## NOTICE (Contd.)

7.	Special Allowance	Rs.1,37,930/- per month.
8.	Leave Facility	Leave facility and retirement benefits will be as per the rules of the Company.
9.	Accommodation	Company Leased unfurnished Accommodation.

Resolved further that the Board be and is hereby authorized to do all acts and to take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

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

**(Ashok Kumar Shukla)**

Company Secretary  
ACS-29673

Place : New Delhi  
Dated : 10.08.2022

### Notes:

- Pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020, 02/2021, 19/2021, 21/2021 and 02/2022 dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 08, 2021, December 14, 2021 and May 05, 2022 respectively issued by the Ministry of Corporate Affairs ('MCA') (collectively referred to as 'MCA Circulars') and Circular Nos. SEBI/HO/CFD/ CMD1/CIR/ P/2020/79 , SEBI/HO/CFD/CMD2/ CIR/P/2021/11 and SEBI/HODDHS/P/ CIR/2022/0063 dated May 12, 2020, January 15, 2021 and May 13,2022, respectively issued by the Securities and Exchange Board of India (collectively referred to as 'SEBI Circulars'), holding of the Annual General Meeting ('AGM') through VC/OAVM, without the physical presence of the Members, is permitted. In compliance with the provisions of the Companies Act, 2013 ('the Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('the Listing Regulations'), MCA Circulars and SEBI Circulars, the AGM of the Company is being held through VC/ OAVM which does not require physical presence of members at a common venue.
- Details as required in Regulation 36 (3) of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Directors seeking appointment/re-appointment at the AGM is enclosed as Annexure-A to this notice.
- Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. In terms of MCA Circulars, since physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility for appointment of proxies by the Members under Section 105 of the Act, will not be available for the AGM and, hence, the Proxy Form and Attendance Slip are not annexed to this Notice. The Board of Directors has appointed Mr. Nirbhay Kumar (M. No. 21093, CP N. 7887) M/s Nirbhay Kumar & Associates, Company Secretaries, as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- Corporate/Institutional members (i.e. other than individuals, HUF, NRI, etc) are required to send scanned copy of its Board or governing body resolution/ authorization etc., authorizing its representative to attend AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/ Authorization be sent to the Scrutinizer by email through its registered email address to nirbhaykumar77@gmail.com with a copy marked to evoting@nsdl.co.in
- Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
- Members can login and join the AGM 30 minutes prior to the scheduled time to start the AGM and the window for joining shall be kept open till the expiry of 15 minutes after the scheduled time to start the AGM. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members, on first-come-first-served basis. However, the participation of large members (members holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee and Auditors can attend the AGM without restriction of first-come-first served basis. Instructions and other information for members for attending the AGM through VC/OAVM are given in this Notice.
- In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

## NOTICE (Contd.)

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8. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
9. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number & number of shares at [investor@masserv.com/corporate@mawanasugars.com](mailto:investor@masserv.com/corporate@mawanasugars.com) before September 23, 2022 (5:00 p.m. IST) subject line should be Speaker Registration of Mawana Sugars Limited. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
10. The Registers of Members and Share Transfer Books of the Company will remain closed from Friday, September 23, 2022 to Thursday, September 29, 2022 (both days inclusive) for the purpose of annual closure of books.
11. The Dividend of 30% i.e. Rs. 3/- per Equity Share of face value of Rs. 10/- each on Company's Equity Shares for the year ended 31st March, 2022, as recommended by the Board of Directors, if approved at the AGM, payment of such dividend subject to deduction of tax at source will be made as under:
- To all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), collectively "Depositories", as of the close of business hours on Thursday, September 22, 2022.
  - To all Members in respect of shares held in physical form after giving effect to valid transmission or transposition requests lodged with the Company as of the close of business hours on Thursday, September 22, 2022.
- The Dividend, if approved, will be payable by October 28, 2022.
12. In accordance with SEBI LODR (Listing Obligations and Disclosure Requirements) (4th amendment) Regulations, 2018 notified on June 07, 2018 and further notification dated 30/11/2018 any request for physical transfer of shares shall not be processed w.e.f. April 01, 2019
- Further, in compliance with SEBI vide its circular SEBI/HO/ MIRS/MIRSD\_RTAMB/P/CIR/2022/8 dated 25th January 2022, the following requests received by the Company in physical form will be processed and the shares will be issued in dematerialization form only:-
- Issue of duplicate share certificate
  - Claim from unclaimed suspense account
  - Renewal/Exchange of securities certificate
  - Endorsement
  - Sub-division / splitting of securities certificate
  - Consolidation of securities certificates/folios
  - Transmission
  - Transposition
- For this purpose, the securities holder/claimant shall submit a duly filled up Form ISR-4 which is hosted on the website of the company as well as on the website of MAS Services Ltd, Registrar and share transfer agent (RTA) The aforementioned form shall be furnished in hard copy form.
- Members holding shares in physical form are requested to dematerialize their holdings at the earliest.**
13. The Securities and Exchange Board of India ('SEBI') vide its circular dated November 03, 2021 read with circular dated December 14, 2021 has made it mandatory for the shareholders holding securities in physical form to furnish PAN, KYC (complete address with pin-code, bank detail with MICR-CODE & IFS CODE, Email-ID, Mobile Number) and Nomination details to the Registrar and Transfer Agent ('RTA') of the Company. Effective from 1<sup>st</sup> January 2022. Registrar will not process, any service requests or complaints received from the member until unless above KYC and nomination will not be completed by shareholder and

## NOTICE (Contd.)

such shareholders holding will be freeze by RTA on or after 1<sup>st</sup> April 2023.

The shareholders holding shares in physical form are requested to note that in case of failure to provide required documents and details as per aforesaid SEBI circular, all folios of such shareholders shall be frozen on or after April 01, 2023 by the RTA. In view of the above, shareholders of the Company holding securities in physical form are requested to provide following documents/details to RTA:

- i. PAN; (using ISR-1)
- ii. Nomination in Form No.SH-13 or submit declaration to 'Opt-out' in Form ISR-3;
- iii. Contact details including Postal address with PIN code, Mobile Number, E-mail address;
- iv. Bank Account details including Bank name and branch, Bank account number, IFS code;
- v. Specimen signature. (using ISR-2)

Any cancellation or change in nomination shall be provided in Form No.SH-14

All of above required documents/details to be sent at the address of registered office of the RTA. The upload the documents in website i.e [www.masserv.com](http://www.masserv.com) shareholders can download the forms mentioned in SEBI circular from the website of the Company or RTA.

**A separate communication will be sent to the respective shareholders.**

14. In compliance with the aforesaid MCA and SEBI Circulars, the Notice of the AGM along with the Annual Report 2021- 22 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice calling AGM along with the explanatory statement and Annual Report 2021-22 are available on the website of the Company at [www.mawanasugars.com](http://www.mawanasugars.com) and on the website of the Stock Exchange i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of National Securities Depository Limited (NSDL) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com) (the Authorised agency for providing voting through electronic means and AGM through VC/OAVM). Company's web-link on the above will also be provided in advertisement being published in Business Standard (English edition) and Business Standard (Hindi edition).
15. As per Regulation 40 of SEBI Listing Regulations,

as amended, securities of listed companies can be transferred only in dematerialized form with effect from 1st April, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company Secretary or Mas Services Limited, Company's Registrar and Share Transfer Agents ("RTA") (Tel. No. 011-26387281/82/83) for assistance in this regard.

16. Members who have not yet registered their e-mail addresses are requested to register the same with their Depository Participants ("DP") in case the shares are held by them in electronic form and with the Company/ RTA in case the shares are held by them in physical form.
17. Members are requested to intimate changes, if any, pertaining to their name, postal address, e-mail address, telephone / mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, etc., to their DPs if the shares are held by them in electronic form and to the Company/ RTA if the shares are held by them in physical form.
18. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2021-22 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company / Depositories. Further, those members who have not registered their e-mail addresses and mobile nos. and in consequence could not be served the Notice of the AGM and Annual Report may temporarily get themselves registered with RTA by emailing for obtaining the same. Members are requested to support our commitment to environmental protection by choosing to receive the Company's communications through e-mail going forward.

Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website [www.mawanasugars.com](http://www.mawanasugars.com), websites of the Stock Exchanges i.e. BSE Limited at [www.bseindia.com](http://www.bseindia.com) and National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and on the website of NSDL <https://www.evoting.nsdl.com>.

19. In case a person has become a member of the



## NOTICE (Contd.)

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Company after dispatch of the AGM Notice, but on or before the cur-off date for e-voting i.e. **Thursday, September 22, 2022**, such person may obtain the User ID and Password from RTA by e-mail request on [investor@masserv.com](mailto:investor@masserv.com)

20. With a view to helping us serve the members better, members who hold shares in identical names and in the same order of names in more than one folio are requested to write to the Company to consolidate their holdings in one folio.
21. In terms of Section 72 of the Companies Act, 2013 and the applicable provisions, the shareholders of the Company may nominate a person in whose name the shares held by him/them shall vest in the event of his/their death. Shareholders desirous of availing this facility may submit the requisite nomination form.
22. In terms of SEBI Circular dated 09/12/2020, the depository shall send SMS/email alerts regarding the details of the upcoming AGM to the demat holders atleast 2 days prior to the date of commencement of e-voting. Hence members are requested to update the mobile no./email ID with their respective depository participants.
23. SEBI has made it mandatory for all Companies to use the bank account details furnished by the Depositories and the bank account details maintained by the RTA for payment of dividend to Members electronically. The Company has extended the facility of electronic credit of dividend directly to the respective bank accounts of the Member(s) through Electronic Clearing Service (ECS)/National Electronic Clearing Service (NECS)/ Real Time Gross Settlement (RTGS)/ Direct Credit/NEFT etc. In the absence of ECS facilities, the Company will print the bank account details if available, on the payment instrument for distribution of dividend.

In order to receive the dividend without loss of time, the Members holding shares in physical form are requested to submit particulars of their bank accounts along with the original cancelled cheque bearing the name of the Member to the RTA, MAS Services Limited/Company to update their bank account details and all the eligible

shareholders holding shares in demat mode are requested to update with their respective DPs, their correct Bank Account Number, including 9 Digit MICR Code and 11 digit IFSC Code, e-mail ID and Mobile No(s).

Members holding shares in physical form may please refer Note 13 of the Notes of the Notice.

This will facilitate the remittance of the dividend amount as directed by SEBI in the bank account electronically. Updation of e-mail IDs and Mobile No(s) will enable the Company in sending communication relating to credit of dividend, un-encashed dividend, etc.

The Company or RTA cannot act on any request received directly from the Members holding shares in demat form for any change of bank particulars. Such changes are to be intimated only to the DPs of the Members.

24. The statutory register maintained under Section 189 of the Companies Act, 2013 and Section 170 of the Companies Act, 2013, and all documents referred to in the Notice of AGM and accompanying explanatory statements will be available for inspection by members in electronic mode. Members can inspect the same by sending an email to [corporate@mawanasugars.com](mailto:corporate@mawanasugars.com).
25. Instructions for e-voting and joining the AGM are as follows:

In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice) and regulation 44 of the SEBI Listing Regulations, the Company is providing facility of remote e-voting to exercise votes on the items of business given in the Notice 58th Annual General Meeting (AGM) through electronic voting system, to members holding shares as on **Thursday, September 22, 2022** (end of day), being the cut-off date fixed for determining voting rights of members, entitled to participate in the remote e-voting process, through the e-voting platform provided by NSDL or to vote at the e-AGM.

## NOTICE (Contd.)

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

The remote e-voting period begins on Monday, September 26, 2022 at 9:00 A.M. and ends on Wednesday, September 28, 2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. Thursday, September 22, 2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Thursday, September 22, 2022.

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

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>1. If you are already registered for <b>NSDL IDeAS facility</b>, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “<b>Beneficial Owner</b>” icon under “Login” which is available under “<b>IDeAS</b>” section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or <b>e-Voting service provider – NSDL</b> and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>2. If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a>. Select “<b>Register Online for IDeAS</b>” Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>
	<ol style="list-style-type: none"> <li>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or <b>e-Voting service provider - NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ol>

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

### Step 1: Access to NSDL e-Voting system

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

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

## NOTICE (Contd.)

<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on NSDL to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

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

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

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

## NOTICE (Contd.)

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

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

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

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsd.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

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

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?
    - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsd.com](http://www.evoting.nsd.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## NOTICE (Contd.)

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

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

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

#### **General Guidelines for shareholders**

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

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

1. In case shares are held in physical form, please refer note no. 13 of the notes of the notice.
2. In case shares are held in demat mode, please refer to e-voting instructions
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

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

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

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## NOTICE (Contd.)

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3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

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

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [corporate@mawanasugars.com](mailto:corporate@mawanasugars.com). The same will be replied by the company suitably.

### **General Instructions:**

- i. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM.
- ii. Mr. Nirbhay Kumar (M. No. 21093, CP N. 7887) M/s Nirbhay Kumar & Associates, Company Secretaries, has been appointed as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- iii. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, for all those members who are present VC / OAVM at the AGM but have not cast their votes by availing the remote e-voting facility.
- iv. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than two days of the conclusion of the AGM, a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- v. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.mawanasugars.com](http://www.mawanasugars.com) and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the stock exchanges.

## NOTICE (Contd.)

### EXPLANATORY STATEMENT

As required under Section 102 of the Companies Act, 2013 ("Act"), the following explanatory statement sets out all material facts relating to business mentioned under Item Nos. 4 to 9 of the accompanying Notice:

#### ITEM NO. 4

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) was appointed as Statutory Auditor of the Company at the 53<sup>rd</sup> Annual General Meeting ('AGM') held on July 7, 2017 for a period of 5 years, up to the conclusion of 58th AGM of the Company. M/s. S.R. Batliboi & Co. LLP is eligible for re-appointment for a further period of 5 years.

Based on the recommendations of the Audit Committee and the Board of Directors, it is proposed to re-appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, having registration No.301003E/E300005, as the Statutory Auditor of the Company for the second and final term of five consecutive years, to hold office from the conclusion of this 58th AGM till the conclusion of the 63rd AGM of the Company, at such remuneration and out of pocket expenses, as may be decided by the Board of Directors of the Company.

M/s. S.R. Batliboi & Co. LLP has given its consent for re-appointment as Statutory Auditor of the Company and has certified that re-appointment, if made, will be within the limits prescribed under the provisions of Section 139 of the Companies Act, 2013 ('the Act') and the rules made thereunder. M/s. S.R. Batliboi & Co. LLP has further confirmed its eligibility for the proposed appointment under the Act, the Chartered Accountants Act, 1949 and the rules or regulations made thereunder.

The Board recommends the resolution set out at Item No. 4 of the Notice for approval by the Members by way of an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives are interested or concerned, financially or otherwise, in the resolution.

#### ITEM NO. 5

The Board, on the recommendation of the Audit Committee, approved the appointment of M/s. Bahadur Murao & Co., Cost Accountants (Membership No. 4941), Delhi as Cost Auditor to conduct audit of the cost records of the Company for the financial year 2022-23 at the remuneration as provided in the resolution.

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

The Cost Auditor had rendered satisfactory service during its tenure and therefore the Board of Directors recommend the Ordinary Resolution set out at item No. 5 of the Notice for approval of the shareholders.

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

#### ITEM NO. 6

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors had, appointed Mr. Mukesh Chauhan (DIN: 09387262) as an Additional Director (Non-Executive & Independent) of the Company with effect from 3<sup>rd</sup> November, 2021. In terms of section 161 of the Companies Act, 2013 ("the Act") and Articles of Association of the Company, Mr. Mukesh Chauhan holds office only up to the conclusion of the ensuing AGM of the Company.

Further, in terms of change in the definition of Independent Director vide SEBI's notification dated 03.08.2021, the designation of Mr. Mukesh Chauhan (DIN-09387262) was changed from Non-Executive & Independent Director to Non-Executive & Non-Independent Director of the Company w.e.f.1.1.2022.

Mr. Mukesh Chauhan aged about 62 years is a Mechanical Engineer from IIT Roorkee and holds Post Graduate Diploma Associateship of National Sugar Institute in Sugar Engineering. He has sound knowledge of Sugar Industry gained from his experience of more than 36 years with various sugars Companies. He has written number of research papers pertaining to sugar industry and has been member of various committees and guest speaker in various National & International Sugar forums. Over the years, Mr. Chauhan has developed other management skills also.

Mr. Mukesh Chauhan is neither disqualified from being appointed as a Director in terms of Section 164 of the Act nor debarred from holding the office of Director pursuant to any Order issued by the Securities and Exchange Board of India ("SEBI") or any other authority. He has given his consent in writing to act as Director of the Company.

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

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

## NOTICE (Contd.)

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

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

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

### ITEM NO. 7

The Board of Directors had appointed Mr. Satish Agrawal (DIN: 00167589) as an Additional Director (Non-Executive & Non-Independent) of the Company with effect from 9th December 2020. Subsequently, his appointment was confirmed in the Annual General Meeting held on 24th September 2021 as a Non-Executive Non-Independent Director of the Company.

The Company received a communication dated 25.10.2021 from Mr. Satish Agrawal (DIN: 00167589) declaring and confirming that he meets the criteria to be designated as an Independent Director of the Company in terms of Section 149 (6) and Schedule IV of the Companies Act, 2013. He has also confirmed his registration with the Independent Director database vide registration number IDDB-DI-202011-033011.

Accordingly, Board redesignated Mr. Satish Agrawal as Non-Executive Independent Director of the Company subject to the approval of the Shareholders of the Company.

Mr. Agrawal fulfills all the requirements to be appointed as Independent Director on the Board of Directors of the Company. He is not related with any other existing Director of the Company and is not debarred from holding the office of non-executive independent director of the Company.

Mr. Satish Agrawal aged about 40 years is a Chartered Accountant (CA) having good knowledge in Audit, Assurance, Risk Management, Direct and Indirect Tax and Corporate Law. He is the Managing Partner in S. R. K. A. & Co., Chartered Accountants, New Delhi since 2005.

Presently, Mr. Satish Agrawal's firm provides professional consultation to the Company in GST related matters.

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

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

The Board recommends the Ordinary Resolution set out at item No. 7 of the Notice for approval of the Members.

Save and except Mr. Satish Agrawal, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No. 7 of the Notice.

### ITEM NO. 8

The Board of Directors, on the recommendation of the Nomination & Remuneration committee (NRC), had appointed Mr. Arun Kumar Kaul (DIN -09127653) as an Additional Director (Independent) of the Company as per the provisions of Sections 149, 152 and 161 of the Companies Act, 2013 ("the Act") for a period of 5 (Five) years effective from 10th August, 2022. In terms of section 161 of the Companies Act, 2013 ("the Act") and Articles of Association of the Company, Mr. Kaul holds office only up to the conclusion of the ensuing AGM of the Company.

In terms of Regulation 17(1C) of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations"), the listed entity shall ensure that approval of shareholders for appointment of a person on the Board of Directors is taken at the next general meeting or within a time period of three months from the date of appointment, whichever is earlier.

Mr. Kaul aged about 72 years is a BSc. (Hons) in Chemistry from Hindu College, University of Delhi and PG Diploma in Business Management and also done Integrated Marketing & Communication Programme from Indian School of Business, Hyderabad. He has vast experience of about 51 years in the various areas like Industrial Relations,



## NOTICE (Contd.)

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Commercial Operations, Administration, Legal, and Training & Development in human resources.

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

Mr. Kaul is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given his consent to act as Director. The Company has also received declaration from him that he meets the criteria of independence as prescribed both, under Section 149(6) of the Act and under the provisions of Listing Regulations. In the opinion of the Board, Mr. Kaul fulfills the conditions for appointment as an Independent Director as specified in the Act and the rules made thereunder, and the Listing Regulations and is also independent of the management.

The Company has received a notice in writing from a member under Section 160 of the Act proposing the candidature of Mr. Kaul for appointment as an Independent Director of the Company.

Brief resume of Mr. Arun Kumar Kaul, nature of his expertise in specific functional areas, disclosure of relationships between directors inter-se, name of listed entities and other companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding in the Company, as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are stated in the Annexure-A.

The Board recommends the Special Resolution set out at item No. 8 of the Notice for approval of the Members.

Save and except Mr. Arun Kumar Kaul, and his relatives to the extent of their shareholding interest, if any, in the Company, none of the other Directors, Key Managerial Personnel ("KMP") of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at item No. 8 of the Notice.

### ITEM NO. 9

The Members of the Company in their 56th AGM held on 10.8.2020 had approved the appointment of Mr. Dharam Pal Sharma, Whole Time Director of the Company for a period of 2 years w.e.f. 13.8.2020 to 12.8.2022. Accordingly, his existing term expires on 12.8.2022.

The Board of Directors of the Company in its meeting held on 30.5.2022 on the recommendations of Nomination & Remuneration Committee, have re-appointed Mr. Dharam Pal Sharma (DIN-07259344) as Whole Time Director (WTD) of the Company for a period of two (2) years with effect from

13.8.2022 upto 12.8.2024 on the terms and conditions and payment of remuneration for the said period as stated in the resolution, subject to the approval of members and such other approvals as may be required in this regard. He shall be liable to Retire by Rotation.

It is proposed to seek the members' approval for the reappointment of Mr. Dharam Pal Sharma, as Whole Time Director of the Company, by way of Special Resolution as required under Schedule V and sub-section (3) of Section 196 of the Companies Act, 2013.

Keeping in view that Mr. Dharam Pal Sharma has rich and varied experience in the Industry; it would be in the interest of the Company to re-appoint Mr. Dharam Pal Sharma as Whole Time Director of the Company. The proposed remuneration being paid to the Whole Time Director is commensurate with the prevailing remuneration in the industry of similar size for similarly placed persons.

Mr. Dharam Pal Sharma is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013. The Board of Directors recommends the resolution as set out under item no. 9 of this Notice for the approval of members of the Company.

None of the directors and Key Managerial Personnel and their relatives except Mr. Dharam Pal Sharma and his relatives are interested or concerned, financially or otherwise, in the aforesaid resolution as set out under item no. 9.

The information required to be disclosed in the explanatory statement to the Notice as per item (iv) to third proviso of Section II of Part II of Schedule V of the Companies Act, 2013 is detailed below:

### I. GENERAL INFORMATION:

#### (1). Nature of Industry:

The Company is engaged in the manufacturing and marketing of Sugar, Ethanol and Cogeneration of Power at its units at Mawana Sugar Works, Mawana, Distt. Meerut, (U.P.) and Nanglamal Sugar Complex, Nanglamal, Distt. Meerut (U.P.).

#### (2). Date or expected date of commencement of commercial production:

The Company is an existing Company and is into manufacturing operation since long.

## NOTICE (Contd.)

- (3). **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.**

Not applicable.

- (4). **Financial performance based on given indicators**

Figure of Total Revenue, net Profit/(Loss) and Effective Capital recorded during the last three financial years/periods (on basis of Audited Balance Sheet of the Company) are as follows:

Amount (Rs./Million)

Particulars	As on 31.3.2020	As on 31.3.2021	As on 31.3.2022
Total Revenue	14059.20	18459.63	14725.78
Net Profit/(Loss)	(796.82)	743.83	330.83
Effective Capital	5,586.96	4,160.15	4,015.62

- (5). **Foreign investments or collaborators, if any (as on 31.3.2022):** None

## II. INFORMATION ABOUT THE APPOINTEES:

- (i). **Background Details:**

Mr. Dharam Pal Sharma is B.Sc. (Ag) (Hons). Mr. Dharam Pal Sharma having a sound knowledge of Sugar Industry over the years, he has developed various other management skills. His experience of more than 40 years with various sugars Company like Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills and from last 22 years he is associated with the Company.

- (ii). **Past remuneration:**

The past remuneration (last 3 years) paid to Mr. Dharam Pal Sharma are as under:

(Per Annum)

Particulars	As on 31.3.2020	As on 31.3.2021	As on 31.3.2022
Salary	Rs.23,64,000/-	Rs.23,64,000/-	23,64,000/-

- (iii). **Recognition or Awards: None**

- (iv). **Job Profile and his Suitability:**

Mr. Dharam Pal Sharma is designated as Whole Time Director and is entrusted with the responsibility of taking the company out of its difficult phase through different approaches and efforts for the revival of the company.

He is overlooking the cane department on the priority basis and actively involved in developing harmonious relationship with farmers in view of difficult financial position of the Company due to high pending of cane dues. He is also involved in the financial control functions, strategic decisions formulation and discussions with various stakeholders of the company.

- (v). **Remuneration Proposed:**

The proposed remuneration of Mr. Dharam Pal Sharma as Whole Time Director of the Company is detailed in Item No. 9 above.

- (vi). **Comparative remuneration Profile with respect to, Industry size of the Company, profile of the position and person:**

The remuneration paid was commensurate with the prevailing remuneration in the industry of similar size for similarly placed persons.

- (vii). **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any.**

Besides the remuneration paid to Mr. Dharam Pal Sharma as Whole Time Director, does not have any other pecuniary relationship with the Company.

## III. OTHER INFORMATION:

- (i). **Reasons of loss or inadequate profits**

The Company has shown a profit of Rs .33.08 Crores for the year under review and for the last 6 years, company is consistently showing profits except for year ending March 2020 which was mainly due to adoption of 115BAA of Income Tax Act. However, in view of the past losses, the net profits computed in accordance with Section 198 of the Companies Act, 2013, Company has inadequate profits.

Company is proposing to pay the remuneration within the limits as prescribed under Item A , Section II of Schedule V of The Companies Act,2013.

## NOTICE (Contd.)

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### (ii). Steps taken or proposed for improvement

The Company has been taking all measures within its control to maximize efficiencies and optimize costs to lower the cost of production of sugar, realizing that it has little control over Government policies. With a view to make its sugar operations more viable, the Company has chalked out a road map with ambitious cane development targets which will further increase the recovery of sugar and increase the profitability of sugar integrated businesses, such as cogeneration and distillery operations. The Company hopes to increase the production volumes, curtailing running cost, reduced manpower and reduced operational losses.

### (iii). Expected increase in productivity and profit in measurable terms.

It is difficult to forecast productivity and profitability in measurable terms. However, the Company

expects that the productivity and profitability may further improve and would be comparable with the industry average.

### IV. DISCLOSURES:

The requisite disclosures of remuneration package etc. have been mentioned in the statement appended in this Notice. At present, there is no stock option scheme available in the Company. The Disclosures are regularly provided in the Annual Report.

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

**(Ashok Kumar Shukla)**  
Company Secretary  
ACS-29673

Place : New Delhi  
Dated : 10.08.2022

**NOTICE (Contd.)**
**ANNEXURE-A**
**DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT/ CONTINUATION IN TERMS OF REGULATION 36 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

<b>Name of the Director</b>	Mr. Piar Chand Jaswal	Mr. Satish Agrawal	Mr. Mukesh Chauhan	Mr. Dharam Pal Sharma	Mr. Arun Kumar Kaul
DIN	07100098	00167589	09387262	07259344	09127653
Date of Birth	01.04.1961	24.03.1982	1.6.1959	6.1.1953	19.08.1950
Date of appointment	18.2.2015	09.12.2020	3.11.2021	13.8.2015	10.8.2022
Nationality	Indian	Indian	Indian	Indian	Indian
Qualification	Matriculate	Chartered Accountant	Mechanical Engineer from IIT Roorkee	B.Sc (Ag) (Hons)	BSc. (Hons) Chemistry and PG Diploma in Business Management.
Expertise in specific functional area/skills and capabilities	Mr. Piar Chand Jaswal is a retired Junior Commission Officer from Indian Army.	Mr. Satish Agrawal is a Chartered Accountant (CA) having good knowledge in Audit, Assurance, Risk Management, Direct and Indirect Tax and Corporate Law.  He is the Managing Partner in S. R. K. A. & Co., Chartered Accountants, New Delhi since 2005. Presently, Mr. Satish Agrawal is associated with the Company as a GST Consultant.	Mr. Mukesh Chauhan is a Mechanical Engineer from IIT Roorkee and holds Post Graduate Diploma Associateship of National Sugar Institute in Sugar Engineering.  He has sound knowledge of Sugar Industry gained from his experience of more than 36 years with various sugars Company like Dhampur Sugar, Mawana Sugars Limited, DCM Shriram Ltd and Global Cane Sugar Services etc. He has written number of research papers pertaining to sugar industry and he has been member of various committees and guest speaker in various National & International Sugar forums. Over the years, Mr. Chauhan has developed other management skills also.	Mr. Dharam Pal Sharma having a sound knowledge of Sugar Industry. Over the years, he has developed various other management skills. His experience of more than 40 years with various sugars Company like Punjab Sugar Federation, Triveni Engineering, Piccadilly Agro Industrial Limited, RBNS Sugar Mills and from last 22 years he is associated with the Company	Mr. Arun Kumar Kaul is a BSc. (Hons) in Chemistry from Hindu College, University of Delhi and PG Diploma in Business Management.  He has vast experience of about 51 years in the various areas like Industrial Relations, Commercial Operations, Administration, Legal, and Training & Development in human resources.
Shareholding of non-executive directors in the listed Companies, including shareholding as a beneficial owner.	Nil	Nil	Nil	N.A.	Nil

## NOTICE (Contd.)

No. of Meetings of Board attended during the year	For details, please refer to the Corporate Governance Report, forming part of this Annual Report)	For details, please refer to the Corporate Governance Report, forming part of this Annual Report)	For details, please refer to the Corporate Governance Report, forming part of this Annual Report)	For details, please refer to the Corporate Governance Report, forming part of this Annual Report)	N.A.
Directorship held in other public Companies (excluding foreign companies)	Nil	Nil	Nil	Nil	Nil
Membership/Chairman ship of Committees of other public companies (including only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	Nil	Nil	Nil
Name of the listed Companies in which director resigned in past 3 years.	Nil	Nil	Nil	Nil	Nil
Disclosure of Relationship between Director inter-se	Nil	Nil	Nil	Nil	Nil

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

**(Ashok Kumar Shukla)**  
Company Secretary  
ACS-29673

Place : New Delhi  
Dated : 10.08.2022

## DIRECTORS' REPORT

Your Directors hereby present the 58th Annual Report along with Audited Accounts of the Company for the financial year ended March 31, 2022.

### FINANCIAL RESULTS

(Rs. Million)

Sl. No.	Particulars	Amount	
		31.3.2022	31.3.2021
1	Profit before interest, depreciation, exceptional items and tax	1153.65	1013.22
2.	Interest	256.62	351.61
3.	Depreciation	395.87	475.72
4.	Exceptional Items – Income/ (Expenses)*	(52.79)	1070.27
5.	Profit before tax (1-2-3+4)	448.37	1256.16
6.	Tax expenses	117.54	322.25
7.	Profit after tax from continuing operations (5-6)	330.83	933.71
8.	Profit/(Loss) before tax from discontinued operations	-	(233.43)
9.	Tax credit/(expense) of discontinued operations	-	43.55
10.	Profit/(Loss) from discontinued operations (8+9)	-	(189.88)
11.	Profit/(Loss) for the year (7+10)	330.83	743.83
12.	Other Comprehensive Income	1.42	1.33
13.	Total Comprehensive Income (11+12)	332.25	745.16

\*Exceptional items include: Provision for impairment in value of its investment in associate Company namely "Mawana Foods Private Limited" impairment to the extent of excess of carrying value over its value in use by Rs. 52.79 million.

### TRANSFER TO RESERVES

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

### DIVIDEND

Your Directors are pleased to recommend a dividend @ 30% i.e. Rs.3/- per Equity Share of face value of Rs.10/- each for the Financial Year ended 31.03.2022.

### OPERATIONS

#### 1. SUGAR DIVISION (2021-22)

The Sugarcane crush during season 2021-22 was 29.98 lac Tons as compared to 30.69 Lac Ton in the last season. Recovery was lower than the previous

year due to operating of both the plants on 'B' heavy molasses and general reduction in POL in cane due to poor weather conditions and varietal deterioration. The Minimum Selling Price (MSP) announced by GOI for sugar together with the sugar sales quota mechanism brought stability to sugar sale prices in the market.

Company paid the cane dues of the farmers for the previous crushing season before the commencement of the current sugar season. Company would continue its policy to accord priority to timely clearance of cane dues of the farmers.

#### 2. DISTILLERY DIVISION

Distillery operations have been satisfactory. Highest ever annual production and dispatch of ethanol was achieved during the financial year.

During the ethanol supply year 2021-2022, distillery has been allocated 41997 KL ethanol for supply to various Oil Companies and dispatches against the same are in progress.

### SUBSIDIARY/ASSOCIATE COMPANIES

#### a) SUBSIDIARY COMPANIES

The Company has the following subsidiary companies:

##### i) Siel Industrial Estate Limited (Siel IE)

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

##### ii) Siel Infrastructure & Estate Developers Pvt. Ltd (Siel IED)

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

#### b) ASSOCIATE COMPANY

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

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

## DIRECTORS' REPORT (Contd.)

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

### CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the financial year 2021-2022, are prepared in compliance with applicable provisions of the Act, Accounting Standards and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### DIRECTORS AND KEY MANAGERIAL PERSONNEL

#### (a) APPOINTMENTS / RE-APPOINTMENTS/ CONTINUATION

- i) Mr. Piar Chand Jaswal (DIN:07100098), Director of the Company will retire by rotation at the forthcoming Annual General Meeting ('AGM') and being eligible, offers himself for re-appointment.
- ii) It is proposed to reappoint Mr. Dharam Pal Sharma as a Whole Time Director of the Company for a further period of 2 years w.e.f. 13.08.2022 subject to the approval of the shareholders. A resolution for seeking approval of members of the company for his re-appointment as Whole Time Director of the Company has been included in the Notice for the forthcoming Annual General Meeting.
- iii) Mr. Mukesh Chauhan (DIN:09387262) holds office of Director up to the date of the AGM. He is eligible to be appointed as a Non-Executive- Non-Independent Directors, liable to retire by rotation at the AGM. Company has received the requisite Notice from Member in writing proposing his name for appointment as a Director of the Company.
- iv) The designation of Mr. Satish Agrawal (DIN: 00167589) was altered from Non-Executive and Non-Independent Director to Non-Executive Independent Director of the Company w.e.f. 3.11.2021 and shall not be liable to retire by rotation. Accordingly, a resolution for seeking approval of members of the company for his appointment as an Independent Director of the Company for a period of 5 consecutive years w.e.f. 3.11.2021 has been included in the Notice for the forthcoming Annual General Meeting.

Particulars of the Directors seeking appointment/ re-appointment have been given in the explanatory statement annexed to the notice for the Annual General Meeting.

All the Directors have made necessary disclosures as required under various provisions of the Act and SEBI (LODR) Regulations, 2015.

#### (b) KEY MANAGERIAL PERSONNEL

During the financial year ended March 31, 2022, the following persons were the Whole Time Key Managerial Personnel (KMP) of the Company in terms of Section 203 of the Act:

Sl. No.	Name	Designation
1.	Mr. Dharam Pal Sharma	Whole Time Director
2.	Mr. B.B. Mehta	Chief Financial Officer
3.	Mr. Ashok Kumar Shukla	Company Secretary

#### (c) DECLARATION U/S 149 (6) OF THE ACT

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

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

#### (d) BOARD/DIRECTORS' EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees, and individual Directors pursuant to the provisions of the Act and the Corporate Governance requirements as prescribed by SEBI (LODR) Regulations 2015.

### DIRECTORS' RESPONSIBILITY STATEMENT

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

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that year;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the Annual Accounts on a going concern basis;

## DIRECTORS' REPORT (Contd.)

- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### MEETINGS OF THE BOARD

During the financial year ended March 31, 2022, five Board meetings were held. In case of urgent business, 4 resolutions were passed by circulation by the Board with requisite majority. Compliance reports of various laws applicable to the Company were reviewed by the Audit Committee and the Board of Directors. The intervening gap between the Meetings was within the period prescribed under the Act and the SEBI (LODR), Regulations, 2015. The details of meetings held and attended by the Directors during the year are provided in the Corporate Governance Report.

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

### INTERNAL FINANCIAL CONTROLS

The Company has over the years evolved effective systems and procedures to ensure internal financial controls in all its establishments and such policies and procedures adopted by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Audit Committee evaluates the internal financial control system periodically.

An effective communication/ reporting system operates between the Units and Corporate Office to keep various establishments abreast of regulatory changes and ensure compliances.

### AUDITORS AND THEIR REPORT

#### a) STATUTORY AUDITORS

M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (ICAI Firm Registration No:301003E/ E300005) were appointed as Statutory Auditors of the Company at the 53rd Annual General Meeting ('AGM') held on July 7, 2017 for a period of 5 years, up to the conclusion of 58th AGM and are eligible for re-appointment.

The Company has received confirmation from the Auditors to the effect that their appointment, if made, will be in accordance with the limits specified under the Companies Act, 2013 and the firm satisfies the criteria specified in Section 141 of the Companies Act, 2013 read with Rule 4 of Companies (Audit & Auditors) Rules 2014.

The Board is of the opinion that continuation of M/s. S.R. Batliboi & Co. LLP, as Statutory Auditors will be in the best interests of the Company and therefore, the members are requested to consider their re-appointment as Statutory Auditors of the Company for the second and final term of five consecutive years, who shall hold office from the conclusion of this 58th AGM till the conclusion of the 63rd AGM of the Company at such remuneration as approved by the Board.

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark, or disclaimer given by the Auditors in their Report.

#### b) COST AUDITORS

The Board, on the recommendation of the Audit Committee, has approved the appointment of M/s. Bahadur Murao Co., Cost Accountants, New Delhi (Firm Registration No. 4941) as Cost Auditors for conducting the audit of the cost records maintained by the Company for the products (Sugar, Industrial Alcohol, Co-gen) for the financial year 2022-23 at a total remuneration of Rs.1,75,000/- plus GST & out-of-pocket expenses, if any.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is required to be ratified by the Members of the Company.

Accordingly, confirmation of the Members is being sought by passing an Ordinary Resolution as set out in the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended March 31, 2023.

The Cost Audit Report for the financial year ended March 31, 2021 was filed within the time limit prescribed under the Companies (Cost Audit Report) Rules, 2011.



## DIRECTORS' REPORT (Contd.)

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### c) SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, the Company has appointed Mr. Nirbhay Kumar (CP No.7887) of M/s Nirbhay Kumar Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2021-22.

The Secretarial Audit Report for the financial year ended 31st March, 2022 is attached as Annexure - I of this Board's Report.

### PUBLIC DEPOSITS

The Company has not accepted any public deposits under Chapter V of the Act during the financial year ended March 31, 2022.

### RISK MANAGEMENT

The Company has a Risk Management Committee to identify, assess, monitor and mitigate various risks to key business objectives. Major risks identified are systematically addressed through mitigating actions on a continuing basis. These are discussed at the meetings of the Audit Committee and the Board of Directors of the Company.

### AUDIT COMMITTEE

As on date of this report, the Audit Committee comprises of three Directors, two of whom are non-executive independent directors, and one is non-executive non-independent director, viz., Mr. Satish Agrawal as Chairman, and Mrs. Manju Vira Gupta and Mr. Krishna Shriram as Members.

The details of terms of reference of the Audit Committee, number and dates of meeting held, attendance, among others are given separately in the attached Corporate Governance Report.

### NOMINATION AND REMUNERATION COMMITTEE

Pursuant to the provisions of Section 178 of the Act read with Rules made there under, the Board has constituted a Nomination & Remuneration Committee and the details of terms of reference, number & dates of meeting held, attendance and other details are given separately in the attached Corporate Governance Report. The Board on the recommendation of Nomination & Remuneration Committee framed a policy i.e. Nomination and Remuneration Policy for selection and appointment of Directors, senior managerial personnel and their remuneration. The aforesaid policy can be accessed on the Company's website: [www.mawanasugars.com](http://www.mawanasugars.com).

### REMUNERATION POLICY

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

### CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Act. The Company has adopted a CSR policy. The Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Policy of the Company has been placed on the Company's website. During the year, the Company has not contributed towards CSR in view of losses as computed in accordance with the provisions of Section 198 of the Act.

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS

The information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 134(3) (m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is enclosed as Annexure – II and forms part of this Report.

### PARTICULARS OF EMPLOYEES

The information as required under the provision of Section 197(12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are given in Annexure – III of this Board's Report.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Act are given in the notes to Financial Statements.

### RELATED PARTY TRANSACTIONS

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

## DIRECTORS' REPORT (Contd.)

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

### VIGIL MECHANISM

The Company has formulated and implemented the Whistle Blower Policy/Vigil Mechanism. This has provided a mechanism for directors and employees of the Company and other persons dealing with the Company to report to the Chairman of the Audit Committee; any instance of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The aforesaid policy has also been uploaded on the Company's website.

### ANNUAL RETURN

A copy of Annual Return for the year 2020-21, is available on the Company's web link [www.mawanasugars.com/annual-reports](http://www.mawanasugars.com/annual-reports). The Annual Return for the year 2021-22 will be uploaded after filing with the Registrar of Companies in due course.

### SECRETARIAL STANDARDS

The Company is in Compliance with the Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI) on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2).

### CORPORATE GOVERNANCE

In accordance with SEBI (LODR), Regulations, 2015, Corporate Governance Report along with Auditors' certificate thereon and Management Discussion and Analysis Report form part of this report are annexed herewith and marked as Annexure - IV.

### SHARE CAPITAL

During the financial year ended 31.3.2022, the Company has not issued any share capital with different voting rights, sweat equity or ESOP nor provided any money to the employees or trusts for purchase of its own shares.

### UNCLAIMED SHARES SUSPENSE ACCOUNT

The position regarding the unclaimed equity shares, transferred to the Demat Suspense Account as required under SEBI (LODR) Regulations, is as under:

Balance as on 1.4.2021		No. of Members who approached the Company for transfer of shares and shares transferred from Suspense Account during the year		Balance as on 31.3.2022	
No. of holders	No. of shares	No. of holders	No. of Shares	No. of holders	No. of Shares
6659	149823	4	53	6655	149770

The voting rights on the shares in the suspense account as on 31st March, 2022 will remain frozen unless the rightful owners of such shares claim the shares.

### ANTI-SEXUAL HARASSMENT POLICY

Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company has constituted Internal Complaints Committees at all its workplaces. There has been no complaint reported in this regard to any of the Committees.

### ACKNOWLEDGEMENTS

The Directors wish to thank and deeply acknowledge the cooperation, assistance and support extended by Central Government, State Governments, Banks, Financial Institutions, Dealers, Sugarcane farmers, Society at large, Vendors and valued shareholders of the Company. The Directors also wish to place on record their appreciation for the all-round co-operation and contribution made by the employees at all levels.

For & on behalf of the Board of Directors

(Krishna Shriram)  
Chairman of the Board  
DIN:00031783

Place : New Delhi  
Dated : 30.5.2022

## ANNEXURE - I TO DIRECTORS' REPORT

FORM NO. MR - 3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2022

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

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

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Mawana Sugars Limited, (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period for the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2022 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under.
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed

under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (**Not applicable to the Company during the audit period**);
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (**Not applicable to the Company during the audit period**)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the audit period**); and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**Not applicable to the Company during the audit period**);
- We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, the Company has complied with the following laws applicable specifically to the Company:
- (a) Factories Act, 1948;

## ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

- (b) Industries (Development & Regulation) Act, 1951;
- (c) All Labour laws and such Other incidental laws related to Labour and employees appointed by the Company either on its payroll or on contractual basis related to wages, gratuity, provident fund, ESIC, compensation, welfare etc.;
- (d) Acts prescribed under prevention and control of Pollution and Acts prescribed for Protection of Environment;
- (e) Acts as prescribed under Direct and Indirect Tax;
- (f) The Legal Metrology Act, 2009;
- (g) Indian Electricity Act, 2003;
- (h) The Food Safety and Standard Act, 2006;
- (i) Drugs & Cosmetic, 1940 & Rules;
- (j) Indian Boiler Act, 1923;
- (k) Essential Commodities Act, 1955;
- (l) Sugar Cess Act, 1982;
- (m) Explosive Act, 1884/Rules 1983
- (n) Acts as prescribed under Shop and Establishment Act of various local authorities;
- (o) Acts as prescribed by respective states and local authorities etc.
- (p) Sugarcane Control Order, 1966
- (q) Sugar Control Order, 1966
- We have also examined compliance with the applicable clauses of the following:
- i. Listing Agreements entered into by the Company with Stock Exchange(s),
  - ii. Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended up to date.
  - iii. Secretarial Standards issued by the Institute of Company Secretaries of India and **notified by Ministry of Corporate Affairs.**

On the basis of documents and information provided by the Company we are in opinion that during the year under review the Company has generally complied with the provisions of the above said Acts, Rules, Regulations, Guidelines, Standards, etc. subject to the following observations:

1. *Non-Payment of Sugar Cane dues under UP Sugarcane (Regulation of Supply & Purchase) Act/ Rules (1953/1954).*
2. *During the year, the Company was in following non-compliance under Regulation 17 of SEBI (LODR) Regulations, 2015 regarding to:*
  - a) *at least one-third of the board of directors comprising of independent directors from 28.10.2021 to 2.11.2021 as required under Regulation 17(1)(b) of SEBI and the same has been complied.*
  - b) *The strength of board of directors was not six directors during the period 21.5.2021 to 31.5.2021 & 28.10.2021 to 2.11.2021 as required under Regulation 17(1)(c) of SEBI and the same has been complied.*
  - c) *at least half of the board of directors consist of independent directors from 2.2.2022 to 31.3.2022 as required under Regulation 17(1)(b) of SEBI.*
3. *During the year, the Company was in following non-compliance under Regulation 18 of SEBI (LODR) Regulations, 2015 regarding to:*
  - i) *minimum three directors as members of the Audit Committee during the period 28.10.2021 to 2.11.2021 as required under Regulation 18(1)(a) of SEBI and the same has been complied.*
  - ii) *2/3 of the members of Audit Committee as independent directors during the period 25.6.2021 to 2.7.2021 as required under Regulation 18(1)(b) of SEBI and the same has been complied.*
  - iii) *15 days additional gap was between two consecutive Audit Committee Meetings during the period from 9.2.2021 to 25.6.2021 as required under Regulation 18(2)(a) of SEBI.*

### **We further report that-**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda

## ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

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were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at the Board Meetings and Committee Meetings have been carried out unanimously as recorded in the Minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has not undertaken any major activities like;

- i. Public/Right/Preferential issue of shares/debentures/ borrowing/sweat equity/ESOP etc.
- ii. Redemption/ buy-back of securities
- iii. Major decisions has not been taken by the members in pursuance to section 180 of the Companies Act, 2013
- iv. Merger / amalgamation / reconstruction, etc.
- v. Foreign technical collaborations/Joint Ventures etc.

For **Nirbhay Kumar & Associates**  
**Company Secretaries**

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

**Place: New Delhi**  
**Date: 12/05/2022**  
**UDIN:A021093D000306543**



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## ANNEXURE - I TO DIRECTORS' REPORT (Contd.)

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**'Annexure A'**

To,

The Members,

**Mawana Sugars Limited**

(CIN: L74100DL1961PLC003413)

5th Floor, Kirti Mahal

19, Rajendra Place

**New Delhi- 110 125**

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

For **Nirbhay Kumar & Associates**  
**Company Secretaries**

**Place: New Delhi**  
**Date: 12/05/2022**  
**UDIN:A021093D000306543**

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

## ANNEXURE - II TO DIRECTORS' REPORT

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

#### A. CONSERVATION OF ENERGY:

- (i) The steps are taken or impact on the conservation of energy;
  - a) Phase wise change of plant & colony lighting system to LED to reduce power consumption. 65% of plant lighting has been replaced yet.
  - b) Change in vapour distribution system for refinery pan boiling reduced steam consumption in process by 0.5% on cane.
  - c) Consolidation of specialty sugar section activities from different locations within NSC under single roof reduced power consumption.
  - d) Installation of 5.0 MW back pressure TG set will enable efficient conversion of thermal energy to electrical energy from existing 3.4 MW TG's specific steam consumption of 11 Kg/KWh to that of new 5.0 MW with 10.1 Kg/KWh.
- (ii) The steps are taken by the company for utilizing alternate sources of energy;  
Nil
- (iii) The capital investment on energy conservation equipment's;
  - a) Investment done to change vapour distribution system for refinery is 10 Lakhs.
  - b) Investment done for construction of building to consolidate specialty sugar section from three locations under single roof is 70 Lakhs.
  - c) Investment for installation of 5.0 MW TG set is 17 Crores are in progress.

#### B. TECHNOLOGY ABSORPTION:

- (i) The efforts made towards technology absorption:
  - a) Installation of BSL 3 microbiology laboratory .
  - b) Construction of PUF insulated sugar warehouse.
- (ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
  - a) Better microbiological quality control of product to comply institutional customer's requirement.
  - b) To negate impact of temperature change across the day/night on moisture migration from/to sugar, which will reduce deterioration of sugar during prolonged storage in warehouse.
- (iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):

(a)	the details of technology imported;	N.A.
(b)	the year of import;	N.A.
(c)	whether the technology been fully absorbed;	N.A.
(d)	if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	N.A.

- (iv) The expenditure incurred on Research and Development: Nil

#### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange earned in terms of actual in flows during the year and the Foreign Exchange outgo during the year in terms of actual outflows:

The information is given in Notes of Accounts.

## ANNEXURE - III TO DIRECTORS' REPORT

### STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

The information required under Section 197 of the Companies Act 2013 and the Rules made there-under, in respect of employees of the Company are as follows:-

- The median remuneration of employees of the Company during the financial year was Rs.3,52,662/-. The Ratio of the Remuneration of each Director to the Median Remuneration of the Employees of the Company for the financial year 2021-22 are as under:

Directors	Designation	Remuneration of Directors in Financial Period 2021-22 (Rs.)	Ratio of Remuneration to Median Remuneration of Employees
Mr. Krishna Shriram*	Non-Executive & Non-Independent Director	N.A.	N.A.
Mr. Ravinder Singh Bedi*	Non-Executive & Independent Director	N.A.	N.A.
Prof. Dinesh Mohan*	Non-Executive & Independent Director	N.A.	N.A.
Mrs. Manju Vira Gupta*	Non-Executive & Independent Director	N.A.	N.A.
Mr. Piar Chand Jaswal*	Non-Executive & Non Independent Director	N.A.	N.A.
Mr. Dharam Pal Sharma	Whole Time Director	23,64,000	6.70
Mr. Satish Agrawal*	Non-Executive & Independent Director	N.A.	N.A.
Mr. Mukesh Chauhan*	Non-Executive & Non Independent Director	N.A.	N.A.

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

- The percentage increase in remuneration of each Director, Whole Time Director, Chief Financial Officer and Company Secretary in the financial year:

#### Directors

Directors	Remuneration of Director in Financial Period 2021-22 (Rs.)	% Increase in Remuneration
Mr. Krishna Shriram*	N.A.	N.A.
Mr. Ravinder Singh Bedi*	N.A.	N.A.
Prof. Dinesh Mohan*	N.A.	N.A.
Mrs. Manju Vira Gupta*	N.A.	N.A.
Mr. Piar Chand Jaswal*	N.A.	N.A.
Mr. Satish Agrawal*	N.A.	N.A.
Mr. Mukesh Chauhan*	N.A.	N.A.
Mr. Dharam Pal Sharma, Whole Time Director	23,64,000	Nil

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



## ANNEXURE - III TO DIRECTORS' REPORT (Contd.)

### Key Managerial Personnel's (KMPs)

Directors	Remuneration of KMP in Financial Period 2021-22 (Rs.)	% Increase in Remuneration
Mr. Dharam Pal Sharma, Whole Time Director	23,64,000	Nil
Mr. B.B. Mehta, Chief Financial Officer	1,18,83,750	18.64%
Mr. Ashok Kumar Shukla, Company Secretary	16,88,740	30.49%

- The percentage increase in the Median Remuneration of Employees in the financial period was **3.90 %**
- The number of Permanent Employees on the Rolls of Company:  
**The number of Permanent Employees on the Rolls of Company as on 31st March, 2022 was 1214.**
- Average percentage increase already made in the salaries of employees other than managerial personnel in the last financial period and its comparison with percentile increase in the Managerial Remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the Managerial Remuneration:  
**The average increase in salaries of employees in 2021-22 was 6.99%**
- Affirmation that the Remuneration is as per the Remuneration Policy of the Company:

The Company affirms that the Remuneration paid during the period were as per the Remuneration Policy of the Company.

### STATEMENT OF PARTICULARS OF EMPLOYEES AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(2) OF THE COMPANIES (APPOINTMENT & REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

- Name of employee employed throughout the financial year and was in receipt of remuneration Rs.1,02,00,000/- or more:

Name	Designation /Nature of Duty	Remu-neration (Rs.)	Quali-fication	Experience (Yrs)	Date of Commenc-ement	Age Yrs	Particulars of last Employment
Mr. R K Gangwar	Executive Director -Operations Head 4C (Corporate Coordination and Control Cell)	1,34,97,216	B.Sc Agriculture & Animal Husbandary (Hons) Specialisation in Agronomy	30 Yrs	10-04-2009	51	DCM Shriram Limited
Mr.BB Mehta	Sr Vice President & CFO	1,18,83,750	B.Com , CA	33 Yrs	01.11.2017	57	Samtel Group

- Name of employee employed for a part of the financial year and was in receipt of remuneration not less than Rs.8,50,000/- per month: **NIL**

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

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

#### 1. Company's Philosophy on Code of Corporate Governance

Good Corporate Governance is the adoption of best business practices which ensure that the Company operates within the regulatory framework. The adoption of such corporate practices ensures accountability of the persons in charge of the Company on one hand and brings benefits to investors, customers, creditors, employees, and the society at large on the other. The Company believes in practicing good Corporate Governance and endeavours to improve on these aspects on an ongoing basis.

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

#### 2. Board of Directors

##### (a) Composition

The Board of Directors of the Company consisting of Six Directors. The Board members possess the skill, experience and expertise necessary to guide the Company.

All the Directors have given necessary disclosures as required in the Companies Act, 2013 and rules made thereunder. There is no relationship between the Directors inter-se.

The composition of Board of Directors, their attendance at the Board Meetings held during the financial year ended March 31, 2022 and at the last Annual General Meeting held on 24.9.2021 and also the other directorship and membership/ chairmanship of Board committees are as follows:

Name of Director	DIN	Category of Directorship	No. of Board Meetings Attended	Attended last AGM	No. of other Directorship*	Name of the listed Companies (holding position of Director and category of Directorship)	No. of other Committee Membership**	
							Member (including Chairmanship)	Chairman/Chairperson
Mr. Ravinder Singh Bedi (Chairman) <sup>1</sup>	01408189	NE- I-D	2	YES	1	Nil	Nil	Nil
Mr. Krishna Shriram(Chairman) <sup>2</sup>	00031783	NE- NI-D & Promoter	5	No	4	Nil	Nil	Nil
Mr. Dharam Pal Sharma (Whole Time Director)	07259344	ED	5	YES	Nil	Nil	Nil	Nil
Prof. Dinesh Mohan <sup>3</sup>	00077959	NE- I-D	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mrs. Manju Vira Gupta	05186954	NE- I-D	5	YES	Nil	Nil	Nil	Nil
Mr. Piar Chand Jaswal	07100098	NE- NI-D	5	YES	Nil	Nil	Nil	Nil
Mr. Satish Agrawal <sup>4</sup>	00167589	NE- I-D	5	YES	Nil	Nil	Nil	Nil
Mr. Mukesh Chauhan <sup>5</sup>	09387262	NE- NI-D	3	NA	Nil	Nil	Nil	Nil

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

- Resigned from position of Chairman of the Board and directorship of the Company w.e.f.28.10.2021.
- Appointed as an Additional Director of the Company w.e.f. 31.5.2021 and Chairman of the Board w.e.f. 12.11.2021.
- Expired on 21.5.2021.
- Redesignated Independent Director w.e.f. 3.11.2021.
- Appointed as an Additional Director (Independent Director) of the Company w.e.f. 3.11.2021 and redesignated as Non-Independent Director of the Company w.e.f. 1.1.2022 in terms of SEBI Regulations.

Note:

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

## ANNEXURE - IV TO DIRECTORS' REPORT

(a.i) During the year, the Company was in following non-compliance under Regulation 17 of SEBI (LODR) Regulations, 2015 regarding to:

- a) at least one-third of the board of directors comprising of independent directors from 28.10.2021 to 2.11.2021 as required under Regulation 17(1)(b) of SEBI and the same has been complied.
- b) The strength of board of directors was not six directors during the period 21.5.2021 to 31.5.2021 & 28.10.2021 to 2.11.2021 as required under Regulation 17(1)(c) of SEBI and the same has been complied.
- c) at least half of the board of directors consist of independent directors from 2.2.2022 to 31.3.2022 as required under Regulation 17(1)(b) of SEBI.

### (b) Number of Board Meetings

During the financial year ended March 31, 2022, 5 board meetings were held on 25.6.2021, 13.8.2021, 12.11.2021, 7.12.2021 and 14.2.2022.

### Meeting of Independent Directors

Pursuant to Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors of the Company was convened on 30.3.2022 to oversee and review the performance of Non-Independent Directors and the Board as a whole. Mr. Satish Agrawal and Mrs. Manju Vira Gupta, the Independent Directors attended the meeting.

### (c) Details of the shareholding of Non-Executive Directors

Except Mrs. Manju Vira Gupta (holds 306 equity shares) and Mr. Krishna Shriram, being promoter, (holds 2,46,17,959 equity shares), none of the other Non-Executive Directors hold any shares in the Company as on the Financial Year ended March 31, 2022.

### (d) Familiarization programme for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Company has formulated a Familiarization Program Module ("the programme") for the Independent Directors ("ID") of the Company. Periodic presentations are made at the Board and Board Committee Meetings, on business and performance updates of the Company.

The Board members are provided with necessary documents and reports to enable them to familiarize with the Company's procedures and practices.

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

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

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

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## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

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### (f) Confirmation

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

### (g) Information supplied to the Board.

1. Annual operating plans and budgets, capital budgets, updates.
2. Quarterly results of the Company.
3. Minutes of meetings of Board committees and unlisted subsidiary companies.
4. Compliance of any regulatory, statutory nature or listing requirements and shareholder services.

The Board periodically reviews the statutory compliances reports as prepared and presented by the Company.

The Board is presented with detailed notes along with the agenda papers.

During the year, Mr. Ravinder Singh Bedi, Independent Director of the Company has resigned before the expiry of his tenure as Independent Director due to his other occupancies and personal reasons.

## 3. Audit Committee

### (a) Terms of Reference

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

### (b) Composition

The Audit Committee was constituted in 1992. As at 31.03.2022, the Audit Committee comprises of Three Directors. One Director is Non-Executive and Non-Independent and two Directors are Non-Executive and Independent Directors. All the Committee members have sound knowledge of finance and accounting.

(b.i) During the year, the Company was in following non-compliance under Regulation 18 of SEBI (LODR) Regulations, 2015 regarding to:

- i) minimum three directors as members of the Audit Committee during the period 28.10.2021 to 2.11.2021 as required under Regulation 18(1)(a) of SEBI and the same has been complied.
- ii) 2/3 of the members of Audit Committee as independent directors during the period 25.6.2021 to 2.7.2021 as required under Regulation 18(1)(b) of SEBI and the same has been complied.
- iii) 15 days additional gap was between two consecutive Audit Committee Meetings during the period from 9.2.2021 to 25.6.2021 as required under Regulation 18(2)(a) of SEBI.

The Chairman of the Committee attended the last Annual General Meeting.

The Company Secretary acts as the Secretary of the Committee. The Head of Finance, Internal Auditors and Statutory Auditors attend the meetings of the Committee at the invitation of the Company.

During the financial year ended March 31, 2022, the Audit Committee met 4 times on 25.6.2021, 13.8.2021, 12.11.2021 and 14.2.2022.

## ANNEXURE - IV TO DIRECTORS' REPORT

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

SI.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi*	Chairman	2
2.	Mr. Satish Agrawal**	Chairman	3
3.	Prof. Dinesh Mohan***	Member	N.A.
4.	Mr. Krishna Shriram****	Member	2
5.	Mrs. Manju Vira Gupta	Member	4
6.	Mr. Piar Chand Jaswal*****	Member	1

\* Ceased to be Chairman of the Committee w.e.f. 28.10.2021.

\*\* Appointed as a Member of the Committee w.e.f. 25.6.2021 and Chairman of the Committee w.e.f. 3.11.2021.

\*\*\* Deceased on 21.5.2021.

\*\*\*\* Appointed as a Member of the Committee w.e.f. 3.11.2011.

\*\*\*\*\* Ceased to be member of the Committee w.e.f. 2.7.2021.

### 4. Nomination and Remuneration Committee

#### (a) Terms of Reference

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

#### (b) Composition

As at 31.03.2022, the Nomination and Remuneration Committee of the Board comprises of three Directors. One Director is Non- Executive and Non-Independent and two Directors are Non-Executive and Independent Directors.

The Chairman of the Nomination and Remuneration Committee attended the last Annual General Meeting.

During the financial year ended March 31, 2022, 1 meeting of the Committee were held on 25.6.2021.

The Company Secretary acts as the secretary of the committee.

The composition of the Committee and their attendance at the Committee Meetings held during the financial year is as under:

SI.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi*	Chairman	1
2.	Mrs. Manju Vira Gupta**	Chairman	1
3.	Prof. Dinesh Mohan***	Member	N.A.
4.	Mr. Krishna Shriram****	Member	-
5.	Mr. Piar Chand Jaswal*****	Member	1
6.	Mr. Satish Agrawal****	Member	-

\* Ceased to be Chairman of the Committee w.e.f. 25.6.2021 and member of the Committee w.e.f. 28.10.2021.

\*\* Appointed as a Chairman of the Committee w.e.f. 25.6.2021.

\*\*\* Deceased on 21.5.2021.

\*\*\*\* Appointed as member of the Committee w.e.f. 3.11.2021.

\*\*\*\*\* Ceased to be member of the Committee w.e.f. 3.11.2021.

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### (c) Performance Evaluation criteria for Independent Directors

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

### (d) Remuneration Policy

In terms of the provisions of the Companies Act, 2013 and the Listing Regulations, the Company has adopted a Remuneration Policy for Executive and Non-Executive Directors and Persons who may be appointed in Senior Management and Key Managerial positions and to determine their remuneration as approved by the Board of Directors on the recommendation of the Nomination and Remuneration Committee.

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

The Non-Executive Directors do not draw any remuneration from the Company other than sitting fee of Rs.10,000/- (upto 13.8.2021) and Rs.25,000/- w.e.f. 14.8.2021 for each meeting of the Board/ Committee thereof attended by them.

The remuneration policy as approved by the Board is placed on the website of the Company: [www.mawanasugars.com](http://www.mawanasugars.com).

## 5. Remuneration to Directors

### a) Remuneration to Executive Director

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

The details of the remuneration to the Executive Director/s provided as per accounts for the financial year ended March 31, 2022 is given below

(Rupees)

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

1. Refer note no.36 of the financial statements

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

#### i) Sitting Fees:

The details of the sitting fees to the Non-Executive Directors provided as per accounts for the financial year ended March 31, 2022 is given below:

Sl. No.	Name of the Director	Sitting Fees (Rs.)
1.	Mr. Krishna Shriram	1,70,000/-
2.	Mr. Ravinder Singh Bedi*	95,000/-
3.	Mrs. Manju Vira Gupta	2,70,000/-
4.	Mr. Mukesh Chauhan**	1,25,000/-
5.	Mr. Piar Chand Jaswal	1,95,000/-
6.	Mr. Satish Agrawal	2,80,000/-

\* Resigned w.e.f. 28.10.2021.

\*\* Appointed as an Additional Director of the Company w.e.f. 3.11.2021.

## ANNEXURE - IV TO DIRECTORS' REPORT

### ii) Advisory fees:

The details of the advisory fees paid to the Non-Executive Director provided as per accounts for the financial year ended March 31, 2022 is given below:

Sl. No.	Name of the Director	Amount (Rs.)
1.	Mr. Piar Chand Jaswal	8,70,000/-

The Company has not paid any fixed component and performance linked incentives to the Non –Executive Directors during the financial year ended March 31, 2022.

The Company does not have any Stock Option Scheme.

## 6. Stakeholders Relationship Committee

### (a) Terms of Reference

The Company has a Board Committee namely 'Stakeholders Relationship Committee' as required under the provisions of Section 178 (5) of the Companies Act, 2013 and Regulation 20 of SEBI (LODR) Regulations, 2015 to specifically look into various aspects of interest of Shareholders, debenture holders and any other security holders and other issues redressal of shareholders complaints, share transfers/ transmission/ issue of duplicate shares etc.

The Committee meets on need basis. Besides this, Director/s and Company Secretary have been delegated the power to approve severally the registration of transfer of shares and other related matters upto 500 shares per case.

### (b) Composition

As at 31.03.2022, the Stakeholders Relationship Committee of the Board comprises of three Directors. One Director is Executive and Non-Independent and two Directors are Non-Executive and Independent Directors.

During the financial year ended March 31, 2022, the Committee met 3 times on 25.6.2021, 23.9.2021 and 30.3.2022.

The Company Secretary acts as the secretary of the Committee.

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

Sl.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi*	Chairman	2
2.	Mrs. Manju Vira Gupta**	Chairman	3
3.	Prof. Dinesh Mohan***	Member	N.A.
4.	Mr. Dharam Pal Sharma****	Member	1
5.	Mr. Piar Chand Jaswal*****	Member	2
6.	Mr. Satish Agrawal***	Member	1

\* Ceased to be member and Chairman of the Committee w.e.f. 28.10.2021.

\*\* Appointed as a Chairman of the Committee w.e.f. 3.11.2021.

\*\*\* Deceased on 21.5.2021.

\*\*\*\* Appointed as members of the Committee w.e.f. 3.11.2021.

\*\*\*\*\* Ceased to be member of the Committee w.e.f. 3.11.2021.

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

Mawana Sugars Limited  
Plot No.3, Institutional Area,  
Sector-32, Gurugram-122001 (Haryana)  
Tel: 0124-4298000  
E-mail: corporate@mawanasugars.com

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

During the financial year ended March 31, 2022, 6 complaints were received from the shareholders. All complaints were replied/resolved to the satisfaction of the shareholders. No complaints are pending as at the end of the financial year.

### 7. Corporate Social Responsibility Committee

#### (a) Terms of Reference

The Company has a Board Committee namely 'Corporate Social Responsibility Committee (CSR Committee)' as required under Section 135 of the Companies Act, 2013. The purpose of the Committee is to formulate and monitor the CSR policy of the Company.

The Company has adopted a CSR policy. The Committee is primarily responsible for formulating and recommending to the Board of Directors from time to time the CSR activities and the amount of expenditure to be incurred on the activities pertaining to CSR and monitoring CSR Projects. The CSR Policy of the Company has been placed on the Company's website [www.mawanasugars.com](http://www.mawanasugars.com).

#### (b) Composition

As at 31.03.2022, the CSR Committee of the Board comprises of three Directors. One Director is Executive and Non-Independent, and two Directors are Non-Executive and Independent Directors.

During the financial year ended March 31, 2022, the Committee met 1 time on 13.8.2021.

The Company Secretary acts as the secretary of the Committee.

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

Sl.No.	Name of Member	Status	No. of Meetings Attended
1.	Mr. Ravinder Singh Bedi*	Chairman	1
2.	Mrs. Manju Vira Gupta**	Chairman	1
3.	Mr. Dharam Pal Sharma***	Member	N.A.
4.	Mr. Piar Chand Jaswal****	Member	1
5.	Mr. Satish Agrawal***	Member	N.A.

\* Ceased to be Member and Chairman of the Committee w.e.f. 28.10.2021.

\*\* Appointed as a Chairman of the Committee w.e.f. 3.11.2021.

\*\*\* Appointed as member of the Committee w.e.f. 3.11.2021.

\*\*\*\* Ceased to be member of the Committee w.e.f. 3.11.2021.

### 8. Risk Management Committee

#### (a) Terms of Reference

The Company has a Board Committee namely 'Risk Management Committee' as required under Regulation 21 of SEBI (LODR) Regulations, 2015.

The Risk Management Committee is inter-alia responsible for risk identification, evaluation and mitigation and control process for such risks, oversight of the Enterprise Risk Management System and internal control process; monitoring and reviewing risk management plan of the Company and reviewing the foreseeable trends that could significantly impact the Company's overall business objectives and mitigates thereof.

#### (b) Composition

As at 31.03.2022, the Risk Management Committee of the Board comprises of 5 Members. One Member is Executive and Non-Independent Director, two members are Non-Executive and Independent Directors, other two members are employees of the Company.



## ANNEXURE - IV TO DIRECTORS' REPORT

No meetings of the Committee were held during the financial year. The composition of the Committee is as under:

Sl. No.	Name of the Member	Status
1.	Mr. Ravinder Singh Bedi*	Chairman
2.	Mr. Satish Agrawal**	Chairman
3.	Prof. Dinesh Mohan***	Member
4.	Mr. Piar Chand Jaswal****	Member
5.	Mr. Dharam Pal Sharma (Whole Time Director)	Member
6.	Mr. Manju Vira Gupta*****	Member
7.	Mr. R.K. Gangwar	Member - Employee
8.	Mr. B.B. Mehta	Member - Employee

\* Ceased to be Chairman of the Committee w.e.f. 28.10.2021.

\*\* Appointed as Chairman of the Committee w.e.f. 3.11.2021.

\*\*\* Deceased on 21.5.2021.

\*\*\*\* Ceased to be member of the Committee w.e.f. 3.11.2021.

\*\*\*\*\*Appointed as member of the Committee w.e.f. 3.11.2021.

### 9. Policy for Prevention, Detection and Investigation of Frauds and Protection of Whistle Blowers

The Company believes in the conduct of the affairs of its constituents in a fair and transparent manner by adoption of the highest standards of professionalism, honesty, integrity and ethical behavior. Towards this end, the Company has implemented a Whistle Blower Policy, with a view to provide a mechanism for employees and Directors of the Company to report instances of violations of laws, rules and regulations, unethical behavior, actual or suspected fraud or violation of the Company's code of conduct. The vigil mechanism also provides adequate safeguards against victimization of persons who use such mechanisms and also to ensure direct access to the Audit Committee in appropriate or exceptional cases.

### 10. General Body Meeting

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

Financial Year	Location	Date & Time	Special Resolution Passed
2020-21	Through Video Conferencing at Plot No.3, Institutional Area, Sector-32, Gurugram - 122001	24.9.2021 & 11.00 A.M.	No special resolution was passed.
2019-20	Through Video Conferencing at Plot No.3, Institutional Area, Sector-32, Gurugram - 122001	10.8.2020 & 11.00 A.M.	Approval for payment of remuneration to Mr. Dharam Pal Sharma (DIN-07259344) Whole Time Director of the Company for the remaining period of his term of appointment i.e. from 13.08.2020 to 12.08.2022.
2018-19	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	2.8.2019 & 11.00 A.M.	1. Appointment of Mrs. Manju Vira Gupta as an Independent Director of the Company for a period of 5 years w.e.f. 26.12.2018 (1st term).

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

			<p>2. Appointment of Mr. Ravinder Singh Bedi as an Independent Director of the Company for a period of 5 years w.e.f. 1.1.2020 (2nd term).</p> <p>3. Appointment of Prof. Dinesh Mohan as an Independent Director of the Company for a period of 5 years w.e.f. 1.1.2020 (2nd term).</p>
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### (b) Resolution passed through Postal Ballot

During the financial year ended March 31, 2022, no special resolution was passed through Postal Ballot process.

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

## 11. Means of Communication

### (a) Quarterly results

The Quarterly unaudited/Annual Audited Results are published in national and local newspapers, namely, The Business Standard (English and Hindi), having wide circulation. Since the Results of the Company are published in the newspapers, half-yearly reports are not sent individually to the shareholders.

### (b) Website

The Company maintains a separate dedicated section viz. "Investors" for the information of shareholders and other stakeholders of the Company on the Company's website [www.mawanasugars.com](http://www.mawanasugars.com). Quarterly/ Half-yearly/ Annual Financial Results, Annual Reports, various applicable policies of the Company and other required details are available on the Company's website.

### (c) Stock Exchange

The Company makes timely the disclosures of necessary information to BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE) in terms of the Listing Agreement(s) and other rules and regulations issued by SEBI.

### (d) NEAPS (NSE Electronic Application Processing System)

NEAPS is a web-based application designed by NSE for corporates. All Governance Report, Corporate Announcements, amongst others are filed electronically through NEAPS.

### (e) BSE Corporate Compliance and Listing Centre

BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter-alia, Shareholding Pattern, Corporate Governance Report, Corporate announcements, amongst others are filed electronically on the Listing Centre.

### (f) SEBI Complaints Redress System (SCORES)

The investor complaints are processed in a centralized web-based complaints redress system.

### (g) Institutional Investors

There were no presentations made to institutional investors or to the analysts.

- (h) A Management Discussion and Analysis report is annexed to the Directors' Report and forms a part of the Annual Report.

## ANNEXURE - IV TO DIRECTORS' REPORT

### 12. General Shareholders' Information

- (a) Annual General Meeting is proposed to be held on Thursday, the 29th day of September, 2022 at 11:00 A.M. through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM").
- (b) **Financial Year:** 1st April to 31st March.
- (c) **Dividend:** : Dividend, if declared in the ensuing Annual General Meeting, will be paid within 30 days from the date of declaration to those Members whose names appear in the Register of Members on the date of book closure
- (d) **Date of Book Closure:** 23.09.2022 to 29.09.2022 (both days inclusive).
- (e) **Listing on Stock Exchanges:**

The names of Stock Exchanges at which Company's Shares are listed, Symbol/Scrip Code and status of payment of listing fees are as under:

Name of the Stock Exchanges	Script symbol code	Status of fee paid
National Stock Exchange of India Ltd. Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (E), Mumbai – 400051 (Physical & Demat)	MAWANASUG	Paid
BSE Limited (BSE), Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001 (Physical & Demat)	523371	Paid

Under the depository system, the ISIN allotted to the Company's Equity Shares of face value of Rs.10/- each is INE636A01039.

### (f) Stock Market Data for the financial year ended March 31, 2022

Monthly High and Low quotation and volume of Company's Share on BSE/NSE and BSE Sensex/NSE Nifty are as under

Month & Year	BSE			SENSEX		NSE			NIFTY	
	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low	High (Rs.)	Low (Rs.)	Volume (Nos.)	High	Low
Apr-21	43.75	35.50	194941	50375.77	47204.50	43.80	35.15	2118854	15044.35	14151.40
May-21	57.45	44.05	731379	52013.22	48028.07	57.30	44.40	5302114	15606.35	14416.25
Jun-21	76.25	48.50	1155979	53126.73	51450.58	75.90	48.30	3715269	15915.65	15450.90
Jul-21	124.05	80.05	1668511	53290.81	51802.73	120.00	79.65	2992964	15962.25	15513.45
Aug-21	103.80	71.80	361058	57625.26	52804.08	102.40	71.45	1344790	17153.50	15834.65
Sep-21	90.00	78.10	142515	60412.32	57263.90	90.00	76.55	830641	17947.65	17055.05
Oct-21	93.80	77.50	448161	62245.43	58551.14	93.90	78.20	1978009	18604.45	17452.90
Nov-21	88.70	77.00	231861	61036.56	56382.93	88.90	75.20	1406747	18210.15	16782.40
Dec-21	85.55	69.90	139619	59203.37	55132.68	85.50	69.30	1285442	17639.50	16410.20
Jan-22	92.30	76.10	465237	61475.15	56409.63	92.25	76.20	3469374	18350.95	16836.80
Feb-22	128.90	82.70	2052352	59618.51	54383.20	128.80	82.20	18741949	17794.60	16203.25
Mar-22	168.65	104.50	3222777	58890.92	52260.82	169.10	104.00	30168701	17559.80	15671.45
			<b>10814390</b>					<b>73354854</b>		

### (g) Registrar and Share Transfer Agent

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

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

### (h) Share Transfer System

The Company's shares are traded in the Stock Exchanges compulsorily in DEMAT mode, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrars and Share Transfer Agent, M/s Mas Services Limited for assistance in this regard.

### (i) Investors' Service

The Company has a system of attending and redressing all investors' grievances/ correspondence within a period of 10 days from the date of receipt of the same.

No complaints/grievances are pending as on date.

### (j) Distribution of shareholding as on March 31, 2022

No. of Equity Shares held	Folios		Shares	
	Numbers	%	Numbers	%
Up to 500	47894	92.83	2490205	6.37
501-1000	2195	4.26	1524884	3.90
1001-2000	733	1.42	1085910	2.78
2001-3000	254	0.49	654468	1.67
3001-4000	98	0.19	354203	0.91
4001-5000	116	0.23	547384	1.39
5001-10000	161	0.31	1168334	2.99
10001 and above	140	0.27	31291476	79.99
<b>Total</b>	<b>51591</b>	<b>100.00</b>	<b>39116864</b>	<b>100.00</b>

### (k) Categories of shareholders as on March 31, 2022

Sl. No.	Category	No. of Shares held	% of shareholding
1.	Promoters' Shareholding	24835976	63.49
2.	Non-Promoter shareholding		
(a)	Mutual Funds/Financial Institutions/ Banks/ Insurance Companies/Foreign Portfolio Investors	828232	2.12
(b)	Bodies Corporate/NBFC/Individuals	12843268	32.83
(c)	Any Other (NRIs/OCBs/Foreign Nationals/ Trusts/ Unclaimed Suspense A/c)	609388	1.56
	<b>Total</b>	<b>39116864</b>	<b>100.00</b>

### (l) Dematerialization of shares and liquidity

The shares of the Company are compulsorily traded in dematerialized form and are available for trading on both the Depository Systems in India – National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

As on March 31, 2022, a total of 3,86,30,251 equity shares of the Company, which forms 98.76% of the equity share capital, stands dematerialized

### (m) Plant Location:

- i) Mawana Sugar Works, Mawana, Distt. Meerut – 250402 (U.P.)
- ii) Nanglamal Sugar Complex, Garh Road, Village Nanglamal, Distt. Meerut – 250001 (U.P.)

## ANNEXURE - IV TO DIRECTORS' REPORT

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**(n) Investors' correspondence may be addressed to:**

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

**(o) Credit Ratings:**

Credit rating obtained for Long Term Facilities is CARE BBB: Stable (Triple B; Outlook: Stable) from CARE Ratings Limited.

### 13. Other Disclosures

- (a) All transactions entered into with Related Parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (LODR) Regulations, 2015, during the financial year were in the ordinary course of business and on an arm's length pricing basis and do not attract the provisions of Section 188 of the Companies Act, 2013. There were no materially significant transactions with related parties during the financial year which was in conflict with the interest of the Company. Suitable disclosure as required Ind AS-24 has been made in the notes to the Financial Statements.
- (b) The financial statements have been prepared in accordance with applicable Accounting Standards and relevant presentational requirements of the Companies Act, 2013, as applicable, and are based on the historical cost convention.
- (c) The Company's Code of Conduct for Prevention of Insider Trading covers all its Directors, senior management personnel, persons forming part of promoter(s)/promoter group(s) and such other designated employees of the Company, who are expected to have access to Unpublished Price Sensitive Information ("UPSI") relating to the Company. The Directors, their relatives, senior management personnel, persons forming part of promoter(s)/ promoter group(s), designated employees etc. are restricted in purchasing, selling and dealing in the securities of the Company while in possession of UPSI about the Company as well as during certain periods. All the Directors, senior management personnel, persons forming part of promoter(s)/ promoter group(s) and other designated employees of the Company are restricted from entering into opposite transactions, i.e., buy or sell any number of shares during the next six months following the prior transaction. The Board of Directors have adopted the 'Mawana Sugars Limited' - Code of Conduct to Regulate, Monitor and Report Trading by Insiders' in line with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board has also approved the 'Mawana Sugars Limited -Code for Fair Disclosure' and the same posted on the Company's Website:[www.mawanasugars.com](http://www.mawanasugars.com).
- (d) There were no material instances of non-compliance by the Company, penalties, strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to the capital markets, during the last three years.
- (e) The Company has established a Vigil Mechanism/Whistle Blower Policy as per the requirement of the SEBI Listing Regulations, 2015 and the Companies Act, 2013. It is affirmed that no personnel were denied access to the Board/ Audit Committee.
- (f) The Company is complying with all the mandatory requirements of SEBI Listing Regulations, 2015 as applicable.
- (g) The Company has formulated a Policy for determining 'Material' Subsidiaries, which is also available on the Company's website [www.mawanasugars.com](http://www.mawanasugars.com).
- (h) The Company has formulated a Policy on dealing with Related Party transactions, which is also available on the Company's website [www.mawanasugars.com](http://www.mawanasugars.com).
- (i) The Company is not engaged in commodity trading on the Commodity Exchange/s.
- (j) The Company has not raised any funds through preferential allotment / qualified institutions placement as specified under Regulation 32(7A) of the SEBI (LODR) Regulations, during the year 2021-22.
- (k) The Company has obtained a certificate from Mr. Nirbhay Kumar (CP No.7887) of M/s Nirbhay Kumar Associates, Practicing Company Secretaries, certifying that none of the Directors on the Board of the Company have been

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any other statutory authority.

- (l) There has been no case where the Board did not accept any recommendation of any of the Committees of the Board.
- (m) The details of total fees for all services paid to the Statutory Auditors during the year ended 31.3.2022 are as below:

Sl. No.	Particulars	Amount (Rs. Million) (2021-22)
<b>As Auditors</b>		
1.	Audit Fee	2.85
2.	Tax Audit Fee	0.50
3.	Out of pocket expenses	0.16
<b>In Other Capacity</b>		
4.	For Limited review of unaudited financial results	1.88
5.	For verification of statement and other reports	0.43
	<b>TOTAL</b>	<b>5.82</b>

- (n) Pursuant to the "Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013", the Company constituted Internal Complaints Committees at all its workplaces. There has not been any instance of complaint reported in this regard to any of the Committees.

### 14. Code of Conduct

The Company has adopted a Code of Conduct for all Board Members and Senior Management Personnel of the Company in accordance with the requirements of Regulation 17(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. All the Board Members and the Senior Management Personnel have given affirmation of compliance with the said Code of Conduct for the financial year ended 31st March, 2022. The Code of Conduct has been posted on the website of the Company.

### 15. CEO/CFO Certification

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

### 16. Directors with materially pecuniary or business relationship with the Company

There has been no materially relevant pecuniary transaction or relationship between the Company and its non-executive and/or independent Directors for the period under report.

On behalf of the Board of Directors

**(Krishna Shriram)**  
Chairman of The Board  
DIN: 00031783

Place : New Delhi  
Dated : 30.05.2022

## DECLARATION

I, Dharam Pal Sharma, Whole Time Director of the Company hereby declare that the Code of Conduct adopted by Mawana Sugars Limited for its Board Members and Senior Management Personnel have been duly complied by all Board Members and Senior Management Personnel of the Company.

Place : New Delhi  
Dated : 30.05.2022

**(Dharam Pal Sharma)**  
Whole Time Director  
(DIN: 07259344)

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## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE OF CORPORATE GOVERNANCE

### Independent Auditor's Report on compliance with the conditions of Corporate Governance as per provisions of Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

- 1) The Corporate Governance Report prepared by Mawana Sugars Limited (hereinafter the "Company"), contains details as specified in regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of regulation 46 and para C, D, and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('Applicable criteria') for the year ended March 31, 2022 as required by the Company for annual submission to the Stock exchange.

### Management's Responsibility

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

### Auditor's Responsibility

- 4) Pursuant to the requirements of the Listing Regulations, our responsibility is to provide a reasonable assurance in the form of an opinion whether, the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations.
- 5) We conducted our examination of the Corporate Governance Report in accordance with the Guidance Note on Reports or Certificates for Special Purposes and the Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ("ICAI"). The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- 6) We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
- 7) The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in

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## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

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compliance of the Corporate Governance Report with the applicable criteria. Summary of procedures performed include:

- i. Read and understood the information prepared by the Company and included in its Corporate Governance Report;
  - ii. Obtained and verified that the composition of the Board of Directors with respect to executive and non-executive directors has been met throughout the reporting period;
  - iii. Obtained and read the Register of Directors as on March 31, 2022.
  - iv. Obtained and read the minutes of the following committee meetings / other meetings held April 1, 2021 to March 31, 2022:
    - a) Board of Directors;
    - b) Audit Committee;
    - c) Annual General Meeting (AGM);
    - d) Nomination and Remuneration Committee;
    - e) Stakeholders Relationship Committee;
    - f) Risk Management Committee
  - v. Obtained necessary declarations from the directors of the Company.
  - vi. Obtained and read the policy adopted by the Company for related party transactions.
  - vii. Obtained the schedule of related party transactions during the year and balances at the year- end. Obtained and read the minutes of the audit committee meeting where in such related party transactions have been pre-approved by the audit committee.
  - viii. Performed necessary inquiries with the management and also obtained necessary specific representations from management.
- 8) The above-mentioned procedures include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve us performing audit tests for the purposes of expressing an opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Basis for Qualified Opinion**

- 9) During the year, the Company was not in compliance with the following requirements of the Listing Regulations. As more fully described in :
- a. Note 2 (a) to the Corporate Governance Report and as prescribed under Regulation 17(1)(b), at least one-third of the Board of Directors should comprise of independent directors (when the Chairperson is a non-executive director) and at least half of the Board of Directors should comprise of independent directors (when the non executive chairperson is the promoter). As stated in the aforesaid note, at least one-third of the Board of Directors did not comprise of independent directors from 28.10.2021 to 2.11.2021 and at least half of the Board of Directors did not comprise of independent directors from 2.2.2022 to 31.3.2022.
  - b. Note 2 (a) to the Corporate Governance Report, the requirement that the Board of Directors should comprise of not less than six directors as prescribed under Regulation 17(1 )(c) of the Listing Regulations was not complied with by the Company during the period 21.5.2021 to 31.5.2021 and 28.10.2021 to 2.11.2021.



- c. Note 3(b) to the Corporate Governance Report, the requirement that at least three directors are required to be members of Audit Committee as prescribed under Regulation 18(1)(a) of the Listing Regulations, was not complied with by the Company during the period 28.10.2021 to 2.11.2021.
- d. Note 3 (b) to the Corporate Governance Report, the requirement that at least two third of the members of Audit Committee should be independent directors as prescribed under Regulation 18(1)(b) of the Listing Regulations was not complied with by the Company during the period 25.6.2021 to 2.7.2021
- e. Note 3(b) to the Corporate Governance Report, the requirement that not more than 120 days should elapse between two meetings of Audit committees as prescribed under Regulation 18(2)(a) of the Listing Regulations was not complied with by the Company as a gap of 135 days was observed between two consecutive Audit Committee Meetings during the period from 9.2.2021 to 25.6.2021.

## Qualified Opinion

- 10) Based on the procedures performed by us, as referred in paragraph 7 above, and according to the information and explanations given to us, except for the effect of the matters described in the Basis for Qualified Opinion paragraph above, we are of the opinion that the Company has complied with the conditions of Corporate Governance as specified in the Listing Regulations, as applicable for the year ended March 31, 2022, referred to in paragraph 4 above.

## Other matters and Restriction on Use

- 11) This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
- 12) This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations with reference to compliance with the relevant regulations of Corporate Governance and should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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

Place of Signature: New Delhi  
Date: May 30, 2022

**Per Anil Gupta**  
Partner  
Membership Number: 87921  
UDIN: 22087921 AJVXCU8222



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## **ANNEXURE - IV TO DIRECTORS' REPORT**

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### **CEO/CFO CERTIFICATION - FINANCIAL YEAR ENDED MARCH 31, 2022**

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

We undersigned, in our respective capacities as Whole Time Director and Chief Financial Officer of Mawana Sugars Limited, to the best of our knowledge and belief, certify that;

- (a). We have reviewed the Balance Sheet, Profit and Loss Account, Cash Flow Statement and the Board's Report for the period from April 01, 2021 to March 31, 2022 and based upon our knowledge and information certify that:-
- (i). These statements do not contain any materially untrue statement or omit any material fact or contain the statement that might be misleading,
- (ii). These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards and other applicable laws and regulations.
- (b). There are, to best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- (c). We accept the responsibility for establishing and maintaining internal control for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. We have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or to take to rectify these deficiencies.
- (d). We have indicated to Auditors and the Audit Committee of the Board that there have been:
- (1). no significant changes in internal control over the financial reporting during the period,
- (2). no significant changes in accounting policies during the year and same have been disclosed in the notes to the Financial Statements.
- (3). no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Mawana Sugars Limited

Place: New Delhi  
Date: May 30, 2022

**(Dharam Pal Sharma)**  
Whole Time Director  
(DIN: 07259344)

**(B.B. Mehta)**  
Chief Financial Officer

## ANNEXURE - IV TO DIRECTORS' REPORT

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### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### SUGAR BUSINESS

##### **Sugar Season 2021-22**

Sugar season 2021-22, started with an opening stock of 8.2 Mn. Tons. With an estimated production of 35.50 Mn Tons and domestic consumption of 27.5 Mn Tons and export of 9.50 Mn Tons during the current year, the closing stock is expected to be 6.7 Mn Tons as of September 30, 2022, sufficient for 3 months against the GOI's requirement of 2.5 months.

All India Production in sugar season 2022-23 is expected to remain the same at 35.50 Mn. Tons. With the expected opening stock of 6.7 Mn Tons and domestic consumption of 28.0 Mn. Tons, the expected closing stock would be 14.20 Mn Tons. To get rid of surplus stocks, the export of sugar will continue from India, and it is expected that GOI may continue to allow exports of a minimum of 6 Mn. Tons under OGL as allowed in the previous year.

Due to the comfortable Demand Supply position, despite good exports out of India, domestic sugar prices moved in the range of Rs. 3350 to Rs. 3550/Qt. Since the sugar production in next year is estimated at current year levels and with uncertainty on exports though it's likely that it will continue since enough sugar will be available. Sugar Prices in April,22-March,23 seen moving in the range of Rs. 3450-Rs.3650/Qt unless weather impacts sugar production which will be known by July and MSP gets revised.

World Sugar Balance estimates a surplus of 1.26 Mn. Tons in 2021-22 season. The change is mainly driven by additional production estimates of about 2 Mn Tons from India over its earlier estimate. However, some impact is also due to a cut in production estimates of CS Brazil and Thailand.

Global consumption in 2021-22 is now estimated to grow by 1.3% while consumption in 2022-23 has been projected to grow by 1.1%.

World sugar prices will continue to be driven by the Ethanol mix in CS Brazil, Crude, and Indian Exports. Besides supply-demand position is changing from Deficit to Surplus as Sugar Exports from India and another key grower, Thailand, are expected to be a record this season amid bumper production, which could add more supplies to the world market and put a cap on prices.

### DISTILLERY BUSINESS

The Average All India blending percentage touched 8.10% in the tender year 2020-21 (as on 30.11.21) however blending levels achieved in some States, including Uttar Pradesh, Haryana, Punjab, Uttarakhand, Bihar, and Karnataka, are much higher and ranged between 8.5 per cent and 9.8 per cent.

Government has fixed target of 10% blending of fuel grade ethanol with petrol in this Ethanol supply year 2021- 2022 & 20% blending by 2023.

Nanglamal Distillery has recorded the highest ever ethanol production in the financial year 2020-21 since its inception. During the ethanol supply year 2021-2022, the distillery has been allocated 41997 KL ethanol for supply to various Oil Companies and dispatches against the same are in progress.

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

#### **Risks and Concerns**

This year's incidence of certain insect pests such as Top Borer, Early Shoot Borer etc. in sugar cane crop is very high. The major impact of Top Borer is seen in Cane Variety CO-238 which occupies the major portion of our cane area. Efforts are being made to control its incidence by timely application of pesticide and also replacing the Co-238 cane variety in the coming years so that its impact in our cane area is minimized.

In the current year Ethanol Tender, there is a condition that after allocation of the quantity offered by suppliers from within the State, the balance quantity offered from suppliers outside the State for a particular location shall be allocated based on the least transportation cost irrespective of the feedstock. Therefore, the possibility to get an allotment of ethanol produced from C Heavy molasses at a far destination in the current scenario is difficult.

#### **DETAILS OF SIGNIFICANT CHANGES**

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

## ANNEXURE - IV TO DIRECTORS' REPORT (Contd.)

Sl. No.	Particulars	As on 31.3.2022	As on 31.3.2021*
1.	Debtors Turnover Ratio	<b>37.64</b>	32.06
2.	Inventory Turnover Ratio	<b>1.72</b>	1.54
3.	Interest Coverage Ratio	<b>4.50</b>	2.88
4.	Current Ratio	<b>1.22</b>	1.11
5.	Debt Equity Ratio**	<b>1.01</b>	0.71
6.	Operating Profit Margin	<b>5.2%</b>	3.8%
7.	Net Profit Margin	<b>2.3%</b>	6.7%
8.	Return on Net Worth	<b>8.0%</b>	22.6%

\*Ratio has been worked out for Continuing Operations.

\*\* Long term and short-term debts has been considered.

### INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

The Company has proper and adequate system of internal controls, which provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides an external firm which is carrying out internal audits. The internal auditors' reports are regularly reviewed by Senior Management and Audit Committee of the Board for its implementation and effectiveness.

The Company endeavours to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

Extensive use of SAP and other software systems have also resulted in strengthening the internal controls and accurate reporting of operational and financial data.

### HUMAN RESOURCES

The Human Resource function plays a pivotal role to realizing business objectives by leading organizational

change, fostering innovation, and effectively mobilizing talent to sustain the organization's competitive edge.

At MSL, the HR philosophy evolve that people are the foremost factor in the success of an organization. Our people strategy and systems & process are aimed at making the Company an employer of choice. The Company continued its focus on development of its human resources to meet the present and future challenges with enhanced skills to acquire, retain, nurture, and grow human resources who can cater to the industry, society and to the Nation at large. We have a structured training scheme which articulate professional Managerial quality into the young and energetic recruits.

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

With the dip in Corona cases in general and normalcy is settling in everyday life, contrary to previous year, this year we did a few engagement programs such as organized social events in the Units and conducted trainings programs both offline and online. This year focus will be on more engagements and Training and Development activities. We have planned to induct training officers from campus of national reputed institutes like NSI -Kanpur, VSI - Pune, GBPU - Pant Nagar and HAU – Hissar.

### CAUTIONARY STATEMENT

Some of the statements in this Management Discussions & Analysis, describing the Company's objectives, projections, estimates, expectations and predictions may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important developments that could alter your Company's performance include change in material costs, technology developments and significant changes in political and economic environment, tax laws and labour relations.

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Mawana Sugars Limited

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of Mawana Sugars Limited ("the Company"), which comprise the Balance sheet as at March 31, 2022, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance

with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone Ind AS financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><b>Recognition of Deferred Tax Asset</b> (as described in Note 19 of the standalone Ind AS financial statements)</p> <p>Deferred tax assets are recognized on unabsorbed depreciation when it is probable that taxable profit will be available against which unabsorbed depreciation can be utilized. The Company's ability to recognize deferred tax assets on unabsorbed depreciation carried forward is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are determined by management.</p> <p>At March 31, 2022, the Company has recognized deferred tax assets amounting to Rs. 365.19 million on the unabsorbed depreciation.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We assessed the methodology applied by the Company with applicable accounting standards and taxation laws along with the future business forecast of taxable profits. Our audit approach consisted of assessing the business plans of the Company's assessment to utilize deferred tax assets. In particular, we assessed: <ul style="list-style-type: none"> <li>- the underlying projections and assumptions used for management estimates as calculated during the budget process by analyzing projected and actual performances;</li> <li>- tested sensitivity of key assumptions used in projections which are based on profits earned and after considering expected future market economic conditions, tax laws and management's expansion plans.</li> </ul> </li> </ul>



## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions, and tax laws.</p> <p>Given the degree of judgement, management's decision to recognize and classify deferred tax assets as recoverable, we consider this issue to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>- the schedules for the reversal of temporary differences</li> <li>• We also understood the income tax computation process and review controls around recognition of Deferred tax assets and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.</li> <li>• Engaged tax specialists to assist us in assessing the management prepared schedule for computation of tax and deferred taxes.</li> <li>• We have assessed the adequacy of disclosures included in the standalone Ind AS financial statements in this regard.</li> </ul>
<p><b><u>Impairment testing of investment in Subsidiaries and Associate</u></b> (as described in note 50 of the standalone Ind AS financial statements)</p>	
<p>Impairment indicators were identified on the investment and recoverable amount in subsidiaries, namely SIEL Industrial Estate Limited and SIEL Infrastructure &amp; Estate Developers Private Limited and an associate namely Mawana Foods Private Limited. As a result, an impairment assessment was performed by comparing the carrying value of investment in subsidiaries and associate to its recoverable amount to determine whether an impairment was required to be recognized.</p> <p>In case of Subsidiaries, impairment testing was carried out by getting the assets valuation from approved valuer. The recoverable amount was determined to be the higher of the fair value less cost of disposal, and the value in use, determined by discounting future cash flows.</p> <p>In case of Associate, the recoverable amount was determined to be the higher of the fair value, and the value in use, determined by discounting future cash flows.</p> <p>The determination of recoverable amount of the Company's investment in associate relies on management's estimates of future cash flows and their judgement with respect to the associates' performance.</p> <p>Due to the uncertainty of forecasting and discounting future cash flows, the level of management's judgement involved and the significance of the Company's investment in subsidiaries and associate of Rs. 839.52 million as at March 31, 2022, this audit area is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• In conjunction with review by technical and valuation specialists, we assessed the Company's valuation methodology applied in determining the recoverable amount and we assessed the assumptions of the cash flow forecasts.</li> <li>• We tested the Company's internal controls in relation to preparing and reviewing cash flow projections considering the future business plans.</li> <li>• We discussed potential changes in assumptions with management in order to evaluate the inputs and assumptions used in the cash flow forecasts.</li> <li>• We performed sensitivity analysis on the key assumptions adopted in the impairment assessment to understand the impact of changes in assumptions on the estimated recoverable amounts.</li> <li>• We assessed the adequacy of disclosures made in the standalone Ind AS financial statements in this regard.</li> </ul>
<p><b><u>Determination of net realizable value of inventory of sugar at the year ended March 31, 2022</u></b> (as described in note 52 of the standalone Ind AS financial statements)</p>	
<p>As on March 31, 2022, the Company is carrying inventory of sugar (finished goods and work in progress) amounting to Rs. 5,407.35 million. The inventory of sugar is valued at lower of cost and net realisable value.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We have tested the controls established by the management in determination of net realizable value of inventory of sugar.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<p>The relative size of the inventory of sugar as on March 31, 2022 is significant to the financial statements and significant judgement was involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the government in determination of net realizable value.</p> <p>Accordingly, determination of net realisable value was determined to be a key audit matter in our audit of the standalone Ind AS financial statements.</p>	<ul style="list-style-type: none"> <li>• We considered various factors including actual selling price prevailing around and subsequent to the year end, monthly quota and other notifications of the Government of India with respect to sugar industry as a whole while assessing the net realizable value.</li> <li>• We have assessed the disclosures included to the standalone Ind AS Financial Statements in this regard.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the standalone Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



## INDEPENDENT AUDITOR'S REPORT (Contd.)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most

significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to standalone



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 32(c) to the standalone Ind AS financial statements;
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
  - c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
  - v. The final dividend paid by the Company during the year in respect of the same declared for the previous year is in accordance with Section 123 of the Act to the extent it applies to payment of dividend.

**For S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 22087921AJVWET6846

Place of Signature: New Delhi

Date: May 30, 2022



## INDEPENDENT AUDITOR'S REPORT (Contd.)

### Annexure 1 referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

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

(B) The Company has maintained proper records showing full particulars of intangibles assets.

(b) The Company has a program of verification of fixed assets to cover all the items in a phased manner over a period of three years which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to program, certain fixed assets were physically verified by the management during the year. According to the information and explanations given to us, no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management the title deeds of all the immovable properties (other than properties where the company is the lessee and the lease agreement are duly executed in favour of the lessee) are held in the name of the Company.

(d) The Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year ended March 31, 2022.

(e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and the procedure of such verification by the management is appropriate. No material

discrepancies were noted on such physical verification.

(b) As disclosed in note no. 13 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from a bank during the year on the basis of security of current assets of the Company. Based on the records examined by us in the normal course of audit of the financial statements, the quarterly returns/statements filed by the Company with such bank are in agreement with the books of accounts of the Company.

(iii) (a) During the year, the Company has provided loan to companies as follows.

Particulars	Loans (Amount Rs. Millions)
Aggregate amount granted/ provided during the year	10
- Subsidiary	10
Balance outstanding as at balance sheet date in respect of above cases	
- Subsidiary	10
- Others	153.12*

\*provided for doubtful in earlier years

The Company has not provided any other advances in the nature of loans, stood guarantee and provided security during the year, to companies, firms, Limited Liability Partnerships or any other parties.

(b) During the year, investments made, and the terms and conditions of the loans granted are not prejudicial to the Company's interest.

Also, during the year, the Company has not provided guarantee, security or granted advances in the nature of loans to companies, firms, Limited Liability Partnerships, or any other parties.

(c) The Company has granted loan, during the year to a company where the schedule of repayment of principal and payment of interest has been stipulated and the receipt of interest is regular. However, loan has not fallen due for repayment as on balance sheet date.

## INDEPENDENT AUDITOR'S REPORT (Contd.)

\* In respect of loans granted in earlier years, the schedule of repayment of principal and payment of interest has not been stipulated. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loans. The Company has fully provided for the principal amount and no interest has been accrued on such loans.

- (d) There are no amounts of loans granted to a subsidiary company which is overdue for more than ninety days. In respect of loans of Rs. 153.12 million granted in earlier years, the schedule of repayment of principal has not been stipulated. However, the Company has fully provided for the principal amount and no interest has been accrued on such loans.
- (e) There were no loans granted to companies or any other parties which had fallen due during the year.
- (f) As disclosed in note 44 to the financial statements, the Company has granted loans, either repayable on demand or without specifying any terms or period of repayment to companies. Of these, following are the details of the aggregate amount of loans granted to related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

Particulars	All Parties (Amounts in Rs. Millions)	Related Party Subsidiary (Amounts in Rs. Millions)
Aggregate amount of loans	163.12	10
- Repayable on demand	10	10
Percentage of loans to the total loans	6%	100%

- (iv) In our opinion and according to the information and explanations given to us, provisions of Sections 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given

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

- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act, related to the manufacture of its products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) Undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

According to the information and explanations given to us, no undisputed dues in respect of provident fund, employees' state insurance, income-tax, service tax, sales tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues which were outstanding, at the year end, for a period of more than six months from the date they became payable.

- (b) According to the records of the Company, the dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess, and other statutory dues have not been deposited on account of any dispute, are as follows:



## INDEPENDENT AUDITOR'S REPORT (Contd.)

Nature of Statute	Nature of Dues	Amount (Rs. Million)	Amount Paid under protest (Rs. Million)	Period to which the Amount relate	Forum where dispute is pending
Sales Tax Laws	Sales Tax	66.98	5.39	2006-07, 2012-13, 2013-14	Appellate Authority up to Commissioner's level
Central Excise Laws	Service Tax	7.86	0.03	2005-2006 to 2014-15	Appellate Authority up to Commissioner's level
Central Excise Laws	Excise Duty	1.45	-	2007-08 to 2014-15	High Court
Central Excise Laws	Excise Duty	84.15	0.21	1994-95 to 1996-97, 1998-99, 1999-00, 2001-02 and 2004-05 to 2016-17	Appellate Authority up to Commissioner's level
Income tax Act, 1961	Income tax (including interest)	176.52	45.61	2016-17	Commissioner of Income Tax (Appeals)
Income tax Act, 1961	Income tax (including interest)	0.40	-	2006-07	Assessing officer
Employee State Insurance Act, 1948	ESI (Including Interest)	12.58	-	1968-88	Delhi High Court
The U.P. Sugarcane (Purchase Tax), Act, 1961	Purchase Tax	4.06	-	2017-18	Allahabad High Court
The Indian stamp Act, 1899	Stamp Duty	0.85	0.20	1986	Allahabad High Court

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) In our opinion and according to the information and explanations given by the management, the Company has utilized the monies raised by way of term loans for the purposes for which they were raised.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associate.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or in associate companies. Hence, the requirement to report on clause (ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has not made any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the Company.
- (xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to

## INDEPENDENT AUDITOR'S REPORT (Contd.)

- the information and explanations given by the management, we report that no fraud by the Company or fraud on the Company has been noticed or reported during the course of our audit.
- (b) During the year, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) (a) In our opinion the Company is not a Nidhi Company as per the provisions of the Companies Act, 2013. Therefore, the requirement to report on clause 3(xii)(a)(b)(c) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) (a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) According to the information and explanations given by the management, the Company has not entered any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) According to the information and explanations given to us, the provisions of Section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) According to the information and explanations given to us, the Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)(c) and (d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note no. 54 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) The provisions of Section 135 to the Companies Act, 2013 in relation to Corporate Social Responsibility is not applicable to the Company. Accordingly, the requirement to report on clause 3(xx)(a) and (b) of the Order are not applicable to the Company.
- (xxi) (a) The requirement to report on clause 3(xxi) of the Order is not applicable to the standalone financial statements of the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 22087921AJVWET6846

Place of Signature: New Delhi

Date: May 30, 2022



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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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

#### **Report on the Internal Financial Controls under Clause (i) of Sub-Section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Mawana Sugars Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these standalone Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone Ind AS financial statements included obtaining an understanding of internal financial controls with reference to these standalone Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these standalone Ind AS financial statements.

#### **Meaning of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS financial Statements**

Because of the inherent limitations of internal financial controls with reference to standalone Ind AS financial

## **INDEPENDENT AUDITOR'S REPORT (Contd.)**

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statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to standalone Ind AS financial statements to future periods are subject to the risk that the internal financial control with reference to standalone Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls over financial reporting with reference to these standalone Ind AS financial statements and such internal financial controls over financial reporting with reference to these standalone

Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 22087921AJVWET6846

Place of Signature: New Delhi

Date: May 30, 2022



## BALANCE SHEET AS AT MARCH 31, 2022

		Rs. Million	
		As at March 31, 2022	As at March 31, 2021
	Notes		
<b>ASSETS</b>			
(1)	<b>Non-current assets</b>		
	Property, plant and equipment	2,107.37	2,298.31
	Capital work in progress	25.52	125.18
	Intangible assets	0.22	0.33
	Right of use assets	6.58	11.75
	Financial assets		
	- Investments	839.52	805.27
	- Loans	-	-
	- Others	15.82	109.63
	Income tax assets (net)	16.04	21.96
	Deferred tax assets (net)	305.24	431.63
	Other non-current assets	11.16	12.56
	<b>Total Non-current assets</b>	<b>3,327.47</b>	<b>3,816.62</b>
(2)	<b>Current assets</b>		
	Inventories	6,420.82	7,479.39
	Financial assets		
	- Trade receivables	388.64	387.26
	- Cash and cash equivalents	322.17	896.51
	- Other Bank Balances	130.18	92.33
	- Loans	10.00	-
	- Others	65.41	1,161.65
	Other current assets	83.78	167.13
	Assets held for sale	1.86	6.64
	<b>Total current assets</b>	<b>7,422.86</b>	<b>10,190.91</b>
	<b>Total Assets</b>	<b>10,750.33</b>	<b>14,007.53</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
	Equity share capital	391.17	391.17
	Other equity	3,742.55	3,527.65
	<b>Total equity</b>	<b>4,133.72</b>	<b>3,918.82</b>
<b>LIABILITIES</b>			
(1)	<b>Non-current liabilities</b>		
	Financial liabilities		
	- Borrowings	407.01	745.77
	- Lease liabilities	2.62	7.84
	Other non-current liabilities	13.89	42.21
	Provisions	93.07	96.27
	<b>Total non-current liabilities</b>	<b>516.59</b>	<b>892.09</b>
(2)	<b>Current liabilities</b>		
	Financial liabilities		
	- Borrowings	3,752.88	2,015.04
	- Lease liabilities	4.89	4.56
	Trade payables		
	- Total outstanding dues to micro and small enterprises	19.35	22.55
	- Total outstanding dues of creditors other than micro and small enterprises	1,828.83	6,538.83
	Other financial liabilities	178.28	214.65
	Other current liabilities	231.04	298.98
	Provisions	38.65	38.11
	Current tax liabilities (net)	46.10	63.90
	<b>Total current liabilities</b>	<b>6,100.02</b>	<b>9,196.62</b>
	<b>Total liabilities</b>	<b>6,616.61</b>	<b>10,088.71</b>
	<b>Total equity and liabilities</b>	<b>10,750.33</b>	<b>14,007.53</b>

Summary of significant accounting policies

2

The accompanying notes form an integral part of these financial statements

As per our report of even date

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

For **S.R.Batliboi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

per **ANIL GUPTA**

Partner

Membership No. : 87921

**B.B. MEHTA**

Chief Financial Officer

**KRISHNA SHRIRAM**

Director

(DIN: 00031783)

Place: New Delhi

Date: May 30, 2022

**ASHOK KUMAR SHUKLA**

Company Secretary

**DHARAM PAL SHARMA**

Whole Time Director

(DIN: 07259344)



## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

	Notes	Year ended March 31, 2022	Rs. Million Year ended March 31, 2021
<b>Continuing Operations</b>			
<b>I Income</b>			
Revenue from contracts with customers	22	14,781.34	14,689.11
Other income	23	78.29	36.67
<b>Total income (I)</b>		<b>14,859.63</b>	<b>14,725.78</b>
<b>II Expenses</b>			
Cost of materials consumed	24	10,790.46	11,423.49
Purchase of stock-in-trade		71.36	90.16
Changes in inventories of finished goods, stock-in-trade and work-in-progress	25	1,074.33	431.62
Employee benefits expenses	26	693.64	687.47
Finance costs	27	256.62	351.61
Depreciation and amortisation expense	28	395.87	475.72
Other expenses	29	1,076.19	1,079.82
<b>Total expenses (II)</b>		<b>14,358.47</b>	<b>14,539.89</b>
<b>III Profit before tax and exceptional items (I-II)</b>		<b>501.16</b>	<b>185.89</b>
<b>IV Exceptional Items (Expenses)/Income (net)</b>	30	<b>(52.79)</b>	<b>1,070.27</b>
<b>V Profit before tax (III+IV)</b>		<b>448.37</b>	<b>1,256.16</b>
<b>VI Tax expense:</b>			
Adjustment of current tax relating to earlier years	19	(8.38)	-
Deferred tax charge	19	125.92	322.45
<b>Total tax expense (VI)</b>		<b>117.54</b>	<b>322.45</b>
<b>VII Profit from continuing operations (V-VI)</b>		<b>330.83</b>	<b>933.71</b>
<b>VIII Discontinued Operations</b>	53		
Profit/(Loss) before tax from discontinued operations		-	(233.43)
Tax credit/(expense) of discontinued operations	53	-	43.55
<b>Profit/(Loss) from discontinued operations</b>		<b>-</b>	<b>(189.88)</b>
<b>IX Profit for the year (VII+VIII)</b>		<b>330.83</b>	<b>743.83</b>
<b>X Other Comprehensive Income</b>			
<b>Items that will not be reclassified to statement of profit or loss</b>			
Re-measurement gain/(loss) on defined benefit plans	35	1.90	1.78
Income tax effect credit/(charge)	19	(0.48)	(0.45)
		<b>1.42</b>	<b>1.33</b>
<b>XI Total comprehensive income of the year {Comprising profit and other comprehensive income for the year} (IX+X)</b>		<b>332.25</b>	<b>745.16</b>
<b>XII Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2021-Rs.10/-)}</b>			
(1) Basic and diluted from continuing operations	31	8.46	23.87
(2) Basic and diluted from discontinued operations	31	-	(4.85)
(3) Basic and diluted from continuing operations and discontinued operations	31	8.46	19.02

Summary of significant accounting policies 2

**The accompanying notes form an integral part of these financial statements**

As per our report of even date

For **S.R.Batliloi & Co. LLP**

Chartered Accountants

Firm Registration No.: 301003E/E300005

per **ANIL GUPTA**

Partner

Membership No. : 87921

Place: New Delhi

Date: May 30, 2022

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

**B.B. MEHTA**

Chief Financial Officer

**KRISHNA SHRIRAM**

Director

(DIN: 00031783)

**ASHOK KUMAR SHUKLA**

Company Secretary

**DHARAM PAL SHARMA**

Whole Time Director

( DIN: 07259344 )



## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Notes	Year ended March 31, 2022	Rs. Million Year ended March 31, 2021
<b>A. Cash flow from operating activities :</b>			
Profit before tax from continuing operations		448.37	1,256.16
(Loss) before tax from discontinued operations		-	(233.43)
<b>Add :</b> Depreciation and amortisation expense	3,4,53	395.87	548.29
Interest expenses	27,53	256.62	353.01
Provision for doubtful debts and advances	29	1.47	7.59
Irrecoverable balances written off	29	0.80	0.54
Provision for diminution in value of investment	30	52.79	52.66
<b>Less:</b> Interest income	23,53	26.68	34.55
Profit on sale of current investments	23	-	0.18
Liabilities / provision no longer required written back	23,53	17.98	0.45
Profit on sale of non-current investment (net of provision write back/ loss on sale)	30	-	4.28
Profit on sale of chemical unit (refer note 53)	30	-	1,118.65
Profit on sale of property, plant and equipment (Net)	23,29,53	29.41	25.97
<b>Operating profit before working capital changes</b>		<b>1,081.85</b>	<b>800.74</b>
<i>Changes in working capital:</i>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Inventories	7	1,058.57	430.21
Trade receivables	8	(0.97)	78.78
Financial assets	5	1,002.82	(299.41)
Other assets	6	76.55	(76.07)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade payables	16	(4,709.66)	747.50
Provisions	15	(0.76)	14.30
Other financial liabilities	17	16.52	(11.64)
Other liabilities	18	(27.15)	(32.60)
<b>Cash from/(used in) operations</b>		<b>(1,502.23)</b>	<b>1,651.81</b>
Direct taxes paid		(3.49)	(7.44)
<b>Net cash flow from/(used in) operating activities (A)</b>		<b>(1,505.72)</b>	<b>1,644.37</b>
<b>B. Cash flow from investing activities :</b>			
Purchase of property, plant and equipment, including capital advances	3A,3B	(110.76)	(244.19)
Proceeds from sale of property, plant and equipment	3A,3B	4.38	63.54
Movement in fixed deposits with banks	10	(15.41)	53.60
Net proceeds from sale of chemical unit		(18.20)	1,471.99
Loan to subsidiary	5	(10.00)	-
Proceeds from sale of subsidiary		-	4.28
Sale/(purchase) of current investments (net)		-	0.18
Investment in subsidiary	5	(2.00)	(137.50)
Interest received	23,53	13.95	26.41
<b>Net cash flow (used in)/from investing activities (B)</b>		<b>(138.04)</b>	<b>1,238.31</b>
<b>C. Cash flow from financing activities :</b>			
Lease payments		(5.48)	(17.04)
Repayment of long term borrowings- secured	13	(367.08)	(2,240.80)
Dividend paid		(117.35)	-
Net increase in working capital borrowings	13	1,724.26	65.40
Interest paid	27,53	(164.93)	(233.00)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>1,069.42</b>	<b>(2,425.44)</b>
<b>D. Net (decrease)/increase in Cash and cash equivalents (A+B+C)</b>		<b>(574.34)</b>	<b>457.24</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>896.51</b>	<b>464.17</b>
<b>F. Cash and cash equivalents transferred on sale of chemical unit (Refer note 53)</b>		<b>-</b>	<b>24.90</b>
<b>G. Cash and cash equivalents at the end of the year (D+E-F)</b>		<b>322.17</b>	<b>896.51</b>

## Cash Flow Statement for the year ended March 31, 2022 (Contd.)

	Rs. Million	
	As at	As at
CASH AND CASH EQUIVALENTS	March 31, 2022	March 31, 2021
Balances with banks:		
- Current accounts	238.44	853.08
Cash on hand	0.89	0.69
Fixed deposits with banks (with original maturity of 3 months or less)	82.84	42.74
<b>Total cash and cash equivalents</b>	<b>322.17</b>	<b>896.51</b>

### Notes :

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

Summary of significant accounting policies 2

**The accompanying notes form an integral part of these financial statements**

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

Place: New Delhi  
Date: May 30, 2022

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

**B.B. MEHTA**  
Chief Financial Officer

**ASHOK KUMAR SHUKLA**  
Company Secretary

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344 )

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022**

Rs. Million

	Equity Share Capital	Other Equity					Total Other Equity	Total Equity
		Reserves and surplus						
		Securities premium*	Capital redemption reserve*	Capital reserve*	Surplus in the Statement of profit and loss	Storage fund for molasses account*		
As at March 31, 2020	391.17	1495.04	87.72	1030.17	163.64	5.92	2782.49	3173.66
Add: Profit for the year	-	-	-	-	743.83	-	743.83	743.83
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	(2.87)	2.87	-	-
Add: Remeasurement gain of defined benefit obligation (net of tax)	-	-	-	-	1.33	-	1.33	1.33
As at March 31, 2021	391.17	1495.04	87.72	1030.17	905.93	8.79	3527.65	3918.82
Add: Profit for the year	-	-	-	-	330.83	-	330.83	330.83
Less : Dividend paid during the year	-	-	-	-	(117.35)	-	(117.35)	(117.35)
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	2.26	(2.26)	-	-
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	-	-	-	-	1.42	-	1.42	1.42
<b>As at March 31, 2022</b>	<b>391.17</b>	<b>1495.04</b>	<b>87.72</b>	<b>1030.17</b>	<b>1123.09</b>	<b>6.53</b>	<b>3742.55</b>	<b>4133.72</b>

\*Refer note no. 12.2

Summary of significant accounting policies

2

**The accompanying notes form an integral part of these financial statements**

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

### 1. Company Overview

Mawana Sugars Limited ('the Company') is a public limited Company domiciled and incorporated in India under the provisions of the Companies Act, 2013. Its shares are listed on two recognized stock exchanges in India. The registered office of the Company is situated at 5th floor, Kirti Mahal, 19 Rajendra Place, New Delhi 110008. As at March 31, 2022, Mr. Krishna Shriram owns 62.94% of equity share capital of the Company.

Major products along with principal places of business of the Company are as under:

Products	Principal Places
Sugar (Sugar and Power)	Mawana Sugars Works, Uttar Pradesh Nanglamal Sugar Complex, Uttar Pradesh
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Uttar Pradesh

The standalone financial statements were approved by the Board of Directors and authorised for issue on May 30, 2022.

### 2. Significant accounting policies

The accounting policies, as set out below, have been consistently applied, by the Company, to all the years presented in the financial statements.

#### 2.1 Basis of preparation

The separate financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statement.

The financial statements have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value-

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value,
- Investment in other debt instruments (i.e. preference shares)

The preparation of financial statements requires the use of certain significant accounting estimates and judgements. It also requires the management to exercise judgement in applying the Company's accounting policies. The areas where estimates are significant to the standalone financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 2.3.

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

#### New and amended standards and interpretations

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective.

- (i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Company. The Company intends to use the practical expedients in future periods if they become applicable.

### (ii) Conceptual framework for financial reporting under Ind AS issued by ICAI

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Company.

### (iii) Ind AS 116: COVID-19 related rent concessions

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Company.

### (iv) Ind AS 103: Business combination

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Company.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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(v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Company.

MCA issued notification dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by a company in its financial statements. These amendments have been applied during the current year and previous year’s figures have been regrouped/ rearranged to make them comparable.

### 2.2 Summary of Significant Accounting Policies

(i) **Basis of classification of Current and non-current**

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

An asset has been classified as current when it is:

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

All other assets are classified as non-current.

A liability has been classified as current when:

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

All other liabilities are classified as non-current.

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

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(ii) **Foreign currencies**

(a) **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘functional currency’).

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Company.



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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### (b) Initial recognition

Transactions in foreign currencies are initially recorded in the functional currency at the spot exchange rates prevailing at the date of the transaction when it first qualifies for recognition.

### (c) Translation on reporting date

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

### (d) Exchange differences

Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss.

The equity items denominated in foreign currencies are translated at historical cost.

### (iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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The Company's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Company's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### **(iv) Revenue from contracts with customer**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.3.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is around 30 days upon delivery. In determining the transaction price for sale of goods, the Company considers the effect of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

#### **1) Variable Consideration**

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

##### **a) Right of return**

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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b) Volume rebate

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

### II) Significant financing component

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

### III) Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (xx) Financial instruments – initial recognition and subsequent measurement.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### IV) Assets and liabilities arising from rights of return

#### Right of return assets

Right of return asset represents the Company's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Company updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Company ultimately expects it will have to return to

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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the customer. The Company updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

### **Cost to obtain a contract**

The Company pays sales commission to agents for each contract that they obtain for sale of goods. The Company has elected to apply the optional practical expedient for costs to obtain a contract which allows the Company to immediately expense sales commission (included under other expenses) because the amortisation period of the asset that the Company otherwise would have used is one year or less.

### **(v) Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Company receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalment. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

For the outstanding loans received from the Government at the interest rate below the current market rates, is recognised at carrying value of previous GAAP as on date of transition on account of mandatory exemption available for the first time adoption under IND AS 01.

### **(vi) Taxes**

#### **Current Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The Company shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

#### **Deferred Tax**

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Goods and Service tax (GST)/Sales/Value added taxes on acquisition of assets or on incurring expenses.

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognised as part of cost of acquisition of the asset or part of the expense item, as applicable. Otherwise, expenses and assets are recognised net of the amount of GST paid. The net amount of GST recoverable from or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **(vii) Property, plant and equipment ('PPE')**

On transition to Ind AS i.e. 1st April 2016, the Company has elected to continue with the carrying value of all its property, plant and equipment (PPE) recognized as at the transition date measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Company and its cost can be measured reliably.

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

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

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

**Depreciation** on property, plant and equipment is provided on written down value basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below:

Assets	Useful life (Years)
Buildings (including Roads)	5-60
Plant & Equipment	10-40
Office Equipment (including Data Processing Equipment)	3-6
Furniture and Fixtures	10
Motor Vehicles	8

The management has estimated the useful life of following assets is different from those indicated in Schedule II :

Assets	Useful life (Years)
Building-Green house type shed of Bio-compost yard	25
Building-Polythene membrane	5
Components of certain plant and equipment	3 to 15

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress is presented separately in the balance sheet.

### (viii) Intangible Assets

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

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

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



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

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

	As per management estimate
Software	- 3 years

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

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

### (ix) Impairment of non-financial assets

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

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

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

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

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

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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amount since the last impairment loss was recognised. The reversal is limited to the extent the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognized in the statement of profit and loss when the asset is carried at the revalued amount, in which case the reverse is treated as a revaluation increase.

### (x) Leases

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

#### Company as a lessee

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

#### i) Right-of-use assets

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

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

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

#### ii) Lease liabilities

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

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. The cost and the accumulated depreciation for Right of use assets where the lease gets matured or disposed off before maturity are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income. Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

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

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

### (xi) Inventories

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

The Cost is determined as follows:

- (a) Stores and spares, Packing Materials, Raw Materials and Stock in trade: Moving weighted average method
- (b) Work-in-progress: Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing basis.
- (c) Finished goods (manufactured/produced): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing.
- (d) (i) By products (Bagasse, 'C' Heavy Molasses and Pressmud) included under raw materials, finished goods and work-in-progress: Net realisable Value.  
(ii) By products (B Heavy molasses) included under finished goods and work in progress, whose cost is not identifiable, are valued by allocating the costs between the products on the relative sales value of each product at the completion of the production, considering it as a rational and consistent basis.

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

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



### (xii) Provisions

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

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

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

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

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

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

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

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

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

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



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

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

### **(xiv) Borrowing Costs**

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

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

### **(xv) Contingent assets and liabilities**

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

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

### **(xvi) Earnings per share**

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

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

### **(xvii) Employee benefits**

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

#### **(a) Defined contribution plans**

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

#### **(b) Defined benefit plans**

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

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

The interest income / (expense) except for the Chemical unit are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods, however, included in retained earnings in the statement of change in equity and in the balance sheet.

### (c) Compensated Absences Benefits

The employees of the Company are entitled to compensated absences. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment. The Company provides for the liability towards the said benefit on the basis of actuarial valuation carried out annually as at the reporting date, using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

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

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

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

### (xviii) Research and Development

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

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

### (xix) Segment Reporting

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



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

### (xx) Financial instruments

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

#### (a) Financial assets

##### Initial recognition and measurement

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### Subsequent measurement

Non-derivative financial instruments

##### i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

##### ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

##### iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

##### Investment in Subsidiaries and Associates

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

##### Derecognition

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

- The rights to receive cash flows from the asset have expired, or

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

### **(b) Financial liabilities**

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

#### **i) Financial guarantee contracts**

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

#### **ii) Borrowings**

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

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

### **(c) Derecognition of financial instruments**

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

### **(d) Fair value of financial instruments**

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

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

### **(e) Impairment of financial assets**

The Company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. The



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized as an impairment gain or loss in statement of profit or loss.

**(f) Reclassification**

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

**(g) Offsetting of financial instruments**

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

**(xxi) Cash and cash equivalents**

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

**(xxii) Cash dividend**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

### 2.3. Significant accounting judgements, estimates and assumptions

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

**a) Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, including legal, contractor, land access and other claims. By their nature, contingencies will be resolved only

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments and the use of estimates regarding the outcome of future events.

### **b) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation method is used. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Company.

### **c) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### **d) Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 34.

### **e) Fair value measurement of financial instruments**

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

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



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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**f) Useful life of Property, plant and equipment**

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

**g) Useful life of Intangible assets**

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

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

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

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

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

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

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

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

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 3A. Property, plant and equipment

Rs. Million

Particulars	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
<b>Gross Block (At cost)</b>								
As at March 31, 2020	252.86	665.71	3,420.53	22.16	2.99	9.18	4,373.43	12.81
Additions	2.00	10.06	72.84	6.19	0.07	3.46	94.62	196.61
Disposals	(2.84)	-	(10.95)	(0.01)	-	(0.26)	(14.06)	(75.14)
Transferred to discontinued operations	(60.90)	(40.79)	(440.74)	(4.57)	(0.30)	(2.04)	(549.34)	(9.10)
Reclassified to assets held for sale	(3.30)	-	-	-	-	-	(3.30)	-
As at March 31, 2021	187.82	634.98	3,041.68	23.77	2.76	10.34	3,901.35	125.18
Additions	-	91.58	106.08	6.03	1.57	-	205.26	104.75
Disposals	-	-	(15.88)	(3.88)	-	(7.46)	(27.22)	(204.41)
<b>As at March 31, 2022</b>	<b>187.82</b>	<b>726.56</b>	<b>3,131.88</b>	<b>25.92</b>	<b>4.33</b>	<b>2.88</b>	<b>4,079.39</b>	<b>25.52</b>
<b>Depreciation</b>								
As at March 31, 2020	-	193.47	1,198.09	18.49	1.95	6.02	1,418.02	-
Depreciation charge for the year	-	81.27	445.81	3.89	0.37	1.93	533.27	-
Disposals	-	-	(10.05)	-	-	(0.26)	(10.31)	-
Transferred to discontinued operations	-	(22.64)	(309.46)	(4.04)	(0.28)	(1.52)	(337.94)	-
As at March 31, 2021	-	252.10	1,324.39	18.34	2.04	6.17	1,603.04	-
Depreciation charge for the year	-	65.50	319.79	4.64	0.31	0.84	391.08	-
Disposals	-	-	(13.74)	(3.86)	-	(4.50)	(22.10)	-
<b>As at March 31, 2022</b>	<b>-</b>	<b>317.60</b>	<b>1,630.44</b>	<b>19.12</b>	<b>2.35</b>	<b>2.51</b>	<b>1,972.02</b>	<b>-</b>
<b>Net book value</b>								
<b>As at March 31, 2022</b>	<b>187.82</b>	<b>408.96</b>	<b>1,501.44</b>	<b>6.80</b>	<b>1.98</b>	<b>0.37</b>	<b>2,107.37</b>	<b>25.52</b>
As at March 31, 2021	187.82	382.88	1,717.29	5.43	0.72	4.17	2,298.31	125.18

#### Notes :

- Refer note 13 for information on property, plant and equipment pledged as charged on security.
- Depreciation charge for the year includes :
  - Rs. Nil (March 31, 2021 Rs 64.17 million) related to discontinued operations and,
  - Rs. 391.08 million (March 31, 2021 Rs 469.10 million) related to continuing operations.
- Capital work in progress Ageing Schedule

#### As at March 31, 2022

Rs. Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20.76	4.71	0.05	-	25.52
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>20.76</b>	<b>4.71</b>	<b>0.05</b>	<b>-</b>	<b>25.52</b>

#### As at March 31, 2021

Rs. Million

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	122.66	2.52	-	-	125.18
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>122.66</b>	<b>2.52</b>	<b>-</b>	<b>-</b>	<b>125.18</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 3B. Intangible Assets

Rs. Million

Particulars	Software	Total
<b>Gross Block</b>		
<b>(At cost)</b>		
As at March 31, 2020	2.46	2.46
Additions	0.49	0.49
Transferred to discontinued operations	(2.59)	(2.59)
As at March 31, 2021	0.36	0.36
Additions	-	-
Disposal	-	-
<b>As at March 31, 2022</b>	<b>0.36</b>	<b>0.36</b>
<b>Amortisation</b>		
As at March 31, 2020	1.61	1.61
Amortisation for the year	0.69	0.69
Transferred to discontinued operations	(2.27)	(2.27)
As at March 31, 2021	0.03	0.03
Amortisation for the year	0.11	0.11
Disposal	-	-
<b>As at March 31, 2022</b>	<b>0.14</b>	<b>0.14</b>
<b>Net book value</b>		
<b>As at March 31, 2022</b>	<b>0.22</b>	<b>0.22</b>
As at March 31, 2021	0.33	0.33

1. Amortisation for the year includes :

- Rs. Nil (March 31, 2021 Rs 0.67 million) related to discontinued operations and,
- Rs. 0.11 million (March 31, 2021 Rs 0.02 million) related to continuing operations.

### 4. Right-of-use Asset

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

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

Rs. Million

Particulars	Right of use Assets
<b>Gross carrying amount</b>	
Opening gross carrying amount April 01, 2020	28.57
Additions	15.46
Disposals	(30.35)
Closing Gross carrying amount March 31, 2021	13.68
<b>Gross carrying amount</b>	
Opening gross carrying amount April 01, 2021	13.68
Additions	-
Disposals	(1.00)
<b>Closing Gross carrying amount March 31, 2022</b>	<b>12.68</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

Particulars	Rs. Million
	Right of use Assets
<b>Amortisation</b>	
Opening amortisation April 01, 2020	7.12
Charge for the year	14.33
Disposals	(19.52)
<b>Closing accumulated amortisation</b>	<b>1.93</b>
<b>Amortisation</b>	
Opening amortisation April 01, 2021	1.93
Amortisation for the year	<b>4.68</b>
Disposals	<b>(0.51)</b>
<b>Closing accumulated amortisation</b>	<b>6.10</b>
<b>Net Carrying amount March 31, 2022</b>	<b>6.58</b>
Net Carrying amount March 31, 2021	11.75

1. Amortisation for the year includes :

- a. Rs. Nil (March 31, 2021 Rs 7.73 million) related to discontinued operations and,
- b. Rs. 4.68 million (March 31, 2021 Rs 6.60 million) related to continuing operations.

### 5. Financial Assets

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>5.1 Investments</b>		
<b>Non- current</b>		
(I) <b>Investment in subsidiaries</b>		
<b>Unquoted equity instruments at cost</b>		
40,295,000 (March 31, 2021: 40,295,000) equity shares of Rs. 10 each fully paid up of Siel Industrial Estate Limited	<b>402.95</b>	402.95
13,761,617 (March 31, 2021: 13,761,617) equity shares of Rs. 100 each fully paid up of Siel Infrastructure & Estate Developers Private Limited	<b>152.49</b>	152.49
<b>-Equity portion of compound financial instrument (Preference Shares)</b>		
12,000,000 (March 31, 2021: 12,000,000) 5% Redeemable cumulative preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	<b>36.62</b>	36.62
7,400,000 (March 31, 2021: NIL) 5% Optionally convertible cumulative preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited (Refer note 44 (b))	<b>22.59</b>	-
(II) <b>Investment in associates</b>		
6,759,801 (March 31, 2021: 6,759,801) equity shares of Rs. 10 each fully paid up of Mawana Foods Private Limited	<b>150.00</b>	150.00
Less: Provision for diminution in value (Refer note 50)	<b>(105.45)</b>	(52.66)
	<b>44.55</b>	97.34
(III) <b>Other Investments</b>		
<b>Unquoted equity instruments at cost<sup>1</sup></b>		
2 (March 31, 2021: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Mawana Co-operative Development Union Limited (# Rs. 10)	#	#
2 (March 31, 2021: 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10)	#	#

<sup>1</sup>Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the name of the Company.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 5. Financial Assets (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Investments in Unquoted Preference Shares carried at amortized cost</b>		
Investment in subsidiaries		
12,000,000 (March 31, 2021: 12,000,000) 5% Redeemable cumulative preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited	125.14	115.87
7,400,000 (March 31, 2021: NIL) 5% Optionally convertible cumulative preference shares of Rs.10 each fully paid-up of Siel Industrial Estate Limited (Refer note 44 (b))	55.18	-
<b>Total</b>	<b>839.52</b>	<b>805.27</b>
<b>Aggregate value of unquoted investments</b>	<b>839.52</b>	<b>805.27</b>
<b>Aggregate value of quoted investments</b>	<b>-</b>	<b>-</b>
		<b>Rs. Million</b>
Particulars	As at March 31, 2022	As at March 31, 2021
<b>5.2 Loans</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- current</b>		
Dues from employees-credit impaired	0.04	0.04
Loan and advances to related parties* (Refer note 36)		
- Credit impaired (Refer note 44(a))	-	36.59
Other loans and advances		
- Credit impaired	153.08	116.49
	<u>153.12</u>	<u>153.12</u>
Less : Impairment allowance (allowances for bad and doubtful advances)	<u>153.12</u>	<u>153.12</u>
	-	-
<b>Current</b>		
Loan and advances to related parties:		
- Considered good (Refer note 36)	10.00	-
	<u>10.00</u>	<u>-</u>
<b>Total</b>	<b>10.00</b>	<b>-</b>
<b>5.3 Other financial assets</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- current</b>		
Security deposits		
- Considered Good	1.48	1.54
- Credit impaired	0.53	0.53
Subscription for Investment in 5% Optionally Convertible Cumulative Preference Shares pending for allotment - Related Party (Refer note 36)	-	72.00
Fixed deposits with banks (Margin money)	11.17	31.37
Fixed deposits with banks (Earmarked)	2.91	3.21
Interest receivable others	0.26	1.51
	<u>16.35</u>	<u>110.16</u>
Less : Impairment allowance (allowances for bad and doubtful advances)	<u>0.53</u>	<u>0.53</u>
	<u>15.82</u>	<u>109.63</u>

\* Loans to related parties are interest free in nature.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 5. Financial Assets (Contd.)

#### Current

Security Deposits

- Considered Good 1.46 1.73

- Credit impaired 0.02 -

Dues from employees 1.19 0.88

Buffer stock interest subsidy receivable - 74.87

Buffer stock subsidy receivable - 8.74

Export subsidy including duty drawback receivable 0.01 1,019.74

Interest subvention receivable 4.20 14.79

Interest receivable from related party (Refer note 36) 0.02 0.37

Interest receivable others 4.57 3.28

Other loans and advances

- Related party (Refer note 36) 24.38 0.84

- Others 29.58 36.41

65.43 1,161.65

Less : Impairment allowance (allowances for bad and doubtful advances) 0.02 -

65.41 1,161.65

**Total** 81.23 1,271.28

#### Break up of financial assets carried at amortised cost:

Rs. Million

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Investments (Refer note 5.1)	839.52	805.27
Loans (Refer to note 5.2)	10.00	-
Other financial assets (Refer note 5.3)	81.23	1,271.28
Trade receivables (Refer note 8)	388.64	387.26
Cash and cash equivalents (Refer note 9)	322.17	896.51
Other Bank Balances (Refer note 10)	130.18	92.33
<b>Total</b>	<b>1,771.74</b>	<b>3,452.65</b>

### 6. Other assets

Rs. Million

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- Current</b>		
Capital advances		
- Considered Good	6.88	12.42
- Credit impaired	1.60	-
Prepaid expenses	4.28	0.14
	<b>12.76</b>	<b>12.56</b>
Less : Impairment allowance (allowances for bad and doubtful debts)	1.60	-
	<b>11.16</b>	<b>12.56</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 6. Other assets (Contd.)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Current</b>		
Unbilled revenue	33.35	36.57
Taxes and other balances with government authorities		
- Considered Good	19.21	92.46
- Credit impaired	7.41	7.15
Prepaid expenses	20.97	19.23
Advances to vendors	7.83	16.76
Other advances	2.42	2.11
	<u>91.19</u>	<u>174.28</u>
Less : Impairment allowance (allowances for bad and doubtful advances)	7.41	7.15
	<u>83.78</u>	<u>167.13</u>
<b>Total</b>	<b>94.94</b>	<b>179.69</b>

### 7. Inventories

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Raw and packing materials {includes material in transit Rs. Nil (March 31, 2021-Rs. Nil)}	49.02	38.68
Work-in-progress	291.93	273.66
Finished goods {includes material in transit Rs. 1.08 million (March 31, 2021- Rs. 15.16 million)}	5,973.05	7,059.88
Stock in Trade	3.38	9.15
Stores and Spares {includes material in transit Rs. Nil (March 31, 2021-Rs 1.90 million)}	103.44	98.02
<b>Total*</b>	<b>6,420.82</b>	<b>7,479.39</b>

\*Cost of inventories recognize as expenses of Rs 95.74 million (March 31, 2021 Rs 42.29 million) is in respect of write down of inventories to Net realisable value.

### 8. Trade receivables

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)		
8.1 Trade receivables	365.23	330.82
Receivable from an associate (Refer note 36)	23.41	56.44
<b>Total</b>	<b>388.64</b>	<b>387.26</b>
8.2 Trade receivables		
Secured - considered good	8.19	0.88
Unsecured - considered good	380.45	386.38
Trade receivables - credit impaired	1.20	1.61
<b>Total</b>	<b>389.84</b>	<b>388.87</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured - considered good	-	-
- credit impaired	1.20	1.61
<b>Total</b>	<b>1.20</b>	<b>1.61</b>
<b>Total</b>	<b>388.64</b>	<b>387.26</b>

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 8.3 Trade receivable Ageing Schedule

As at 31 March, 2022

Rs. Million

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables –considered good	224.19	160.99	2.71	0.05	0.10	0.60	388.64
Undisputed Trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	0.60	0.60
Disputed Trade receivables -considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	0.60	0.60
<b>Total</b>	<b>224.19</b>	<b>160.99</b>	<b>2.71</b>	<b>0.05</b>	<b>0.10</b>	<b>1.80</b>	<b>389.84</b>

As at 31 March, 2021

Rs. Million

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables –considered good	208.34	176.87	1.00	0.30	0.01	0.74	387.26
Undisputed Trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	0.02	0.23	0.12	0.64	1.01
Disputed Trade receivables -considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	0.60	0.60
<b>Total</b>	<b>208.34</b>	<b>176.87</b>	<b>1.02</b>	<b>0.53</b>	<b>0.13</b>	<b>1.98</b>	<b>388.87</b>

### 9. Cash and cash equivalents

Rs. Million

Particulars	As at	
	March 31, 2022	March 31, 2021
Balances with banks:		
- Current accounts	238.44	853.08
Cash on hand	0.89	0.69
Fixed deposits with banks (with original maturity of 3 months or less)	82.84	42.74
<b>Total</b>	<b>322.17</b>	<b>896.51</b>

### Changes in liabilities arising from financing activities

Rs. Million

Particulars	As at	
	March 31, 2022	March 31, 2021
Opening balance	2,760.81	4,845.96
Cash flows (Net)	1,357.18	(2,175.40)
Changes in fair values	41.90	90.25
<b>Closing balance</b>	<b>4,159.89</b>	<b>2,760.81</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 10. Other bank balances

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance held as margin money against bank guarantee	119.44	82.53
Unpaid dividend account	1.94	-
Fixed deposits with banks (Earmarked)	8.80	9.80
<b>Total</b>	<b>130.18</b>	<b>92.33</b>

### 11. Assets held for sale

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Plant and equipment	1.86	2.23
Land	-	3.30
Investment in subsidiary (Refer note 45)	-	1.11
<b>Total</b>	<b>1.86</b>	<b>6.64</b>

### 12.1 Share Capital

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Authorised :</b>		
100,000,000 (March 31, 2021: 100,000,000) equity shares of Rs. 10 each	1,000.00	1,000.00
7,500,000 (March 31, 2021: 7,500,000) preference shares of Rs. 100 each	750.00	750.00
	<b>1,750.00</b>	<b>1,750.00</b>
<b>Issued :</b>		
39,116,864 (March 31, 2021: 39,116,864) equity shares of Rs. 10 each fully paid up	391.17	391.17
<b>Subscribed and fully paid up :</b>		
39,116,864 (March 31, 2021: 39,116,864) equity shares of Rs. 10 each fully paid up	391.17	391.17

#### a) Reconciliation of authorised, issued, subscribed and fully paid up share capital:

##### i. Reconciliation of authorised share capital as at year end :

	Equity shares	
	Number of shares	Rs. Million
At March 31, 2020	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
At March 31, 2021	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
<b>As at March 31, 2022</b>	<b>100,000,000</b>	<b>1,000.00</b>
	Preference shares	
	Number of shares	Rs. Million
At March 31, 2020	7,500,000	750.00
Increase/(decrease) during the year	-	-
At March 31, 2021	7,500,000	750.00
Increase/(decrease) during the year	-	-
<b>As at March 31, 2022</b>	<b>7,500,000</b>	<b>750.00</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 12.1 Share Capital (Contd.)

- ii. **Reconciliation of issued, subscribed and fully paid up share capital at the beginning and end of the reporting year :**

	Number of shares	Rs. Million
<b>Equity shares of Rs. 10 each issued, subscribed and fully paid</b>		
At March 31, 2020	39,116,864	391.17
Issued during the year	-	-
At March 31, 2021	39,116,864	391.17
Issued during the year	-	-
<b>As at March 31, 2022</b>	<b>39,116,864</b>	<b>391.17</b>

**b) Terms/ rights attached to equity shares:**

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of Section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Company. Each holder of equity shares have a right to receive per share dividend declared by the Company. In event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c) Detail of final dividend**

During the current year, the shareholders at its annual general meeting held on September 24, 2021 had approved a dividend of 30% (i.e. Rs. 3.00 per equity share of the face value of Rs. 10 each) to the equity shareholders aggregating to Rs. 117.35 million for the financial year ended March 31, 2021, which was deposited with the scheduled bank within the prescribed time.

**d) Detail of final dividend proposed**

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

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

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% holding in the equity shares	No. of shares held	% holding in the equity shares
Mr. Siddharth Shriram* (including shares held as trustee of Enterprise Trust)	-	-	24,834,248	63.49%
Mr. Krishna Shriram	<b>24,617,959</b>	<b>62.94%</b>	-	-

\*since expired.

As per records of the Company including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

During the current year, 24,617,959 equity shares held by Late Mr. Sidharth Shriram has been transferred to Mr. Krishna Shriram pursuant to the succession certificate granted under Indian Succession Act, 1925, by the court of competent jurisdiction.

Further, 216,289 equity shares held by Late Mr. Siddharth Shriram as a trustee of Enterprise trust has been transferred in the name of its another trustee Mr. Krishna Shriram on April 06, 2022.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### f) Details of shares held by promoters

As at March 31, 2022

Promoters Name	No. of shares at the beginning of the year	Change During the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b><u>Individuals</u></b>					
1. Mr. Siddharth Shriram	24,617,959	(24,617,959)	-	0.00%	100.00%
2. Mr. Krishna Shriram	-	24,617,959	24,617,959	62.94%	100.00%
3. Mr. Siddharth Shriram (Holding Shares as a Trustee of Enterprise Trust) <sup>1</sup>	216,289	-	216,289	0.55%	0.00%
4. Mrs. Roula Shriram	536	-	536	0.00%	0.00%
<b><u>Bodies Corporate</u></b>					
1. Siel Infrastructure & Estate Developers Pvt. Ltd.	1,192	-	1,192	0.00%	0.00%

<sup>1</sup>216,289 equity shares held by Late Mr. Siddharth Shriram as a trustee of Enterprise trust has been transferred in the name of its another trustee Mr. Krishna Shriram on April 06, 2022.

As at March 31, 2021

Promoters Name	No. of shares at the beginning of the year	Change During the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b><u>Individuals</u></b>					
1. Mr. Siddharth Shriram	24,617,959	-	24,617,959	62.94%	0.00%
2. Mr. Siddharth Shriram (Holding Shares as a Trustee of Enterprise Trust)	216,289	-	216,289	0.55%	0.00%
3. Mrs. Roula Shriram	536	-	536	0.00%	0.00%
<b><u>Bodies Corporate</u></b>					
1. Siel Infrastructure & Estate Developers Pvt. Ltd.	1,192	-	1,192	0.00%	0.00%

### 12.2 Nature and Purpose of reserve

1. Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

#### 2. Capital redemption reserve

Capital redemption reserve (CRR) is used to record the amount equal to the nominal value of equity shares buy back or redemption of preference shares. As per provisions of the Companies Act, 2013, CRR can be utilised only for paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 3. Capital Reserve

Capital reserve includes

- a. Rs. 991.46 million representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited and,
- b. Rs. 38.71 million representing the extinguishment of preference share capital.

### 4. Storage fund for molasses account

As per Rule 3(1) of UP Sheera Niyamtran Niyamawali, 1974, Molasses Storage Fund is created from the sale price of molasses and shall be utilized for the purpose of construction, erection and repair & maintenance of adequate storage facility of Molasses. Also it may be spent on abatement measures for control of pollution and or any other bonafide development activities which the Controller of molasses considers necessary.

## 13. Borrowings

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>13.1 Non current borrowings (at amortised cost)</b>		
<b>Secured (Refer note 13.3)</b>		
Term loans - from banks	721.42	1,046.60
<b>Total</b>	<b>721.42</b>	<b>1,046.60</b>
Less: Amount clubbed under "Current borrowings"	314.41	300.83
<b>Total borrowings</b>	<b>407.01</b>	<b>745.77</b>
<b>13.2 Current borrowings</b>		
<b>Secured (Refer note 13.3)</b>		
Loans repayable on demand - Cash credit/overdrafts from banks	3,438.47	1,714.21
Current maturities of Long term borrowings	314.41	300.83
<b>Total current borrowings</b>	<b>3,752.88</b>	<b>2,015.04</b>
<b>Total borrowings</b>	<b>4,159.89</b>	<b>2,760.81</b>

During the financial year 2018-19, the Company had received soft loans of Rs. 1,460 million through a bank under the "Scheme for Extending Financial Assistance to Sugar Undertakings - 2018" as notified by UP State Government to clear the outstanding cane dues of the farmers for the sugar season 2017-18. Outstanding at the end of year Rs. 590.17 million (March 31, 2021 Rs 840.35 million)

During the financial year 2018-19, the Company was sanctioned a term loan of Rs. 300 million from a bank for installation of incinerator boiler at distillery plant located at Nanglamal Sugar Complex under the "Scheme for extending financial assistance to Sugar Mills for enhancement and augmentation of Ethanol Production Capacity" as notified by Department of food and public distribution, Government of India.- Outstanding at end of year Rs 131.25 million (March 31, 2021 Rs 206.25 million)



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 13.3 Security Clause

#### A. Term loans - From Banks

Rs. Million

	As at March 31, 2022	As at March 31, 2021	Rate of interest	Nature of Security
i	590.17	840.35	5%	The soft loans are secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex except on Incinerator Boiler at Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Company.
ii.	131.25	206.25	1.00% (12.00% : 2020-21)	The loan is secured by first exclusive charge by way of hypothecation of Incinerator Boiler and first pari-passu charge on entire fixed assets of the unit Nanglamal Sugar Complex (other than Incinerator Boiler). The loan is also secured by corporate guarantee provided by the Company.  The Company has accounted for interest subvention from the Government at 6% per annum.

#### B. Loans repayable on demand - from Banks

i	3438.47	1,714.21	9.50% (10.25% : 2020-21)	Cash credit/overdrafts from bank are secured by way of pledge of Sugar stocks, first charge and lien on the semi-finished sugar including sugar in process, raw materials, first pari passu charge on the fixed assets (other than Incinerator Boiler at Nanglamal sugar complex), hypothecation of book debts of the respective sugar units Nanglamal Sugar Complex and Mawana Sugar Works and also secured by the corporate guarantee of the Company.
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### 14. Lease Liabilities

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>14.1 Non- current :</b>		
Lease Liabilities		
- Related party (Refer note 36)	-	4.12
- Others	2.62	3.72
<b>Total</b>	<b>2.62</b>	<b>7.84</b>
<b>14.2 Current :</b>		
Lease Liabilities		
- Related party (Refer note 36)	4.12	3.70
- Others	0.77	0.86
<b>Total</b>	<b>4.89</b>	<b>4.56</b>
<b>Total</b>	<b>7.51</b>	<b>12.40</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 15. Provisions

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>15.1 Non-current :</b>		
Provision for employee benefits		
- Provision for gratuity (Refer note 35)	93.07	96.27
Total	93.07	96.27
<b>15.2 Current :</b>		
- Provision for gratuity (Refer note 35)	13.87	13.39
- Provision for compensated absences	24.78	24.72
Total	38.65	38.11
<b>Total</b>	<b>131.72</b>	<b>134.38</b>

### 16. Trade payables

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>16.1 Trade payables</b>		
- Outstanding dues to micro and small enterprises (Refer note 43)*	19.35	22.55
- Outstanding dues to other than micro and small enterprises	1,828.83	6,538.83
	1,848.18	6,561.38
- Outstanding dues to related parties (Refer note 36)	3.63	3.83
- Outstanding dues to others	1,844.55	6,557.55
<b>Total</b>	<b>1,848.18</b>	<b>6,561.38</b>

\*Including interest Rs. 0.14 million (March 31, 2021 : Rs. 0.14 million) on outstanding dues to micro and small enterprises.

1. For maturity profile of trade payable and other financial liabilities (refer note 39).
2. For explanation on the Company's credit risk management processes (refer note 39).

### 16.2 Trade Payable Ageing Schedule

As at 31 March, 2022

Particulars	Uninvoiced	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	2.04	17.23	0.08	-	-	-	19.35
Total outstanding dues of creditors other than micro enterprises and small enterprises	51.26	45.97	1,430.11	3.37	1.53	1.59	1,533.83
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	293.71	-	-	-	-	1.29	295.00
<b>Total</b>	<b>347.01</b>	<b>63.20</b>	<b>1,430.19</b>	<b>3.37</b>	<b>1.53</b>	<b>2.88</b>	<b>1,848.18</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 16 Trade Payable Ageing Schedule (Contd.)

As at 31 March, 2021

Rs. Million

Particulars	Uninvoiced	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	1.36	19.25	1.94	-	-	-	22.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	86.14	60.63	6,087.74	3.75	2.84	2.73	6,243.83
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	293.71	-	-	-	-	1.29	295.00
<b>Total</b>	<b>381.21</b>	<b>79.88</b>	<b>6,089.68</b>	<b>3.75</b>	<b>2.84</b>	<b>4.02</b>	<b>6,561.38</b>

### 17 Other financial liabilities

Rs. Million

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Current at amortised cost :</b>		
Interest accrued but not due on borrowings	-	6.90
Trade deposits - Dealers and others	<b>30.66</b>	28.84
Employees related payables - Others	<b>103.90</b>	89.20
Payable towards capital goods (Refer note 43)	<b>10.71</b>	34.36
Interest payable	<b>5.07</b>	2.21
Unclaimed dividend	<b>1.94</b>	-
Other payables	<b>26.00</b>	53.14
<b>Total</b>	<b>178.28</b>	214.65

#### Breakup of financial liabilities at amortised cost:

Rs. Million

Particulars	As at March 31, 2022	As at March 31, 2021
Borrowings (Refer note 13)	<b>4,159.89</b>	2,760.81
Lease liabilities (Refer note 14)	<b>7.51</b>	12.40
Trade payables (Refer note 16)	<b>1,848.18</b>	6,561.38
Other financial liabilities (Refer note 17)	<b>178.28</b>	214.65
<b>Total</b>	<b>6,193.86</b>	9,549.24

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 18. Other liabilities

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>18.1 Non current liabilities</b>		
Government Grants	13.89	42.21
	<b>13.89</b>	42.21
<b>18.2 Current liabilities</b>		
Advance received from customers and others	17.29	36.41
Statutory liabilities	103.93	114.35
Interest on statutory dues	81.49	72.30
Government Grants	28.33	41.91
Advance received for sale of land - Related party (Refer note 36)	-	33.82
Others	-	0.19
<b>Total</b>	<b>231.04</b>	298.98

### 19. Income Tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021:

#### Profit or loss section:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Tax Expense:</b>		
Adjustments in respect of current income tax of earlier years	(8.38)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	125.92	278.90
<b>Income tax expense reported in the statement of profit or loss</b>	<b>117.54</b>	278.90

#### Other Comprehensive Income section

Deferred tax related to items recognised in OCI during the year:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on remeasurements of defined benefit plans	(0.48)	(0.45)
<b>Deferred tax credit/(charge) to OCI</b>	<b>(0.48)</b>	(0.45)



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 19. Income Tax (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and March 31, 2021.

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax (including item of OCI and Profit before tax from discontinued operations)	450.27	1,024.51
Tax expenses @ applicable income tax rate of 25.168%	113.33	257.85
Tax effect of diminution in the value of investment	13.29	13.25
Tax effect on Permanent differences	7.46	19.61
Adjustments in respect of current income tax of earlier years	(8.38)	-
Tax effect on Capital gains/(losses)	(7.68)	(11.36)
<b>Income tax expense reported in the statement of profit and loss &amp; OCI</b>	<b>118.02</b>	<b>279.35</b>

#### Deferred tax:

Particulars	Rs. Million		
	Balance sheet		
	As at March 31, 2021	Provided during the year	As at March 31, 2022
<b>Deferred tax assets relates to the following</b>			
Provision for doubtful debts and advances	40.88	0.37	41.25
Disallowances u/s 43B	126.35	(2.79)	123.56
Unabsorbed depreciation	523.76	(158.57)	365.19
Recognition of lease liability	0.16	0.07	0.23
<b>Total deferred tax assets (A)</b>	<b>691.15</b>	<b>(160.92)</b>	<b>530.23</b>
<b>Deferred tax liabilities relates to the following</b>			
Accelerated depreciation for tax purposes	253.31	(37.81)	215.50
Others	6.21	3.28	9.49
<b>Total deferred tax liabilities (B)</b>	<b>259.52</b>	<b>(34.53)</b>	<b>224.99</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>431.63</b>	<b>(126.39)</b>	<b>305.24</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The management at the end of each reporting period, assesses Company's ability to recognize deferred tax assets on unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. Based on profits earned during the current year and previous year, future profitability projections, considering expected future market, economic conditions and tax laws, the management is confident that there would be sufficient taxable profits in future which will enable the Company to utilize the above deferred tax assets on unabsorbed depreciation.

### 20. Income tax assets (net)

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Advance payment of income tax	16.04	21.96
<b>Total</b>	<b>16.04</b>	<b>21.96</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 21. Current tax liabilities

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Provision for taxation	46.10	63.90
<b>Total</b>	<b>46.10</b>	<b>63.90</b>

### 22. Revenue from contracts with customers

Particulars	Rs. Million	
	Year Ended March 31, 2022	Year Ended March 31, 2021
<b>Sale of products</b>		
Finished Goods	14,527.99	13,932.17
Traded Goods	75.84	88.12
<b>Other operating revenue:</b>		
Sale of scrap	27.62	40.85
Subsidies income*	149.87	627.97
Duty draw back and other export benefits	0.02	-
<b>Total revenue from operations</b>	<b>14,781.34</b>	<b>14,689.11</b>

#### Disaggregated revenue information

Particulars	Year Ended March 31, 2022	Year Ended March 31, 2021
Sugar	12,033.34	11,870.51
Industrial Alcohol	2,173.94	1,735.45
Power	208.68	222.87
By product		
- Molasses	39.69	31.51
- Bagasse	63.77	54.23
Others	84.41	105.72
<b>Total</b>	<b>14,603.83</b>	<b>14,020.29</b>

\*Net of expenses of Rs. 42.11 million (March 31, 2021 : Rs. 61.95 million).

#### Timing of revenue recognition

Products transferred at a point in time	14,781.34	14,689.11
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#### Reconciliation of amount of revenue recognised with contract price

Revenue as per contracted price	14,631.47	14,061.14
Adjustments		
- Subsidies Income	149.87	627.97
<b>Total</b>	<b>14,781.34</b>	<b>14,689.11</b>

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 23. Other income

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income <sup>1</sup>		
- Interest from banks	9.47	15.95
- Interest on income tax refunds	2.47	-
- interest from others	1.70	1.24
- Interest income on financial assets valued at amortized cost	13.04	8.58
Rent received	0.79	0.80
Profit on sale of current investments	-	0.18
Liabilities/credit balances no longer required written back	17.98	0.43
Profit on sale of property, plant and equipment (net)	29.41	-
Net gain on foreign currency transactions	0.26	0.24
Insurance claims income	1.50	-
Buffer stock subsidy	-	6.33
Miscellaneous income	1.67	2.92
<b>Total</b>	<b>78.29</b>	<b>36.67</b>
<sup>1</sup> Total income (calculated using effective interest method) for financials assets those are not at fair value through profit and loss.		
In relation to financial assets classified at amortised cost	26.68	25.77
<b>Total</b>	<b>26.68</b>	<b>25.77</b>

### 24. Cost of materials consumed

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	38.68	49.21
Add: Purchases made during the year *	10,800.80	11,412.96
	10,839.48	11,462.17
Less : Inventory at the end of the year	49.02	38.68
<b>Cost of materials consumed</b>	<b>10,790.46</b>	<b>11,423.49</b>

\* includes incidental expenses of Rs 95.87 million (March 31, 2021 : Rs 102.10 million) related to procurement of sugarcane

#### Details of materials consumed are as under:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Sugar cane	10,582.63	11,144.06
Packing Materials	176.87	175.08
Others	30.96	104.35
<b>Total</b>	<b>10,790.46</b>	<b>11,423.49</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 24. Cost of materials consumed (Contd.)

#### Details of inventory : Raw and Packing Materials

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Sugar Cane	7.76	8.36
Packing Materials	37.49	27.81
Others	3.77	2.51
<b>Total</b>	<b>49.02</b>	<b>38.68</b>

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

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the end of the year</b>		
- Finished goods	5,973.05	7,059.88
- Stock in trade	3.38	9.15
- Work in progress	291.93	273.66
<b>Total B</b>	<b>6,268.36</b>	<b>7,342.69</b>
<b>Inventories at the beginning of the year</b>		
- Finished goods	7,059.88	7,543.83
- Stock in trade	9.15	8.11
- Work in progress	273.66	222.37
<b>Total A</b>	<b>7,342.69</b>	<b>7,774.31</b>
<b>Total (A-B)</b>	<b>1,074.33</b>	<b>431.62</b>

#### Details of inventory:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Finished goods</b>		
Sugar	5,297.00	6,386.63
Industrial Alcohol	38.60	76.45
By Products		
- Molasses	539.32	522.27
- Bagasse	91.39	66.94
Others	6.74	7.59
<b>Total</b>	<b>5,973.05</b>	<b>7,059.88</b>
<b>Stock in trade</b>		
Others	3.38	9.15
<b>Total</b>	<b>3.38</b>	<b>9.15</b>
<b>Work-in-progress</b>		
Sugar	110.35	108.66
By Product		
- Molasses	179.10	161.01
Others	2.48	3.99
<b>Total</b>	<b>291.93</b>	<b>273.66</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 26. Employee benefits expense

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	607.69	595.40
Contribution to provident and other funds	39.55	40.24
Gratuity (Refer note 35)	17.43	20.54
Staff welfare expenses	28.97	31.29
<b>Total</b>	<b>693.64</b>	<b>687.47</b>

### 27. Finance costs

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings*	239.76	335.99
Interest on others**	15.78	14.49
Finance charges payable under leases	1.08	1.13
<b>Total</b>	<b>256.62</b>	<b>351.61</b>

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

Rs. Million	
In relation to financial liabilities classified at amortised cost	256.62
<b>Total</b>	<b>256.62</b>

\* net of buffer subsidy / subvention of Rs. 9.45 million (March 31, 2021 : Rs. 76.18 million).

\*\*Including interest on income tax Rs. 7.18 million (March 31, 2021 : Rs. 7.67 million).

### 28. Depreciation and amortisation expense

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets (Refer note 3A)	391.08	469.10
Amortisation of intangible assets (Refer note 3B)	0.11	0.02
Amortisation of right of use assets (Refer note 4)	4.68	6.60
<b>Total</b>	<b>395.87</b>	<b>475.72</b>

### 29. Other expenses

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	358.37	314.94
Power and fuel	5.61	31.26
Other manufacturing expenses	95.76	108.90
Commission to indenting and ordering agent	23.54	28.39
Repairs		
- Building	19.77	24.87
- Plant and equipment	125.06	116.75
- Others	21.29	30.54

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 29. Other expenses (Contd.)

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Rent paid	14.21	14.31
Payment to statutory auditors (Refer details below (a))	5.82	5.19
Insurance	23.17	22.43
Rates and taxes	24.15	16.67
Freight and transport	135.52	143.42
Corporate social responsibility expenses (Refer details below (b))	3.16	-
Legal and professional expenses	87.15	102.09
Irrecoverable balances written off	0.80	0.54
Loss on sale/write off of Property, plant and equipment (net)	-	0.35
Donation other than Political Party	-	4.02
Contribution to Political Party	21.60	-
Provision for doubtful debts and advances	1.47	7.59
Miscellaneous expenses	109.74	107.56
<b>Total</b>	<b>1,076.19</b>	<b>1,079.82</b>

#### (a) Payment to statutory auditors

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
As auditors		
Audit fee	2.85	1.70
Tax audit fee	0.50	0.60
Out of pocket expenses	0.16	0.19
In other capacity		
For limited review of unaudited financial results	1.88	2.20
For verification of statement and other reports	0.43	0.50
<b>Total</b>	<b>5.82</b>	<b>5.19</b>

#### (b) Corporate social responsibility expenses

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Gross amount required to be spent by the Company during the year	-	-
Amount approved by the Board to be spent by the Company during the year	3.16	-
Amount spent during the year	In Cash	In Cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
(a) Promotion of education	-	-
(b) Food items distributed during Covid	-	-
(c) Healthcare items distributed during Covid	3.16	-
<b>Total</b>	<b>3.16</b>	<b>-</b>
Details related to spent / unspent obligations:	In Cash	In Cash
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust	-	-
(iii) Others	3.16	-
<b>Total</b>	<b>3.16</b>	<b>-</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 30. Exceptional Items

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit on sale of chemical unit (Refer note 53)	-	1,118.65
Profit on sale of investment in subsidiary (Net of provision write back) (Refer note 45)		
Reversal of provision for diminution in value of investment - Rs. Nil (Rs. 203.13 million)		
Less : Loss on sale of Investments - Rs. Nil (Rs. 198.85 million)	-	4.28
Provision for diminution in value of investment in Associate (Refer note 50)	(52.79)	(52.66)
<b>Total</b>	<b>(52.79)</b>	<b>1,070.27</b>

### 31. Earnings per share (EPS)

- a) Basic and Diluted EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year.
- b) The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>(i) Continuing Operations</b>		
Profit after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	<b>330.83</b>	933.71
Weighted average number of equity shares for basic and diluted EPS	<b>39,116,864</b>	39,116,864
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>8.46</b>	23.87
<b>Face value per share (in Rs.)</b>	<b>10.00</b>	10.00
<b>(ii) Discontinued Operations</b>		
Profit after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	-	(189.88)
Weighted average number of equity shares for basic and diluted EPS	-	39,116,864
<b>Basic and diluted earnings per share (in Rs.)</b>	-	(4.85)
<b>Face value per share (in Rs.)</b>	-	10.00
<b>(iii) Continuing and Discontinued Operations</b>		
Profit after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	<b>330.83</b>	743.83
Weighted average number of equity shares for basic and diluted EPS	<b>39,116,864</b>	39,116,864
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>8.46</b>	19.02
<b>Face value per share (in Rs.)</b>	<b>10.00</b>	10.00

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies

#### (a) Leases

##### Lease — as lessee

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

Particulars	Rs. Million
	Year ended March 31, 2022
As at April 01, 2020	21.45
Additions	15.46
Amortisation expense	(14.33)
Disposals	(10.83)
As at April 01, 2021	11.75
Additions	-
Amortisation expense	<b>(4.68)</b>
Disposals	<b>(0.49)</b>
<b>As at March 31, 2022</b>	<b>6.58</b>

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

	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening Balance</b>	<b>12.40</b>	22.85
Additions	-	15.46
Accretion of interest	<b>1.08</b>	1.96
Lease surrendered	<b>(0.49)</b>	(10.83)
Payments	<b>(5.48)</b>	(17.04)
<b>Closing balance</b>	<b>7.51</b>	12.40
<b>Current lease liabilities</b>	<b>4.89</b>	4.56
<b>Non current lease liabilities</b>	<b>2.62</b>	7.84

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies (Contd.)

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

Rs. Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Continuing Operations</b>		
Amortisation expense of right-of-use assets	4.68	6.60
Interest expense on lease liabilities	1.08	1.13
Expense relating to short-term leases (included in other expenses)	14.21	14.31
<b>Total amount recognised in statement of profit or loss related to continuing operations</b>	<b>19.97</b>	<b>22.04</b>
<b>Discontinued Operations</b>		
Amortisation expense of right-of-use assets	-	7.73
Interest expense on lease liabilities	-	0.83
Expense relating to short-term leases	-	2.52
<b>Total amount recognised in statement of profit or loss related to discontinued operations</b>	<b>-</b>	<b>11.08</b>

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

The Company had total cash outflows for leases of Rs. 19.69 Million (March 31, 2021 Rs 31.35 million). There are no future cash outflows relating to leases that have not yet commenced.

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

#### (b) Commitments

Rs. Million

Particulars	As at March 31, 2022	As at March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:	69.58	55.67
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	#	#
<b>Total</b>	<b>69.58</b>	<b>55.67</b>

#### (c) Contingent Liabilities in respect of Income Taxes/Central Excise/Service Tax/Value Added Tax and other taxes

Rs. Million

(i) Nature of Dispute	Description	Period	As at March 31, 2022	As at March 31, 2021
Central Excise, State Excise and Service Tax	Demand Notice received from Central Excise and Service tax Department towards wrong availment of cenvat credit taken, dispute on levy of service tax and excise duty and penalty/ Interest imposed.	1994-95 to 1996-97, 1998-99, 1999-2000 to 2002-03, 2006-07 and 2004-05 to 2016-17	22.69	22.69
		<b>Total (i)</b>	<b>22.69</b>	<b>22.69</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies (Contd.)

#### (ii) Other Matters under disputes are as below:

				Rs. Million	
Nature of Dispute	Description	Period			
			As at March 31, 2022	As at March 31, 2021	
Land	Land related disputes	2014-15	0.86	0.86	
		1985-86, 1975-76, 2009-10,	1.05	1.05	
		<b>Total</b>	<b>1.91</b>	1.91	
Labour	Labour related disputes	2006-07, 2008-09, 2010-11	5.11	4.65	
		1997-98, 1999-2000 to 2002-03, 2008-09, 2010-11 and 2012-13	9.23	10.20	
		1999-2000, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15, 2018-19 and 2021-22	14.74	12.29	
		<b>Total</b>	<b>29.08</b>	27.14	
	Others	2010-11	3.11	3.11	
		<b>Total</b>	<b>3.11</b>	3.11	
Interest on cane Price / Commission Arrears	Interest on delay payment of cane dues (Refer note 49)	2002-03, 2006-07, 2012-13 to 2021-22	4,646.50	4,415.99	
		<b>Total</b>	<b>4,646.50</b>	4,415.99	
		<b>Total (ii)</b>	<b>4,680.60</b>	4,448.15	
<b>Grand Total ((i)+(ii))</b>			<b>4,703.29</b>	4,470.84	

- (iii) The Company has provided bank guarantees aggregating Rs. 72.01 Million (31 March, 2021 Rs. 72.01 Million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous period, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing on and prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, central excise and civil matters are pending. These demands are presently under various stages of appeal.
- (iv) During the previous periods, the Company had given a counter indemnity/guarantee in favor of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary that has been struck off under the Easy Exit Scheme, 2011.
- (v) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF, dated February 28, 2019. The Company will make necessary provision on receiving further clarity on the subject.
- (vi) During the earlier year, Income Tax department had passed an assessment order for the assessment year 2017-18 under Section 143(3) of the Income Tax Act, 1961, wherein the assessing officer had disallowed / added back certain items resulting into adjustment of brought forward losses/unabsorbed depreciation by Rs. 3363.97 million under normal provisions of the Income Tax Act. Under Section 115JB (MAT), the assessing officer raised demand of Rs. 138.99 million (including interest of Rs. 45.27 million) and further interest demand on the above demand of Rs. 37.53 million has been raised. Against which the Company is carrying provision of Rs. 137.32 million (March 31, 2021 Rs. 131.99 million) ((including interest of Rs. 45.62 Million (March 31, 2021 Rs. 40.29 million)).



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies (Contd.)

However, based on the legal opinion taken by the Company, additions/demands are not sustainable under the provisions of the Income Tax Act. An appeal had been filed by the Company in the earlier year against the above said order with CIT(Appeal) which is under hearing and an application under Section 154 of the Income Tax Act for the rectification of the said additions/demands has also been filed in an earlier year with the Assessing Officer. The Company has already deposited (including adjustment of income tax refund of the subsequent years) a sum of Rs 45.61 million under protest against the above demand amount.

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

(viii) Other Income tax demand for the assessment year 2007-08 amounting to Rs. 0.40 million (March 31, 2021 Rs 0.40 million).

### 33. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 9.94 million (March 31, 2021 Rs. 9.46 million).

### 34. Disclosure of interest in subsidiaries and associate

	Name		Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)	
				As at March 31, 2022	As at March 31, 2021
(i)	Siel Financial Services Limited* (Refer note 45)	Subsidiary	India	Nil	75.00%
(ii)	Siel Industrial Estate Limited	Subsidiary	India	100.00%	100.00%
(iii)	Siel Infrastructure & Estate Developers Private Limited	Subsidiary	India	100.00%	100.00%
(iv)	Mawana Foods Private Limited	Associate	India	33.74%	33.74%

\* Ceased to be subsidiary w.e.f. June 14, 2021

### 35. Gratuity and other post-employment benefit plans

#### Defined Benefits Plans

Gratuity – In accordance with Ind AS 19, actuarial valuation was done and details of the same are given below:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
<b>Change in the Present value of obligation</b>		
1 Present value of obligation as at the beginning of the year	148.85	190.41
2 Add: Current service cost	9.96	10.08
3 Less: Adjustment on transfer of chemical unit	-	(48.53)
4 Add: Interest cost	10.12	12.95
5 Add/(Less): Actuarial (gain) / loss	(1.70)	(1.71)
6 Less: Benefits paid	(17.81)	(14.35)
7 <b>Present value of obligation as at the end of the year</b>	<b>149.42</b>	<b>148.85</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
<b>Change in the fair value of plan assets</b>		
1 Fair value of plan assets at the beginning of the year	39.19	36.86
2 Less : Adjustment in opening balance	(0.25)	(0.23)
3 Add: Expected return on plan assets	2.65	2.49
4 Add: Contribution by the Company	1.60	-
5 Less: Benefits paid	(0.91)	-
6 Add/(Less): Actuarial gain/(loss)	0.20	0.07
7 <b>Plan assets at the end of the year</b>	<b>42.48</b>	39.19
<b>Liability recognized in the financial statements</b>	<b>106.94</b>	109.66
<b>Current</b>	<b>13.87</b>	13.39
<b>Non-current</b>	<b>93.07</b>	96.27

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

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

	Rs. Million	
Amount recognised in Statement of Profit and Loss:	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	9.96	10.08
Net interest expense	7.47	10.46
<b>Amount recognised in Statement of Profit and Loss</b>	<b>17.43</b>	20.54

	Rs. Million	
Amount recognised in Other Comprehensive Income:	Year ended March 31, 2022	Year ended March 31, 2021
Actuarial gain/(loss) on Present value of obligation	1.70	1.71
Actuarial gain/(loss) on Assets	0.20	0.07
<b>Amount of gain/(loss) recognised in Other Comprehensive Income</b>	<b>1.90</b>	1.78

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

	Year ended March 31, 2022	Year ended March 31, 2021
<b>Gratuity</b>		
Investment Details	Funded	Funded
<b>Investment with Insurer (LIC)</b>	<b>100%</b>	100%



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

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

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

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate (%)	7.18	6.80
Future salary increases (%)	5.00	5.00
Retirement Age (Years)	58	58
<b>Withdrawal rate</b>		
Up to 30 years	3%	3%
From 31 to 44 years	2%	2%
Above 44 years	1%	1%
Mortality rate	100% of IALM (2012-14)	100% of IALM (2012-14)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

Gratuity Plan	Rs. Million			
Assumptions	Discount rate		Future salary increase	
Discount rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(4.91)	5.24	5.32	(5.03)

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

Gratuity Plan	Rs. Million			
Assumptions	Discount rate		Future salary increase	
Discount rate	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(5.05)	5.40	5.47	(5.16)

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

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

	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	19.38	18.17
Between 1 and 2 years	30.33	32.59
Between 2 and 3 years	12.56	8.91
Between 3 and 4 years	7.97	10.78
Between 4 and 5 years	8.02	6.97
Between 5 and 6 years	7.62	6.94
Beyond 6 years	63.54	64.49
<b>Total expected payments</b>	<b>149.42</b>	<b>148.85</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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### 36. Related party transactions

#### l) List of related parties

##### a) Promoter:

Mr. Siddharth Shriram (ceased w.e.f. May 17, 2021)  
Mr. Krishna Shriram (w.e.f. February 02, 2022)  
Mrs. Roula Shriram  
Enterprise Trust  
Siel Infrastructure & Estate Developers Private Limited

##### b) Subsidiaries

Siel Financial Services Limited (ceased w.e.f. June 14, 2021)  
Siel Industrial Estate Limited  
Siel Infrastructure & Estate Developers Private Limited

##### c) Associate

Mawana Foods Private Limited

##### d) Key management personnel

Mr. Dharam Pal Sharma –Whole Time Director  
Mr. B.B. Mehta – Chief Financial Officer  
Mr. Ashok Kumar Shukla- Company Secretary

##### e) Directors

Mr. Ravinder Singh Bedi (ceased w.e.f. October 28, 2021)  
Prof. Dinesh Mohan (ceased w.e.f. May 21, 2021)  
Mrs. Manju Vira Gupta  
Mr. Krishna Shriram (appointed w.e.f. May 31, 2021)  
Mr. Satish Agarwal (appointed w.e.f. December 09, 2020)  
Mr. Mukesh Chauhan (appointed w.e.f. November 03, 2021)  
Mr. Piar Chand Jaswal

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

Usha International Limited

##### g) Enterprises over which the Independent Directors have significant influence

Delhi Golf Club (Ceased to be w.e.f. October 28, 2021)  
Delhi Policy Group (Ceased to be w.e.f. May 17, 2021)  
Caddies Welfare Trust (Ceased to be w.e.f. October 28, 2021)  
S R K A & COMPANY (w.e.f. December 09, 2020)  
V V Servotech Private Limited



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36. Related party transactions (Contd.)

#### II) Transactions with related parties

Rs. Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. Promoter</b>		
Advisory fees		
Mr. Siddharth Shriram	1.82	14.40
<b>Dividend paid</b>		
Mr. Krishna Shriram	73.85	-
Mrs. Roula Shriram (# Rs. 1608)	#	-
Enterprise Trust	0.65	-
Siel Infrastructure & Estate Developers Private Limited (# Rs. 3576)	#	-
<b>B. Subsidiaries</b>		
<b>Siel Financial Services Limited</b>		
Expenses recovered	0.68	1.61
<b>Siel Industrial Estate Limited</b>		
Investment in Nil equity shares (March 31, 2021 - 6,550,000 equity shares) of Rs. 10 each fully paid-up	-	65.50
Investment in 7,400,000 5% Optionally Convertible Cumulative Preference Shares (March 31, 2021 : Nil) of Rs. 10 each fully paid up	74.00	-
Expenses recovered	26.20	-
Sale of Land	33.82	29.19
Sale of Property, Plant and Equipment	-	0.47
Purchase of Land	-	1.84
Advance received against sale of land	-	33.82
Subscription for Investment in 5% Optionally Convertible Cumulative Preference Shares pending for allotment	-	72.00
Loan given	10.00	-
Interest of Loan Received	0.33	-
Expenses reimbursed	2.08	-
<b>C. Associate</b>		
<b>Mawana Foods Private Limited</b>		
Sale of Goods	350.58	436.40
Interest received	1.25	1.24
Expenses recovered	0.33	0.33
Miscellaneous purchases	0.19	0.03
Provision for diminution in value of investment	52.79	52.66
<b>D. Key Management personnel and their relatives</b>		
<b>Remuneration to key management personnel*:</b>		
Mr. Dharam Pal Sharma	2.36	2.36
Mr. B.B. Mehta	11.88	10.02
Mr. Ashok Kumar Shukla	1.69	1.29

\*As the future liability for gratuity and leave encashment benefits is provided on an actuarial basis for the Company as a whole, the amount pertaining to the Key Management Personnel is not ascertainable and, therefore, not included above.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36. Related party transactions (Contd.)

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>E. Director Sitting Fee</b>		
Mr. Ravinder Singh Bedi	0.10	0.20
Prof. Dinesh Mohan	-	0.20
Mrs. Manju Vira Gupta	0.27	0.19
Mr. Krishna Shriram	0.17	-
Mr. Satish Agarwal	0.28	0.04
Mr. Mukesh Chauhan	0.13	-
Mr. Piar Chand Jaswal	0.20	0.19
<b>F. Dividend paid to Director</b>		
Mrs. Manju Vira Gupta (# Rs. 918)	#	-
<b>G. Enterprises over which key management personnel have significant influence</b>		
<b>Usha International Limited</b>		
Expenses reimbursed	2.22	2.31
Miscellaneous purchases	-	0.21
Rent paid**	4.37	4.37
Royalty paid	9.21	11.38
<b>H. Enterprises over which the Directors have significant influence</b>		
<b>Delhi Golf Club</b>		
Sponsorship for Brand Promotion	-	0.40
<b>Caddies Welfare Trust</b>		
Sponsorship for Brand Promotion	-	1.00
<b>V V Servotech Private Limited</b>		
Sale of vehicle	3.68	-
<b>Delhi Policy Group</b>		
Sponsorship for Brand Promotion	3.00	17.50
<b>S R K A &amp; COMPANY</b>		
Professional charges	0.31	0.07
<b>I. Other payments to directors</b>		
Advisory fees paid to Mr. Piar Chand Jaswal	0.87	0.83

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36. Related party transactions (Contd.)

Balance Outstanding as at year end:

Rs. Million

Particulars	As at March 31, 2022	As at March 31, 2021
<b>(a) Financials Assets -Loans and others</b>		
Mr. Siddharth Shriram	-	0.76
Siel Financial Services Limited***	-	36.59
Siel Industrial Estate Limited****	<b>34.25</b>	-
Siel Infrastructure & Estate Developers Private Limited	<b>0.13</b>	0.08
<b>(b) Trade and Other Payables</b>		
Usha International Limited	<b>3.61</b>	3.83
S R K A & COMPANY	<b>0.02</b>	-
<b>(c) Trade Receivables</b>		
Mawana Foods Private Limited	<b>23.41</b>	56.44
<b>(d) Interest Receivables</b>		
Mawana Foods Private Limited	<b>0.02</b>	0.37
<b>(e) Lease liability payable</b>		
Usha International Limited	<b>4.12</b>	7.82
<b>(f) Advance received for sale of land</b>		
Siel Industrial Estate Limited	-	33.82
<b>(g) Advance for investment in 5% Optionally Convertible Cumulative Preference Shares pending for allotment</b>		
Siel Industrial Estate Limited	-	72.00

\*\*\* provided for as doubtful advances.

\*\*\*\* The Company had entered into an agreement with Government of Punjab for the supply of 4.2 Cusec (i.e.10275 kilo litres per day) water from Narwana branch, Bhakra Main Line Division, Rajpura, District Patiala, Punjab. Pursuant to which, the Company is permitted to draw and supply the water to all consumers located within the industrial estate. The industrial estate is managed by its wholly owned subsidiary company, Siel Industrial Estate Limited (SIEL IE).

In March 2021, on sale of its Chemical business, the Company has also entered into an agreement with Bodal Chemicals Ltd. (the buyer) for supply of 3500 KL per day water out of water drawn from Bhakra Canal and the buyer shall pay the proportionate payment for the same to the Company. During the year, the Company has paid a sum of Rs. 37.50 million to the Government of Punjab and the proportionate share of Rs. 12.77 million has been recovered from the buyer being a consumer of water in industrial estate and the remaining amount of Rs. 24.73 million has been debited to SIEL IE, which is outstanding at the year end and the same shall be recovered from the revenue generated by SIEL IE from the sale of its inventory.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36. Related party transactions (Contd.)

#### Transaction with Key management personnel

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	15.94	13.67
<b>Total compensation paid to key management personnel</b>	<b>15.94</b>	<b>13.67</b>

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

### 37. Segment Information

#### A. Operating Segment

As per Ind AS 108 identification of segment is based on the manner in which the entity's Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Operating segments of the Company is identified to be sugar, power, chemicals and distillery as the Chief Operating decision maker reviews business performance of the Company on the basis of these segments. The Chemical business was classified as discontinued operations in previous year.

#### B. Geographical Segment

The Company mainly caters to domestic markets. However, there is export/deemed export of Sugar which has been presented in geographical segment.

#### C. Segment accounting policies

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to the segments.

ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

iii) Inter segment revenues:

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.



**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**D. Information about business segments**

(Rs. Million)

PARTICULARS	Sugar		Power		Distillery		Unallocated		Elimination		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>SEGMENT REVENUE</b>												
External Sales	12,212.66	12,040.08	208.68	229.13	2,182.47	1,751.08	-	-	-	-	14,603.83	14,020.29
Inter segment revenue	3,360.95	2,885.50	2,221.28	2,328.10	60.72	69.35	-	-	(5,642.95)	(5,282.95)	-	-
Other Operating Revenues	174.39	648.01	-	-	3.12	20.81	-	-	-	-	177.51	668.82
Other income	15.79	10.68	1.47	0.05	(0.10)	-	61.13	25.94	-	-	78.29	36.67
<b>Total revenue</b>	<b>15,763.81</b>	<b>15,584.27</b>	<b>2,431.43</b>	<b>2,557.28</b>	<b>2,246.21</b>	<b>1,841.24</b>	<b>61.13</b>	<b>25.94</b>	<b>(5,642.95)</b>	<b>(5,282.95)</b>	<b>14,859.63</b>	<b>14,725.78</b>
<b>EBIT/RESULTS</b>												
Segment results	720.85	302.08	173.40	388.26	41.28	69.25	-	-	-	-	935.53	759.59
Unallocated income/(expenses) (net of income/ expenses)	-	-	-	-	-	-	(204.43)	(247.86)	-	-	(204.43)	(247.86)
<b>Operating Profit</b>	<b>720.85</b>	<b>302.08</b>	<b>173.40</b>	<b>388.26</b>	<b>41.28</b>	<b>69.25</b>	<b>(204.43)</b>	<b>(247.86)</b>	<b>-</b>	<b>-</b>	<b>731.10</b>	<b>511.73</b>
Finance Costs											<b>256.62</b>	<b>351.61</b>
Interest income											<b>26.68</b>	<b>25.77</b>
<b>Profit before tax and exceptional items</b>											<b>501.16</b>	<b>185.89</b>
Exceptional item- Income (net)											<b>(52.79)</b>	<b>1,070.27</b>
<b>Profit before tax from continuing operations</b>											<b>448.37</b>	<b>1,256.16</b>
Tax expenses/(credit)											<b>117.54</b>	<b>322.45</b>
<b>Profit from continuing operations</b>											<b>330.83</b>	<b>933.71</b>
<b>Discontinued operations</b>												
Profit/(Loss) before tax for the year from discontinued operations											-	(233.43)
Tax credit/(expenses) of discontinued operations											-	43.55
<b>Profit/(Loss) from discontinued operations</b>											-	(189.88)
<b>Profit for the year</b>											<b>330.83</b>	<b>743.83</b>
<b>OTHER INFORMATION</b>												
<b>A. ASSETS</b>												
Segment assets	7,252.78	9,651.70	1,157.22	1,315.00	711.61	747.54	-	-	-	-	9,121.61	11,714.24
Unallocated assets	-	-	-	-	-	-	1,628.72	2,293.29	-	-	1,628.72	2,293.29
<b>Total Assets</b>	<b>7,252.78</b>	<b>9,651.70</b>	<b>1,157.22</b>	<b>1,315.00</b>	<b>711.61</b>	<b>747.54</b>	<b>1,628.72</b>	<b>2,293.29</b>	<b>-</b>	<b>-</b>	<b>10,750.33</b>	<b>14,007.53</b>
<b>B. LIABILITIES</b>												
Segment liabilities	2,039.53	6,811.16	28.85	18.65	102.84	100.74	-	-	-	-	2,171.22	6,930.55
Borrowings	-	-	-	-	-	-	4,159.89	2,760.81	-	-	4,159.89	2,760.81
Unallocated liabilities	-	-	-	-	-	-	285.50	397.35	-	-	285.50	397.35
<b>Total Liabilities</b>	<b>2,039.53</b>	<b>6,811.16</b>	<b>28.85</b>	<b>18.65</b>	<b>102.84</b>	<b>100.74</b>	<b>4,445.39</b>	<b>3,158.16</b>	<b>-</b>	<b>-</b>	<b>6,616.61</b>	<b>10,088.71</b>
<b>C. OTHERS</b>												
Capital expenditure	70.77	120.96	10.10	27.46	17.85	47.94	1.34	7.96	-	-	100.06	204.32
Depreciation	176.68	215.47	88.74	102.77	123.69	150.44	6.76	7.04	-	-	395.87	475.72

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 37. Segment Information (Contd.)

#### Geographical information :

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

Particulars	Year	Rs. Million		
		India	Outside India	Total
External revenue	2021-22	11,483.45	3,120.38	14,603.83
	2020-21	12,055.20	1,965.09	14,020.29

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

#### Information about major customer :

Revenue from Contracts with customers includes Rs 1798.79 million (March 31, 2021 Rs. 1823.08 million) arising from Garden Court Distilleries Private Limited which contributes approx. 12.32% (March 31, 2021 13.00%) of revenue.

### 38. A. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

	Carrying Value		Fair Value	
	As at	As at	As at	As at
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
<b>Financial assets</b>				
<b>Fair Valuation at Amortized cost:</b>				
Investment in 5% Redeemable Cumulative Preference shares	161.76	152.49	161.76	152.49
Investment in 5% Optionally Convertible Cumulative Preference shares	77.77	-	77.77	-
Subscription for investment in 5% Optionally Convertible Cumulative Preference Shares pending for allotment"	-	72.00	-	72.00
Security deposits paid	2.94	3.27	2.94	3.27
Dues from employees	1.19	0.88	1.19	0.88
Loans and advances to related parties	24.38	0.84	24.38	0.84
Loans and advances to others	29.58	36.41	29.58	36.41
Subsidies receivable	0.01	1,103.35	0.01	1,103.35
Interest subvention receivable	4.20	14.79	4.20	14.79
Interest receivable others	4.85	5.16	4.85	5.16
<b>Total</b>	<b>306.68</b>	<b>1,389.19</b>	<b>306.68</b>	<b>1,389.19</b>
<b>Financial liabilities</b>				
<b>Fair Valuation through Statement of Profit &amp; Loss</b>				
Borrowings	4,159.89	2,760.81	4,159.89	2,760.81
<b>Fair Valuation at Amortized cost</b>				
Lease Liabilities	7.51	12.40	7.51	12.40
<b>Total</b>	<b>4,167.40</b>	<b>2,773.21</b>	<b>4,167.40</b>	<b>2,773.21</b>



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 38. A. Fair values (Contd.)

The management assessed that cash and cash equivalents, other bank balances, fixed deposits, trade receivables, trade payables and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

### B. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

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

Level 2 : Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3 : Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022:

	Date of valuation	Fair value measurement using				Rs. Million
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value (Note 38A):</b>						
<b>Fair Valuation at Amortized cost :</b>						
Investment in 5% Redeemable Cumulative Preference shares	31-Mar-22	161.76	-	161.76	-	
Investment in 5% Optionally Convertible Cumulative Preference Shares	31-Mar-22	77.77	-	77.77	-	
Security deposits paid	31-Mar-22	2.94	-	2.94	-	
Dues from employees	31-Mar-22	1.19	-	1.19	-	
Loans and advances to related parties	31-Mar-22	24.38	-	24.38	-	
Loans and advances to others	31-Mar-22	29.58	-	29.58	-	
Subsidies receivable	31-Mar-22	0.01	-	0.01	-	
Interest subvention receivable	31-Mar-22	4.20	-	4.20	-	
Interest receivable others	31-Mar-22	4.85	-	4.85	-	
		<b>306.68</b>	<b>-</b>	<b>306.68</b>	<b>-</b>	
<b>II. Liabilities for which fair value is disclosed (Note 38A):</b>						
<b>Fair Valuation through Statement of Profit &amp; Loss</b>						
Borrowings	31-Mar-22	4,159.89	-	-	4,159.89	
<b>Fair Valuation at Amortized cost</b>						
Lease Liabilities	31-Mar-22	7.51	-	-	7.51	

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2022.

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 38 B. Fair Value Hierarchy (Contd.)

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

		Rs. Million			
	Date of valuation	Fair value measurement using			
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>I. Assets measured at fair value (Note 38A):</b>					
<b>Fair Valuation at Amortized cost :</b>					
Investment in 5% Redeemable Cumulative Preference shares	31-Mar-21	152.49	-	152.49	-
Subscription for investment in 5% Optionally Convertible Cumulative Preference Shares pending for allotment	31-Mar-21	72.00	-	72.00	-
Security deposit paid	31-Mar-21	3.27	-	3.27	-
Dues from Employee	31-Mar-21	0.88	-	0.88	-
Loan & advance for related parties	31-Mar-21	0.84	-	0.84	-
Loans and advances to others	31-Mar-21	36.41	-	36.41	-
Subsidies receivable	31-Mar-21	1,103.35	-	1,103.35	-
Interest subvention receivable		14.79	-	14.79	-
Interest receivable others	31-Mar-21	5.16	-	5.16	-
		1,389.19	-	1,389.19	-
<b>II. Liabilities for which fair value is disclosed (Note 38A):</b>					
<b>Fair Valuation through Statement of Profit &amp; Loss</b>					
Borrowings	31-Mar-21	2,760.81	-	-	2,760.81
<b>Fair Valuation at Amortized cost</b>					
Lease Liabilities	31-Mar-21	12.40	-	-	12.40

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

#### Valuation technique used to determine fair value

Type	Valuation technique	Significant observable input
Financial liabilities (Borrowings)	Discounted Cash Flow method: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rate.	Not applicable
Subsidies Recoverable (Other Financial Assets)	Discounted Cash Flow method: The valuation model considers the present value of expected receipt, discounted using a risk adjusted discount rate.	Not applicable



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 39. Financial risk management objectives and policies

The Company's principal financial liabilities comprise of trade payables, other payables, security deposits received, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Company's operations and to provide guarantees to support its operations. The Company's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is responsible to ensure that Company's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. Market risk comprise of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, as the Company does not have any outstanding floating rate interest bearing long term and short term debts at the balance sheet date. Therefore, a change in interest rates on the reporting date would neither affect profit or loss nor affect equity.

#### Fair value sensitivity analysis for fixed rate instruments

The Company does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would neither affect profit or loss not affect equity.

#### Foreign currency risk

The Company is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the Company's function currency. The Company imports certain materials which exposes it to foreign currency risk. The Company also exports finished goods which exposes it to foreign currency risk.

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

Rs. Million

	Change in conversion rate	Effect on profit before tax
<b>Year ended March, 2022</b>	<b>+5%</b>	<b>0.10</b>
	<b>-5%</b>	<b>(1.10)</b>
Year ended March, 2021	+5%	1.18
	-5%	(1.18)

#### Commodity price risk

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

#### (i) Trade receivables

Customer credit risk is managed as per the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Company does not hold collateral as security. The Company evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

#### Movement in provisions of doubtful debts

	Rs. Million		
	Trade Receivables	Loans/other assets	Investments
Provision as at April 01, 2020	1.17	153.65	203.13
Provision made during the year 2020-21	0.44	7.15	52.66
Provision written back during the year 2020-21	-	-	(203.13)
Provision as at March 31, 2021	1.61	160.80	52.66
Provision made during the year 2021-22	-	1.88	52.79
Provision written back during the year 2021-22	(0.41)	-	-
<b>Provision as at March 31, 2022</b>	<b>1.20</b>	<b>162.68</b>	<b>105.45</b>

#### (ii) Financial instruments and cash deposits

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

#### Liquidity risk

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

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



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

As at March 31, 2022

	Rs. Million			
	Less than 1 year	1-3 years	>3 years	Total
Borrowings	3752.88	407.01	-	4,159.89
Lease Liabilities	4.89	1.99	0.63	7.51
Trade payables				
- Total outstanding dues to micro and small enterprises	19.35	-	-	19.35
- Total outstanding dues of creditors other than micro and small enterprises	1,828.83	-	-	1,828.83
Employees Related Payables	103.90	-	-	103.90
Trade deposits received	30.66	-	-	30.66
Payable towards Capital Goods	10.71	-	-	10.71
Unclaimed Dividend	1.94	-	-	1.94
Interest payable	5.07	-	-	5.07
Other payables	26.00	-	-	26.00
	5,784.23	409.00	0.63	6,193.86

As at March 31, 2021

	Rs. Million			
	Less than 1 year	1-3 years	>3 years	Total
Borrowings	2,015.04	673.87	71.90	2,760.81
Lease Liabilities	4.56	6.16	1.68	12.40
Trade payables				
- Total outstanding dues to micro and small enterprises	22.55	-	-	22.55
- Total outstanding dues of creditors other than micro and small enterprises	6,538.83	-	-	6,538.83
Interest accrued but not due on borrowings	6.90	-	-	6.90
Employees related payables	89.20	-	-	89.20
Trade deposits received	28.84	-	-	28.84
Payable towards Capital Goods	34.36	-	-	34.36
Interest payable	2.21	-	-	2.21
Other payables	53.14	-	-	53.14
	8,795.63	680.03	73.58	9,549.24

### 40. Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 40. Capital management (Contd.)

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Borrowings (note 13)	4,159.89	2,760.81
Trade Payables (note 16)	1,848.18	6,561.38
Cash and cash equivalents (note 9)	(322.17)	(896.51)
<b>Net debts</b>	<b>5,685.90</b>	<b>8,425.68</b>
<b>Total equity</b>	<b>4,133.72</b>	<b>3,918.82</b>
<b>Capital plus net debt</b>	<b>9,819.62</b>	<b>12,344.50</b>
<b>Gearing ratio (%)</b>	<b>57.90%</b>	<b>68.25%</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

- 41 Pursuant to judgment dated 10.5.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation, the Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') for development of green belt and open spaces as directed by the Court. The Company continues to be the lawful owner of the surrendered land though it was no longer in physical possession thereof.

DDA leased out some portion of the surrendered land Delhi Metro Rail Corporation ('DMRC') for a commercial consideration. The Company challenged the leasing of surrendered land to DMRC before the Hon'ble Supreme Court. Hon'ble Supreme Court vide its Order dated 25.3.2010 directed that DDA, which held the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community. The Court further directed that in the event of any acquisition or development of surrendered land, the land owner will be entitled to share fifty percent (50%) of the compensation. In view of the aforesaid direction, any benefits earned by DDA from the surrendered land are to be shared equally with the Company.

In terms of the above directions of the Hon'ble Supreme Court, the Company had received a sum of Rs. 159.24 million upto 30.09.2018 where after DMRC had vacated the surrendered land leased to it by DDA. Since there were delays in making payments by DMRC, the Company has demanded payment of interest on delayed payments which is pending in the Court.

- 42 The Company executed a Business Transfer Agreement on November 18, 2016 with Indian Potash Limited (IPL) to sell off its Agreed Assets and Liabilities excluding contingent liabilities of Titawi Sugar Complex (unit) as a going concern on an 'AS IS WHERE IS WHAT IS' basis by way of a slump sale. The sale was governed by a Business Transfer Agreement (BTA) which stipulated completion of certain activities within a certain time frame.

A sum of Rs. 20.99 million (March 31, 2021 Rs. 20.83 million) is recoverable from IPL, Out of which Rs. 20.00 million (March 31, 2021 Rs 20.00 million) pertains to pending transfer of certain portion of freehold land in the name of IPL and balance of Rs. 0.99 million (March 31, 2021 Rs. 0.83 million) pertains to other matters.

**NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)****43. Dues to Micro and Small Enterprises****Rs. Million**

Particulars	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount*	19.48	23.66
- Interest thereon	0.14	0.14
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
the amount of interest accrued and remaining unpaid	0.14	0.14
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually to be paid.	0.14	0.14

\* including Rs 0.27 million (March 31, 2021 : Rs. 1.25 million) on account of capital goods supplier.

**44. Disclosure required under Section 186 (4) of the Companies Act 2013.****a) Particulars of loans given:****Rs. Million**

Name of the Entity	Year	Opening Balance	Loan Given	Loan Repaid	Outstanding Balance	Purpose
Siel Industrial Estate Limited *	2021-22	-	10.00	-	10.00	General Business Purpose
Siel Financial Services Limited ** (ceased to be subsidiary w.e.f. June 14, 2021)	2020-21	36.59	-	-	36.59	General Business Purpose
	2021-22	36.59	-	-	36.59	General Business Purpose

\* During the current year, the Company has given a unsecured loan of Rs. 10 million to wholly owned subsidiary namely Siel Industrial Estate Limited repayable on call for a period upto one year at the rate of interest of 9.5% per annum.

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 44. Disclosure required under Section 186 (4) of the Companies Act 2013. (Contd.)

#### b) Particulars of Investments made during the year:

Rs. Million

Name of the Investee	Investment Made	Purpose
Siel Industrial Estate Limited (Siel IE) (Subsidiary)	74.00	<p>During the current year, SIEL IE, wholly owned subsidiary company has allotted 5% Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs.10 each fully paid amounting to Rs. 74.00 million, against which, the Company had already given as advance for investment amounting to Rs.72.00 million and Rs. 2.00 million during the previous year and current year respectively against the total investment of Rs. 100 million to meet the following needs:</p> <ol style="list-style-type: none"> <li>a. To buy a parcel of land admeasuring about 13.266 acre from Holding Company,</li> <li>b. To establish the new office building and related infrastructure and,</li> <li>c. For other provisions to arrange supply of water to prospective new client.</li> </ol>

- 45** During the previous year, the Company had reduced its shareholding in the Siel Financial Services Limited (“SFSL”), a subsidiary of the Company from 93.56% to 75% by sale of 2,105,568 equity shares of Rs 10 each at BSE through process of ‘offer for Sale’ to comply with the ‘Minimum Public Shareholding’ requirement of SFSL. The Company had also entered into a Share Purchase Agreement (SPA) dated February 25, 2021 to sell its entire remaining shareholding at a mutually agreed consideration of Rs 1.11 million. The necessary compliances as required in regulation 31A of the SEBI LODR Regulation have been completed on June 14, 2021 and balance 75% equity shares have been sold in the current year.

During the previous year, the resultant gain of Rs. 4.28 million after adjusting provision for diminution in the value of above investment of Rs. 203.13 million was shown in the statement of profit and loss, under the head “Exceptional Items”.

- 46** In view of Hon’ble Allahabad High Court order dated 21.12.2017 for stay on the retrospective operation of orders of UP State Government on reduction in rate of society commission pertaining to earlier years, Company had provided differential amount of Rs. 285.46 million in the accounts during the earlier years. UP sugar mill association had approached hon’ble Supreme Court for stay of operation of high court order during an earlier year. The matter is pending before Supreme Court.
- 47** (a) Pursuant to an Order of Hon’ble Supreme Court of India, Siel Industrial Estate Limited (Siel IE), a wholly owned subsidiary of the Company, was directed to pay additional compensation to the farmers from whom Land had been acquired. Having regard to the fact that Siel IE has no business activity/ income of its own and with a view to protect a valuable asset of the Company held through its wholly owned subsidiary, the Company had subscribed to a Right Issue of 65,50,000 Equity Shares of Rs.10 each fully paid amounting to Rs. 65.50 million during the year ended March 31, 2021.
- (b) During the current year, the Company has been allotted 5% Optionally Convertible Cumulative Preference Shares (OCCPS) of Rs.10 each fully paid amounting to Rs. 74.00 million by wholly owned subsidiary namely Siel IE, against which, the Company had already given as advance for investment amounting to Rs.72.00 million and Rs. 2.00 million in the previous year and current year respectively against the total investment of Rs. 100 million to meet the following needs:
- a. To buy a parcel of land admeasuring about 13.266 acre from Holding Company,
  - b. To establish the new office building and related infrastructure and,
  - c. For other provisions to arrange supply of water to prospective new client.



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## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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- 48 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 28, 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period when the Code becomes effective.
- 49 In the earlier years, Recovery Certificates (RC) were issued by the Cane Commissioner for payment of Cane Dues, society commission, interest on delayed payments etc. for previous crushing seasons. The RC also mentioned that the recovery officer shall also collect 'collection charges' as per Rules. Company had paid all the dues of the farmers on its own and challenged the levy of 'collection charges' before the Hon'ble High Court of Allahabad. Hon'ble High Court stayed the recovery of 'collection charges'.

During an earlier year, Hon'ble High Court of Allahabad following the principle of law laid down by Full Bench of the High Court in the case of Maharajwa Sugar Mills Vs State of UP, allowed all the writ petitions filed by the Company and quashed the levy of the collection charges and consequent demand for the same by the State Government. There are some other cases relating to the same issue of levy of 'collection charges' for other years which are still pending and the total demand of collection charges for those years was Rs. 1,413.33 million as on March 31, 2022 (March 31, 2021 Rs 1,413.33 million). The Company had paid the entire dues of the farmers and the Society commission for these years on its own without any further action by the State Government.

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

There is demand of interest on delayed payments of cane price of Rs 4,646.50 million (March 31, 2021 Rs. 4415.99 million) from Cooperative Cane Societies, which has been disclosed under contingent liabilities (Refer note 32(c) (ii) above). The Company has given its representation to State Government for waiver the same. Matter is yet to be decided by the State Government. The Company is hopeful to get the waiver from State Government.

- 50 Impairment indicators were identified on the investment and recoverable amounts in subsidiaries, namely Siel Industrial Estate Ltd. and Siel Infrastructure & Estate Developers Pvt. Ltd. and an associate Mawana Foods Private Ltd. The Company at the year end invested a sum of Rs. 944.97 million (March 31, 2021 Rs 929.93 million) in said subsidiaries and associate. Also, amount of Rs. 23.43 million (March 31, 2022 Rs. 56.81 million) and Rs.34.28 million (March 31, 2021 Rs. 0.08 million) is receivable from the associate and subsidiaries respectively.

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

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

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Assumption	March 31, 2022	Approach used in determining value
Cost of capital % before tax (discount rate)	16.81%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis financial budgets and projections approved by management which is in line with industry growth rate

On the basis of calculations performed, the Company assessed the recoverable amount of the investment being lower than its carrying value and consequently the Company has recognised provision for impairment to the extent of excess of carrying value over its value in use by Rs 52.79 million (March 31, 2021: Rs 52.66 million) in the statement of profit and loss under the head "Exceptional Items".

- 51 During the previous financial year, the Company had disposed off its chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021. Therefore, the statement of Profit and Loss for the year ended March 31, 2021 had been shown by excluding figures of chemical unit which had been included in discontinued operations.
- 52 During the earlier years, Central Government had reintroduced sugar sales mechanism by allotting monthly sale quota to all the sugar mills in the country. With the result, sales revenue has come down and inventory of sugar has significantly increased. As on March 31, 2022, the Company is carrying inventory of sugar of Rs. 5,407.36 million (comprising finished goods Rs. 5,297.00 million and work in progress Rs. 110.36 million) (March 31, 2021 Rs 6,495.29 million (comprising finished goods Rs. 6,386.63 million and work in progress Rs. 108.66 million)) with valuation at lower of cost and net realizable value.

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

### 53 Discontinued operations

#### Chemical Unit

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

Some of the licences related to Chemical Unit are in the process of transfer to Bodal Chemicals Limited.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 53 Discontinued operations (Contd.)

#### Financial performance and cash flow information

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

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue including other income		
{including Profit on sale of Property, plant and equipment Rs Nil (March 31, 2021 Rs 26.32 million), Provision no longer required written back Rs Nil (March 31, 2021 Rs 0.02 million), Interest income Rs Nil (March 31, 2021 Rs 8.78 million) and inter segment revenue of Rs Nil (March 31, 2021 Rs 12.53 million)}	-	1,554.34
Less: Expense	-	1,713.81
Less: Finance costs	-	1.40
Less: Depreciation and amortisation expenses	-	72.56
Profit/(Loss) before tax	-	(233.43)
Tax credit/(expense)*	-	43.55
<b>Profit / (Loss) from discontinued operations</b>	-	<b>(189.88)</b>

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

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

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities	-	(261.75)
Cash flow from investing activities	-	(5.52)
Cash flow from financing activities		
(including movement in head office balances)	-	262.22
<b>Net Cash inflows/(outflows)</b>	-	<b>(5.05)</b>

## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

Particulars	Rs Million	
	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	-	211.41
(b) Capital work- in- progress	-	9.10
(c) Intangible assets	-	0.31
(d) Financial assets-Loans	-	167.87
(e) Other non- current assets	-	1.70
<b>Total Non-current assets</b>	-	390.39
<b>(2) Current assets</b>		
(a) Inventories	-	90.54
(b) Financial assets		
- Trade receivables	-	20.93
- Cash and cash equivalents	-	24.90
-Other bank balances	-	0.11
-Others	-	7.17
(c) Other current assets	-	10.75
<b>Total current assets</b>	-	154.40
<b>Total Assets</b>	-	544.79
<b>LIABILITIES</b>		
<b>(1) Non- current liabilities</b>		
(a) Provisions	-	37.88
<b>Total non- current liabilities</b>	-	37.88
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
Trade payables		
- Total outstanding dues to micro and small enterprises	-	16.81
- Total outstanding dues of creditors other than micro and small enterprises	-	73.31
Other financial liabilities	-	24.31
(b) Other current liabilities	-	32.94
(c) Provisions	-	24.40
<b>Total current liabilities</b>	-	171.77
<b>Total liabilities</b>	-	209.65



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 54 Ratio Analysis and its elements

Ratio	Numerators	Denominator	March 31, 2022	March 31, 2021	% change	Reason for variance
Current Ratio	Current Assets	Current Liabilities	1.22	1.11	9.91%	
Debt Equity Ratio	Total Debts including working capital limits, lease liabilities	Shareholder's Equity including reserves	1.01	0.71	-42.25%	Debt has increased during current year.
Debt Service Coverage Ratio	Earning before interest, depreciation, exceptional items and taxes from continuing operations	Interest Expenses, principal payment of installment of loans and lease liabilities	1.83	0.39	369.23%	Lower payment of installment of long term loans compared to previous year.
Return on Equity Ratio	Net Profit after tax from continuing operations	Average Shareholder's Equity	0.08	0.26	-69.23%	Higher profit in previous year due to sale of chemical unit.
Inventory Turnover Ratio	Cost of good sold of continuing inventories	Average Inventories	1.72	1.54	11.69%	
Trade receivable Turnover Ratio	Net sales from continuing operations = Gross sales - sales return	Average Trade Receivables	37.64	32.06	17.40%	
Trade Payable Turnover Ratio	Net purchases of continuing operations = Gross purchases - purchase return	Average Trade Payables	2.59	1.85	40.00%	Higher payment of sugar cane suppliers compared to previous year.
Net Capital Turnover Ratio	Net sales from continuing operations = Gross sales - sales return	Working capital = Current Assets -Current Liabilities	11.04	14.10	-21.70%	
Net Profit Ratio	Net Profit from continuing operations	Net sales from continuing operations = Gross sales - sales return	0.02	0.07	-71.43%	Higher profit in previous year due to sale of chemical unit.
Return on Capital Employed	Earning before interest and taxes from continuing operations	Capital Employed including long term debts	0.17	0.12	41.67%	Higher profit in current year as compared to previous year due to improved operations.
Return on Investment	Provision/reversal of provision for dimunition in value of investment and profit/(loss) on sale of investment	Average Investments	-0.05	-0.05	0.00%	

### 55 Other Statutory Information

- (i) The Company do not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.
- (ii) The Company do not have any transactions with companies struck off.
- (iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.



## NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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### 55 Other Statutory Information (Contd.)

- (iv) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,
- (vii) The Company has not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

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

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As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)



Form AOC-1

Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of the Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of subsidiaries and associates

S. No.	Name of Subsidiary Company	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/ (loss) before taxation	Provision for taxation w/back	Profit/ (Loss) after taxation	Proposed dividend	% of share-holding
1	Siel Industrial Estate Limited*	539.25	(167.03)	652.36	280.14	-	3.00	(37.75)	4.13	(33.62)	-	100
2	Siel Infrastructure & Estate Developers Private Limited*	1,376.16	(891.81)	484.60	0.25	484.38	0.12	0.03	-	0.03	-	100
3	Mawana Foods Private Limited	200.37	(177.71)	63.77	41.11	-	417.98	37.58	-	37.58	-	33.74

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

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
( DIN: 07259344 )

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Mawana Sugars Limited

#### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

We have audited the accompanying consolidated Ind AS financial statements of Mawana Sugars Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associate comprising of the consolidated Balance Sheet as at March 31 2022, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associate, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associate as at March 31, 2022, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the

Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements' section of our report. We are independent of the Group and associate in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated Ind AS financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated Ind AS financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated Ind AS financial statements.

Key audit matters	How our audit addressed the key audit matter
<b>Recognition of Deferred Tax Asset</b> (as described in note	<b>19 of the Consolidated Ind AS financial statements)</b>
Deferred tax assets are recognized on unabsorbed depreciation when it is probable that taxable profit will be available against which unabsorbed depreciation can be utilized. The Holding Company's ability to recognize deferred tax assets on unabsorbed depreciation carried forward is assessed by the management at the end of each reporting period, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are determined by management.	Our audit procedures included the following: <ul style="list-style-type: none"> <li>We assessed the methodology applied by the Holding Company with applicable accounting standards and taxation laws along with the future business forecast of taxable profits. Our audit approach consisted of assessing the business plans of the Holding Company's assessment to utilize deferred tax assets. In particular, we assessed: <ul style="list-style-type: none"> <li>the underlying projections and assumptions used for management estimates as calculated during the budget process by analyzing projected and actual performances;</li> </ul> </li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<b>Recognition of Deferred Tax Asset</b> (as described in note 19 of the Consolidated Ind AS financial statements)	
<p>At March 31, 2022, the Holding Company has recognized deferred tax assets amounting to Rs. 365.19 million on the unabsorbed depreciation.</p> <p>Significant management judgement is required to determine the forecasted profits, expected future market, economic conditions and tax laws.</p> <p>Given the degree of judgement management's decision to recognize and classify deferred tax assets as recoverable, we consider this issue to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>- tested sensitivity of key assumptions used in projections which are based on profits earned and after considering expected future market economic conditions, tax laws, management's expansion.</li> <li>- the schedules for the reversal of temporary differences.</li> <li>• We also understood the income tax computation process and review controls around recognition of Deferred tax assets and evaluated the design and tested the effectiveness of controls in this area relevant to our audit.</li> <li>• Engaged tax specialists to assist us in assessing the management prepared schedule for computation of tax and deferred taxes.</li> <li>• We have assessed the adequacy of disclosures included in the consolidated Ind AS financial statements in this regard.</li> </ul>
<b>Impairment testing of investment in Associate</b> (as described in note 49 of the consolidated Ind AS financial statements)	
<p>Impairment indicators were identified on the investment and recoverable amounts in associate namely Mawana Foods Private Limited. As a result, an impairment assessment was performed by comparing the carrying value of investment in associate to its recoverable amount to determine whether an impairment was required to be recognized. The recoverable amount was determined to be the higher of the fair value, and the value in use, determined by discounting future cash flows.</p> <p>The determination of recoverable amount of the Holding Company's investment in associate relies on management's estimates of future cash flows and their judgement with respect to the associate's performance.</p> <p>Due to the uncertainty of forecasting and discounting future cash flows, the level of management's judgement involved and the significance of the Holding Company's investment in associate of Rs. 44.55 million as at March 31, 2022, this audit area is considered a key audit matter.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• In conjunction with review by technical and valuation specialists, we assessed the Holding Company's valuation methodology applied in determining the recoverable amount and we assessed the assumptions of the cash flow forecasts.</li> <li>• We tested the Holding Company's internal controls in relation to preparing and reviewing cash flow projections considering the future business plans.</li> <li>• We discussed potential changes in assumptions with management in order to evaluate the inputs and assumptions used in the cash flow forecasts.</li> <li>• We performed sensitivity analysis on the key assumptions adopted in the impairment assessment to understand the impact of changes in assumptions on the estimated recoverable amounts.</li> <li>• We assessed the adequacy of disclosures made in the consolidated Ind AS financial statements in this regard.</li> </ul>

## INDEPENDENT AUDITOR'S REPORT (Contd.)

Key audit matters	How our audit addressed the key audit matter
<b><u>Determination of net realizable value of inventory of sugar at the year ended March 31, 2022</u></b> (as described in note 51 of the consolidated Ind AS financial statements)	
<p>As on March 31, 2022, the Holding Company is carrying inventory of sugar (finished goods and work in progress) amounting to Rs. 5407.36 million. The inventory of sugar is valued at lower of cost and net realisable value.</p> <p>The relative size of the inventory of sugar as on March 31, 2022 is significant to the financial statements and significant judgement was involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and related notifications of the government in determination of net realizable value.</p> <p>Accordingly, determination of net realisable value was determined to be a key audit matter in our audit of the consolidated Ind AS financial statements</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We have tested the controls established by the management in determination of net realizable value of inventory of sugar.</li> <li>• We considered various factors including actual selling price prevailing around and subsequent to the year end, monthly quota and other notifications of the Government of India with respect to sugar industry as a whole while checking the net realizable value.</li> <li>• We have assessed the disclosures included to the consolidated Ind AS Financial Statements in this regard.</li> </ul>

### Information Other than the Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management for the Consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associate in accordance with the accounting principles generally accepted in India, including the Indian

Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group and of its associate are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its associate and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associate are responsible for assessing the ability of the Group and of its associate to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its associate are also responsible for overseeing the financial reporting process of the Group and of its associate.

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### **Auditor's Responsibilities for the Audit of the Consolidated Ind AS financial statements**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associate to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associate to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associate of which we are the independent auditors and whose financial information we have audited, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

We did not audit the financial statements and other financial information, in respect of two subsidiaries, whose Ind AS financial statements include total assets of Rs 1136.96 million as at March 31, 2022, and total revenues of Rs 3.12 million and net cash inflows of Rs 0.16 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 12.47 million for the year ended March 31, 2022, as considered in the consolidated Ind AS financial statements, in respect of one associate, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associate, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associate, is based solely on the report(s) of such other auditors.

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

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries and associate companies, incorporated in India, as noted in the 'Other Matter' paragraph we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxii) of the Order.
2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries and associate, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and associate company, none of the directors of the Group's companies and its associate, incorporated in India, is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy and the operating effectiveness of the internal financial controls with reference to consolidated Ind AS financial

## INDEPENDENT AUDITOR'S REPORT (Contd.)

statements of the Holding Company and its subsidiary companies and associate company, incorporated in India, refer to our separate Report in "Annexure 2" to this report;

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid / provided by the Holding Company and associate company to its directors in accordance with the provisions of Section 197 read with Schedule V to the Act. On the basis of reports of other statutory auditors of subsidiaries incorporated in India, the provisions of Section 197 read with Schedule V of the Act are not applicable;
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associate, as noted in the 'Other matter' paragraph:
- i. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its associate in its consolidated Ind AS financial statements – Refer Note 32(c) to the consolidated Ind AS financial statements;
  - ii. The Group and its associate did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2022;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate incorporated in India during the year ended March 31, 2022.
  - iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements

have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the respective Holding Company or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any person or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- c) Based on the audit procedures that has been considered reasonable



## INDEPENDENT AUDITOR'S REPORT (Contd.)

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and appropriate in the circumstances performed by us and those performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor's notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v. The dividend declared or paid during the year by the Holding company in respect of the same declared for the previous year,

is in accordance with Section 123 of the Act. No dividend has been declared or paid during the year by the subsidiary companies, incorporated in India.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 22087921AJVWKT2173

Place of Signature: New Delhi

Date: May 30, 2022

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF "REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS" OF OUR AUDIT REPORT OF EVEN DATE

Re: Mawana Sugars Limited ("the Holding Company")

**In terms of the information and explanations sought by us and given by the Group and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:**

(xxi) Qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements are:

S. No.	Name	CIN	Holding company/ subsidiary/ associate	Clause number of the CARO report which is qualified or is adverse
1	Mawana Sugars Limited	L74100DL1961PLC003413	Holding company	3(vii)(a)

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 22087921AJVWKT2173

Place of Signature: New Delhi

Date: May 30, 2022

## INDEPENDENT AUDITOR'S REPORT (Contd.)

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### **ANNEXURE "2" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED IND AS FINANCIAL STATEMENTS OF MAWANA SUGARS LIMITED**

#### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

In conjunction with our audit of the consolidated Ind AS financial statements of Mawana Sugars Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate company, which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

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

#### **Auditor's Responsibility**

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated Ind AS financial statements included obtaining an understanding of internal financial controls with reference to consolidated Ind AS financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements.

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

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

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

Because of the inherent limitations of internal financial controls with reference to consolidated Ind AS financial statements, including the possibility of collusion or improper management override of controls, material misstatements

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## INDEPENDENT AUDITOR'S REPORT (Contd.)

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due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Group and its associate company, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

### Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company, insofar as it relates to these two subsidiary companies and one associate company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries and associate incorporated in India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

per **Anil Gupta**

Partner

Membership Number: 87921

UDIN: 22087921AJVWKT2173

Place of Signature: New Delhi

Date: May 30, 2022

## CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2022

		Rs. Million	
		As at	As at
		March 31, 2022	March 31, 2021
	Notes		
<b>ASSETS</b>			
(1) <b>Non-current assets</b>			
Property, plant and equipment	3A	2,110.41	2,305.20
Capital work in progress	3A	25.52	125.18
Intangible assets	3B	0.22	0.33
Right of use assets	4	6.58	11.75
Investment in Associates	5A	44.55	97.34
Financial assets			
- Investments	5B	#	#
- Loans	5B	-	-
- Others	5B	16.18	37.67
Income tax assets (net)	20	16.04	21.96
Deferred tax assets (net)	19	305.24	431.63
Other non-current assets	6	11.16	12.56
<b>Total Non-current assets</b>		<b>2,535.90</b>	<b>3,043.62</b>
(2) <b>Current assets</b>			
Inventories	7	7,000.18	8,046.98
Financial assets			
- Trade receivables	8	388.64	387.26
- Cash and cash equivalents	9	324.10	898.29
- Other Bank Balances	10	136.26	92.39
- Loans	5B	-	-
- Others	5B	41.05	1,161.57
Other current assets	6	83.83	169.75
Assets held for sale	11	1.86	3.34
<b>Total current assets</b>		<b>7,975.92</b>	<b>10,759.58</b>
<b>Total Assets</b>		<b>10,511.82</b>	<b>13,803.20</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	391.16	391.16
Other equity		3,451.48	3,305.70
<b>Total Equity</b>		<b>3,842.64</b>	<b>3,696.86</b>
<b>LIABILITIES</b>			
(1) <b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	13.1	407.01	745.77
Lease liabilities	14.1	2.62	7.84
Other non-current liabilities	18.1	13.89	42.21
Provisions	15.1	93.07	96.27
<b>Total non-current liabilities</b>		<b>516.59</b>	<b>892.09</b>
(2) <b>Current liabilities</b>			
Financial liabilities			
Borrowings	13.2	3,752.88	2,015.04
Lease liabilities	14.2	4.89	4.56
Trade payables			
- Total outstanding dues to micro and small enterprises	16	19.35	22.55
- Total outstanding dues of creditors other than micro and small enterprises	16	1,842.76	6,552.41
Other financial liabilities	17	216.47	251.89
Other current liabilities	18.2	231.49	265.79
Provisions	15.2	38.65	38.11
Current tax liabilities (net)	21	46.10	63.90
<b>Total current liabilities</b>		<b>6,152.59</b>	<b>9,214.25</b>
<b>Total liabilities</b>		<b>6,669.18</b>	<b>10,106.34</b>
<b>Total equity and liabilities</b>		<b>10,511.82</b>	<b>13,803.20</b>
Summary of significant accounting policies	2		

The accompanying notes form an integral part of these financial statements

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2022

		Rs. Million	
		Year ended March 31, 2022	Year ended March 31, 2021
	Notes		
<b>Continuing Operations</b>			
<b>I</b>	<b>Income</b>		
	Revenue from contracts with customers	14,781.34	14,689.11
	Other income	36.42	31.08
	<b>Total income (I)</b>	<b>14,817.76</b>	<b>14,720.19</b>
<b>II</b>	<b>Expenses</b>		
	Cost of materials consumed	10,790.46	11,423.49
	Purchase of stock-in-trade	74.66	93.47
	Changes in inventories of finished goods, stock-in-trade and work-in-progress	1,062.56	399.13
	Employee benefits expenses	693.64	687.47
	Finance costs	257.60	353.34
	Depreciation and amortisation expense	396.74	475.74
	Other expenses	1,110.06	1,117.12
	<b>Total expenses (II)</b>	<b>14,385.72</b>	<b>14,549.76</b>
<b>III</b>	<b>Profit before share of profit/(loss) of an associate, exceptional items and tax from continuing operations</b>	<b>432.04</b>	<b>170.43</b>
<b>IV</b>	<b>Share of profit/(loss) of associate</b>	<b>12.47</b>	<b>(3.71)</b>
<b>V</b>	<b>Profit before exceptional items and tax (III+IV)</b>	<b>444.51</b>	<b>166.72</b>
<b>VI</b>	<b>Exceptional Items (Expenses)/Income (net)</b>	<b>(65.47)</b>	<b>1,106.23</b>
<b>VII</b>	<b>Profit before tax (V+VI)</b>	<b>379.04</b>	<b>1,272.95</b>
<b>VIII</b>	<b>Tax expense:</b>		
	Adjustment of current tax relating to earlier years	(8.38)	-
	Deferred tax charge	125.92	322.45
	Total tax expense	117.54	322.45
<b>IX</b>	<b>Profit from continuing operations (VII-VIII)</b>	<b>261.50</b>	<b>950.50</b>
<b>X</b>	<b>Discontinued Operations</b>		
	Profit/(Loss) before tax from discontinued operations	-	(261.72)
	Tax credit/(expense) of discontinued operations	-	43.55
	<b>Profit/(Loss) from discontinued operations</b>	<b>-</b>	<b>(218.17)</b>
<b>XI</b>	<b>Profit for the year (IX+X)</b>	<b>261.50</b>	<b>732.33</b>
<b>XII</b>	<b>Other Comprehensive Income</b>		
	Items that will not be reclassified to statement of profit or loss		
	Re-measurement gain/(loss) on defined benefit plans	1.90	1.78
	Income tax effect credit/(charge)	(0.48)	(0.45)
	Share of OCI of associate (net of tax)	0.21	0.05
		1.63	1.38
<b>XIII</b>	<b>Total comprehensive income of the year {Comprising profit and other comprehensive income for the year} (XI+XII)</b>	<b>263.13</b>	<b>733.71</b>
<b>XIV</b>	<b>Profit for the year from continuing operations</b>		
	<b>Attributed to</b>		
	Equity holders of the Parent	261.50	950.50
	Non Controlling Interest	-	-
<b>XV</b>	<b>Profit/(Loss) for the year from discontinued operations</b>		
	<b>Attributed to</b>		
	Equity holders of the Parent	-	(217.80)
	Non Controlling Interest	-	(0.37)
<b>XVI</b>	<b>Profit for the year</b>		
	<b>Attributed to</b>		
	Equity holders of the Parent	261.50	732.70
	Non Controlling Interest	-	(0.37)
<b>XVII</b>	<b>Total Comprehensive Income/(expenses)</b>		
	<b>Attributed to</b>		
	Equity holders of the Parent	263.13	734.08
	Non Controlling Interest	-	(0.37)
<b>XVIII</b>	<b>Earnings per equity share {Nominal value of share Rs. 10 (March 31, 2021-Rs.10/-)}</b>		
	(1) Basic and diluted from continuing operations	6.69	24.30
	(2) Basic and diluted from discontinued operations	-	(5.57)
	(3) Basic and diluted from continuing operations and discontinued operations	6.69	18.73

Summary of significant accounting policies

2

The accompanying notes form an integral part of these financial statements

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

	Notes	Year ended March 31, 2022	Rs. Million Year ended March 31, 2021
<b>A. Cash flow from operating activities :</b>			
Profit/(Loss) before tax from continuing operations		379.04	1,272.95
Profit/(Loss) before tax from discontinued operations		-	(261.72)
Add : Depreciation and amortisation expense	28,57	396.74	548.30
Interest expenses	27,57	257.60	354.74
Share of loss/(profit) of associate		(12.47)	3.71
Provision for doubtful debts and advances	29	1.47	7.59
Irrecoverable balances written off	29	0.80	0.54
Provision for diminution in value of investment	30	65.47	30.57
Loss/(Profit) on sale / write off of property, plant and equipment (net)	23,29,57	1.11	0.33
Less: Interest income	23,57	13.32	26.23
Gain on fair value of stock in trade	23,57	-	0.03
Profit on sale of current investments	23	-	0.18
Liabilities / provision no longer required written back	23,57	17.98	0.48
Profit on sale of non-current investment	30	-	16.62
Profit on sale of chemical unit (refer note 57)	30	-	1,120.18
<b>Operating profit before working capital changes</b>		<b>1,058.46</b>	<b>793.29</b>
<i>Changes in working capital:</i>			
<b>Adjustments for (increase) / decrease in operating assets:</b>			
Inventories	7	1,050.10	400.56
Trade receivables	8	(0.97)	78.78
Financial assets	5	1,026.80	(299.44)
Other assets	6	79.12	(78.60)
<b>Adjustments for increase / (decrease) in operating liabilities:</b>			
Trade payables	16	(4,709.32)	738.73
Provisions	15	(0.76)	14.30
Other financials liabilities	17	16.50	(11.39)
Other liabilities	18	(27.32)	(32.12)
<b>Cash from/(used in) operations</b>		<b>(1,507.39)</b>	<b>1,604.11</b>
Direct taxes paid		(3.50)	(7.45)
<b>Net cash flow (used in)/from operating activities (A)</b>		<b>(1,510.89)</b>	<b>1,596.66</b>
<b>B. Cash flow from investing activities :</b>			
Purchase of property, plant and equipment, including capital advances	3A,3B	(111.08)	(246.63)
Proceeds from sale of property, plant and equipment	3A,3B	4.38	0.17
Movement in fixed deposits with banks	10	(21.43)	57.29
Net proceeds from sale of chemical unit		(18.20)	1,471.99
Sale/(purchase) of current investments (net)		-	0.18
Proceeds from sale of subsidiary		-	4.28
Interest received	23,57	13.61	26.85
<b>Net cash flow (used in)/from investing activities (B)</b>		<b>(132.72)</b>	<b>1,314.13</b>
<b>C. Cash flow from financing activities :</b>			
Lease payments		(5.48)	(17.04)
Repayment of long term borrowings - secured	13	(367.08)	(2,240.80)
Net increase in working capital borrowings	13	1,724.26	65.40
Dividend Payment		(117.35)	-
Interest paid	27,57	(164.93)	(260.87)
<b>Net cash flow from/(used in) financing activities (C)</b>		<b>1,069.42</b>	<b>(2,453.31)</b>
<b>D. Net (decrease)/increase in Cash and cash equivalents (A+B+C)</b>		<b>(574.19)</b>	<b>457.48</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>		<b>898.29</b>	<b>466.91</b>
<b>F. Cash and cash equivalents transferred on sale of chemical unit and subsidiary (Refer note 57)</b>		<b>-</b>	<b>26.10</b>
<b>G. Cash and cash equivalents at the end of the year (D+E-F)</b>		<b>324.10</b>	<b>898.29</b>

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

CASH AND CASH EQUIVALENTS	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- Current accounts	239.37	854.85
Cash on hand	0.89	0.70
Fixed deposits with banks (with original maturity of 3 months or less)	83.84	42.74
<b>Total cash and cash equivalents</b>	<b>324.10</b>	<b>898.29</b>

**Notes :**

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

Summary of significant accounting policies 2  
**The accompanying notes form an integral part of these financial statements**

As per our report of even date  
 For **S.R.Batliboi & Co. LLP**  
 Chartered Accountants  
 Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
 Chief Financial Officer

**KRISHNA SHRIRAM**  
 Director  
 (DIN: 00031783)

Place: New Delhi  
 Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
 Company Secretary

**DHARAM PAL SHARMA**  
 Whole Time Director  
 ( DIN: 07259344 )



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022

Rs. Million

	Equity Share Capital	Other Equity						Non Controlling Interest	Total Equity	
		Reserves and surplus								Attributable to the equity holders of the Parent
		Securities premium reserve*	Capital redemption reserve*	Capital reserve*	General Reserve	Surplus in the Statement of profit and loss	Storage fund for molasses account*			
As at March 31, 2020	391.16	1,495.04	87.72	1,030.17	4.54	(51.77)	5.92	2,571.62	1.15	2,963.93
Add: Profit/(Loss) for the year	-	-	-	-	-	732.70	-	732.70	(0.37)	732.33
Adjustment on disposal of subsidiary	-	-	-	-	-	-	-	-	(0.78)	(0.78)
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	(2.87)	2.87	-	-	-
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	-	-	-	-	-	1.38	-	1.38	-	1.38
As at March 31, 2021	391.16	1,495.04	87.72	1,030.17	4.54	679.44	8.79	3,305.70	-	3,696.86
Add: Profit for the year	-	-	-	-	-	261.50	-	261.50	-	261.50
Less : Dividend paid during the year	-	-	-	-	-	(117.35)	-	(117.35)	-	(117.35)
Add: Transfer to/(from) storage fund for molasses	-	-	-	-	-	2.26	(2.26)	-	-	-
Add: Remeasurement gain/(loss) of defined benefit obligation (net of tax)	-	-	-	-	-	1.63	-	1.63	-	1.63
<b>As at March 31, 2022</b>	<b>391.16</b>	<b>1,495.04</b>	<b>87.72</b>	<b>1,030.17</b>	<b>4.54</b>	<b>827.48</b>	<b>6.53</b>	<b>3,451.48</b>	<b>-</b>	<b>3,842.64</b>

\*Refer note 12.2

Summary of significant accounting policies

2

**The accompanying notes form an integral part of these financial statements**

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344 )

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## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022

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### 1. Group Overview

The consolidated financial statements comprises financial statements of Mawana Sugars Limited (“the Parent Company”) and its subsidiaries(collectively, the Group) and associate for the year ended March 31, 2022

Parent Company is a public limited Company domiciled and incorporated in India under the provisions of the Companies Act, 2013.Its shares are listed on two recognized stock exchanges in India. The registered office of the Parent Company is situated at 5th floor, Kirti Mahal, 19 Rajendra Place, New Delhi 110008. As at March 31,2022, Mr. Krishna Shriram owns 62.94% of equity share capital of the Parent Company.

Major products along with principal places of business of the Groupare as under:

Products	Principal Places
Sugar (Sugar and Power)	Mawana Sugar Works, Uttar Pradesh Nanglamal Sugar Complex, Uttar Pradesh
Industrial Alcohol (Ethanol)	Nanglamal Sugar Complex, Uttar Pradesh

The consolidated financial statements were approved by the Board of Directors and authorised for issue on May 30, 2022.

### 2. Significant accounting policies

The accounting policies, as set out below, have been consistently applied, by the Group, to all the years presented in the financial statements.

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the financial statements.

The consolidated financial statements of the Group have been prepared on an accrual basis and under the historical cost basis, except for the following assets and liabilities which have been measured at fair value-

- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments),
- Defined benefit plans – plan assets measured at fair value,
- Investment in other debt instruments (i.e. preference shares)

The preparation of consolidated financial statements requires the use of certain significant accounting estimates and judgements. It also requires the management to exercise judgement in applying the Group’s accounting policies. The areas where estimates are significant to the consolidated financial statements, or areas involving a higher degree of judgement or complexity, are disclosed in note 2.4.

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

#### New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 Apr 2021. The Company has not early adopted any other standard or amendment that has been issued but is not yet effective.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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**(i) Interest Rate Benchmark Reform – Phase 2: Amendments to Ind AS 109, Ind AS 107, Ind AS 104 and Ind AS 116**

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR).

The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component

These amendments had no impact on the financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

**(ii) Conceptual framework for financial reporting under Ind AS issued by ICAI**

The Framework is not a Standard and it does not override any specific standard. Therefore, this does not form part of a set of standards pronounced by the standard-setters. While, the Framework is primarily meant for the standard-setter for formulating the standards, it has relevance to the preparers in certain situations such as to develop consistent accounting policies for areas that are not covered by a standard or where there is choice of accounting policy, and to assist all parties to understand and interpret the Standards.

The amendments made in following standards due to Conceptual Framework for Financial Reporting under Ind AS includes amendment of the footnote to the definition of an equity instrument in Ind AS 102- Share Based Payments, footnote to be added for definition of liability i.e. definition of liability is not revised on account of revision of definition in conceptual framework in case of Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets etc.

The MCA has notified the Amendments to Ind AS consequential to Conceptual Framework under Ind AS vide notification dated June 18, 2021, applicable for annual periods beginning on or after April 1, 2021. Accordingly, the Conceptual Framework is applicable for preparers for accounting periods beginning on or after 1 April 2021.

These amendments had no impact on the financial statements of the Group.

**(iii) Ind AS 116: COVID-19 related rent concessions**

MCA issued an amendment to Ind AS 116 Covid-19-Related Rent Concessions beyond 30 June 2021 to update the condition for lessees to apply the relief to a reduction in lease payments originally due on or before 30 June 2022 from 30 June 2021. The amendment applies to annual reporting periods beginning on or after 1 April 2021. In case a lessee has not yet approved the financial statements for issue before the issuance of this amendment, then the same may be applied for annual reporting periods beginning on or after 1 April 2020.

These amendments had no impact on the financial statements of the Group.

**(iv) Ind AS 103: Business combination**

The amendment states that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Framework for

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## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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the Preparation and Presentation of Financial Statements in accordance with Indian Accounting Standards issued by the Institute of Chartered Accountants of India at the acquisition date. Therefore, the acquirer does not recognise those costs as part of applying the acquisition method. Instead, the acquirer recognises those costs in its post-combination financial statements in accordance with other Ind AS.

These amendments had no impact on the financial statements of the Group.

### (v) Amendment to Ind AS 105, Ind AS 16 and Ind AS 28

The definition of “Recoverable amount” is amended such that the words “the higher of an asset’s fair value less costs to sell and its value in use” are replaced with “higher of an asset’s fair value less costs of disposal and its value in use”. The consequential amendments are made in Ind AS 105, Ind AS 16 and Ind AS 28.

These amendments had no impact on the financial statements of the Group.

MCA issued notification dated March 24, 2021 to amend Schedule III to the Companies Act, 2013 to enhance the disclosures required to be made by a company in its financial statements. These amendments have been applied during the current year and previous year’s figures have been regrouped/ rearranged- to make them comparable.

## 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Parent Company and its subsidiaries and associate as at March 31, 2021. Control is achieved when the Group has power over the investee, is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the investee.

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

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

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

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

### Consolidation procedure:

- (a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the Parent Company with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- (b) Offset (eliminate) the carrying amount of the Parent’s investment in each subsidiary and the Parent’s portion of equity of each subsidiary. Business combinations policy explains about the accounting of goodwill.
- (c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the Parent Company of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. However, the minority interest has been restricted to zero on the transition date i.e. April 01, 2016 using the exemption provided by the Ind AS 101 and the accumulated losses attributable to the minorities in excess of their equity on the transition date, in the absence of the contractual obligation on the minorities, the same has been accounted for by the Parent Company.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

- (d) An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

Investment in Associates has been accounted for using the equity method. The excess of cost of investment over the proportionate share in equity of the Associate as at the date of acquisition of stake has been identified as Goodwill and included in the carrying value of the Investment in the Associate. Amortisation of that goodwill is not permitted. Similarly, the excess of proportionate share in equity of the associate over the cost of investment as at the date of acquisition of stake has been recognised directly in equity as Capital Reserve in the period in which the investment is acquired. The carrying amount of the investment is adjusted thereafter for the post acquisition change in the share of net assets of the Associate. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment individually. The statement of profit and loss includes the Group's share of the results of operations of the associate. Any change in OCI of the investee is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

If an entity's share of losses of an associate equals or exceeds its interest in the associate (which includes any long term interest that, in substance, form part of the Group's net investment in the associate), the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the statement of profit and loss.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies of associate in line with those of the Group.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associate' in the statement of profit or loss.

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## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### 2.3 Summary of Significant Accounting Policies

#### (i) Basis of classification of Current and non-current

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

An asset has been classified as current when it is:

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

All other assets are classified as non-current.

A liability has been classified as current when:

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

All other liabilities are classified as non-current.

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

Based on the nature of products / activities of the Group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

#### (ii) Foreign currencies

##### (a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('functional currency').

The financial statements are presented in Indian Rupees which is the functional and presentation currency of the Group.

##### (b) Initial recognition

Transactions in foreign currencies are initially recorded in the functional currency at the spot exchange rates prevailing at the date of the transaction when it first qualifies for recognition.

##### (c) Translation on reporting date

Foreign currency monetary items are translated using the functional currency spot rates of exchange at the reporting date. Non-monetary items that are measured in terms of historical cost denominated

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value denominated in a foreign currency are, translated using the exchange rates that existed when the fair value was determined.

### (d) Exchange differences

Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss.

The equity items denominated in foreign currencies are translated at historical cost.

### (iii) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

External valuers are involved for valuation of significant assets, and significant liabilities, if any.

At each reporting date, the management analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies. For this analysis,

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## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management, in conjunction with the Group's external valuers, also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

### (iv) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has generally concluded that it is the principal in all its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

The disclosures of significant accounting judgements, estimates and assumptions relating to revenue from contracts with customers are provided in Note 2.6.

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. The normal credit term is around 30 days upon delivery. In determining the transaction price for sale of goods, the Group considers the effect of variable consideration, the existence of significant financing components and consideration payable to the customer (if any).

#### 1) Variable Consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

##### a) Right of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in Ind AS 115 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to change in inventory is also recognised for the right to recover products from a customer.

##### b) Volume rebate

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Group applies the most likely amount method for contracts with a



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

### II) Significant financing component

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised good or service to the customer and when the customer pays for that goods or service will be one year or less.

### III) Contract balances

#### Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

#### Trade receivables

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (xx) Financial instruments – initial recognition and subsequent measurement.

#### Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### IV) Assets and liabilities arising from rights of return

#### Right of return assets

Right of return asset represents the Group's right to recover the goods expected to be returned by customers. The asset is measured at the former carrying amount of the inventory, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its expected level of returns, as well as any additional decreases in the value of the returned products.

#### Refund liabilities

A refund liability is the obligation to refund some or all of the consideration received (or receivable) from the customer and is measured at the amount the Group ultimately expects it will have to return to the customer. The Group updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period. Refer to above accounting policy on variable consideration.

**Cost to obtain a contract**

The Group pays sales commission to agents for each contract that they obtain for sale of goods. The Group has elected to apply the optional practical expedient for costs to obtain a contract which allows the Group to immediately expense sales commission (included under other expenses) because the amortisation period of the asset that the Group otherwise would have used is one year or less.

**(v) Government grant**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at fair value amounts and released to profit or loss over the expected useful life in a pattern of consumption of the benefit of the underlying asset i.e. by equal annual instalment. When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

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

For the outstanding loans received from the Government at the interest rate below the current market rates, is recognised at carrying value of previous GAAP as on date of transition on account of mandatory exemption available for the first time adoption under IND AS 01.

**(vi) Taxes****Current Income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit and loss is recognised outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. The group shall reflect the effect of uncertainty for each uncertain tax treatment by using either most likely method or expected value method, depending on which method predicts better resolution of the treatment.

**Deferred Tax**

Deferred tax is recognised using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences.

Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses, if any. Deferred tax assets are recognized to the extent that it is

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

Goods and Service tax (GST)/Sales/Value added taxes on acquisition of assets or on incurring expenses.

When GST amount incurred on purchase of assets or services is not recoverable from the taxation authority, the GST paid is recognised as part of cost of acquisition of the asset or part of the expense item, as applicable. Otherwise, expenses and assets are recognised net of the amount of GST paid. The net amount of GST recoverable from or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

### **(vii) Property, plant and equipment('PPE')**

On transition to Ind AS i.e. 1st April 2016, the Group has elected to continue with the carrying value of all its property, plant and equipment(PPE) recognized as at the transition date measured as per the Indian GAAP and use that carrying value as the deemed cost of the PPE.

An item of PPE is recognised as an asset, if and only if, it is probable that the future economic benefits associated with the item will flow to the Group and its cost can be measured reliably.

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

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

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

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**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**


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

**Depreciation** on property, plant and equipment is provided on written down value basis using the rates as specified in Part C of Schedule II of the Companies Act, 2013, as set out below:

<b>Assets</b>	<b>Useful life (Years)</b>
Buildings (including Roads)	5-60
Plant & Equipment	10-40
Office Equipment (including Data Processing Equipment)	3-6
Furniture and Fixtures	10
Motor Vehicles	8

The management has estimated the useful life of following assets is different from those indicated in Schedule II :

<b>Assets</b>	<b>Useful life (Years)</b>
Building-Green house type shed of Bio-compost yard	25
Building-Polythene membrane	5
Components of certain plant and equipment	3 to 15

The useful lives, residual values and depreciation method of PPE are reviewed, and adjusted appropriately, at each reporting date. The effect of any change in the estimated useful lives, residual values and / or depreciation method are accounted for prospectively, and accordingly the depreciation is calculated over the PPE's remaining revised useful life. The cost and the accumulated depreciation for PPE sold, scrapped, retired or otherwise disposed off are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

The cost of capital work-in-progress is presented separately in the balance sheet.

**(viii) Intangible Assets**

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

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

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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

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

	As per management estimate
Software	- 3 years

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

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

### (ix) Impairment of non-financial assets

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

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

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

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

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

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

**(x) Leases**

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

**Group as a lessee**

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

**i) Right-of-use assets**

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

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

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

**ii) Lease liabilities**

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

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The cost and the accumulated depreciation for Right of use assts where the lease gets matured or disposed off before maturity are de-recognised from the balance sheet and the resulting gains / (losses) are included in the statement of profit and loss within other expenses / other income.

Lease liabilities and Right-of-use assets have been presented as a separate line in the balance sheet. Lease payments have been classified as cash used in financing activities.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

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

### (xi) Inventories

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

The Cost is determined as follows:

- (a) Stores and spares, Packing Materials, Raw Materials and Stock in trade except land: Moving weighted average method
- (b) Stock in trade being land: Valued at lower of cost or Net realizable value. Cost includes Cost of land, the related cost of acquisition, enhancement compensation awarded by courts at various levels, construction costs, borrowing costs incurred to get the properties ready for their intended use.
- (c) Work-in-progress: Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing basis.
- (d) Finished goods (manufactured/produced): Material cost on weighted average method and appropriate manufacturing overheads is included on absorption costing
- (e) (i) By products (Bagasse," C" Heavy Molasses and Pressmud) included under raw materials, finished goods and work-in-progress: Net realisable Value.  
(ii) By products ( B Heavy molasses) included under finished goods and work in progress, whose cost is not identifiable, are valued by allocating the costs between the products on the relative sales value of each product at the completion of the production, considering it as a rational and consistent basis.

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

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

### (xii) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the

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## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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

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

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

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

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

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

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

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

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

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

Additional disclosures are provided in note 57. All other notes to the financial statements mainly include amounts for continuing operation, unless otherwise mentioned.



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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### (xiv) Borrowing Costs

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

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

### (xv) Contingent assets and liabilities

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

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

### (xvi) Earnings per share

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

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

### (xvii) Employee benefits

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

#### (a) Defined contribution plans

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

#### (b) Defined benefit plans

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

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

The obligation towards the said benefits is recognised in the balance sheet, at the present value of the defined benefit obligations less the fair value of plan assets (being the funded portion). The present value of the said obligation is determined by discounting the estimated future cash outflows, using interest rates of government bonds.

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**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

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The interest income / (expense) except for the Chemical unit are calculated by applying the above mentioned discount rate to the plan assets and defined benefit obligations liability. The net interest income / (expense) on the net defined benefit liability is recognised in the statement of profit and loss. However, the related re-measurements of the net defined benefit liability are recognised directly in the other comprehensive income in the period in which they arise. The said re-measurements comprise of actuarial gains and losses (arising from experience adjustments and changes in actuarial assumptions), the return on plan assets (excluding interest). Re-measurements are not re-classified to the statement of profit and loss in any of the subsequent periods, however, included in retained earnings in the statement of change in equity and in the balance sheet.

**(c) Compensated Absences Benefits**

The employees of the Group are entitled to compensated absences. Compensated absences benefit comprises of encashment and availment of leave balances that were earned by the employees over the period of past employment. The Group provides for the liability towards the said benefit on the basis of actuarial valuation carried out annually as at the reporting date, using the projected-unit-credit method. The related re-measurements are recognised in the statement of profit and loss in the period in which they arise.

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

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

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

**(xviii) Research and Development**

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

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

**(xix) Segment Reporting**

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

The Group's operating segments are established on the basis of those components of the Group that are evaluated regularly by the Board of Directors ('the Chief Operating Decision Maker' as defined in IND AS 108 – Operating Segments). These have been identified taking into account nature of products

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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and services, the differing risks and returns and the internal business reporting systems. The analysis of geographical segments is based on the locations of customers.

### (xx) Financial instruments

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

#### (a) Financial assets

##### Initial recognition and measurement

The Group recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All the financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, which are not at fair value through profit or loss, are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

##### Subsequent measurement

Non-derivative financial instruments

##### i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

##### ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates that are solely payments of principal and interest on principal amount outstanding. Further in cases where the Group has made an irrevocable election based on its business model, for its investments which are classified as equity instruments the subsequent changes in fair value are recognized in other comprehensive income.

##### iii) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories are subsequently fair value through profit or loss.

#### (b) Financial liabilities

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

##### i) Financial guarantee contracts

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails

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**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

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to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortization.

**ii) Borrowings**

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

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

**(c) Derecognition of financial instruments**

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

**(d) Fair value of financial instruments**

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

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

**(e) Impairment of financial assets**

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

**(f) Reclassification**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

### **(g) Offsetting of financial instruments**

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

### **(xxi) Cash and cash equivalents**

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

### **(xxii) Cash dividend**

The Group recognises a liability to make cash distributions to equity holders of the Group when the distribution is authorised and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## **2.4. Significant accounting judgements, estimates and assumptions**

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

### **a) Contingencies**

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

### **b) Impairment of non-financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation method is used. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to goodwill and other intangibles with indefinite useful lives recognised by the Group.

**c) Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**d) Defined benefit plans (gratuity benefits)**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds.

The mortality rate is based on publicly available mortality tables for the specific countries. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates for the respective countries.

Further details about gratuity obligations are given in note 34.

**e) Fair value measurement of financial instruments**

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

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

**(f) Useful life of Property, plant and equipment**

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

**g) Useful life of Intangible assets**

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

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

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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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

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

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

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

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

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

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**3A. Property, plant and equipment**
**Rs. Million**

Particulars	Freehold Land	Buildings	Plant and equipment	Office equipment	Furniture and Fixtures	Vehicles	Total	Capital work in progress
<b>Gross Block</b>								
<b>(At cost)</b>								
As at March 31, 2020	253.44	665.70	3,420.53	22.15	2.96	9.18	4,373.96	12.81
Additions	-	10.06	75.38	6.25	0.11	3.46	95.26	196.61
Transferred from stock in trade	0.47	-	-	-	-	-	0.47	-
Disposals	-	-	(7.31)	(0.01)	-	(0.26)	(7.58)	(75.14)
Transferred to discontinued operations	(59.37)	(40.79)	(440.74)	(4.57)	(0.30)	(2.04)	(547.81)	(9.10)
Transferred to purchase of stock in trade	(2.84)	-	-	-	-	-	(2.84)	-
As at March 31, 2021	191.70	634.97	3,047.86	23.82	2.77	10.34	3,911.46	125.18
Additions	-	91.58	106.40	6.03	1.57	-	205.58	104.75
Disposals	-	-	(15.88)	(3.88)	-	(7.46)	(27.22)	(204.41)
Transferred to purchase of stock in trade	(3.30)	-	-	-	-	-	(3.30)	-
As at March 31, 2022	188.40	726.55	3,138.38	25.97	4.34	2.88	4,086.52	25.52
<b>Depreciation</b>								
As at March 31, 2020	-	193.47	1,198.09	18.49	1.95	6.00	1,418.00	-
Depreciation charge for the year	-	81.27	445.82	3.89	0.37	1.93	533.28	-
Disposals	-	-	(6.82)	-	-	(0.26)	(7.08)	-
Transferred to discontinued operations	-	(22.64)	(309.46)	(4.04)	(0.28)	(1.52)	(337.94)	-
As at March 31, 2021	-	252.10	1,327.63	18.34	2.04	6.15	1,606.26	-
Depreciation charge for the year	-	65.50	320.60	4.68	0.32	0.85	391.95	-
Disposals	-	-	(13.74)	(3.86)	-	(4.50)	(22.10)	-
As at March 31, 2022	-	317.60	1,634.49	19.16	2.36	2.50	1,976.11	-
<b>Net book value</b>								
As at March 31, 2022	188.40	408.95	1,503.89	6.81	1.99	0.38	2,110.41	25.52
As at March 31, 2021	191.70	382.87	1,720.23	5.48	0.73	4.19	2,305.20	125.18

Notes :

1. Refer note 13 for information on property, plant and equipment pledged as charged on security.
2. Depreciation charge for the year includes :
  - a. Rs. Nil (March 31, 2021 Rs 64.17 million) related to discontinued operations and,
  - b. Rs 391.95 million (March 31, 2021 Rs 469.12 million) related to continuing operations.



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 3A. Capital work in progress Ageing Schedule:

As at March 31, 2022

Rs. Million

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	20.76	4.71	0.05	-	25.52
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>20.76</b>	<b>4.71</b>	<b>0.05</b>	<b>-</b>	<b>25.52</b>

As at March 31, 2021

Rs. Million

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	122.66	2.52	-	-	125.18
Projects temporarily suspended	-	-	-	-	-
<b>Total</b>	<b>122.66</b>	<b>2.52</b>	<b>-</b>	<b>-</b>	<b>125.18</b>

### 3B. Intangible Assets

Rs. Million

Particulars	Software	Total
<b><u>Gross Block</u></b>		
<b>(At cost)</b>		
As at March 31, 2020	2.46	2.46
Additions	0.49	0.49
Transferred to discontinued operations	(2.59)	(2.59)
As at March 31, 2021	0.36	0.36
Additions	-	-
Disposals	-	-
<b>As at March 31, 2022</b>	<b>0.36</b>	<b>0.36</b>
<b><u>Amortisation</u></b>		
As at March 31, 2020	1.61	1.61
Amortisation for the year	0.69	0.69
Transferred to discontinued operations	(2.27)	(2.27)
As at March 31, 2021	0.03	0.03
Amortisation for the year	0.11	0.11
Disposals	-	-
<b>As at March 31, 2022</b>	<b>0.14</b>	<b>0.14</b>
<b><u>Net book value</u></b>		
<b>As at March 31, 2022</b>	<b>0.22</b>	<b>0.22</b>
As at March 31, 2021	0.33	0.33

1. Amortisation charge for the year includes :

- Rs. Nil (March 31, 2021 Rs 0.67 million) related to discontinued operations and,
- Rs 0.11 million (March 31, 2021 Rs 0.02 million) related to continuing operations.

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**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**


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**4. Right-of-use Asset**

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

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

<b>Rs. Million</b>	
<b>Particulars</b>	<b>Right of use Assets</b>
<b>Gross carrying amount</b>	
Opening gross carrying amount April 01, 2020	28.57
Additions	15.46
Disposals	(30.35)
Closing Gross carrying amount March 31, 2021	13.68
<b>Gross carrying amount</b>	
Opening gross carrying amount April 01, 2021	13.68
Additions	-
Disposals	(1.00)
<b>Closing Gross carrying amount March 31, 2022</b>	<b>12.68</b>
<b>Amortisation</b>	
Opening amortisation April 01, 2020	7.12
Charge for the year	14.33
Disposals	(19.52)
<b>Closing accumulated amortisation</b>	<b>1.93</b>
<b>Amortisation</b>	
Opening amortisation April 01, 2021	1.93
Amortisation for the year	4.68
Disposals	(0.51)
<b>Closing accumulated amortisation</b>	<b>6.10</b>
<b>Net Carrying amount March 31, 2022</b>	<b>6.58</b>
Net Carrying amount March 31, 2021	11.75

1. Amortisation charge for the year includes :
  - a. Rs. Nil (March 31, 2021 Rs 7.73 million) related to discontinued operations and,
  - b. Rs 4.68 million (March 31, 2021 Rs 6.60 million) related to continuing operations.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 5A. Investment in associates

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
6,759,801 (March 31, 2021: 6,759,801) equity shares of Rs. 10 each fully paid up of Mawana Foods Private Limited (Including Goodwill of Rs. 132.95 million)	150.00	150.00
Opening balance of share of loss of associate	(22.09)	(18.43)
Add/(Less) : Share of profit/(loss) for the year	12.47	(3.71)
Add : Share of OCI for the year	0.21	0.05
(Less) : Provision for diminution in value of investment in Associate (Refer note 49)	(96.04)	(30.57)
<b>Total</b>	<b>44.55</b>	<b>97.34</b>

### 5B. Financial assets

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>1. Investments</b>		
(I) <b>Other Investments</b>		
<b>Unquoted equity instruments at cost</b>		
2 (March 31, 2021 : 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Mawana Co-operative Development Union Limited (# Rs. 10) <sup>1</sup>	#	#
2 (March 31, 2021 : 2) equity shares of Rs. 10 each Rs. 5 per share paid up of Ramraj Co-operative Cane Development Union Limited (# Rs. 10) <sup>1</sup>	#	#
<b>Total (# Rs. 20)</b>	<b>#</b>	<b>#</b>
<b>Aggregate value of unquoted investments</b>	<b>#</b>	<b>#</b>

<sup>1</sup>Represent investments transferred from DCM Limited under the Scheme of Arrangement and are pending endorsement in the the name of the Parent Company.

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>2 Loans</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non-current</b>		
Dues from employees - Credit impaired	0.04	0.04
Loan and advances to related parties* (Refer note 36)		
- Credit impaired	-	36.59
Other loans and advances		
- Others - Credit impaired	153.08	116.49
<b>Total</b>	<b>153.12</b>	<b>153.12</b>
Less : Impairment allowance (allowances for bad and doubtful advances)	153.12	153.12
<b>Total</b>	<b>-</b>	<b>-</b>

\*Loans to subsidiary held for disposal are interest free in nature.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 5B. Financial assets (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>3 Other financial assets</b>		
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- current</b>		
Security deposits		
Considered Good	1.84	1.58
Credit impaired	0.53	0.53
Fixed deposits with banks (Margin money)	11.17	31.37
Fixed deposits with banks (Earmarked)	2.91	3.21
Interest receivable others	0.26	1.51
	16.71	38.20
Less : Impairment allowance (allowances for bad and doubtful advances)	0.53	0.53
	16.18	37.67
<b>Current</b>		
Unsecured and Considered Good		
-Security deposits	1.46	1.73
- Credit impaired	0.02	-
Dues from employees	1.19	0.88
Interest subvention receivable	4.20	14.79
Buffer stock interest subsidy receivable	-	74.87
Buffer stock subsidy receivable	-	8.74
Export subsidy including duty drawback receivable	0.01	1,019.74
Interest receivable from related party (Refer note 36)	0.02	0.37
Interest receivable others	4.59	3.28
Other loans and advances		
-Related party (Refer note 36)	-	0.76
-Others	29.58	36.41
	41.07	1,161.57
Less : Impairment allowance (allowances for bad and doubtful advances)	0.02	-
	41.05	1,161.57
<b>Total</b>	<b>57.23</b>	<b>1,199.24</b>

#### Break up of financial assets carried at amortised cost:

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Investments (Refer note 5B)	#	#
Loans (Refer note 5B)	-	-
Other financial assets (Refer note 5B)	57.23	1,199.24
Trade receivables (Refer note 8)	388.64	387.26
Cash and cash equivalents (Refer note 9)	324.10	898.29
Other bank balances (Refer note 10)	136.26	92.39
<b>Total</b>	<b>906.23</b>	<b>2,577.18</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 6. Other assets

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
(Unsecured, considered good except, unless otherwise stated)		
<b>Non- Current</b>		
Capital advances		
-Considered Good	6.88	12.42
-Credit impaired	1.60	-
Prepaid expenses	4.28	0.14
	<u>12.76</u>	<u>12.56</u>
Less : Impairment allowance (allowances for bad and doubtful debts)	1.60	-
	<u>11.16</u>	<u>12.56</u>
<b>Current</b>		
Unbilled revenue	33.35	36.57
Taxes and other balances with government authorities		
-Considered Good	19.21	92.46
-Credit impaired	7.41	7.15
Prepaid expenses	21.02	21.85
Advances to vendors	7.83	16.76
Other advances	2.42	2.11
	<u>91.24</u>	<u>176.90</u>
Less : Impairment allowance (allowances for bad and doubtful advances)	7.41	7.15
	<u>83.83</u>	<u>169.75</u>
<b>Total</b>	<b>94.99</b>	<b>182.31</b>

### 7. Inventories

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Raw and packing materials {includes material in transit Rs. Nil (March 31, 2021-Rs. Nil)}	49.02	38.68
Work-in-progress	291.93	273.66
Finished goods {includes material in transit Rs. 1.08 million (March 31, 2021- Rs. 15.16 million)}	5,973.05	7,059.88
Stock in Trade	582.74	576.74
Stores and Spares {includes material in transit Rs Nil (March 31, 2021-Rs 1.90 million)}	103.44	98.02
<b>Total*</b>	<b>7,000.18</b>	<b>8,046.98</b>

\*Cost of inventories recognize as expenses of Rs 95.74 million (March 31, 2021 Rs 42.29 million) is in respect of write down of inventories to Net realisable value.

### 8. Trade receivables

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
(Unsecured, except unless otherwise stated, considered good, except unless otherwise stated)		
8.1 Trade receivables	365.23	330.82
Receivable from an associate (Refer note 36)	23.41	56.44
	<u>388.64</u>	<u>387.26</u>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**8. Trade receivables (Contd.)**
**Rs. Million**

Particulars	As at	
	March 31, 2022	March 31, 2021
<b>8.2 Trade receivables</b>		
Secured - considered good	8.19	0.88
Unsecured - considered good	380.45	386.38
Trade receivables - credit impaired	1.20	1.61
<b>Total</b>	<b>389.84</b>	<b>388.87</b>
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>		
Unsecured - considered good	-	-
- credit impaired	1.20	1.61
<b>Total</b>	<b>1.20</b>	<b>1.61</b>
<b>Total</b>	<b>388.64</b>	<b>387.26</b>

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

**8.3 Trade receivable Ageing Schedule**
**As at March 31, 2022**
**Rs. Million**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables –considered good	224.19	160.99	2.71	0.05	0.10	0.60	388.64
Undisputed Trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	-	-	-	0.60	0.60
Disputed Trade receivables -considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	0.60	0.60
<b>Total</b>	<b>224.19</b>	<b>160.99</b>	<b>2.71</b>	<b>0.05</b>	<b>0.10</b>	<b>1.80</b>	<b>389.84</b>

**As at March 31, 2021**
**Rs. Million**

Particulars	Not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months – 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade receivables –considered good	208.34	176.87	1.00	0.30	0.01	0.74	387.26
Undisputed Trade receivables –which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivables – credit impaired	-	-	0.02	0.23	0.12	0.64	1.01
Disputed Trade receivables -considered good	-	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	0.60	0.60
<b>Total</b>	<b>208.34</b>	<b>176.87</b>	<b>1.02</b>	<b>0.53</b>	<b>0.13</b>	<b>1.98</b>	<b>388.87</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 9. Cash and cash equivalents

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Balances with banks:		
- Current accounts	239.37	854.85
Cash on hand	0.89	0.70
Fixed deposits with banks (with original maturity of 3 months or less)	83.84	42.74
<b>Total</b>	<b>324.10</b>	<b>898.29</b>

### Changes in liabilities arising from financing activities

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Opening Balance	2,760.81	4,861.66
Cash Flows (net)	1,357.18	(2,175.40)
Changes in fair values	41.90	90.25
Impact related to discontinued subsidiary	-	(15.70)
<b>Closing Balance</b>	<b>4,159.89</b>	<b>2,760.81</b>

### 10. Other bank balances

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Balance held as margin money against bank guarantee	119.50	82.58
Unpaid Dividend Account	1.94	-
Fixed deposits (having remaining maturity more than 3 month but within 12 month)	6.02	-
Fixed deposits with banks (Earmarked)	8.80	9.81
<b>Total</b>	<b>136.26</b>	<b>92.39</b>

### 11. Assets held for sale

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Plant and equipment	1.86	2.23
Investment in subsidiary (Refer note 45)	-	1.11
<b>Total</b>	<b>1.86</b>	<b>3.34</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 12.1 Share Capital

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>Authorised :</b>		
100,000,000 (March 31, 2021: 100,000,000) equity shares of Rs.10 each	1,000.00	1,000.00
7,500,000 (March 31, 2021: 7,500,000) preference shares of Rs. 100 each	750.00	750.00
	<b>1,750.00</b>	<b>1,750.00</b>
<b>Issued :</b>		
39,115,672 (March 31, 2021: 39,115,672) equity shares of Rs. 10 each fully paid up	391.16	391.16
<b>Subscribed and fully paid up :</b>		
39,115,672 (March 31, 2021: 39,115,672) equity shares of Rs.10 each fully paid up	391.16	391.16
	<b>391.16</b>	<b>391.16</b>

a) **Reconciliation of authorised, issued and subscribed and fully paid up share capital:**

i. **Reconciliation of authorised share capital as at year end :**

Particulars	Equity shares	
	Number of shares	Rs. Million
At March 31, 2020	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
As at March 31, 2021	100,000,000	1,000.00
Increase/(decrease) during the year	-	-
<b>As at March 31, 2022</b>	<b>100,000,000</b>	<b>1,000.00</b>

Particulars	Preference shares	
	Number of shares	Rs. Million
At March 31, 2020	7,500,000	750.00
Issued during the year	-	-
At March 31, 2021	7,500,000	750.00
Issued during the year	-	-
<b>At March 31, 2022</b>	<b>7,500,000</b>	<b>750.00</b>

ii. **Reconciliation of issued and subscribed and fully paid up share capital at the beginning and end of the reporting year :**

Particulars	Number of shares	Rs. Million
	At March 31, 2020	39,115,672
Issued during the year	-	-
At March 31, 2021	39,115,672	391.16
Issued during the year	-	-
<b>At March 31, 2022</b>	<b>39,115,672</b>	<b>391.16</b>

b) **Terms/ rights attached to equity shares:**

The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder of equity shares is entitled to one vote per share except 1,192 equity shares held by Siel Infrastructure & Estate Developers Private Limited, a subsidiary which pursuant to second proviso of Section 19(1) of the Companies Act, 2013, has no right to vote at meeting of the Parent Company. Each holder of equity shares have a right to receive per share dividend declared by the Parent Company. In event of liquidation of the Parent Company, holder of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders of parent company.



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### c) Detail of final dividend

During the current year, the shareholders of the parent company at its annual general meeting held on September 24, 2021 had approved a dividend of 30% (i.e. Rs. 3.00 per equity share of the face value of Rs. 10 each) to the equity shareholders aggregating to Rs. 117.35 million for the financial year ended March 31, 2021, which was deposited with the scheduled bank within the prescribed time.

### d) Detail of final dividend proposed

The Board of Directors of the Parent Company has recommended final dividend of 30% on equity shares (Rs. 3.00 per equity share of Rs.10.00 each), subject to approval of shareholders in ensuing Annual General Meeting, the liability of which would be recognised once this is approved by shareholders in the ensuing Annual General Meeting.

### e) Details of shareholders holding more than 5% of equity shares in the Parent Company

Name of the shareholder	As at March 31, 2022		As at March 31, 2021	
	No. of shares held	% holding in the equity shares	No. of shares held	% holding in the equity shares
Mr. Siddharth Shriram* (including shares held as trustee of Enterprise Trust)	-	-	24,834,248	63.49%
Mr. Krishna Shriram	24,617,959	62.94%	-	-

\*since expired

As per records of the Parent Company including its register of shareholders/members and other declarations received from share holders regarding beneficial interest, the above share holding represents both legal and beneficial ownership of shares.

During the current year, 24,617,959 equity shares held by Late Mr. Siddharth Shriram has been transferred to Mr. Krishna Shriram pursuant to the succession certificate granted under Indian Succession Act, 1925, by the court of competent jurisdiction.

Further, 216,289 equity shares held by Late Mr. Siddharth Shriram as a trustee of Enterprise trust has been transferred in the name of its another trustee Mr. Krishna Shriram on April 06, 2022.

### f) Details of shares held by promoters

As at March 31, 2022

Promoters Name	No. of shares at the beginning of the year	Change During the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Individuals</b>					
1. Mr. Siddharth Shriram	24,617,959	(24,617,959)	-	0.00%	100.00%
2. Mr. Krishna Shriram	-	24,617,959	24,617,959	62.94%	100.00%
3. Mr. Siddharth Shriram (Holding Shares as a Trustee of Enterprise Trust) <sup>1</sup>	216,289	-	216,289	0.55%	0.00%
4. Mrs. Roula Shriram	536	-	536	0.00%	0.00%

<sup>1</sup>216,289 equity shares held by Late Mr. Siddharth Shriram as a trustee of Enterprise trust has been transferred in the name of its another trustee Mr. Krishna Shriram on April 06, 2022.

As at March 31, 2021

Promoters Name	No. of shares at the beginning of the year	Change During the year	No. of shares at the end of the year	% of Total Shares	% change during the year
<b>Individuals</b>					
1. Mr. Siddharth Shriram	24,617,959	-	24,617,959	62.94%	0.00%
2. Mr. Siddharth Shriram (Holding Shares as a Trustee of Enterprise Trust)	216,289	-	216,289	0.55%	0.00%
3. Mrs. Roula Shriram	536	-	536	0.00%	0.00%

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 12.2 Nature and Purpose of Reserves

#### <sup>1</sup>Securities Premium Reserve

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilized only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

#### <sup>2</sup>Capital redemption reserve

Capital redemption reserve (CRR) is used to record the amount equal to the nominal value of equity shares buy back or redemption of preference shares. As per provisions of the Companies Act, 2013, CRR can be utilised only for paying up unissued shares of the Parent Company to be issued to members of the Parent Company as fully paid bonus shares.

#### <sup>3</sup>Capital Reserve

Capital reserve includes

- Rs. 991.46 million representing the extinguishment of the debts of erstwhile Mawana Sugars Limited (MSL), which got discharged pursuant to the surplus arising on sale of shares of Shivajimarg Properties Limited and,
- Rs. 38.71 million representing the extinguishment of preference share capital.

#### <sup>4</sup>Storage fund for molasses account

As per Rule 3(1) of UP Sheera Niyamtran Niyamawali, 1974, Molasses Storage Fund is created from the sale price of molasses and shall be utilized for the purpose of construction, erection and repair & maintenance of adequate storage facility of Molasses. Also it may be spent on abatement measures for control of pollution and or any other bonafide development activities which the Controller of molasses considers necessary.

### 13. Borrowings

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>13.1 Non current borrowings (at amortised cost)</b>		
<b>Secured (Refer note 13.3)</b>		
Term Loans - from banks	721.42	1,046.60
	<b>721.42</b>	1,046.60
Less: Amount clubbed under "Current borrowings"	314.41	300.83
	<b>407.01</b>	745.77
<b>13.2 Current borrowings</b>		
<b>Secured (Refer note 13.3)</b>		
Loans repayable on demand - Cash credit/overdrafts from bank	3,438.47	1,714.21
Current maturities of Long term borrowings	314.41	300.83
<b>Total current borrowings</b>	<b>3,752.88</b>	2,015.04
<b>Total borrowings</b>	<b>4,159.89</b>	2,760.81

During the financial year 2018-19, the Parent Company had received soft loans of Rs. 1,460 million through a bank under the "Scheme for Extending Financial Assistance to Sugar Undertakings - 2018" as notified by UP State Government to clear the outstanding cane dues of the farmers for the sugar season 2017-18. Outstanding at the end of year Rs. 590.17 million (March 31, 2021 Rs 840.35 million)

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 13.2 Current borrowings (Contd.)

During the financial year 2018-19, the Parent Company was sanctioned a term loan of Rs. 300 million from a bank for installation of incinerator boiler at distillery plant located at Nanglamal Sugar Complex under the "Scheme for extending financial assistance to Sugar Mills for enhancement and augmentation of Ethanol Production Capacity" as notified by Department of food and public distribution, Government of India.- Outstanding at end of year Rs 131.25 million (March 31, 2021 Rs 206.25 million)

### 13.3 Security Clause

#### A. Term loans - From Banks:

Rs. Million

	As at March 31, 2022	As at March 31, 2021	Rate of interest	Nature of Security
i	590.17	840.35	5%	The soft loans are secured by first pari-passu charge on entire fixed assets of the respective sugar units Mawana Sugar Works and Nanglamal Sugar Complex except on Incinerator Boiler at Nanglamal Sugar Complex and also secured by corporate guarantee provided by the Parent Company.
ii.	131.25	206.25	11.00% (12.00%)*	The loan is secured by first exclusive charge by way of hypothecation of Incinerator Boiler and first pari-passu charge on entire fixed assets of the unit Nanglamal Sugar Complex (other than Incinerator Boiler). The loan is also secured by corporate guarantee provided by the Parent Company. The Parent Company has accounted for interest subvention from the Government at 6% per annum.
<b>B. Loans repayable on demand - from Banks</b>				
i	3438.47	1,714.21	9.50% (10.25%)*	Cash credit/overdrafts from bank are secured by way of pledge of Sugar stocks, first charge and lien on the semi- finished sugar including sugar in process, raw materials, first pari passu charge on the fixed assets (other than Incinerator Boiler at Nanglamal sugar complex) , hypothecation of book debts of the respective sugar units Nanglamal Sugar Complex and Mawana Sugar Works and also secured by the corporate guarantee of the Parent Company.

\*2020-21

### 14. Lease liabilities

Rs. Million

Particulars	As at	As at
	March 31, 2022	March 31, 2021
<b>1 Non- current :</b>		
- Lease liabilities		4.12
- Related party (Refer note 36)	-	
- Others	2.62	3.72
	<b>2.62</b>	<b>7.84</b>
<b>2 Current :</b>		
- Lease liabilities		3.70
- Related party (Refer note 36)	4.12	
- Others	0.77	0.86
	<b>4.89</b>	<b>4.56</b>
<b>Total</b>	<b>7.51</b>	<b>12.40</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**15 Provisions**
**Rs. Million**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>1 Non- current :</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (Refer note 35)	93.07	96.27
	<b>93.07</b>	<b>96.27</b>
<b>2 Current :</b>		
<b>Provision for employee benefits</b>		
- Provision for gratuity (Refer note 35)	13.87	13.39
- Provision for compensated absences	24.78	24.72
	<b>38.65</b>	<b>38.11</b>
<b>Total</b>	<b>131.72</b>	<b>134.38</b>

**16. Trade payables**
**Rs. Million**

Particulars	As at March 31, 2022	As at March 31, 2021
<b>Trade payables :</b>		
- Outstanding dues to micro and small enterprises (Refer note 43)*	19.35	22.55
- Outstanding dues to other than micro and small enterprises	1,842.76	6,552.41
	<b>1,862.11</b>	<b>6,574.96</b>
- Outstanding dues to related parties (Refer note 36)	3.63	3.83
- Outstanding dues to others**	1,858.48	6,571.13
<b>Total</b>	<b>1,862.11</b>	<b>6,574.96</b>

\*Including interest of Rs. 0.14 million (March 31, 2021 : Rs. 0.14 million) outstanding dues to micro and small enterprises.

\*\* Includes as per Enhancement compensation order dated November 22, 2017 of Hon'ble Supreme Court, an amount of Rs. 13.09 million (March 31, 2021- 13.09 million) is payable to Land Collector Aquisition/ADJ, District Court Patiala, against the legal case which shall ultimately be paid to beneficiary farmers.

1. For maturity profile of trade payable and other financial liabilities refer note 39.
2. For explanation on the Group's credit risk management processes, Refer note 39.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 16.1 Trade Payable Ageing Schedule

As at March 31, 2022		Outstanding for following periods from due date of payment					Rs. Million	
Particulars	Uninvoiced	Not due	Outstanding for following periods from due date of payment				Total	
			Less than 1 year	1-2 years	2-3 years	More than 3 years		
Total outstanding dues of micro enterprises and small enterprises	2.04	17.23	0.08	-	-	-	19.35	
Total outstanding dues of creditors other than micro enterprises and small enterprises	51.26	45.97	1,430.94	3.37	1.53	1.59	1,534.66	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	
Disputed dues of creditors other than micro enterprises and small enterprises	306.81	-	-	-	-	1.29	308.10	
<b>Total</b>	<b>360.11</b>	<b>63.20</b>	<b>1,431.02</b>	<b>3.37</b>	<b>1.53</b>	<b>2.88</b>	<b>1,862.11</b>	

As at March 31, 2021		Outstanding for following periods from due date of payment					Rs. Million	
Particulars	Uninvoiced	Not due	Outstanding for following periods from due date of payment				Total	
			Less than 1 year	1-2 years	2-3 years	More than 3 years		
Total outstanding dues of micro enterprises and small enterprises	1.36	19.25	1.94	-	-	-	22.55	
Total outstanding dues of creditors other than micro enterprises and small enterprises	86.14	60.63	6,088.22	3.75	2.84	2.73	6,244.31	
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-	
Disputed dues of creditors other than micro enterprises and small enterprises	306.81	-	-	-	-	1.29	308.10	
<b>Total</b>	<b>394.31</b>	<b>79.88</b>	<b>6,090.16</b>	<b>3.75</b>	<b>2.84</b>	<b>4.02</b>	<b>6,574.96</b>	

### 17. Other financial liabilities

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>Current at amortised cost :</b>		
Interest accrued but not due on borrowings	-	6.90
Trade deposits - Dealers and others	30.66	28.85
Employees related payables - Others	103.90	89.20
Payable towards capital goods (Refer note 43)	10.71	34.36
Unclaimed dividend	1.94	-
Interest payable	43.19	39.36
Other payables	26.07	53.22
<b>Total</b>	<b>216.47</b>	<b>251.89</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 17. Other financial liabilities (Contd.)

#### Breakup of financial liabilities at amortised cost:

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Borrowings (Refer note 13)	4,159.89	2,760.81
Lease liabilities (Refer note 14)	7.51	12.40
Trade payables (Refer note 16)	1,862.11	6,574.96
Other financial liabilities (Refer note 17)	216.47	251.89
<b>Total</b>	<b>6,245.98</b>	<b>9,600.06</b>

### 18. Other liabilities:

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>18.1 Non current liabilities</b>		
Government Grants	13.89	42.21
<b>Total</b>	<b>13.89</b>	<b>42.21</b>
<b>18.2 Current liabilities</b>		
Advance received from customers and others	17.67	36.88
Statutory liabilities	104.00	114.51
Interest on statutory dues	81.49	72.30
Government Grants	28.33	41.91
Others	-	0.19
<b>Total</b>	<b>231.49</b>	<b>265.79</b>

### 19. Income Tax

The major components of income tax expense for the years ended March 31, 2022 and March 31, 2021 :

#### Profit or loss section:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Tax Expense:</b>		
Adjustments in respect of current income tax of earlier years	(8.38)	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	125.92	278.90
<b>Income tax expense reported in the statement of profit or loss</b>	<b>117.54</b>	<b>278.90</b>

#### Other Comprehensive Income section

#### Deferred tax related to items recognised in OCI during the year:

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Net gain on remeasurements of defined benefit plans	(0.48)	(0.45)
<b>Deferred tax credit/(charge) to OCI</b>	<b>(0.48)</b>	<b>(0.45)</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 19. Income Tax (Contd.)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for the year ended March 31, 2022 and March 31, 2021.

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax (including item of OCI and Profit before tax from discontinued operations)	380.94	1013.01
Tax expenses for Group @ applicable income tax rate of 25.168%	95.87	254.95
Losses of subsidiaries and profit of associates on which no income tax asset was created (net of consolidation adjustments)	6.36	3.34
Tax effect of diminution in the value of investment	16.48	7.69
Tax effect on permanent differences	15.37	24.73
Adjustments in respect of current income tax of earlier years	(8.38)	-
Tax effect on capital gains/losses	(7.68)	(11.36)
<b>Income tax expense reported in the statement of profit and loss &amp; OCI</b>	<b>118.02</b>	<b>279.35</b>

Particulars	Rs. Million		
	Balance sheet		
	As at March 31, 2021	Provided during the year	As at March 31, 2022
<b>Deferred tax:</b>			
<b>Deferred tax assets relates to the following</b>			
Provision for doubtful debts and advances	40.88	0.37	41.25
Disallowances u/s 43 B	126.35	(2.79)	123.56
Unabsorbed depreciation	523.76	(158.57)	365.19
Recognition of lease liability	0.16	0.07	0.23
<b>Total deferred tax assets (A)</b>	<b>691.15</b>	<b>(160.92)</b>	<b>530.23</b>
<b>Deferred tax liabilities relates to the following</b>			
Accelerated depreciation for tax purposes	253.31	(37.80)	215.50
Others	6.21	3.28	9.49
<b>Total deferred tax liabilities (B)</b>	<b>259.52</b>	<b>(34.52)</b>	<b>224.99</b>
<b>Net Deferred Tax Assets (A-B)</b>	<b>431.63</b>	<b>(126.39)</b>	<b>305.24</b>

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The management at the end of each reporting period, assesses Group's ability to recognize deferred tax assets on unabsorbed depreciation carried forward, taking into account forecasts of future taxable profits and the law and jurisdiction of the taxable items and the assumptions on which these projections are based. Based on profit earned during the current year and previous year, future profitability projections considering expected future market, economic conditions and tax laws, the management is confident that there would be sufficient taxable profits in future which will enable the Group to utilize the above deferred tax assets on unabsorbed depreciation.

### 20. Income tax assets (net)

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Advance payment of income tax	16.04	21.96
<b>Total</b>	<b>16.04</b>	<b>21.96</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**21. Current tax liabilities**

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Provision for taxation	46.10	63.90
<b>Total</b>	<b>46.10</b>	<b>63.90</b>

**22. Revenue from contracts with customers**

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Sale of products</b>		
Finished Goods	14,527.99	13,932.17
Traded Goods	75.84	88.12
<b>Other operating revenue:</b>		
Sale of scrap	27.62	40.85
Subsidy income	149.87	627.97
Duty draw back and other export benefits	0.02	-
<b>Total revenue from operations</b>	<b>14,781.34</b>	<b>14,689.11</b>
<b>Disaggregated revenue information</b>		
Sugar	12,033.34	11,870.51
Industrial Alcohol	2,173.94	1,735.45
Power	208.68	222.87
By Products		
- Molasses	39.69	31.51
- Bagasse	63.77	54.23
Others	84.41	105.72
<b>Total</b>	<b>14,603.83</b>	<b>14,020.29</b>

\*Net of expenses of Rs. 42.11 million (March 31, 2021 : Rs. 61.95 million).

**Timing of revenue recognition**

Products transferred at a point in time	14,781.34	14,689.11
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**Reconciliation of amount of revenue recognised with contract price**

Revenue as per contracted price	14,631.47	14,061.14
Adjustments		
- Subsidies Income	149.87	627.97
	<b>14,781.34</b>	<b>14,689.11</b>

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



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 23. Other income

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest income <sup>1</sup>		
- Interest from banks	9.48	15.97
- Interest on income tax refunds	2.47	-
- interest from others	1.37	1.24
Rent received	0.79	0.80
Profit on sale of current investments	-	0.18
Liabilities/credit balances no longer required written back	17.98	0.46
Net gain on foreign currency transactions	0.26	0.24
Insurance claims income	1.50	-
Buffer stock subsidy	-	6.33
Miscellaneous income	2.57	5.86
<b>Total</b>	<b>36.42</b>	<b>31.08</b>
<sup>1</sup> Total income (calculated using effective interest method ) for financials assets those are not at fair value through profit and loss.		
In relation to financial assets classified at amortised cost	13.32	17.21
<b>Total</b>	<b>13.32</b>	<b>17.21</b>

### 24. Cost of materials consumed

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Inventory at the beginning of the year	38.68	49.21
Add: Purchases made during the year*	10,800.80	11,412.96
	<b>10,839.48</b>	11,462.17
Less: Inventory at the end of the year	49.02	38.68
<b>Cost of materials consumed</b>	<b>10,790.46</b>	<b>11,423.49</b>

\* includes incidental expenses of Rs 95.87 million (March 31, 2021 : Rs 102.10 million) related to procurement of sugarcane.

#### Details of materials consumed are as under

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Sugar cane	10,582.63	11,144.06
Packing Materials	176.87	175.08
Others	30.96	104.35
<b>Total</b>	<b>10,790.46</b>	<b>11,423.49</b>

#### Details of inventory : Raw and Packing Materials

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Sugar Cane	7.76	8.36
Packing Materials	37.49	27.81
Others	3.77	2.51
<b>Total</b>	<b>49.02</b>	<b>38.68</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**25. Changes in inventories of finished goods, work-in-progress and stock in trade**
**Rs. Million**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Inventories at the end of the year</b>		
- Finished goods	5,973.05	7,059.88
- Work in progress	291.93	273.66
- Stock in trade	582.74	576.74
<b>Total B</b>	<b>6,847.72</b>	<b>7,910.28</b>
<b>Inventories at the beginning of the year</b>		
- Finished goods	7,059.88	7,543.83
- Work in progress	273.66	222.37
- Stock in trade	576.74	543.68
<b>Total A</b>	<b>7,910.28</b>	<b>8,309.88</b>
Stock in trade (Land) transfer to property, plant and equipment	-	(0.47)
<b>Total A</b>	<b>7,910.28</b>	<b>8,309.41</b>
<b>Total (A-B)</b>	<b>1,062.56</b>	<b>399.13</b>

**Details of inventory:**
**Rs. Million**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Finished goods</b>		
Sugar	5,297.00	6,386.63
Industrial Alcohol	38.60	76.45
By Products		
- Molasses	539.32	522.27
- Bagasse	91.39	66.94
Others	6.74	7.59
<b>Total</b>	<b>5,973.05</b>	<b>7,059.88</b>
<b>Stock in trade</b>		
Land	579.36	567.59
Others	3.38	9.15
<b>Total</b>	<b>582.74</b>	<b>576.74</b>
<b>Work-in-progress</b>		
Sugar	110.35	108.66
By Products		
- Molasses	179.10	161.01
Others	2.48	3.99
<b>Total</b>	<b>291.93</b>	<b>273.66</b>

**26. Employee benefits expense**
**Rs. Million**

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	607.69	595.40
Contribution to provident and other funds	39.55	40.24
Gratuity (Refer note 35)	17.43	20.54
Staff welfare expenses	28.97	31.29
<b>Total</b>	<b>693.64</b>	<b>687.47</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 27. Finance costs

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Interest on borrowings*	239.76	335.99
Interest on others**	16.76	16.22
Finance charges payable under leases	1.08	1.13
<b>Total</b>	<b>257.60</b>	<b>353.34</b>
Total interest expenses (calculated using effective interest method ) for financials liabilities that are not at fair value through profit and loss.		
In relation to financial liabilities classified at amortised cost	257.60	353.34
<b>Total</b>	<b>257.60</b>	<b>353.34</b>

\* net of buffer subsidy / subvention of Rs. 9.45 million (March 31, 2021 : Rs. 76.18 million).

\*\*Including interest on income tax Rs. 7.18 million (March 31, 2021 : Rs. 7.67 million).

### 28. Depreciation and amortization expense

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of tangible assets (Refer note 3A)	391.95	469.12
Amortisation of intangible assets (Refer note 3B)	0.11	0.02
Amortisation of right of use assets (Refer note 4)	4.68	6.60
<b>Total</b>	<b>396.74</b>	<b>475.74</b>

### 29. Other expenses

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores and spares	358.37	314.94
Power and fuel	5.61	31.26
Other manufacturing expenses	95.76	108.90
Commission to indenting and ordering agent	23.54	28.39
Repairs		
- Building	19.77	24.87
- Plant and equipment	125.06	116.75
- Others	21.31	30.54
Rent paid	14.46	14.31
Payment to statutory auditors (Refer details below (a))	6.00	5.39
Insurance	23.17	22.43
Rates and taxes	26.82	22.22
Freight and transport	135.52	143.42
Corporate social responsibility expenses (Refer details below (b))	3.16	-
Legal and professional expenses	89.97	102.96
Provision for doubtful debts and advances	1.47	7.59
Irrecoverable balances written off	0.80	0.54
Land development expense	0.76	27.85
Loss on sale/write off of property, plant and equipment (net)	1.11	0.35
Donation other than Political Party	-	4.02
Contribution to Political Party	21.60	-
Expenses in respect of land sold in earlier years	-	0.50
Miscellaneous expenses	135.80	109.89
<b>Total</b>	<b>1,110.06</b>	<b>1,117.12</b>

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**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**


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**29. Other expenses (Contd.)**
**(a) Payment to statutory auditors**

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
As auditors		
Audit fee	3.03	1.90
Tax audit fee	0.50	0.60
Out of pocket expenses	0.16	0.19
In other capacity		
For limited review of unaudited financial results	1.88	2.20
For verification of statement and other reports	0.43	0.50
<b>Total</b>	<b>6.00</b>	<b>5.39</b>

**(b) Corporate social responsibility expenses**

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Gross amount required to be spent by the Group during the year	-	-
Amount approved by the Board to be spent by the Group during the year	3.16	-
Amount spent during the year	In Cash	In Cash
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above		
(a) Promotion of education	-	-
(b) Food items distributed during Covid	-	-
(c) Healthcare items distributed during Covid	3.16	-
<b>Total</b>	<b>3.16</b>	<b>-</b>
Details related to spent / unspent obligations:	In Cash	In Cash
(i) Contribution to Public Trust	-	-
(ii) Contribution to Charitable Trust	-	-
(iii) Others	3.16	-
<b>Total</b>	<b>3.16</b>	<b>-</b>

**30. Exceptional Items**

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit on sale of chemical unit (Refer note 57)	-	1,120.18
Profit on sale of Investment in Subsidiary (Refer note 45)	-	16.62
Provision for diminution in value of investment in Associate (Refer note 49)	(65.47)	(30.57)
<b>Total</b>	<b>(65.47)</b>	<b>1,106.23</b>

**31. Earnings per share (EPS)**

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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 31. Earnings per share (EPS) (Contd.)

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

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>(i) Continuing Operations</b>		
Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	261.50	950.50
Weighted average number of equity shares for basic and diluted EPS	39,115,672	39,115,672
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>6.69</b>	24.30
<b>Face Value per share (in Rs.)</b>	<b>10.00</b>	10.00
<b>(ii) Discontinued Operations</b>		
Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. millions)	-	(217.80)
Weighted average number of equity shares for basic and diluted EPS	-	39,115,672
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>-</b>	(5.57)
<b>Face Value per share (in Rs.)</b>	<b>-</b>	10.00
<b>(iii) Continuing and Discontinued Operations</b>		
Profit/(loss) after tax and exceptional items as per the statement of Profit and Loss (Rs. million)	261.50	732.71
Weighted average number of equity shares for basic and diluted EPS	39,115,672	39,115,672
<b>Basic and diluted earnings per share (in Rs.)</b>	<b>6.69</b>	18.73
<b>Face Value per share (in Rs.)</b>	<b>10.00</b>	10.00

### 32. Commitments and Contingencies

#### (a) Leases

##### Lease — as lessee

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

Particulars	Rs. Million Year ended March 31, 2022
As at April 01, 2020	21.45
Additions	15.46
Amortisation expense	(14.33)
Disposals	(10.83)
As at April 01, 2021	11.75
Additions	-
Amortisation expense	(4.68)
Disposals	(0.49)
<b>As at March 31, 2022</b>	<b>6.58</b>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies (Contd.)

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

Rs. Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Opening balance</b>	<b>12.40</b>	22.85
Additions	-	15.46
Accretion of interest	<b>1.08</b>	1.96
Lease surrendered	<b>(0.49)</b>	(10.83)
Payments	<b>(5.48)</b>	(17.04)
<b>Closing balance</b>	<b>7.51</b>	12.40
<b>Current lease liabilities</b>	<b>4.89</b>	4.56
<b>Non current lease liabilities</b>	<b>2.62</b>	7.84

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

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

Rs. Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>Continuing Operations</b>		
Amortisation expense of right-of-use assets	<b>4.68</b>	6.60
Interest expense on lease liabilities	<b>1.08</b>	1.13
Expense relating to short-term leases (included in other expenses)	<b>14.21</b>	14.31
<b>Total amount recognised in statement of profit or loss related to continuing operations</b>	<b>19.97</b>	22.04
<b>Discontinued Operations</b>		
Amortisation expense of right-of-use assets	-	7.73
Interest expense on lease liabilities	-	0.83
Expense relating to short-term leases	-	2.52
<b>Total amount recognised in statement of profit or loss related to discontinued operations</b>	-	11.08

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

The Parent Company had total cash outflows for leases of Rs. 19.69 Million (March 31, 2021 Rs 31.35 million). There are no future cash outflows relating to leases that have not yet commenced.

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

#### (b) Commitments

Rs. Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a. Estimated amount of contracts remaining to be executed on capital account and not provided for:		
	<b>69.58</b>	55.67
b. Uncalled liability on shares and other investments partly paid (# Rs. 20)	<b>#</b>	<b>#</b>
<b>Total</b>	<b>69.58</b>	55.67

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies (Contd.)

#### (c) Contingent Liabilities in respect of Income Taxes/Central Excise/Service Tax/Value Added Tax and other taxes

Rs. Million

(i)	Nature of Dispute	Description	Period	As at	As at
				March 31, 2022	March 31, 2021
	Central Excise, State Excise and Service Tax	Demand Notice received from Central Excise and Service tax Department towards wrong availment of cenvat credit taken, dispute on levy of service tax and excise duty and penalty/Interest imposed.	1994-95 to 1996-97, 1998-99, 1999-2000 to 2002-03 and 2004-05 to 2016-17	22.69	22.69
		<b>Total (i)</b>		<b>22.69</b>	22.69

#### (ii) Other Matters under disputes are as below:

Rs. Million

Nature of Dispute	Description	Period	As at	As at
			March 31, 2022	March 31, 2021
Land	Land related disputes	2014-15	0.86	0.86
		1985-86, 1975-76, 2009-10,	1.05	1.05
		<b>Total</b>	<b>1.91</b>	1.91
Labour	Labour related disputes	2006-07, 2008-09, 2010-11	5.11	4.65
		1997-98, 1999-2000 to 2002-03, 2008-09, 2010-11 and 2012-13	9.23	10.20
		1999-2000, 2005-06, 1996-97, 1993-94, 1992-93, 1985-86, 1995-96, 1992-93, 2014-15, 2018-19 and 2021-22	14.74	12.29
		<b>Total</b>	<b>29.08</b>	27.14
	Others	2010-11	3.11	3.11
		<b>Total</b>	<b>3.11</b>	3.11
Interest on cane Price / Commission Arrears	Interest on delay payment of cane dues (Refer note 48)	2002-03, 2006-07, 2012-13 to 2021-22	4,646.50	4,415.99
		<b>Total</b>	<b>4,646.50</b>	4,415.99
		<b>Total (ii)</b>	<b>4,680.60</b>	4,448.15
<b>Grand Total ((i)+(ii))</b>			<b>4,703.29</b>	4,470.84

- (iii) The Parent Company has provided bank guarantees aggregating Rs. 72.01 million (March 31, 2021 Rs. 72.01 million) to Tecumseh Products India Limited (TPIL), to whom it had sold the compressor business in a previous period, for any loss, damage, claim, action, suit etc., arising from various representations /breach of representations including for contingent liabilities existing as at March 31, 1997, or prior to March 31, 1997, which TPIL may eventually be liable to pay, against which demands in respect of sales tax, central excise and civil matters are pending. These demands are presently under various stages of appeal.
- (iv) During the previous periods, the Parent Company had given a counter indemnity/guarantee in favour of existing directors of Transiel India Limited to protect their interest against any loss/ future liabilities that may arise after the name of the said subsidiary that has been struck off under the Easy Exit Scheme, 2011.
- (v) There are numerous interpretative issues relating to the Supreme Court (SC) judgement on PF, dated February 28, 2019. The Parent Company will make necessary provision on receiving further clarity on the subject.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 32. Commitments and Contingencies (Contd.)

(vi) During the earlier year, Income Tax department had passed an assessment order for the assessment year 2017-18 under Section 143(3) of the Income Tax Act, 1961, wherein the assessing officer had disallowed / added back certain items resulting into adjustment of brought forward losses/unabsorbed depreciation by Rs. 3363.97 million under normal provisions of the Income Tax Act. Under Section 115JB (MAT), the assessing officer raised demand of Rs. 138.99 million (including interest of Rs. 45.27 million) and further interest demand on the above demand of Rs. 37.53 million has been raised. Against which the parent Company is carrying provision of Rs. 137.32 million (March 31, 2021 Rs. 131.99 million) ((including interest of Rs. 45.62 Million (March 31, 2021 Rs. 40.29 million)).

However, based on the legal opinion taken by the Parent Company, additions/demands are not sustainable under the provisions of the Income Tax Act. An appeal had been filed by the Parent Company in the earlier year against the above said order with CIT(Appeal) which is under hearing and an application under Section 154 of the Income Tax Act for the rectification of the said additions/demands has also been filed in an earlier year with the Assessing Officer. The Parent Company has already deposited (including adjustment of income tax refund of the subsequent years) a sum of Rs 45.61 million under protest against the above demand amount.

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

(viii) Other Income tax demand for the assessment year 2007-08 amounting to Rs. 0.40 million (March 31, 2021 Rs 0.40 million).

(ix) Contingent Liabilities of Associate-Mawana Foods Private Limited

Nature of Dispute	Description	Rs. Million	
		As at March 31, 2022	As at March 31, 2021
Sales tax matters, disputed and under appeal/rectification	Associate has pending litigations relating to non deposit of forms with the department pending at various levels/rectification. Associate is confident about the outcome of the case as they have all forms those are required to be deposited with the department.	2.65	5.58

### 33. Research and development costs

Research and development expenses included under relevant heads in the Statement of Profit and Loss amounting to Rs. 9.94 million (March 31, 2021 Rs. 9.46 million).

### 34. Disclosure of interest in subsidiaries and associate

	Name		Country of Incorporation/ Principal place of business	Ownership Interest of MSL (%)	
				As at March 31, 2022	As at March 31, 2021
(i)	Siel Financial Services Limited* (Refer note 45)	Subsidiary	India	Nil	75.00%
(ii)	Siel Industrial Estate Limited,	Subsidiary	India	100.00%	100.00%
(iii)	Siel Infrastructure & Estate Developers Private Limited	Subsidiary	India	100.00%	100.00%
(iv)	Mawana Foods Private Limited	Associate	India	33.74%	33.74%

\*Ceased to be subsidiary w.e.f. June 14, 2021



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 35. Gratuity and other post-employment benefit plans

#### a) Defined Benefits Plans

Gratuity – In accordance with Ind AS 19, actuarial valuation was done and details of the same are given below:

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
	Gratuity (Funded)	Gratuity (Funded)
<b>Change in the Present value of obligation</b>		
1 Present value of obligation as at the beginning of the year	148.85	190.41
2 Add: Current service cost	9.96	10.08
3 Less: Adjustment on transfer of chemical unit	-	(48.53)
4 Add: Interest cost	10.12	12.95
5 Add/(Less): Actuarial (gain) / loss	(1.70)	(1.71)
6 Less: Benefits paid	(17.81)	(14.35)
<b>7 Present value of obligation as at the end of the year</b>	<b>149.42</b>	<b>148.85</b>
<b>Change in the fair value of plan assets</b>		
1 Fair value of plan assets at the beginning of the year	39.19	36.86
2 Less : Adjustment in opening balance	(0.25)	(0.23)
3 Add: Expected return on plan assets	2.65	2.49
4 Add: Contribution by the Company	1.60	-
5 Less: Benefits paid	(0.91)	-
6 Add/(Less): Actuarial gain/(loss)	0.20	0.07
<b>7 Plan assets at the end of the year</b>	<b>42.48</b>	<b>39.19</b>
<b>Liability recognized in the financial statements</b>	<b>106.94</b>	<b>109.66</b>
<b>Current</b>	<b>13.87</b>	<b>13.39</b>
<b>Non-current</b>	<b>93.07</b>	<b>96.27</b>

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

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

Amount recognised in Statement of Profit and Loss:	Rs. Million	
	March 31, 2022	March 31, 2021
Current service cost	9.96	10.08
Net interest expense	7.47	10.46
<b>Amount recognised in Statement of Profit and Loss</b>	<b>17.43</b>	<b>20.54</b>

Amount recognised in Other Comprehensive Income:	Rs. Million	
	March 31, 2022	March 31, 2021
Actuarial gain/(loss) on Present value of obligation	1.70	1.71
Actuarial gain/(loss) on Assets	0.20	0.07
<b>Amount of gain/(loss) recognised in Other Comprehensive Income</b>	<b>1.90</b>	<b>1.78</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**35. Gratuity and other post-employment benefit plans (Contd.)**

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

Particulars	March 31, 2022	March 31, 2021
<b>Gratuity</b>		
Investment Details	<b>Funded</b>	Funded
Investment with Insurer (LIC)	<b>100%</b>	100%

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

Particulars	March 31, 2022	March 31, 2021
Discount rate (%)	<b>7.18</b>	6.8
Future salary increases (%)	<b>5.00</b>	5.00
Retirement Age (Years)	<b>58</b>	58
<b>Withdrawal rate</b>		
Up to 30 years	<b>3%</b>	3%
From 31 to 44 years	<b>2%</b>	2%
Above 44 years	<b>1%</b>	1%
Mortality rate	<b>100% of IALM (2012-14)</b>	100% of IALM (2012-14)

A quantitative sensitivity analysis for significant assumption as at March 31, 2022 is as shown below:

**Gratuity Plan**

Assumptions	Discount rate		Future salary increase	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
Impact on defined benefit obligation	(4.91)	5.24	5.32	(5.03)

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

**Gratuity Plan**

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

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

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

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
Within the next 12 months (next annual reporting period)	<b>19.38</b>	18.17
Between 1 and 2 years	<b>30.33</b>	32.59
Between 2 and 3 years	<b>12.56</b>	8.91
Between 3 and 4 years	<b>7.97</b>	10.78
Between 4 and 5 years	<b>8.02</b>	6.97
Between 5 and 6 years	<b>7.62</b>	6.94
Beyond 6 years	<b>63.54</b>	64.49
<b>Total expected payments</b>	<b>149.42</b>	148.85

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36. Related party transactions

#### I) List of related parties

##### a) Promoter:

Mr. Siddharth Shriram (ceased w.e.f. May 17, 2021)

Mr. Krishna Shriram (w.e.f. February 02, 2022)

Mrs. Roula Shriram

Enterprise Trust

##### b) Associate

Mawana Foods Private Limited

##### c) Key management personnel of Parent Company

Mr. Dharam Pal Sharma –Whole Time Director

Mr. B.B. Mehta – Chief Financial Officer

Mr. Ashok Kumar Shukla- Company Secretary

##### d) Subsidiary held for disposal

Siel Financial Services Limited (upto June 14, 2021)

##### e) Directors

Mr. Ravinder Singh Bedi (ceased w.e.f. October 28, 2021)

Prof. Dinesh Mohan (ceased w.e.f. May 21, 2021)

Mrs. Manju Vira Gupta

Mr. Krishna Shriram (appointed w.e.f. May 31, 2021)

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

Mr. Mukesh Chauhan (appointed w.e.f. November 03, 2021)

Mr. Piar Chand Jaswal

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

Usha International Limited

##### g) Enterprises over which the Independent Directors have significant influence

Delhi Golf Club (Ceased to be w.e.f. October 28, 2021)

Delhi Policy Group (Ceased to be w.e.f. May 17, 2021)

Caddies Welfare Trust (Ceased to be w.e.f. October 28, 2021)

S R K A & COMPANY (w.e.f. December 09, 2020)

V V Servotech Private Limited

#### II) Transactions with related parties

Rs. Million

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
<b>A. Promoter</b>		
<b>Advisory fees</b>		
Mr. Siddharth Shriram	1.82	14.40
<b>Dividend paid</b>		
Mr. Krishna Shriram	73.85	-
Mrs. Roula Shriram (# Rs. 1608)	#	-
Enterprise Trust	0.65	-

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**36. Related party transactions (Contd.)**

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>B. Associate</b>		
<b>Mawana Foods Private Limited</b>		
Sale of Goods	<b>350.58</b>	436.40
Interest received	<b>1.25</b>	1.24
Expenses recovered	<b>0.33</b>	0.33
Miscellaneous purchases	<b>0.19</b>	0.03
Provision for diminution in value of investment	<b>65.47</b>	30.57
<b>C. Key Management personnel and their relatives</b>		
<b>Remuneration to key management personnel*:</b>		
Mr. Dharam Pal Sharma	<b>2.36</b>	2.36
Mr. B.B. Mehta	<b>11.88</b>	10.02
Mr. Ashok Kumar Shukla	<b>1.69</b>	1.29
<b>D. Director Sitting Fee</b>		
Mr. Ravinder Singh Bedi	<b>0.10</b>	0.20
Prof. Dinesh Mohan	-	0.20
Mrs. Manju Vira Gupta	<b>0.27</b>	0.19
Mr. Krishna Shriram	<b>0.17</b>	-
Mr. Satish Agarwal	<b>0.28</b>	0.04
Mr. Mukesh Chauhan	<b>0.13</b>	-
Mr. Piar Chand Jaswal	<b>0.20</b>	0.19
<b>E. Dividend paid to Director</b>		
Mrs. Manju Vira Gupta (# Rs. 918)	#	-
<b>F. Enterprises over which key management personnel have significant influence:</b>		
<b>Usha International Limited</b>		
Expenses reimbursed	<b>2.22</b>	2.31
Miscellaneous purchases	-	0.21
Rent paid**	<b>4.37</b>	4.37
Royalty paid	<b>9.21</b>	11.38
<b>G. Enterprises over which the Directors have significant influence</b>		
<b>Delhi Golf Club</b>		
Sponsorship for Brand Promotion	-	0.40
<b>Caddies Welfare Trust</b>		
Sponsorship for Brand Promotion	-	1.00
<b>V V Servotech Private Limited</b>		
Sale of vehicle	<b>3.68</b>	
<b>Delhi Policy Group</b>		
Sponsorship for Brand Promotion	<b>3.00</b>	17.50
<b>S R K A &amp; COMPANY</b>		
Professional Charges	<b>0.31</b>	0.07
<b>H. Other payments to directors</b>		
Advisory fees paid to Mr. Piar Chand Jaswal	<b>0.87</b>	0.83

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 36. Related party transactions (Contd.)

Balance Outstanding as at year end:

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>(a) Financials Assets -Loans and others</b>		
Mr. Siddharth Shriram	-	0.76
Siel Financial Services Limited ***	-	36.59
<b>(b) Trade and Other Payables</b>		
Usha International Limited	<b>3.61</b>	3.83
S R K A & COMPANY	<b>0.02</b>	-
<b>(c) Trade Receivables</b>		
Mawana Foods Private Limited	<b>23.41</b>	56.44
<b>(d) Interest Receivables</b>		
Mawana Foods Private Limited	<b>0.02</b>	0.37
<b>(e) Lease liability payable</b>		
Usha International Limited	<b>4.12</b>	7.82

\*\* included under finance cost and amortisation as per Ind AS-116.

\*\*\*provided for as doubtful advances and in respect of the loans given to Siel Financial Services Limited, the Parent Company has received an offer for conversion of Rs 36.59 million into 00.01% Redeemable Cumulative Preference Shares at a price of Rs 100/- (face value) each on preferential basis. However, the conversion of the same is pending due members approval of the company.

### Transaction with Key management personnel

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Short-term employee benefits	<b>15.94</b>	13.67
<b>Total compensation paid to key management personnel</b>	<b>15.94</b>	13.67

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

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

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**37 Segment Information****A. Operating Segment**

As per Ind AS 108 identification of segment is based on the manner in which the entity's Chief Operating decision makers' (CODM) review the business components regularly to make decisions about allocating resources to segment and in assessing its performance.

The Operating segments of the Group is identified to be sugar, power, chemicals and distillery as the Chief Operating decision maker reviews business performance of the Group on the basis of these segments. The Chemical business was classified as discontinued operations in previous year.

**B. Geographical Segment**

The Group mainly caters to domestic markets. However, there is export/deemed export of Sugar which has been presented in geographical segment.

**C. Segment accounting policies:**

In addition to the significant accounting policies applicable to the business segments as set out in note 2 above, the accounting policies in relation to segment accounting are as under:

i) Segment revenue and expenses:

Segment revenue and expenses are directly attributable to the segments. .

ii) Segment assets and liabilities:

Segment assets include all operating assets used by a segment and consist principally of operating cash, debtors, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. Segment liabilities include all operating liabilities and consist principally of creditors and accrued liabilities. While most of the assets/ liabilities can be directly attributed to individual segment, the carrying amount of certain assets/ liabilities pertaining to two or more segments are allocated to the segments on a reasonable basis.

iii) Inter segment revenues:

Inter segment revenues between operating segments are accounted for at market price. These transactions are eliminated in consolidation.

NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

PARTICULARS	Sugar		Power		Distillery		Unallocated		Elimination		Total	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)	(Rs. Million)
<b>SEGMENT REVENUE</b>												
External Sales	12,212.68	12,040.08	208.68	229.13	2,182.47	1,751.08	-	-	-	-	14,603.83	14,020.29
Inter segment revenue	3,360.95	2,885.50	2,221.28	2,328.10	60.72	69.35	-	-	(5,642.95)	(5,282.95)	-	-
Other Operating Revenues	174.39	648.01	-	-	3.12	20.81	-	-	-	-	177.51	668.82
Other income	17.17	10.68	1.47	0.05	0.32	-	17.46	20.35	-	-	36.42	31.08
<b>Total revenue</b>	<b>15,765.19</b>	<b>15,584.27</b>	<b>2,431.43</b>	<b>2,557.28</b>	<b>2,246.63</b>	<b>1,841.24</b>	<b>17.46</b>	<b>20.35</b>	<b>(5,642.95)</b>	<b>(5,282.95)</b>	<b>14,817.76</b>	<b>14,720.19</b>
<b>EBIT/RESULTS</b>												
Segment results	720.85	302.08	173.40	388.26	41.28	69.25	-	-	-	-	935.53	759.59
Unallocated income/(expenses) (net of income/ expenses)	-	-	-	-	-	-	(259.21)	(253.03)	-	-	(259.21)	(253.03)
<b>Operating Profit</b>	<b>720.85</b>	<b>302.08</b>	<b>173.40</b>	<b>388.26</b>	<b>41.28</b>	<b>69.25</b>	<b>(259.21)</b>	<b>(253.03)</b>	<b>-</b>	<b>-</b>	<b>676.32</b>	<b>506.56</b>
Finance costs											257.60	353.34
Interest income											13.32	17.21
Share of (loss) of associate											12.47	(3.71)
<b>Profit before tax and exceptional items</b>											<b>444.51</b>	<b>166.72</b>
Exceptional item- Income (net)											(65.47)	1,106.23
<b>Profit before tax from continuing operations</b>											<b>379.04</b>	<b>1,272.95</b>
Tax expenses/(credit)											117.54	322.45
<b>Profit from continuing operations</b>											<b>261.50</b>	<b>950.50</b>
<b>Discontinued operations</b>											-	(261.72)
Profit/(Loss) before tax for the year from discontinued operations											-	43.55
Tax credit/(expenses) of discontinued operations											-	(218.17)
<b>Profit/(Loss) from discontinued operations</b>											<b>261.50</b>	<b>732.33</b>
<b>Profit for the year</b>												
<b>OTHER INFORMATION</b>												
<b>A. ASSETS</b>												
Segment assets	7,252.78	9,651.70	1,157.22	1,315.00	711.61	747.54	-	-	-	-	9,121.61	11,714.24
Unallocated assets	-	-	-	-	-	-	1,390.21	2,088.96	-	-	1,390.21	2,088.96
<b>Total Assets</b>	<b>7,252.78</b>	<b>9,651.70</b>	<b>1,157.22</b>	<b>1,315.00</b>	<b>711.61</b>	<b>747.54</b>	<b>1,390.21</b>	<b>2,088.96</b>	<b>-</b>	<b>-</b>	<b>10,511.82</b>	<b>13,803.20</b>
<b>B. LIABILITIES</b>												
Segment liabilities	2,039.53	6,811.16	28.85	18.65	102.84	100.74	-	-	-	-	2,171.22	6,930.55
Borrowings	-	-	-	-	-	-	4,159.89	2,760.81	-	-	4,159.89	2,760.81
Unallocated liabilities	-	-	-	-	-	-	338.07	414.98	-	-	338.07	414.98
<b>Total Liabilities</b>	<b>2,039.53</b>	<b>6,811.16</b>	<b>28.85</b>	<b>18.65</b>	<b>102.84</b>	<b>100.74</b>	<b>4,497.96</b>	<b>3,175.79</b>	<b>-</b>	<b>-</b>	<b>6,669.18</b>	<b>10,106.34</b>
<b>C. OTHERS</b>												
Capital expenditure	70.77	120.96	10.10	27.46	17.85	47.94	1.65	10.32	-	-	100.37	206.68
Depreciation	176.68	215.47	88.74	102.77	123.69	150.44	7.63	7.06	-	-	396.74	475.74

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### Geographical information :

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

Rs. Million

Particulars	Year	India	Outside India	Total
External revenue	2021-22	11,483.45	3,120.38	14,603.83
	2020-21	12,055.20	1,965.09	14,020.29

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

### Information about major customer :

Revenue from Contracts with customers includes Rs 1798.79 million (March 31, 2021 Rs. 1823.08 million) arising from Garden Court Distilleries Private Limited which contributes approx. 12.32% (March 31, 2021 13.00%) of revenue.

### 38. A. Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values.

Rs. Million

Particulars	Carrying Value		Fair Value	
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
<b>Financial assets</b>				
<b>Fair Valuation at Amortized cost :</b>				
Security deposits paid	3.30	3.31	3.30	3.31
Dues from employees	1.19	0.88	1.19	0.88
Loans and advances to related parties	-	0.76	-	0.76
Loans and advances to others	29.58	36.41	29.58	36.41
Subsidies Receivable	0.01	1,103.35	0.01	1,103.35
Interest subvention receivable	4.20	14.79	4.20	14.79
Interest receivables other	4.87	5.16	4.87	5.16
<b>Total</b>	<b>43.15</b>	<b>1,164.66</b>	<b>43.15</b>	<b>1,164.66</b>
<b>Financial liabilities</b>				
<b>Fair Valuation through Statement of Profit &amp; Loss</b>				
Borrowings	4,159.89	2,760.81	4,159.89	2,760.81
<b>Fair Valuation at Amortized cost :</b>				
Lease Liabilities	7.51	12.40	7.51	12.40
<b>Total</b>	<b>4,167.40</b>	<b>2,773.21</b>	<b>4,167.40</b>	<b>2,773.21</b>

The management assessed that cash and cash equivalents, other bank balances, unbilled revenue, fixed deposits, trade receivables, trade payables, loans and other current financial liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

### 38. B. Fair Value Hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is insignificant to the fair value measurements as a whole.

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

Level 2: Valuation techniques for which the lowest level inputs that has a significant effect on the fair value measurement are observable, either directly or indirectly.

Level 3: Valuation techniques for which the lowest level input which has a significant effect on fair value measurement is not based on observable market data.



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 38. B. Fair Value Hierarchy (Contd.)

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities.

#### Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2022:

Particulars	Date of valuation	Fair value measurement using				Rs. Million
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value (Note 38A):</b>						
<b><u>Fair Valuation at Amortized cost :</u></b>						
Security deposits paid	31-Mar-22	3.30	-	3.30	-	
Dues from employees	31-Mar-22	1.19	-	1.19	-	
Loans and advances to related parties	31-Mar-22	-	-	-	-	
Loans and advances to others	31-Mar-22	29.58	-	29.58	-	
Subsidies Receivable	31-Mar-22	0.01	-	0.01	-	
Interest subvention receivable	31-Mar-22	4.20	-	4.20	-	
Interest receivables other	31-Mar-22	4.87	-	4.87	-	
		<b>43.15</b>	<b>-</b>	<b>43.15</b>	<b>-</b>	
<b>II. Liabilities for which fair value is disclosed (Note 38A):</b>						
<b><u>Fair Valuation through Statement of Profit &amp; Loss</u></b>						
Borrowings	31-Mar-22	4,159.89	-	-	-	4,159.89
<b><u>Fair Valuation at Amortized cost :</u></b>						
Lease Liabilities	31-Mar-22	7.51	-	-	-	7.51

There have been no transfers among Level 1, Level 2 and Level 3 during the year ended March 31, 2022

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

Particulars	Date of valuation	Fair value measurement using				Rs. Million
		Total	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>I. Assets measured at fair value (Note 38A):</b>						
<b><u>Fair Valuation at Amortized cost :</u></b>						
Security deposit paid	31-Mar-21	3.31	-	3.31	-	
Dues from employees	31-Mar-21	0.88	-	0.88	-	
Loans and advances to related parties	31-Mar-21	0.76	-	0.76	-	
Loans and advances to others	31-Mar-21	36.41	-	36.41	-	
Subsidies receivable	31-Mar-21	1,103.35	-	1,103.35	-	
Interest receivables other	31-Mar-21	5.16	-	5.16	-	
Interest subvention receivable	31-Mar-21	14.79	-	14.79	-	
		<b>1,164.66</b>	<b>-</b>	<b>1,164.66</b>	<b>-</b>	
<b>II. Liabilities for which fair value is disclosed (Note 38A):</b>						
<b><u>Fair Valuation through Statement of Profit &amp; Loss</u></b>						
Borrowings	31-Mar-21	2,760.81	-	-	-	2,760.81
<b><u>Fair Valuation at Amortized cost :</u></b>						
Lease Liabilities	31-Mar-21	12.40	-	-	-	12.40

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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 38. B. Fair Value Hierarchy (Contd.)

#### Valuation technique used to determine fair value

Type	Valuation technique	Significant observable input
Financial liabilities (Borrowings)	Discounted Cash Flow method: The valuation model considers the present value of expected payment, discounted using a risk adjusted discount rates.	Not applicable
Subsidies Recoverable (Other Financial Assets)	Discounted Cash Flow method: The valuation model considers the present value of expected receipt, discounted using a risk adjusted discount rate.	Not applicable

### 39. Financial risk management objectives and policies

The Group's principal financial liabilities comprise of trade payables, other payables, security deposits received, capital creditors and employee related payables. The main purpose of these financial liabilities is to finance the Group's operations and to provide guarantees to support its operations. The Group's principal financial assets include trade and other receivables, and cash and cash equivalent that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group's senior management is responsible to ensure that Group's financial risk activities which are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

#### Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market price. Market risk comprise of interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk.

#### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. However, as the Group does not have any outstanding floating rate interest bearing long term and short term debts at the balance sheet date. Therefore, a change in interest rates on the reporting date would neither affect profit or loss nor affect equity.

#### Fair value sensitivity analysis for fixed rate instruments

The Group does not have any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would neither affect profit or loss not affect equity.

#### Foreign currency risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions primarily with respect to USD. Foreign exchange risk arises from future commercial transactions and recognised asset and liabilities denominated in a currency that is not the Group's function currency. The Group imports certain materials which exposes it to foreign currency risk.

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

Rs. Million

Particulars	Change in conversion rate	Effect on profit before tax
Year ended March, 2022	+5%	0.10
	-5%	(0.10)
Year ended March, 2021	+5%	1.18
	-5%	(1.18)

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

#### Commodity price risk

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

#### Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

#### i. Trade receivables

Customer credit risk is managed as per the Group's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored.

An impairment analysis is performed at each reporting date on an individual basis for major clients. The calculation is based on exchange losses historical data. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed below. The Group does not hold collateral as security. The Group evaluates the concentration of risk with respect to trade receivables as low on the basis of past default rates of its customers.

Based on the historical data, loss on collection of receivable is not material hence no additional provision considered.

#### Movement in provisions of doubtful debts

	Rs. Million		
Particulars	Trade Receivables	Loans/other assets	Investments
Provision as at April 01, 2020	1.17	126.31	10.82
Provision made during the year 2020-21	0.44	7.15	30.57
Provision reinstated during the year 2020-21	-	36.59	-
Provision transferred on sale of investment in subsidiary during the year 2020-21	-	(9.25)	(10.82)
Provision as at March 31, 2021	1.61	160.80	30.57
Provision made during the year 2021-22	-	1.88	65.47
Provision written back during the year 2021-22	(0.41)	-	-
<b>Provision as at March 31, 2022</b>	<b>1.20</b>	<b>162.68</b>	<b>96.04</b>

#### ii. Financial instruments and cash deposits

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

#### Liquidity risk

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

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

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**
**39. Financial risk management objectives and policies (Contd)**
**As at March 31, 2022**

Particulars	Rs. Million			
	Less than 1 year	1-3 years	>3 years	Total
Borrowings	3752.88	407.01	-	4,159.89
Lease Liabilities	4.89	1.99	0.63	7.51
Trade payables				
- Total outstanding dues to micro and small enterprises	19.35	-	-	19.35
- Total outstanding dues of creditors other than micro and small enterprises	1,842.76	-	-	1,842.76
Employees related payables	103.90	-	-	103.90
Trade deposits received	30.66	-	-	30.66
Payable towards Capital Goods	10.71	-	-	10.71
Unclaimed Dividend	1.94	-	-	1.94
Interest payable	43.19	-	-	43.19
Other payables	26.07	-	-	26.07
	<b>5,836.35</b>	<b>409.00</b>	<b>0.63</b>	<b>6,245.98</b>

**As at March 31, 2021**

Particulars	Rs. Million			
	Less than 1 year	1-3 years	>3 years	Total
Borrowings	2015.04	673.87	71.90	2,760.81
Lease Liabilities	4.56	7.24	0.60	12.40
Trade payables				
- Total outstanding dues to micro and small enterprises	22.55	-	-	22.55
- Total outstanding dues of creditors other than micro and small enterprises	6,552.41	-	-	6,552.41
Interest accrued but not due on borrowings	6.90	-	-	6.90
Employees related payables	89.20	-	-	89.20
Trade deposits received	28.85	-	-	28.85
Payable towards Capital Goods	34.36	-	-	34.36
Interest payable	39.36	-	-	39.36
Other payables	53.22	-	-	53.22
	<b>8,846.45</b>	<b>681.11</b>	<b>72.50</b>	<b>9,600.06</b>

**40. Capital management**

For the purpose of the Group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
<b>40. Capital management (Contd.)</b>		
Borrowings (Note 13)	4,159.89	2,760.81
Trade Payables (Note 15)	1,862.11	6,574.96
Cash and cash equivalents (Note 9)	(324.10)	(898.29)
<b>Net debts</b>	<b>5,697.90</b>	<b>8,437.48</b>
<b>Total equity</b>	<b>3,842.64</b>	<b>3,696.86</b>
<b>Capital plus net debt</b>	<b>9,540.54</b>	<b>12,134.34</b>
<b>Gearing ratio (%)</b>	<b>59.72%</b>	<b>69.53%</b>

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings.

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

41. Pursuant to judgment dated 10.5.1996 passed by the Hon'ble Supreme Court of India in a public interest litigation, the Parent Company surrendered 46.58 acres of land to the Delhi Development Authority ('DDA') for development of green belt and open spaces as directed by the Court. The Parent Company continues to be the lawful owner of the surrendered land though it was no longer in physical possession thereof.

DDA leased out some portion of the surrendered land Delhi Metro Rail Corporation ('DMRC') for a commercial consideration. The Parent Company challenged the leasing of surrendered land to DMRC before the Hon'ble Supreme Court. Hon'ble Supreme Court vide its Order dated 25.3.2010 directed that DDA, which held the surrendered and dedicated land in Trust cannot use it for any purpose other than as green belt or other spaces for the benefit of the community. The Court further directed that in the event of any acquisition or development of surrendered land, the land owner will be entitled to share fifty percent (50%) of the compensation. In view of the aforesaid direction, any benefits earned by DDA from the surrendered land are to be shared equally with the Parent Company.

In terms of the above directions of the Hon'ble Supreme Court, the Parent Company had received a sum of Rs. 159.24 million upto 30.09.2018 where after DMRC had vacated the surrendered land leased to it by DDA. Since there were delays in making payments by DMRC, the Parent Company has demanded payment of interest on delayed payments which is pending in the Court.

42. The Parent Company executed a Business Transfer Agreement on November 18, 2016 with Indian Potash Limited (IPL) to sell off its Agreed Assets and Liabilities excluding contingent liabilities of Titawi Sugar Complex (unit) as a going concern on an 'AS IS WHERE IS WHAT IS' basis by way of a slump sale. Such sale is on certain terms and conditions, part of which have been fulfilled and the rest are under process. The sale is governed by a Business Transfer Agreement (BTA) which stipulates completion of these activities within a certain time frame.

A sum of Rs. 20.99 million (March 31, 2021 Rs. 20.83 million) is recoverable from IPL, Out of which Rs. 20.00 million (March 31, 2021 Rs 20.00 million) pertains to pending transfer of certain portion of freehold land in the name of IPL and balance of Rs. 0.99 million (March 31, 2021 Rs. 0.83 million) pertains to other matters.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 43 Dues to Micro and Small Enterprises

Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006. On the basis of supplier information available with the Group who have registered under the Micro, Small and Medium Enterprise Development Act, 2006 (MSMED Act, 2006), the following are the details.

Particulars	Rs. Million	
	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any supplier:		
- Principal amount	19.48	23.66
- Interest thereon	0.14	0.14
the amount of interest paid by the buyer in terms of section 16, along with the amounts of the payment made to the supplier beyond the appointed day.	-	-
the amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
the amount of interest accrued and remaining unpaid	0.14	0.14
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small investor	0.14	0.14

\* including Rs 0.27 million (March 31, 2021 : Rs. 1.25 million) on account of capital goods supplier.

### 44 Statutory Group Informations

Name of the entity in Group	Net assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount in Rs. Million	% of consolidated profit or loss	Amount in Rs. Million	% of consolidated other comprehensive income	Amount in Rs. Million	% of consolidated total comprehensive income	Amount in Rs. Million
<b>Parent</b>								
Mawana Sugars Limited								
<b>As at March 31, 2022</b>	107.57%	4133.72	126.51%	330.83	86.85%	1.42	126.27%	332.25
As at March 31, 2021	106.00%	3918.82	101.52%	743.83	96.38%	1.33	101.51%	745.16
<b>Subsidiaries</b>								
1) Siel Industrial Estate Limited								
<b>As at March 31, 2022</b>	9.69%	372.22	-12.86%	(33.62)	0.00%	-	-12.78%	(33.62)
As at March 31, 2021	12.52%	462.94	-1.05%	(7.68)	0.00%	-	-1.05%	(7.68)
2) Siel Financial Services Limited (Refer note 45)								
<b>As at March 31, 2022</b>	0.00%	-	0.00%	0.00	0.00%	-	0.00%	0.00
As at March 31, 2021	0.00%	-	-0.27%	(1.94)	0.00%	-	-0.26%	(1.94)
3) Siel Infrastructure & Estate Developers Private Limited								
<b>As at March 31, 2022</b>	12.60%	484.35	0.01%	0.03	0.00%	-	0.01%	0.03
As at March 31, 2021	13.10%	484.32	-120.32%	(881.55)	0.00%	-	-120.09%	(881.55)

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

Name of the entity in Group	Net assets i.e total assets minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	% of consolidated net assets	Amount in Rs. Million	% of consolidated profit or loss	Amount in Rs. Million	% of consolidated other comprehensive income	Amount in Rs. Million	% of consolidated total comprehensive income	Amount in Rs. Million
Mawana Foods Private Limited								
<b>As at March 31, 2022</b>	<b>-2.74%</b>	<b>(105.45)</b>	<b>4.77%</b>	<b>12.47</b>	<b>13.15%</b>	<b>0.21</b>	<b>4.82%</b>	<b>12.68</b>
As at March 31, 2021	-1.42%	(52.66)	-0.51%	(3.71)	3.62%	0.05	-0.50%	(3.66)
<b>Minority Interest in Subsidiaries</b>								
Siel Financial Services Limited (Refer note 57)								
<b>As at March 31, 2022</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>	<b>0.00%</b>	<b>-</b>
As at March 31, 2021	0.00%	-	-0.05%	(0.37)	0.00%	-	-0.05%	(0.37)
<b>Eliminations and adjustments due to Consolidation</b>								
<b>As at March 31, 2022</b>	<b>-27.12%</b>	<b>(1042.20)</b>	<b>-18.43%</b>	<b>(48.21)</b>	<b>0.00%</b>	<b>-</b>	<b>-18.32%</b>	<b>(48.21)</b>
As at March 31, 2021	-30.20%	(1116.55)	120.67%	884.12	0.00%	-	120.44%	884.12
<b>Total</b>								
<b>As at March 31, 2022</b>	<b>100.00%</b>	<b>3842.64</b>	<b>100.00%</b>	<b>261.50</b>	<b>100.00%</b>	<b>1.63</b>	<b>100.00%</b>	<b>263.13</b>
As at March 31, 2021	100.00%	3696.86	100.00%	732.70	100.00%	1.38	100.00%	734.08

**45** During the previous year, the Parent Company had reduced its shareholding in the Siel Financial Services Limited ("SFSL"), a subsidiary of the Parent Company from 93.56% to 75% by sale of 2,105,568 equity shares of Rs 10 each at BSE through process of 'offer for Sale' to comply with the 'Minimum Public Shareholding' requirement of SFSL. The Parent Company had also entered into a Share Purchase Agreement (SPA) dated February 25, 2021 to sell its entire remaining shareholding at a mutually agreed consideration of Rs 1.11 million. The necessary compliances as required in regulation 31A of the SEBI LODR Regulation have been completed on June 14, 2021 and balance 75% equity shares have been sold in the current year.

During the previous year, the resultant gain of Rs. 16.62 million after recouping losses of earlier years and other adjustments was shown in the statement of profit and loss under the head "Exceptional Items".

**46** In view of Hon'ble Allahabad High Court order dated 21.12.2017 for stay on the retrospective operation of orders of UP State Government on reduction in rate of society commission pertaining to earlier years, the Parent Company had provided differential amount of Rs. 285.46 million in the accounts during the earlier year. UP sugar mill association has approached hon'ble Supreme Court for stay of operation of high court order during the earlier year. The matter is pending before Supreme Court.

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

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

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

During an earlier year, Hon'ble High Court of Allahabad following the principle of law laid down by Full Bench of the High Court in the case of Maharajwa Sugar Mills Vs State of UP, allowed all the writ petitions filed by the Parent Company and quashed the levy of the collection charges and consequent demand for the same by the State Government. There are some other cases relating to the same issue of levy of 'collection charges' for other years which are still pending and the total demand of collection charges for those years was Rs. 1,413.33 million as on March 31, 2022 (March 31, 2021 Rs 1,413.33 million). The Parent Company had paid the entire dues of the farmers and the Society commission for these years on its own without any further action by the State Government.

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

There is demand of interest on delayed payments of cane price of Rs 4,646.50 million (March 31, 2021 Rs. 4415.99 million) from Cooperative Cane Societies, which has been disclosed under contingent liabilities (Refer note 32(c)(ii) above). The Parent Company has given its representation to State Government for waiver the same. Matter is yet to be decided by the State Government. The Parent Company is hopeful to get the waiver from State Government.

- 49 Impairment indicators were identified on the investment and recoverable amounts in associate Mawana Foods Private Ltd. The Parent Company at the year end carried a sum of Rs. 44.55 million (March 31, 2021 Rs 97.34 million) as an investment in the consolidated financials statement. Also, amount of Rs. 23.43 million (March 2021 Rs. 56.81 million) is receivable from the associate.

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

Assumption	March 31, 2022	Approach used in determining value
Cost of capital % before tax (discount rate)	16.81%	It has been determined basis risk free rate of return adjusted for equity risk premium.
Long Term Growth Rate	5.00%	Long term growth rate has been taken basis financial budgets and projections approved by management which is in line with industry growth rate

On the basis of calculations performed, the Parent Company assessed the recoverable amount of the investment being lower than its carrying value and consequently the Parent Company has recognised provision for impairment to the extent of excess of carrying value over its value in use by Rs. 65.47 million (March 31, 2021: Rs 30.57 million) in the statement of profit and loss under the head "Exceptional Items".

- 50 During the previous financial year, the Parent Company had disposed off its chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021. Therefore, the statement of Profit and Loss for the year ended March 31, 2021 had been shown by excluding figures of chemical unit which had been included in discontinued operations.
- 51 During the earlier years, Central Government had reintroduced sugar sales mechanism by allotting monthly sale quota to all the sugar mills in the country. With the result, sales revenue has come down and inventory of sugar has significantly increased. As on March 31, 2022, the Parent Company is carrying inventory of sugar of Rs. 5,407.36 million (comprising finished goods Rs. 5,297.00 million and work in progress Rs. 110.36 million) ((March 31, 2021



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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Rs 6,495.29 million (comprising finished goods Rs. 6,386.63 million and work in progress Rs. 108.66 million)) with valuation at lower of cost and net realizable value.

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

- 52** M/s Jones Lang Lasalle (JLL), an international real estate consulting firm were engaged in earlier years to commission the feasibility study for the development of the Industrial estate of the subsidiary company, SIEL Industrial Estate Limited ("SIEL IE"). Based on this study and as per the notification issued in the year 2016, the Change of Land Use (CLU) to Industrial was obtained for land parcel of 462.1552 acres from District Town Planner (DTP), Patiala on October 10, 2017. Even though the land was conveyed by Government of Punjab in favour of the subsidiary company as industrial land. Thereafter, M/s Ranjit Sabhiki Architect (RSA) finalized the Master plan for submission to Punjab Urban Development Agency (PUDA) and the master plan was got approved on January 23, 2019.

In earlier years, Parent Company had offered 51.742 acre of its land to SIEL IE for development of the same along with land held by SIEL IE. The Master plan was approved by PUDA for 462.1552 acres accordingly. On December 18, 2020, the Parent Company decided to retain the said land of 51.742 acre and withdrawn the said offer. SIEL IE approached RSA to make adequate amendments in the master plan and re- submitted the same to PUDA for approval.

The amended master plan was prepared by RSA on May 01, 2021 and submitted to PUDA in RERA on May 05, 2021 and May 06, 2021 respectively. The project for 462.1552 acres was registered with RERA on December 16, 2021.

**Zoning Plan:** Zoning plan of 423.29 Acres will be prepared after approval of amended Master plan by PUDA.

**Services Plan:** Services plan for Public Health Engineering has been prepared by M/s Kumar Endecon Services Pvt. Limited. Electrical Services has been prepared by another Consultant. Electrical plan as per PSPCL Guidelines has been submitted to PSPCL for issuance of approval on December 26, 2019. Services plans of amended plan have been prepared by M/S A.K. Constructions for 423.29 Acres and Bank Guarantee of around Rs 3 Crores are to be deposited in PSPCL.

**Environmental Clearance for SIEL IE:** Pursuant to compliance of CLU letter dated 10.10.17, SIEL IE was required to take necessary approval from competent authority under the notification dated September 14, 2006 issued by Ministry of Environment and Forest. The approval (NOC) from the Forest Department under Forest Act, 1980, Patiala has been received by SIEL IE on November 13, 2018 as the SIEL IE does not fall under designated forest area.

The SIEL IE got ToRs (Term of Reference for EIA studies) issued by SEIAA (State Environment Impact Assessment Authority) Punjab vide their letter dated February 22, 2019. The EIA study was submitted to SEIAA Punjab on August 29, 2019 for grant of Environment Clearance under EIA notification, 2006 for establishment of new industrial estate. The SEAC (State Expert Appraisal Committee), Punjab held its meeting dated February 26, 2020 and forwarded EC application to SEIAA Punjab with its recommendation to grant Environment Clearance of SIEL IE. The SEIAA discussed the Environment Clearance of SIEL IE during their online meeting dated 29.05.2020. The Environment Clearance letter for 423.29 Acres was received on December 16, 2021 from SEIAA Punjab.

**Registration of Project with Real Estate Regulatory Authority (RERA), Punjab:** SIEL IE has submitted its application for registration of its projects consisting of 462.15 acres and 7.32 acres with RERA, Punjab under The Real Estate (Regulation and Development) Act, 2016. Later on, SIEL IE modified one of its application and reduced the land area of the project from 462.15 acres to 423.29 acres. The authority has approved the application of 7.32 acres project on May 27, 2021. The project consisting of 423.29 acres has been approved by RERA on December 16, 2021 subject to the following condition as per Chapter III clause 11 of RERA Act 2016 as follows:

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## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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“(3) The promoter at the time of the booking and issue of allotment letter shall be responsible to make available to the allottee, the following information, namely:— (a) sanctioned plans, layout plans, along with specifications, approved by the competent authority, by display at the site or such other place as may be specified by the regulations made by the Authority”

Hence though the registration of project 423.29 Acre has been done marketing can not be done till the amended master plan is approved by PUDA. The registration fee for the project consisting of 423.29 acres of land amounting to Rs. 3.11 million along with late fee payment of Rs. 2.69 million were deposited on March 02, 2020 and December 22, 2020 respectively. The registration fee for the project consisting of 7.32 acres of land amounting to Rs. 0.05 million along with a late fee payment of Rs. 0.05 million were deposited on March 02, 2020 and December 22, 2020 respectively. SIEL IE project for 462.1552 Acres registered with RERA on December 16, 2021.

**Creation of basic Infrastructure services at site:** The work on creating some basic infrastructure is continuing under the guidance of M/s Ranjit Sabhiki Architect and the landscape consultant. The landscaping of 29M approach road has been completed. The layout of the Entry Gate Cum Administrative block has been finalized, and the work on land filling to bring its level to 400mm above road level has been completed. The site for new reservoir in the SIEL IE has been cleared and marked. Development of Industrial Estate shall be taken up in phases. For first phase, around 160 acres is being developed. Drawings for Road and various services are being prepared. Structural Engineer, M/s Desman has been finalized for preparing basic infrastructure. It will be amended as per the new plan.

**Marketing and sale of Industrial plots:** M/s JLL has also prepared the SIEL iHUB brochure, advertisements and emailer for marketing. M/s JLL will help SIEL IE in exploring the prospective Buyers/ Developers. On receipt of approval of revised Master Plan from PUDA, the plan for marketing activities will commence.

- 53 Pursuant to MOU signed with Govt. of Punjab, as at the close of the period, Siel Industrial Estate Limited (“SIEL IE”) has possession of 469.37 acres (Previous year 462.25 acres) of land, which has been conveyed in the name of SIEL IE.

The Additional District Judge (ADJ), Patiala vide Order dated November 12, 2002, enhanced the amount of compensation of land from Rs. 1,45,000/- per acre to Rs. 1,75,000/- per acre i.e. Rs. 30,000 per acre in the basic land price compensation. Compensation towards Abadi land, Loss of Income, Superstructures, trees, etc. was also granted.

The Collector Land Acquisition (CLA) has confirmed a total liability of Rs. 71.60 million towards the said enhancement and Siel IE has deposited this entire enhanced amount with the Additional District Judge, Patiala.

An Appeal was filed by the SIEL IE before Punjab & Haryana High Court at Chandigarh against the order dated November 12, 2005 passed by Additional District Judge, Patiala in respect of enhancement of cost of land from Rs. 1,45,000/- to Rs. 1,75,000/- per acre.

The Hon'ble High Court while upholding the order of ADJ, Patiala has made modification the order to the extent that the market value of acquired land was revised and fixed at Rs. 2,10,000/- per acre as against Rs. 1,75,000/- per acre assessed by reference court earlier. Pursuant to the above order, the Collector Land Acquisition (CLA) has confirmed a total liability of Rs. 107.52 million towards the said enhancement vide letter dated August 26, 2016. The total liability as on date including interest up to March 31, 2022 is to the tune of Rs. 114.77 million. SIEL IE has deposited a sum of Rs. 99.68 million up to March 31, 2022. The remaining liability as on date including interest up to March 31, 2022 is Rs. 15.09 million.

SIEL IE and the Landowners filed appeals in the Hon'ble Supreme Court of India against the order of the High Court. The appeals came up for hearing on November 21, 2017. The Supreme Court partly allowed the appeals filed by the landowners and increased the amount of compensation to landowners from Rs.2,10,000/- per acre to Rs. 2,81,400/-. The total liability as on date including interest up to March 31, 2022 is to the tune of Rs. 247.68 million. SIEL IE has made payment of a sum of Rs. 211.56 million till date and balance outstanding as on date is Rs. 36.12 million.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

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Some landowners have filed Revision Petitions in the Punjab and Haryana High Court challenging the orders of the Execution Court on the ground that they have not been awarded interest on various components such as loss of income, superstructure, Abadi Deh land, severance etc. The Hon'ble court disposed off the said matters on May 06, 2019 & have been remanded back to executing court, which is pending for adjudicating.

- 54** Reserve Bank of India had issued a clarification vide its notification RBI/2006-07/158, DNBS (PD) C.C. No. 81/03.05.002/2006-07, Dated October 19, 2006 that a company will be treated as a non-banking financial company (NBFC) if its financial assets are more than 50 per cent of its total assets (netted off by intangible assets) and income from financial assets is more than 50 per cent of the gross income. Both these tests are required to be satisfied as the determinant factor for principal business of a company for the purpose of identification of an NBFC. The SIEL Infrastructure & Estate Developers Private Limited has become non-banking financial company on the basis of financial assets & income from financial assets criteria. Since the SIEL Infrastructure & Estate Developers Private Limited ("SIEL IED") was complying with the conditions laid down under "The Core Investment Companies (Reserve Bank) Directions, 2011", SIEL IED submitted an application dated December 17, 2013 with Reserve Bank of India seeking exemption from registration with RBI as Core Investment Company (CIC). RBI vide letter no. DNBS.ND.NO.-2958/Regn. No. CIC./04.04.9999/2013-14 has granted exemption from registration of Company as Core Investment Company (CIC).
- 55** SIEL Infrastructure & Estate Developers Private Limited ("SIEL IED") is Systematically Important Non Deposit Taking Core Investment Company and it has invested in the equity shares of SIEL Industrial Estate Limited which is its associate & also fellow subsidiary of the Parent Company. SIEL Industrial Estate Limited, the investee intends to invest in estate business. The said estate business will include but not limited to conceiving, designing, promoting, investing, developing, constructing, managing integrated industrial estate etc. SIEL IED is still in the process of planning & charting out its course of action to commence its operations.

Considering the time required & save government fees, it applied to Registrar of Companies, NCT of Delhi & Haryana, Ministry of Corporate Affairs, Government of India to become dormant under Section 455 of the Companies Act, 2013 till the time it actually operationalize its plans. SIEL IED became dormant under Section 455 of the Companies Act, 2013 on April 25, 2015.

As per Rule 8 of Companies (Miscellaneous) Rules, 2014, a Company cannot remain with the status of a Dormant Company for more than five consecutive financial years, the Registrar shall initiate the process of striking off the name of the company if the company remains as a dormant company for a period of consecutive five years. The tenure of five years ended on April 24, 2020 and the Board of Directors of SIEL IED considered the matter in its meeting held on August 08, 2020 and given their consent to submit an application before the Registrar of Companies to obtain Active Status. The application for obtaining the Active Status has been approved and active status is showing in MCA Website.

Considering that SIEL IED is Systematically Important Non Deposit Taking Core Investment Company and it is actively working in the direction to commence its operations which will enable SIEL IED to start operating on a profitable basis, SIEL IED is considered as going concern and the accounts of SIEL IED have been prepared on a "going concern" basis for the purpose of consolidation.

- 56** The Group has 33.74% interest in Mawana Foods Private Limited, an associate which is an established player in retail business of sugar and soap. The Group's interest in Mawana Foods Private Limited is accounted for using the equity method in the consolidated financial statements. Summarised financial information of the Associate, based on its IndAS financial statements, and reconciliation with the carrying amount of the investment in consolidated financial statements are set out below:

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

Particulars	Rs Million	
	As at March 31, 2022	As at March 31, 2021
Current assets	62.07	75.80
Non - Current assets	1.70	5.51
Current Liabilities	37.77	91.19
Non - Current Liabilities	3.34	5.05
Total equity	22.66	(14.93)
<b>Proportion of the Group's ownership</b>	<b>33.74%</b>	<b>33.74%</b>
Proportionate Investment	7.64	(5.04)
Add : Goodwill on acquisition of associate	132.95	132.95
Less : Provision for diminution in value of investment in associate	(96.04)	(30.57)
<b>Carrying amount of Investment</b>	<b>44.55</b>	<b>97.34</b>

**Summarised statement of profit and loss :**

Particulars	Rs. Million	
	Year ended March 31, 2022	Year ended March 31, 2021
<b>Continuing Operations</b>		
Revenue from operations	417.54	505.61
Other income	0.44	2.52
<b>Total Revenue (I)</b>	<b>417.98</b>	<b>508.13</b>
Expenses:		
Purchase of traded goods	352.79	440.78
Change in inventory of traded goods	1.70	5.83
Employee benefits expenses	27.96	27.77
Finance costs	1.31	1.91
Depreciation and amortisation expenses	1.21	1.38
Other expenses	31.90	22.90
<b>Total Expenses (II)</b>	<b>416.87</b>	<b>500.57</b>
<b>Profit Before Tax and exceptional items (III) (I-II)</b>	<b>1.11</b>	<b>7.56</b>
<b>Exceptional Items Income (net) (IV)</b>	<b>42.10</b>	<b>-</b>
<b>Profit Before Tax from continuing operation (III-IV)</b>	<b>43.21</b>	<b>7.56</b>
<b>Income Tax</b>	<b>-</b>	<b>-</b>
Current Tax	-	-
Deferred Tax	-	-
<b>Profit for the year from continuing operation</b>	<b>43.21</b>	<b>7.56</b>
Loss from discontinued operation*	(6.27)	(18.51)
<b>Profit/(Loss) for the period</b>	<b>36.94</b>	<b>(10.95)</b>
<b>Other Comprehensive Income</b>		
Item that will not be reclassified to statement of profit & loss	(0.64)	(0.15)
<b>Total Other Comprehensive income/(expenses)</b>	<b>37.58</b>	<b>(10.80)</b>
<b>Proportion of the Group's ownership</b>	<b>33.74%</b>	<b>33.74%</b>
<b>Proportionate profit/ (Loss)</b>	<b>12.68</b>	<b>(3.66)</b>

\* Previous year figure have been regrouped due to sale of Edible oil intellectual property and other related assets.

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 57 Discontinued operations

#### A. Chemical Unit

Pursuant to approval of the board of directors of the Parent Company in its meeting held on February 9, 2021, subsequently approved by the shareholders of the Parent Company through postal ballot and vide business transfer agreement dated February 9, 2021, the Parent Company had transferred assets and liabilities of its Chemical unit to Bodal Chemicals Limited before the close of the business on March 31, 2021, on a going concern basis at a lumpsum consideration of Rs.1,370 million subject to adjustment of net working capital amounting to Rs. 114.44 million related to said unit. Consequently, the Parent Company's net assets of Rs. 333.61 million mainly representing property, plant and equipment, inventories, trade receivables and trade payables have been transferred which had resulted in gain of Rs. 1,120.18 million (Net of expenses incurred related to sale of said unit of Rs. 30.65 million). The same had been included under exceptional items in the consolidated financial statements of the Group for the year ended March 31, 2021. The consideration of Rs.1,475.50 million was received till March 31, 2021 and balance of Rs. 8.94 million was received during the current year.

Some of the licences related to Chemical Unit are in the process of transfer to Bodal Chemicals Limited.

#### Financial performance and cash flow information

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

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue including other income {including Provision no longer required written back Rs. Nil (March 31, 2021 Rs. 0.02 million), Interest income Rs Nil (March 31, 2021 Rs. 8.78 million) and inter segment revenue of Rs. Nil (March 31, 2021 Rs. 12.53 million)}	-	1,527.99
Less: Expense (including Loss on sale of Property, plant and equipment Rs. Nil (March 31, 2021 0.02 million)	-	1,713.81
Less: Financial costs	-	1.40
Less: Depreciation and amortisation expenses	-	72.56
Profit/(Loss) before Tax	-	(259.78)
Tax credit/(expenses)*	-	43.55
<b>Profit / (Loss) from discontinued operations</b>	-	<b>(216.23)</b>

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

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

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities	-	(261.75)
Cash flow from investing activities	-	(7.05)
Cash flow from financing activities (including movement in head office balances)	-	263.75
<b>Net Cash inflows/(outflows)</b>	-	<b>(5.05)</b>

**NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)**

**57 Discontinued operations (Contd.)**

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

Particulars	Rs Million	
	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, plant and equipment	-	209.88
(b) Capital work- in- progress	-	9.10
(c) Intangible assets	-	0.31
(d) Financial assets-Loans	-	167.87
(e) Other non- current assets	-	1.70
<b>Total Non-current assets</b>	-	<u>388.86</u>
<b>(2) Current assets</b>		
(a) Inventories	-	90.54
(b) Financial assets		
- Trade receivables	-	20.93
- Cash and cash equivalents	-	24.90
-Other bank balances	-	0.11
-Other	-	7.17
(c) Other current assets	-	10.75
<b>Total current assets</b>	-	<u>154.40</u>
<b>Total Assets</b>	-	<u>543.26</u>
<b>LIABILITIES</b>		
<b>(1) Non- current liabilities</b>		
(a) Provisions	-	37.88
<b>Total non- current liabilities</b>	-	<u>37.88</u>
<b>(2) Current liabilities</b>		
(a) Financial liabilities		
Trade payables		
- Total outstanding dues to micro and small enterprises	-	16.81
- Total outstanding dues of creditors other than micro and small enterprises	-	73.31
Other financial liabilities	-	24.31
(b) Other current liabilities	-	32.94
(c) Provisions	-	24.40
<b>Total current liabilities</b>	-	<u>171.77</u>
<b>Total liabilities</b>	-	<u>209.65</u>

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 57 Discontinued operations (Contd.)

B As stated in Note 45, the information related to Siel Financial Services Limited is as below :-

#### Financial performance and cash flow information

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

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Revenue including other income {including Gain on fair value of Stock Rs. Nil (March 31, 2021 Rs. 0.03 million), Interest income Rs. Nil (March 31, 2021 Rs. 0.26 million)}	-	0.26
Less: Expense	-	2.20
Less: Financial costs	-	-
Less: Depreciation and amortisation expenses	-	-
Profit/(Loss) before tax	-	(1.94)
Tax (expenses) including adjustment of current tax relating to earlier years	-	-
<b>Profit / (Loss) from discontinued operations</b>	-	(1.94)

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

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities	-	(3.99)
Cash flow from investing activities	-	3.92
Cash flow from financing activities	-	-
<b>Net Cash inflows/(outflows)</b>	-	(0.07)

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

Particulars	Rs Million	
	As at March 31, 2022	As at March 31, 2021
<b>ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Income tax assets(net)	-	1.80
(b) Other non current assets	-	0.06
<b>Total Non-current assets</b>	-	1.86
<b>(2) Current assets</b>		
(a) Inventories	-	0.10
(b) Financial assets		
- Cash and cash equivalents	-	1.20
-Other bank balances	-	1.28
-Others	-	0.02
(c) Other current assets	-	-
<b>Total current assets</b>	-	2.60
<b>Total Assets</b>	-	4.46

## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 57 Discontinued operations (Contd.)

Particulars	As at March 31, 2022	As at March 31, 2021
<b>LIABILITIES</b>		
(1) <b>Non- current liabilities</b>		
(a) Financial Liabilities		
- Borrowings	-	36.59
<b>Total non- current liabilities</b>	<b>-</b>	<b>36.59</b>
(2) <b>Current liabilities</b>		
(a) Financial liabilities		
- Borrowings	-	15.70
- Other financial liabilities	-	0.17
(b) Other current liabilities	-	0.14
<b>Total current liabilities</b>	<b>-</b>	<b>16.01</b>
<b>Total liabilities</b>	<b>-</b>	<b>52.60</b>

### C Results of discontinued operations

Particulars	Rs Million	
	Year ended March 31, 2022	Year ended March 31, 2021
Profit/(Loss) before tax	-	(261.72)
Tax credit/(expense) (including adjustment of current tax relating to earlier years Rs Nil (March 31, 2021 Nil))	-	43.55
<b>Profit / (Loss) from discontinued operations</b>	<b>-</b>	<b>(218.17)</b>

### 58 Other Statutory Information

- (i) The Group do not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- (ii) The Group do not have any transactions with companies struck off.
- (iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period,
- (iv) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Group have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (vi) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:



## NOTES TO FINANCIAL STATEMENTS OF GROUP AS AT AND FOR THE YEAR ENDED MARCH 31, 2022 (Contd.)

### 58 Other Statutory Information (Contd.)

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(vii) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961

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

### 60 Disclosure required under Section 186 (4) of the Companies Act 2013.

Rs Million

Name of the Entity	Year	Opening Balance	Loan Reinstated	Loan Repaid	Outstanding Balance	Purpose
Siel Financial Services Limited (ceased to be subsidiary w.e.f. June 14, 2021))*	2021-22	36.59	-	-	36.59	General Business Purpose
	2020-21	-	36.59	-	36.59	General Business Purpose

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

As per our report of even date  
For **S.R.Batliboi & Co. LLP**  
Chartered Accountants  
Firm Registration No.: 301003E/E300005

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

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

**B.B. MEHTA**  
Chief Financial Officer

**KRISHNA SHRIRAM**  
Director  
(DIN: 00031783)

Place: New Delhi  
Date: May 30, 2022

**ASHOK KUMAR SHUKLA**  
Company Secretary

**DHARAM PAL SHARMA**  
Whole Time Director  
(DIN: 07259344)







