Parry Sugars Refinery India Private Limited
Balance Sheet as at March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

	Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
A	**ASSETS**			
1	**Non-current assets**			
	(a) Property, Plant and Equipment	4	43,510.67	42,374.26
	(b) Right-of-use Assets	35A	2,118.31	-
	(c) Capital Work-In-Progress	4.06	59.61	80.24
	(d) Financial Assets			
	(i) Investment in subsidiary	5	1,774.77	1,621.85
	(ii) Other Financial Assets	7A	50.95	45.15
	(e) Deferred Tax Assets (Net)	6	-	-
	(f) Other Non-Current Assets	12A	384.90	1,404.79
	Total Non - Current Assets		**47,899.21**	**45,526.29**
2	**Current assets**			
	(a) Inventories	8	62,935.67	147,542.01
	(b) Financial Assets			
	(i) Investments	9	503.14	1,914.09
	(ii) Trade receivables	10	18,176.94	7,615.38
	(iii) Cash and Cash equivalents	11A	1,931.78	2,020.24
	(iv) Bank balances other than (iii) above	11B	-	5,166.80
	(v) Short Term Loan	7C	1,513.40	-
	(v) Other Financial Assets	7B	9,301.41	4,758.29
	(c) Other Current Assets	12B	2,136.38	781.52
	Total Current Assets		**96,498.72**	**169,798.33**
	Total Assets (1+2)		**144,397.93**	**215,324.62**
B	**EQUITY AND LIABILITIES**			
1	**Equity**			
	(a) Equity Share capital	13	34,559.21	33,809.21
	(b) Other Equity	14	(38,170.05)	(28,988.56)
	Total equity		**(3,610.84)**	**4,820.65**
	LIABILITIES			
2	**Non-current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	15	20,000.00	10,000.00
	(ii)Lease Liabilities	35B	835.52	-
	(b) Long term provisions	17A	125.53	103.85
	(c) Other Non-Current Liabilities	20A	51.85	34.02
	Total Non - Current Liabilities		**21,012.90**	**10,137.87**
3	**Current liabilities**			
	(a) Financial Liabilities			
	(i) Borrowings	18	98,690.13	107,697.96
	(ii) Trade payables	19		
	a) Total outstanding dues of micro and small enterprises		-	-
	b) Total outstanding dues of enterprises other than micro and small enterprises		20,112.18	76,311.29
	(iii) Lease Liabilities	35C	94.94	-
	(iv) Other Financial Liabilities	16	7,933.80	16,159.29
	(b) Short term provisions	17B	59.46	57.92
	(c) Other Current Liabilities	20B	105.36	139.64
	Total Current Liabilities		**126,995.87**	**200,366.10**
	Total Equity and Liabilities (1+2+3)		**144,397.93**	**215,324.62**

The accompanying notes are an integral part of these financial statements.
In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

For and on behalf of the Board of Directors

S. Suresh
Managing Director
DIN No. : 06999319

P. Nagarajan
Chairman

Suresh S
Partner
Membership No:200928

TV Swarna Prakash
Chief Financial Officer

B. Satish Krishnan
Company Secretary

Place : Chennai
Date : June 05, 2020.

Parry Sugars Refinery India Private Limited
Statement of Profit and Loss for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Revenue from operations	21A	200,865.79	143,385.85
II	Other Net gains - Derivative sugar contracts	21B	2,792.30	239.22
III	Other Income	22	2,495.06	1,103.50
IV	**Total Income (I + II+III)**		**206,153.15**	**144,728.57**
V	**EXPENSES**			
	(a) Cost of materials consumed	23	151,221.37	159,809.10
	(b) Purchases of Stock-in-Trade		-	4,996.12
	(c) Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	28,182.64	(37,101.29)
	(d) Employee benefits expense	25	1,187.72	1,106.50
	(e) Finance costs	26	5,887.99	5,927.36
	(f) Depreciation and amortisation expenses	4.07	3,376.18	3,143.30
	(g) Other expenses	27	18,186.68	15,729.67
	Total Expenses		**208,042.58**	**153,610.76**
VI	**Loss before tax (IV-V)**		**(1,889.43)**	**(8,882.19)**
VII	**Tax Expense**			
	(1) Current tax			-
	(2) Deferred tax			-
	Total tax expense	29		-
VIII	**Loss for the year (VI-VII)**		**(1,889.43)**	**(8,882.19)**
IX	**Other comprehensive income**			
	A Items that will not be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements to Presentation Currency		(44.07)	251.43
	(b) Movement in cash flow hedging reserve		(11,022.54)	(619.24)
	(c) Remeasurements of Defined Benefit Plans		(5.33)	6.41
	(d) Income tax relating to items that will not be reclassified to profit or loss	29	-	-
	B Items that will be reclassified to profit or loss			
	(a) Movement in cash flow hedging reserve		1,299.34	4,555.51
	(b) Income tax on items that will be reclassified to profit or loss	29	-	-
	Total other comprehensive income (A+B)		**(9,772.60)**	**4,194.11**
X	**Total comprehensive income for the year (VIII + IX)**		**(11,662.03)**	**(4,688.08)**
XI	**Earnings per equity share (Face value of Rs 10 per share):**			
	Basic and diluted (Rupees per share)	31	**(0.56)**	**(2.95)**

The accompanying notes are an integral part of these financial statements.
In terms of our report of even date.

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Suresh S
Partner
Membership No:200928

Place : Chennai
Date : June 05, 2020.

For and on behalf of the Board of Directors

S. Suresh
Managing Director
DIN No. : 06999319

P. Nagarajan
Chairman

TV Swarna Prakash
Chief Financial Officer

B. Satish Krishnan
Company Secretary

Parry Sugars Refinery India Private Limited
Statement of changes in equity for the year ended March 31, 2020
All amounts are in Rupees Lakhs unless otherwise stated)

a. Equity

Particulars	Amount
Issued, subscribed and Paid up Capital	
Balance at March 31, 2018	**30,125.00**
Issue of Equity shares to Holding Company	3,684.21
Balance at March 31, 2019	**33,809.21**
Issue of Equity shares to Holding Company	**750.00**
Balance at March 31, 2020	**34,559.21**

b. Other Equity

Particulars	Reserves and Surplus			Items of Other Comprehensive Income		Total
	Securities premium reserve	Debenture redemption Reserve	Retained earnings	Cash flow Hedging Reserve	Foreign Currency Translation Reserve	
Opening as at April 1, 2018	**37,144.19**	**1,415.66**	**(65,720.21)**	**-**	**(455.91)**	**(27,616.27)**
2018-19						
Loss for the year	-	-	(8,882.19)	-	-	(8,882.19)
Movement in Cash Flow Hedging Reserve	-	-	-	3,936.27	-	3,936.27
Exchange differences in translating the financial statements to Presentation Currency	-	-	-	-	251.43	251.43
Remeasurement of Defined Benefit Plans	-	-	6.41	-	-	6.41
Total comprehensive income for the year	**-**	**-**	**(8,875.78)**	**3,936.27**	**251.43**	**(4,688.08)**
Transactions with owners in their capacity as owners:						
Issue of Fresh Equity Share Capital	3,315.79	-	-	-	-	3,315.79
Balance as at March 31, 2019	**40,459.98**	**1,415.66**	**(74,595.99)**	**3,936.27**	**(204.48)**	**(28,988.56)**
2019-20						
Loss for the year	-	-	(1,889.43)	-	-	(1,889.43)
Movement in Cash Flow Hedging Reserve	-	-	-	(7,992.66)	-	(7,992.66)
Exchange differences in translating the financial statements to Presentation Currency	-	-	-	-	(44.07)	(44.07)
Remeasurement of Defined Benefit Plans	-	-	(5.33)	-	-	(5.33)
Total comprehensive income for the year	**-**	**-**	**(1,894.76)**	**(7,992.66)**	**(44.07)**	**(9,931.49)**
Transactions with owners in their capacity as owners:						
Issue of Fresh Equity Share Capital	750.00	-	-	-	-	750.00
Balance as at March 31, 2020	**41,209.98**	**1,415.66**	**(76,490.75)**	**(4,056.39)**	**(248.55)**	**(38,170.05)**

The accompanying notes are an integral part of these financial statements.
In terms of our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

S. Suresh
Managing Director
DIN No. : 06999319

P. Nagarajan
Chairman

Suresh S
Partner
Membership No:200928

Place : Chennai
Date : June 05, 2020.

TV Swarna Prakash
Chief Financial Officer

B. Satish Krishnan
Company Secretary

Parry Sugars Refinery India Private Limited
Statement of Cashflows for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flows from operating activities		
Loss for the year	(1,889.43)	(8,882.19)
Adjustments for:		
Finance costs recognised in profit or loss	5,887.99	5,927.36
Net (gain)/loss arising on financial assets mandatorily measured at fair value through profit or loss	(57.62)	(347.09)
Depreciation and amortisation expenses	3,376.18	3,143.30
(Profit)/Loss on Sale of Assets (net)	0.30	(7.29)
Realised Gain of Cash Flow Hedges in OCI (Net)	1,724.68	978.92
Marked to Market loss/(gain) on Forward and Swap Contract	2,349.71	(165.58)
Marked to Market gain on Commodity Contracts not designated as hedges	(2,254.32)	(700.27)
Interest Income	(155.35)	(101.24)
Dividend from Subsidiary	-	(406.48)
Liabilities no longer required written back	(0.18)	(2.77)
Provision for bad and doubtful debts	-	28.83
Operating Loss before working capital changes	8,981.96	(534.50)
Movements in working capital:		
(Increase)/decrease in Trade and Other Receivables	(10,561.56)	4,759.33
(Increase)/decrease in Inventories	84,606.34	(77,117.93)
(Increase)/decrease in Other Financial Assets (Current and Non-current)	(7,503.23)	6,703.75
(Increase)/decrease in Other Current and Non current Assets	(1,336.84)	123.29
Increase /(decrease) in Trade Payables	(56,198.93)	7,181.12
Increase in Long term and Short term provisions	23.22	29.75
Decrease in Other Current and Non current Liabilities	(21.78)	(139.38)
Exchange Difference on translation to presentation currency (excluding exchange difference arising from translation of Property, Plant and Equipment and Investment in subsidiary)	(4,399.49)	(2,310.38)
	4,607.73	(60,770.45)
Cash generated from / (used in) operations	13,589.69	(61,304.95)
Income taxes paid	(12.16)	(72.89)
Net cash generated from / (used in) operating activities	**13,577.53**	**(61,377.84)**
B. Cash flows from investing activities		
Payments to acquire Property, Plant and Equipment	(604.41)	(1,887.41)
Loan to Wholly Owned Subsidiary	(1,513.40)	
Payments for investment in subsidiary	-	(1,505.78)
Interest received	150.22	80.10
Proceeds from sale of Mutual Funds	1,410.95	847.98
Dividends received from Mutual Funds	57.62	347.09
Dividend from subsidiary	-	406.48
Proceeds from sale of Property, Plant and Equipment	4.21	44.54
Bank balances not considered as Cash and cash equivalents	5,166.80	(5,166.80)
Net cash generated from / (used in) investing activities	**4,671.99**	**(6,833.80)**
C. Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company (including securities premium)	1,500.00	7,000.00
Redemption of debentures	(13,500.00)	(13,500.00)
Proceeds from Issue of debentures/Term Loan	10,000.00	10,000.00
Payment of Lease Liability	(94.90)	-
(Payment of)/Proceeds from short term borrowings(net) including bank overdrafts	(9,007.83)	62,951.52
Finance costs paid	(7,235.25)	(5,659.72)
Net cash generated from / (used in) financing activities	**(18,337.98)**	**60,791.80**
Net increase/ (decrease) in cash and cash equivalents	**(88.46)**	**(7,419.84)**
Cash and cash equivalents at the beginning of the year	2,020.24	9,440.08
Cash and cash equivalents at the end of the year	1,931.78	2,020.24
	(88.46)	(7,419.84)

Parry Sugars Refinery India Private Limited
Statement of Cashflows for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Reconciliation of Cash and Cash Equivalents with the Balance Sheet:		
Cash and Cash Equivalents (Note No 11A)	1,931.78	2,020.24
Net Cash and Cash Equivalents (as defined in Ind AS 7 - Statement of cash flows)	1,931.78	2,020.24

The accompanying notes are an integral part of these financial statements.

In terms of our report of even date.
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Suresh S
Partner
Membership No:200928

Place : Chennai
Date : June 05, 2020.

For and on behalf of the Board of Directors

S. Suresh
Managing Director
DIN No. : 06999319

P. Nagarajan
Chairman

TV Swarna Prakash
Chief Financial Officer

B. Satish Krishnan
Company Secretary

1 Corporate Information

Parry Sugars Refinery India Private Limited ('the Company') is a private company limited by shares, incorporated on January 13, 2006 and having its Registered Office at Chennai, Tamilnadu. The Company is primarily engaged in the manufacturing of refined Sugar in its factory located in Kakinada. The plant was originally constructed to run on Natural Gas as its fuel and the Company had a firm allocation of Natural gas from Government of India. However gas supplies to the plant was stopped due to unexpected drop in overall gas production, due to which the Company's operations were discontinued from November 1, 2011. The Company assessed the suitability of alternative fuels and concluded that coal would be a viable substitute for running the plant. The Company also commissioned Coal fired boiler and Power Plant and re-commenced its operations from July 16, 2014. The Company has Refinery Capacity of about 3,000 MT per day of Sugar.

2 Statement of compliance

The financial statements have been prepared in accordance with Ind ASs notified under Section 133 of the Companies Act, 2013 [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

3 Significant Accounting Policies

3.1 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, defined benefit plan-plan assets measured at fair value and assets held for sale which is measured at lower of cost and fair value less cost to sell.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

All assets and liabilities have been classified and disclosed as current or non-current as per the Company's normal operating cycle and other criteria set out in Schedule III. Based on the nature of operations and the time between the acquisition of assets for sale of goods and their realization into cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current - non current classification of assets and liabilities.

Accounting policies have been consistently applied to all the periods presented, except where a newly issued accounting standard is initially adopted, or a revision to existing accounting standards require requires a change in the accounting policy hitherto in use.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

• Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
• Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
• Level 3 inputs are unobservable inputs for the asset or liability.

3.2 Exemption from preparation of consolidated financial statements

The Company has an overseas wholly owned subsidiary. The Holding Company, E.I.D. - Parry (India) Limited, having its registered office at Dare House, Parrys Corner, Chennai - 600001, shall present the consolidated financial statements. The Company has therefore availed the exemption under paragraph 4(a) of Ind AS 110 and shall satisfy the conditions for exemption from preparing consolidated financial statements as per the Companies (Accounts) Amendment Rules, 2016 and thereby does not present consolidated financial statements.

Consequently, the accounting policies mentioned herein relate to the standalone financial statements of the Company.

3.3 Going Concern Assumption

The Company has accumulated loss of Rs.76,490.75 lakhs resulting in substantial erosion of net worth. The Management is confident that the Company will be able to generate profits in future years to meet its financial obligation as may arise. The Company's financial statements have been prepared on a going concern basis based on cumulative impact of the following mitigating factors:-

• Company has not defaulted in payment of any statutory dues including interest on bank borrowings.
• E.I.D - Parry (India) Limited - Holding Company infused Rs1,500 lakhs in the year 2019-20. and Rs.7,000 lakhs in the year 2018-19.
• The Company's production volumes have increased significantly since the financial year 2018-19.
• The Company has been locking its refining margins through trades in sugar future contracts.
• The Company also commenced selling to institutional customers.
• The Company is rigorously undertaking measures for reducing the cost of conversion of sugar.

Besides the above, the Company has also taken several Strategic initiatives, cost reduction and efficiency improving measures to improve profitability.

3.4 Functional and presentation currency

Being in a SEZ location, the Company imports raw sugar and exports white sugar, consequently exposing the Company to the risks in the international market. The Company locks the price of raw sugar and white sugar using USD denominated sugar commodity futures and option contracts.

Owing to the above, the management has assessed that the currency of the Company's primary economic environment is USD since the significant portion of its revenue and cost (and consequently margins) are affected by USD.

Accordingly, items included in the financial statements are measured using USD as the functional currency. The financial statements are presented in Indian Rupees (INR) ("the Presentation currency") being the common currency in which consolidated financial statements of its holding company are presented, and has been rounded up to the nearest lakh except where otherwise indicated.

3.5 Revenue recognition

Sale of goods

Revenue from sale of products is measured at the fair value of the consideration received or receivable, less returns (if any), trade discounts, volume rebates, value added taxes and Goods and Services Tax.

The performance obligation of the Company is sales of goods. Revenue is recognized when the performance obligations are satisfied and the control of the good is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time, the Company has right to payment for the asset, customer bears significant risk and rewards of ownership and the customer has accepted the assets or the Company objective evidence that all criteria for acceptance have been satisfied. Payment for the sales are received as per the credit terms in the agreement with the customers. The credit period is generally short term, thus there is no significant financing element. The Company's contracts with customer do not provide for any right to return, refunds or similar obligations.

Sale of Service

The performance obligation under service contract are provision of handling service, business support and other ancillary services set forth in the contracts. Revenue from rendering of services are recognised over a period of time by reference to the stage of completion as the customer simultaneously receives and consumes the benefit provided by the Company's performance as the Company performs. Payment for the service rendered is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Dividend and interest income

a) Dividend income from investments is recognised when right to receive it is established (provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably).

b) Interest income from the financial assets are recognized on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

3.6 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company. Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee’s incremental borrowing rate is used. Incremental borrowing rate is the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease tenure so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any lease incentives received
• any initial direct costs, and
• Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases of property, plant and office equipment and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

3.7 Foreign currency transactions and translations

In preparing the financial statements of the Company, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on translation are recognised in the income statement for determination of net profit or loss during the period.

For the purpose of presenting these financial statements, the assets and liabilities of the Company are translated into Indian Rupee using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

3.8 Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. All other borrowing costs are recognised as expenses in the period in which they are incurred.

To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the Company determines the amount of borrowing costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

3.9 Employee Benefits

(a) Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period.

The Company has an employees' gratuity fund managed by the Life Insurance Corporation of India (LIC).

Defined benefit costs are categorized as follows:
• Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
• net interest expense or income; and
• Remeasurement
The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'.

Past service cost is recognised in profit or loss in the period of a plan amendment.

Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

Curtailment gains and losses are accounted for as past service costs. The retirement benefit obligation recognised in the balance sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Contributions paid/payable to defined contribution plans comprising of Superannuation (under a scheme of Life Insurance Corporation of India) and Provident Funds for employees covered under the respective Schemes are recognised in the Statement of Profit and Loss each year.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

(b) Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

Accumulated Compensated absences which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year-end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit Method) at the end of each year. Actuarial gains and losses are recognized in the Statement of Profit and Loss in the year in which they arise.

(c) Contributions from employees or third parties to defined benefit plans

Discretionary contributions made by employees or third parties reduce service cost upon payment of these contributions to the plan.

3.10 Earnings Per Share

The Company presents basic and diluted earnings / (loss) per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Where ordinary shares are issued but not fully paid, they are treated in the calculation of basic earnings per share as a fraction of an ordinary share to the extent that they were entitled to participate in dividends during the period relative to a fully paid ordinary share. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares. To the extent that partly paid shares are not entitled to participate in dividends during the period they are treated as the equivalent of warrants or options in the calculation of diluted earnings per share.

3.11 Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and unused tax losses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and losses can be utilized. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and Deferred tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

3.12 Property, Plant and Equipment

Land and buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses.
Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
Fixtures and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Estimated useful lives of the assets are as follows:

Description of assets	**Estimate of Useful Lives (yrs.)**
Buildings	10-60
Plant and machinery (Continuous process)	18
Plant and equipment (General)	3-5
Furniture and fittings	10
Office equipment	5
Motor vehicles	4

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Useful lives, residual value and the method of depreciation charged on Property, Plant and Equipment are reviewed at each reporting date and adjusted where necessary.

3.13 Impairment of Non-Financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest company of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

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

3.14 Inventories

Inventories majorily comprise of raw sugar, stores and spares, white sugar, work in progress and white sugar in finished condition. Inventories of raw-sugar are generally measured at cost (determined using specific identification method), unless the white-sugar of finished goods does not have adequate realizable value to meet the cost. Finished goods of white sugar are measured at lower of cost (determined using specific identification method) and net realizable value. Cost comprises of cost of purchase, and all directly attributable costs incurred in bringing the inventories to their present location and condition. Items of stores and spares and coal are measured based on moving average method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Inventories of by-products are valued at estimated net realisable value.

3.15 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 the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Asset retirement obligation:

The Company recognizes the estimated liability for future costs to be incurred in the remediation of site restoration in regards to plant and equipment removal and disposal thereof, only when a present legal or constructive obligation has been determined and that such obligation can be estimated reliably. Upon initial recognition of the obligation, the corresponding costs are added to the carrying amount of the related items of property, plant and equipment and amortized as an expense over the economic life of the asset, or earlier if a specific plan of removal exists. This obligation is reduced every year by payments incurred during the year in relation to these items. The obligation might be increased by any required remediation to the owned assets that would be required through enacted legislation.

3.16 Financial Instruments

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

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

3.17 Financial Assets:

All regular way purchases or sales of financial assets are recognised and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets require delivery of assets within the time frame established by regulation or convention in the marketplace.

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

a. Classification of Financial Assets

Debt instruments that meet the following conditions are subsequently measured at amortized cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):
• the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
• the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
• the debt instruments carried at amortised cost include Deposits, Trade receivables, cash and bank balances and Loans and advances recoverable in cash.

For the impairment policy on financial assets measured at amortized cost, refer Note 3.17.d

b. Effective Interest Method

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

Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest Income is recognized in Statement of profit or loss and is included in 'Other Income' line item.

c. Financial Assets measured at Fair Value through Profit or loss (FVTPL):

The Company carries derivative contracts not designated in a hedge relationship at FVTPL. Financial assets at FVTPL also includes assets held for trading.

A financial asset is held for trading if:
• it has been acquired principally for the purpose of selling it in the near term; or
• on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
• it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' or 'Other net gains-Derivative sugar contracts' or 'Other expenses' line item as appropriate. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established or, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

d. Impairment of Financial Assets:

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

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

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

e. Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.
On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

f. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

• For foreign currency denominated financial assets measured at amortized cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
• Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

• For the purposes of recognizing foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortized cost. Thus, the exchange differences on the amortized cost are recognized in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

3.18 Financial liabilities and equity instruments

a. Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

b. Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

c. Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

c.1. ***Financial liabilities at FVTPL***

Financial liabilities at FVTPL includes derivative liabilities. Non-derivative financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL. There are no non-derivative financial liabilities carried at FVTPL.

Fair value is determined in the manner described in note 33.

A Financial liability is classified as held for trading if
i) It has been incurred principally for the purpose of repurchasing it in the near term; or
ii) on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit taking; or
iii) it is a derivative that is not designated and effective as a hedging instrument.

c.2. ***Financial liabilities subsequently measured at amortised cost***

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Interest expense that is not capitalized as part of costs of an asset is included in the 'Finance costs' line item.

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

c.3. Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognised in ‘Other income’ or 'Other expenses' as appropriate.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

c.4. Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company’s obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognised in profit or loss.

3.19 Derivative financial instruments and hedging activities

The Company enters into a variaty of derivative financial instruments to manage its exposure to commodity price, interest rate and foreign exchange rate risks including commodity derivatives, foreign exchange forward contracts, interest rate swaps and cross currency swaps. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

a. Commodity Derivatives

Majority of the Company's commodity derivatives are treated as hedges of price risk associated with the cash flow of highly probable forecast purchase and sale of raw and white sugar respectively (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). When the hedged forecast transaction results in the recognition of a non-financial asset (for example inventory), the amounts accumulated in equity are included within the initial cost of the asset.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in profit or loss at the time of the hedge relationship rebalancing.

(ii) Other commodity derivative contracts

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in Other Net gains - Derivative sugar contracts.

b. Other Financial Derivatives

All other financial derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3.20 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

3.21 Fair Value Measurement

In a number of areas, accounting policies and disclosures being made by the Company require the determination of fair value, for both financial and non-financial assets and liabilities. 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.

For 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 fair value hierarchy.

Fair values have been determined for measurement and disclosure purposes based on the following method:

Investments in Mutual Funds: The fair value of these financial assets is determined by reference to their NAV at the reporting date.

Derivatives: The fair value of commodity derivative contracts is based on their quoted price. The fair value of options, cross currency swaps and forward exchange contract is determined by using appropriate valuation models.

Non derivative financial liabilities: Fair value, which is determined for disclosure purposes, is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date.

3.22 Cash and cash equivalents

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value. Bank overdrafts that are repayable on demand are included as component of cash and cash equivalent for the purpose of cash flow statement.

3.23 Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or share options are recognised as a deduction from equity, net of any tax effects.

3.24 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in above notes, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

(i) Determination of functional currency

In making their judgement, the directors considered the detailed scenario for the determination of USD as functional currency on the basis of criteria laid down in Ind AS 21 and, in particular in which currency major purchases and sales are made.

(ii) Hedge Accounting

Accounting for commodity derivative contracts as cash flow hedges of highly probable forcast purchase and sale of raw and white sugar respectively. Judgement in this regard are involved in respect of whether the forecast transaction are highly probable to occur.

(b) Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Impairment of property, plant and equipment

The carrying amount of property, plant and equipment are stated in Note 4. The Company has incurred losses during the current year and the previous two financial years, which is an indicator of potential impairment of carrying value of property, plant and equipment. The recoverable amounts have been determined based on value in use calculations which uses cash flow projections. For further details, refer note 3.13. Based on the impairment assessment carried out by the Management, it has been determined that no impairment is required.

(ii) Fair value measurements and valuation processes

Some of the Company’s assets and liabilities are measured at fair value for financial reporting purpose.

In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The CFO works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in notes 3 and 33.

(iii) Useful life of Property, Plant and Equipments

As described in note 3.12 above, the Company reviews the estimated useful lives of the property, plant and equipment at the end of each reporting period. During the current year, the directors determined that the useful lives of all the assets in the property, plant and equipment with respect to previous year shall remain unchanged.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements as of and for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

4 Property, Plant and Equipment

Description of Assets	Buildings (Refer Note 4.02)	Plant and Equipment	Office Equipment	Furniture and Fixtures	Vehicles	Total
I. Gross Cost						
Balance as at March 31, 2018	**14,614.28**	**34,654.24**	**56.49**	**41.58**	**39.97**	**49,406.56**
Additions	163.13	1,624.36	11.53	3.89	8.55	1,811.46
Disposals	(46.62)	(0.83)	(4.54)	(0.46)	-	(52.45)
Effect of translation from functional currency to Presentation currency	880.27	2,036.76	3.61	2.47	2.76	2,925.87
Balance as at March 31, 2019	**15,611.06**	**38,314.53**	**67.09**	**47.48**	**51.28**	**54,091.44**
Additions	35.43	577.01	12.60	-	-	625.04
Disposals	-	-	(4.87)	-	-	(4.87)
Effect of translation from functional currency to Presentation currency	1,473.25	3,653.05	6.36	4.48	4.30	5,141.44
Balance as at March 31, 2020	**17,119.74**	**42,544.59**	**81.18**	**51.96**	**55.58**	**59,853.05**
II. Accumulated depreciation						
Balance as at March 31, 2018	**1,562.98**	**6,521.91**	**15.52**	**16.27**	**10.01**	**8,126.69**
Depreciation expense for the year	645.82	2,468.05	13.02	5.74	10.67	3,143.30
Depreciation on disposals during the year	(9.71)	(0.41)	(4.33)	(0.44)	(0.31)	(15.20)
Effect of translation from functional currency to Presentation currency	88.58	370.97	0.85	1.49	0.50	462.39
Balance as at March 31, 2019	**2,287.67**	**9,360.52**	**25.06**	**23.06**	**20.87**	**11,717.18**
Depreciation expense for the year	665.10	2,607.57	14.93	6.65	11.06	3,305.31
Depreciation on disposals during the year	-	-	(0.35)	-	-	(0.35)
Presentation currency	252.20	1,058.67	4.04	2.62	2.71	1,320.24
Balance as at March 31, 2020	**3,204.97**	**13,026.76**	**43.68**	**32.33**	**34.64**	**16,342.38**
III.Net Carrying Amount						
Balance as at March 31, 2019	**13,323.39**	**28,954.01**	**42.03**	**24.42**	**30.41**	**42,374.26**
Balance as at March 31, 2020	**13,914.77**	**29,517.83**	**37.50**	**19.63**	**20.94**	**43,510.67**

4.01 Refer to note 15 and 18 for details of charge on Property, plant and equipment.

4.02 Building represents building on leasehold land.

4.03 With effect from April 1, 2018, the Company has made the following changes in accounting estimates in respect of useful life of certain buildings which are constructed on leasehold land. Had the Company adopted the earlier estimates, the effect of these changes on the expected and actual depreciation expenses would be as follows:

Particulars	2018-19	2019-20	2020-21	2021-22	2021-22	Later than 5 years
(Decrease)/Increase in depreciation expenses	(34.12)	(34.12)	(34.12)	(34.12)	(34.12)	170.60

4.04 Refer Note 37 for contractual commitments for acquistion of property, plant and equipment

4.05 Capital working progress primarily represents plant and equipment related work.

(All amounts are in Rupees lakhs unless otherwise stated)

4.06 Property, Plant and Equipment and Capital Work-In-Progress

Particulars	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Buildings	13,914.77	13,323.39
Plant and equipment	29,517.83	28,954.01
Office Equipments	37.50	42.03
Furniture and Fixtures	19.63	24.42
Vehicles	20.94	30.41
Total	**43,510.67**	**42,374.26**
Capital Work in Progress	**59.61**	**80.24**

4.07 Depreciation and amortisation expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation of property,Plant and Equipment(Refer Note 4)	3,305.31	3,143.30
Depreciation of Right-to-use Assets(Refer Note 35 D(i)	70.87	-
Total	**3,376.18**	**3,143.30**

5 Investment in subsidiary

Particulars	As at March 31, 2020	As at March 31, 2019
Investment in unquoted equity instrument of subsidiary at cost		
8,600 equity shares(31 March 2019:8,600 equity shares) of AED 1,000 each fully paid up in Parry International DMCC, a wholly owned subsidiary company	1,774.77	1,621.85
Total	**1,774.77**	**1,621.85**
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	1,774.77	1,621.85
Aggregate amount of impairment in value investments	-	-

6 Deferred tax assets (Net)

The balance comprises of temporary differences attributable to :

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Tax Liability:		
Depreciation	4,999.74	6,355.53
Total	**4,999.74**	**6,355.53**
Deferred Tax Asset:		
Tax losses (refer note 6.01)	4,477.58	6,032.20
Employee benefit obligations	30.85	27.67
Allowance for doubtful debts - trade receivables and advances	147.37	191.59
Provision for decommissioning liability	15.80	17.36
Lease Liability	234.18	-
Others	93.96	86.71
Total	**4,999.74**	**6,355.53**
Set-off of deferred tax liabilities pursuant to set-off provisions	**4,999.74**	**6,355.53**
Net deferred tax assets	**-**	**-**

6.01 The Company has unrecognised deferred tax assets to the tune of Rs. 20,238.79 (March 31, 2019: Rs..25,213.31) arising from unused tax losses amounting to Rs.80,414.79 (March 31, 2019: 80,811.90). Since the Company has a history of recent losses, the Company recognises a deferred tax asset arising from unused tax losses only to the extent that the Company has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilised by the Company. Accordingly the same has been recognised only to the extent of deferred tax liability (net) resulting in "Nil" deferred tax asset/ liability as on March 31, 2020.

6.02 The Company is registered as a unit under SEZ and shall claim 50% exemption from income tax under Section 10AA of the Income Tax Act, 1961 (IT Act) from FY 2015-16 and such exemption is available up to financial year ending March 31, 2020.

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements as of and for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

7 Other Financial Assets

A. Non Current:

Particulars	As at March 31, 2020	As at March 31, 2019
Carried at amortised cost:		
Unsecured, considered good		
-Security Deposits with related parties*	50.95	45.15
Unsecured, considered doubtful		
-Other Deposits	46.87	46.87
Less : Allowance for bad and doubtful deposits	(46.87)	(46.87)
Total	**50.95**	**45.15**

*The security deposit is against land taken on operating lease from "Parry Infrastructure Company Private Limited" (a fellow subsidiary).

B. Current:

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Unsecured, considered good		
-Funds available with commodity exchange brokers	8,734.30	1,237.95
-Interest accrued on deposits	6.50	7.21
-Rental Deposits	401.61	468.16
-Other receivable from related party (Refer note.7.01)	159.00	85.51
At Fair Value through profit or loss		
(i) Derivatives		
Mark to Market Gain on Swap Contract	-	181.65
Mark to Market gain on Commodity future contracts		
- Designated as hedges	-	2,957.35
- Not Designated as hedges	-	(179.54)
Total	**9,301.41**	**4,758.29**

7.01 Other Receivable from related party pertains receivable from Parry International DMCC, for business support services of Rs.159 Lakhs(31 March 2019: Rs 85.51 Lakhs).

7C Short Term Loan

Particulars	As at March 31, 2020	As at March 31, 2019
At amortised cost		
Loan to Wholly-Owned Subsidiary*	1,513.40	-
Total	**1,513.40**	**-**

*Represents Loan to Parry International DMCC, a wholly - owned subsidiary for temporary working capital purpose, which carries an interest of 'LIBOR + 1.5%' per annum.

8 Inventories

Particulars	As at March 31, 2020	As at March 31, 2019
Raw materials	38,436.41	97,904.29
Work-in-progress	5.59	429.03
Finished goods	22,768.24	47,875.98
Consumables, Stores and spares	1,725.43	1,332.71
Total	**62,935.67**	**147,542.01**

8.01 The cost of inventories recognised as an expense in "Cost of materials consumed and changes in inventories of work-in-progress, stock-in-trade and finished goods" includes Rs. 688.09 Lakhs (2018-19 Rs.617.17 Lakh) in respect of write-downs of inventory to net realisable value, and has been reduced by Rs. 174.16 Lakhs (2018-19 - Rs.3,101.72 Lakhs) in respect of reversal of such write downs. The mode of valuation has been stated in Note 3.14. Also Refer Note 18 for inventory pledged as security.

9 Current Investment

Particulars	As at March 31, 2020	As at March 31, 2019
Designated as Fair Value Through Profit and Loss		
Quoted Investment		
Investments in Mutual Funds	503.14	1,914.09
Total	**503.14**	**1,914.09**
Aggregate amount of quoted investments and market value thereof	503.14	1,914.09
Aggregate amount of unquoted investments	-	-
Aggregate amount of impairment in value investments	-	-

(All amounts are in Rupees lakhs unless otherwise stated)

10 Trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade receivables outstanding		
(a) Trade receivables considered good-secured		
(b) Trade receivables considered good-Unsecured	18,176.94	7,615.38
(c) Trade receivable unsecured, considered Doubtful	222.98	251.50
Less: Allowance for doubtful debts (expected credit loss allowance)	(222.98)	(251.50)
Total	**18,176.94**	**7,615.38**
Current	**18,176.94**	**7,615.38**
Non-current	**-**	**-**

10.01 The trade receivables of the Company do not contain a significant financing component and accordingly, the Company has adopted the simplified approach under Ind AS 109 for recognition of impairment losses on trade receivables. Consequently, the disclosure of trade receivables into "Trade receivables which have significant increase in credit risk" and "Trade receivables - credit impaired" have not been furnished since it is not relevant to the Company.

10.02 Movement in the allowance for doubtful debts

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Balance at beginning of the year	(251.50)	(222.24)
Provision made during the year	-	(28.83)
Written off during the year out of provision	29.55	-
Effect of translation	(1.03)	(0.43)
Balance at end of the year	**(222.98)**	**(251.50)**

11 A .Cash and Cash Equivalents

Particulars	As at March 31, 2020	As at March 31, 2019
Cash in hand	0.16	0.10
Balances with banks		
In current account	151.67	1,995.61
In EEFC account	263.15	24.53
In deposit accounts with original maturity of less than three months	1,516.80	-
Total	**1,931.78**	**2,020.24**

B. Other Bank Balance

Particulars	As at March 31, 2020	As at March 31, 2019
Deposit accounts with original maturity period of more than three months and less than twelve months	-	5,166.80
Total	**-**	**5,166.80**

11.1 Cash and cash equivalents here includes cash in hand and in banks excluding overdraft.

12 Other assets

A. Non-current

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Prepayment		
Deferred Expense arising from Interest free deposits carried at amortised cost (Refer Note 35A,Note 40)	-	1,043.83
(b) Balances with government authorities (other than income taxes)		
Deposits with Government Authorities	109.65	97.87
(c) Loans and Advances		
Tax paid under protest	170.67	170.67
Tax deducted at source	104.58	92.42
Total	**384.90**	**1,404.79**

B. Current

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Advances to suppliers		
- Unsecured, considered good	1,912.59	525.78
- Unsecured and considered doubtful	315.71	315.71
Less : Provision for doubtful advances	(315.71)	(315.71)
(b) Balances with government authorities (other than income taxes)		
Service Tax Recoverable	95.55	67.19
VAT Recoverable	0.93	0.93
(c) Prepayments		
Prepaid expenses	127.31	152.62
Current portion of Deferred Expense arising from Interest free deposits carried at amortised cost (Refer Note 35A, Note 40)	-	35.00
Total	**2,136.38**	**781.52**

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements as of and for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

13 Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	No. of shares	Amount	No. of shares	Amount
Authorised Share capital:				
Equity Shares of Rs.10 each	420,000,000	42,000.0000	420,000,000	42,000.0000
Issued, Subscribed and Fully Paid up :				
Equity Shares of Rs.10 each	345,592,105	34,559.21	338,092,105	33,809.21
Total	**345,592,105**	**34,559.21**	**338,092,105**	**33,809.21**

13.01 Authorised capital

(a) Reclassification of Authorised Share capital: During the year ended March 2017, the authorised share capital of the Company was reclassed as follows - 170,000,000 Equity shares of Rs 10 each amounting to Rs.1,700,000,000 and 15,000,000 Preference shares of Rs.100 each amounting to Rs.1,500,000,000 has been reclassified into 320,000,000 equity shares of Rs.10 each amounting to Rs.3,200,000,000.

(b) Increase in Authorised Share capital: During the year ended March 31,2019 the authorized capital of the Company was increased from 320,000.000 equity shares of Rs. 10 each to 420,000,000 equity shares of Rs.10 each.

13.02 Issue of Equity Shares

During the year ended March 31, 2020, the Company has issued to E.I.D. - Parry (India) Limited and its nominees, through rights issue, 75,00,000 equity shares of Rs.10 each at premium of Rs.10 per share (March 2019: 36,842,105 equity shares of Rs.10 each at premium of Rs.9 per share), vide board resolution dated March 31, 2020 aggregating to Rs.1,500 lakhs (March 2019: Rs..7,000 lakhs.)

13.03 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the period.

Particulars	Opening Balance	Fresh Issue	Closing Balance
Equity Shares			
Year ended March 31, 2020			
No. of Shares	338,092,105	7,500,000	345,592,105
Amount	33,809.21	750.00	34,559.21
Year ended March 31, 2019			
No. of Shares	301,250,000	36,842,105	338,092,105
Amount	30,125.00	3,684.21	33,809.21

13.04 Rights, Preferences and restrictions attaching to each class of equity shares

The Company has one class of equity shares having a Par value of Rs.10 per share. Each share holder is entitled for one vote. Repayment of share capital on liquidation will be in proportion to the number of equity shares held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the Annual General Meeting.

13.05 Details of shares held by the holding Company:

Particulars	No. of Shares	Amount
As at March 31, 2020		
Equity Shares of Rs. 10 each fully paid up, held by E.I.D. - Parry (India) Limited and its nominees	345,592,105	34,559.21
As at March 31, 2019		
Equity Shares of Rs. 10 each fully paid up, held by E.I.D. - Parry (India) Limited and its nominees	338,092,105	33,809.21

13.06 Details of shares held by each shareholder holding more than 5% shares:

Class of shares / Name of shareholder	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding in that class of shares	Number of shares held	% holding in that class of shares
Equity Shares of Rs.10 each fully paid up:				
E.I.D. - Parry (India) Limited and its nominees	345,592,105	100%	338,092,105	100%

13.07 There are no calls unpaid/ forfeited shares issued during the year ended March 31, 2020 or in previous year.

(All amounts are in Rupees lakhs unless otherwise stated)

14 Other Equity

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Securities Premium Account		
Opening balance	40,459.98	37,144.19
Addition on fresh issue of Equity Share capital (Refer 13.02 and 13.03)	750.00	3,315.79
Less : Utilised during the year	-	-
Closing balance	**41,209.98**	**40,459.98**
(b) Debenture Redemption Reserve		
Opening balance	1,415.66	1,415.66
Transfer from Retained Earnings	-	-
Closing balance	**1,415.66**	**1,415.66**
(c) Retained Earnings		
Opening Balance	(74,595.99)	(65,720.21)
Loss for the year	(1,889.43)	(8,882.19)
Remeasurements of Defined Benefit Plans	(5.33)	6.41
Closing Balance	**(76,490.75)**	**(74,595.99)**
(d) Foreign Currency Translation Reserve		
Opening balance	(204.48)	(455.91)
Addition during the period	(44.07)	251.43
Closing balance	**(248.55)**	**(204.48)**
(e) Cash Flow Hedging Reserve		
Opening balance	3,936.27	-
Changes in fair value of hedging instruments*	(2,269.15)	(4,153.07)
Less: Reclassification to profit or loss	7,454.05	669.07
Add: Effect of translation from functional to presentation currency in respect of amount reclassified to profit or loss	(132.09)	7.22
Less: Adjusted against the carrying value of inventory*	(1,862.63)	(8,751.19)
Closing balance	**(4,056.39)**	**3,936.27**
*Includes the impact of translation at closing rate		
Total (a+b+c+d+e)	**(38,170.05)**	**(28,988.56)**

Note:

(i) *Securities Premium Reserve*

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of Companies Act, 2013.

(ii) *Debenture Redemption Reserve*

Debenture redemption reserve is created as per the statutory requirements to maintain funds to repay the debenture liability. These will be subsequently transferred to Retained Earnings on payment of the debenture liability.

(iii) *Retained Earnings*

The amount that can be distributed by the Company as dividends to its equity shareholders is determined considering the requirements of the Companies Act, 2013.

(iv) *Foreign Currency Translation Reserve*

Exchange differences relating to the translation of the assets and liabilities, Income and expenses from functional currency in to presentation currency is recognised directly in the foreign currency translation reserve.

(v) Cash Flow hedging reserve

The cash flow hedging reserve is used to recognize the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in note 3.19. Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss, as appropriate.

15 Non Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
Measured at amortised cost		
Secured Borrowings:		
- Privately placed, redeemable, 8.40% Non-Convertible Debentures (refer note 15.01 and 15.02)	10,000.00	10,000.00
-Rupees Term Loan-From Bank(refer note 15.03)	10,000.00	-
Total	**20,000.00**	**10,000.00**
The details of the above debentures are as follows:		
N.C.D - ISIN: INE082O07042 - ICICI Bank	10,000.00	10,000.00
Total	**10,000.00**	**10,000.00**

15.01 1,000 8.40% Secured, Unlisted, Redeemable Non - Convertible Debentures of Rs.10,000 Lakhs, allotted on April 25, 2018, is secured by charge on the fixed assets of the Company and is redeemable fully at par on April 23, 2021. The Holding Company E.I.D.- Parry (India) Limited has provided a Corporate Guarantee to the Debenture Trustee against this issue.

15.02 The Principal INR liability of Debentures mentioned above aggregating to Rs.10,000 Lakhs has been swapped for USD 14,791,805. The swap trade is effective from June 18, 2018 and termination date is April 23, 2021. Interest liability of 8.4% p.a. in Indian Rupees has been swapped for 4.1050% per annum on Effective USD Notional.

15.03 Term loan from ICICI Bank Ltd availed on July 10, 2019 of Rs. 10,000 lakhs, is secured by a charge on fixed assets of the company.The Holding Company E.I.D.- Parry (India) Limited has provided a Corporate Guarantee to the extent of the loan amount. The Term loan carries an interest rate of '1YR MCLR+ 50 bps' per annum with bullet repayment at the end of three years.Term Loan availed has been swapped into USD 13,933,398.36 with USD Interest Rate of 4.74%. This swap was structured to receive monthly (INR coupon) and pay annually (USD coupon) to convert the monthly term loan INR interest payment obligation into an annual USD.

15.04 The Company has not defaulted in repayment of debentures and interest thereon.

15.05 Net Debt Reconciliation

Particulars	As at March 31, 2020	As at March 31, 2019
1. Cash and cash equivalents & Bank balances other than cash and cash equivalent	1,931.78	7,187.04
3. Liquid Investments	503.14	1,914.09
4. Current borrowings (refer note 15.06)	(98,926.33)	(108,329.72)
5. Non-current borrowings (refer note 15.06)	(20,696.39)	(25,247.50)
6. Liability on Swap contract (Net)	(1,873.09)	(98.38)
7. Liability to Forward Contract (Net)	(575.00)	-
Net Debt	**(119,635.89)**	**(124,574.47)**

Particulars	Other assets		Liabilities from financing activities		
	Cash and cash equivalents and Bank balances other than cash and cash equivalent	**Liquid investments**	**Non-current borrowings**	**Current borrowings**	**Liability arising from Swap & Forwards**
Net debt as at March 31, 2018	**9,440.08**	**2,762.07**	**(28,925.47)**	**(44,932.59)**	**(95.48)**
Cash flows	(2,253.04)	(847.98)	3,500.00	(62,951.52)	40.40
Interest expense	-	-	(2,705.58)	(3,221.78)	-
Interest paid	-	-	2,883.55	2,776.17	-
Other non-cash movements					
- Fair value adjustments	-	-	-	-	(43.30)
Net debt as at March 31, 2019	**7,187.04**	**1,914.09**	**(25,247.50)**	**(108,329.72)**	**(98.38)**
Cash flows	(5,255.26)	(1,410.95)	3,500.00	9,007.83	(77.56)
Interest expense (excludes interest on lease liability)			(1,973.64)	(3,814.94)	
Interest paid			3,024.75	4,210.50	
Other non-cash movements					
- Fair value adjustments					(2,272.15)
Net debt as at March 31, 2020	**1,931.78**	**503.14**	**(20,696.39)**	**(98,926.33)**	**(2,448.09)**

15.06 Break-up of current and non-current borrowings

Particulars	As at March 31, 2020		As at March 31, 2019	
	Current	**Non-current**	**Current**	**Non-current**
Long term borrowings (refer note 15)	-	20,000.00	-	10,000.00
Current borrowings (refer note 18)	98,690.13	-	107,697.96	-
Current maturities of current borrowings (refer note 16)		-		13,500.00
Interest accrued but not due on borrowings (refer note 16)	236.20	696.39	631.76	1,747.50
Total	**98,926.33**	**20,696.39**	**108,329.72**	**25,247.50**

16 Other Financial Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
Current		
(i) Other Financial Liabilities Measured at amortised cost		
(a) Current Maturities of Long-term debt (Refer Note 16.01)	-	13,500.00
(b) Interest accrued but not due on borrowings	932.59	2,379.26
(ii) Other Financial Liabilities Measured at FVTPL		
Mark to Market Liability on Commodity Contracts	-	-
- Designated as hedges	6,627.90	-
- Not Designated as hedges	(2,074.78)	-
Derivatives not designated as hedges		
Mark to Market Liability on Swap Contracts	1,873.09	280.03
Mark to Market Liability on Forward Contracts	575.00	-
Total	**7,933.80**	**16,159.29**

16.01 1,350 10.05% Series A Secured, Unlisted, Redeemable Non - Convertible Debentures and 1,350 10.05% Series B Secured, Redeemable, Non - Convertible Debentures of Rs.10,00,000 each aggregating to Rs.27,000 Lakhs, have been allotted on July 16, 2014. This is secured by exclusive charge on the fixed assets of the Company. 1,350 10.05% Series A Debenture was redeemed fully at par on July 16, 2018. The balance of 1,350 10.05% Series B secured Redeemable Debenture was redeemed on July 16, 2019. The Holding Company E.I.D. - Parry (India) Limited had given Corporate Guarantee to the Debenture Trustee against this issue.

16.02 The Principal INR liability of Debentures mentioned in the above table aggregating to Rs.27,000 Lakhs had been swapped for USD 44,665,012. The swap trade was effective from August 22, 2014 and termination date is July 12, 2019. Interest liability of 10.05% p.a. in Indian Rupees had been swapped for 3.4% per annum on Effective USD Notional. The Company has unwound swap contract partially in the previous year and the outstanding swap contract of USD 4,832,506 has been settled during the financial year 19-20.

17 Provisions

Particulars	As at March 31, 2020	As at March 31, 2019
A. Long term provisions:		
Provision for employee benefits		
Provisions for compensated absences (Refer note 30)	62.76	48.22
Provision for Decommissioning liability	62.77	55.63
Total	**125.53**	**103.85**
B. Short term provisions:		
Provision for employee benefits		
Provisions for compensated absences (Refer note 30)	7.97	6.43
Provision for Duties and taxes	51.49	51.49
Total	**59.46**	**57.92**

(i) Movement in provisions other than provision for employee benefits

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for decommissioning liability (Non Current)		
Opening Balance	55.63	49.30
Addition during the year arising as a result of passage of time	7.14	6.33
Closing Balance	62.77	55.63
Provision for Duties and Taxes (Current)		
Opening Balance	51.49	51.49
Addition during the year	-	-
Closing Balance	51.49	51.49

(ii) Information about individual provisions other than provision for employee benefits

Provision for decommissioning liability
The Company's plant is situated on a leasehold land. The provision for decommissioning liability represents the present value of the expected cost of decommissioning the plant and restoring the site before handing over to the lessor.

Provision for duties and taxes
The provision for duties and taxes represents the provision for certain indirect tax litigations under dispute.

(All amounts are in Rupees lakhs unless otherwise stated)

18 Current Borrowings

Particulars	As at March 31, 2020	As at March 31, 2019
A. Secured Borrowings		
Loans repayable on demand		
From Banks	71,899.92	95,133.30
Total Secured Borrowings	**71,899.92**	**95,133.30**
B. Unsecured Borrowings		
Loans repayable on demand		
From Banks	26,790.21	12,564.66
Total Unsecured Borrowings	**26,790.21**	**12,564.66**
Total	**98,690.13**	**107,697.96**

Break up of current borrowings:

Particulars	As at March 31, 2020	As at March 31, 2019
Secured Borrowings		
Buyers Credit (refer note 18.06)		
Yes Bank Limited (Refer note 18.01)	-	24,275.34
RBL Bank Limited (Refer note 18.02)	-	13,830.00
Axis Bank Limited (Refer note 18.03)	34,783.10	13,830.00
IDFC First Bank Limited (Refer note 18.04)	-	11,419.94
State Bank of India (Refer note 18.05)	29,007.06	28,461.43
Packing Credit in Foreign Currency (PCFC) (refer note 18.07)		
RBL Bank Limited (Refer note 18.02)	3,724.40	-
ICICI Bank Limited(Refer Note 18.08)	1,055.88	-
South India Bank Limited(Refer Note 18.09)	3,329.48	-
Axis Bank Limited (Refer note 18.03)	-	2,766.00
State Bank of India (Refer note 18.05)	-	550.59
Sub Total	**71,899.92**	**95,133.30**
Unsecured Borrowings		
Packing Credit in Foreign Currency (PCFC) (refer note 18.07)		
Deutsche Bank AG	20,847.09	5,335.68
HDFC Bank Limited	5,943.12	7,228.98
Sub Total	**26,790.21**	**12,564.66**
Total	**98,690.13**	**107,697.96**

18.01 The Buyers Credit facility from Yes Bank is secured by first pari passu charge on all current asset of the Company by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., second pari passu charge on all movable fixed assets of the Company. Further, the facilities are backed by a letter of comfort from the Holding Company, E.I.D. - Parry (India) Limited.

18.02 The Buyers Credit facility and Packing Credit Facility from RBL Bank is secured by first pari passu charge on all current asset of the Company by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., both present and future and second pari passu charge on all movable fixed assets of the Company. Further, the facility is backed by a letter of awareness from the Holding Company, E.I.D. - Parry (India) Limited.

18.03 The Buyers Credit and Packing Credit facility from Axis Bank is secured by first pari passu charges on all current assets.

18.04 The Buyers Credit facility from IDFC Bank is secured by first pari passu charge on all current asset of the Company by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., both present and future and second pari passu charge on all movable fixed assets of the Company.

18.05 The Buyers Credit and Packing Credit facility from SBI Bank is secured by first pari passu charges on all current assets and second pari passu charge on all movable fixed assets of the Company

18.06 Buyer's Credit facilities carry a variable interest rate (based on a spread over LIBOR) and the Interest rate on the above foreign currency Buyer's Credit facilities ranges from 1.93 % to 2.07 % p.a (31 March 2019:2.82 % to 3.38 % p.a)

18.07 Packing credit facility from Banks carry a variable interest rate and the average interest rate ranges from 2.17% to 3.26% p.a.(31 March 2019: 3.52% to 4% p.a.)

18.08 The Packing Credit Facility from ICICI Bank Limited is secured by first pari passu charge on all current asset of the Company by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., both present and future and second pari passu charge on all movable fixed assets of the Company. Further, the facility is backed by a letter of comfort from the Holding Company, E.I.D. - Parry (India) Limited.

18.09 The Packing Credit Facility from South Indian Bank is secured by first pari passu charge on all current asset of the Company by way of hypothecation of Company's current asset viz. stock of raw materials, stock -in-process, finished goods, consumable stores, spares, receivables etc., both present and future and second pari passu charge on all movable fixed assets of the Company. Further, the facility is backed by a letter of comfort from the Holding Company, E.I.D. - Parry (India) Limited.

18.10 The Company has not defaulted in repayment of any loans or interest thereon.

19 Trade Payables

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payable for goods and services	3,282.95	8,301.76
Acceptances	16,708.90	67,902.65
Trade payable (Employee related)	120.33	106.88
Total	**20,112.18**	**76,311.29**

19.01 Trade payable for goods and services includes Rs.20.36 Lakhs due to the holding company E.I.D. - Parry (India) Limited as at March 31,2020. (March 31, 2019: Rs.9230.74 lakhs).

19.02 There are no dues to enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006, as at March 31, 2020 which is on the basis of such parties having been identified by the management and relied upon by the auditors.

20 Other Liabilities

Particulars	As at March 31, 2020	As at March 31, 2019
A. Non Current		
Gratuity payable (Also refer note 30)	51.85	34.02
Total	**51.85**	**34.02**
B. Current		
Statutory remittances (Contributions to PF, Withholding Taxes, VAT)	105.36	139.64
Total	**105.36**	**139.64**

21 A. Revenue from Operations

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from sale of goods (Refer note 21.01)	199,465.59	140,824.90
Other operating income (Refer note 21.02)	1,400.20	2,560.95
Total	**200,865.79**	**143,385.85**

21.01 Classes of Products-Sales (Disaggregation of revenue)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Export Sales:		
Sugar (including sale of raw sugar)	197,590.74	138,771.85
PP Bags	73.25	312.38
Domestic Sales:		
Molasses	1,319.71	1,003.83
Power	481.89	736.84
Total	**199,465.59**	**140,824.90**

There are no critical judgment involved in the determination of timing and amount of revenue. The Company's remaining performance are part of contract having original duration of one year, and accordingly the Company has exercised the practical expedient consequent to which the details of remaining performance obligations have not been provided.

21.02 Other operating income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Despatch Money earnings	397.23	268.73
Income from Services	469.64	987.79
Liabilities no longer required written back	0.18	2.77
Contract Cancellation charges	-	429.43
Income from Miscellaneous Receipts and Handling	392.69	743.48
Sale of scrap	140.46	128.75
Total	**1,400.20**	**2,560.95**

21 B. Other Net gains - Derivative sugar contracts

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Net Gains on commodity Contracts not designated as hedge (Refer note 21.03)	2,792.30	239.22
Total	**2,792.30**	**239.22**

21.03 The sugar derivative contracts are an integral part of the sugar business.

22 Other Income

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Income on Financial Assets at Amortised Cost		
Bank Deposits	149.51	84.03
Others	5.84	17.21
Dividend from Subsidiary	-	406.48
Net Gain on financial assets at FVTPL (including dividend income other than dividend from subsidiary)	57.62	347.09
Gain on Swap Contracts designated as FVTPL	-	241.40
Profit on sale of assets (net)	-	7.29
Net Gain on foreign currency transactions and translation	2,177.29	-
Sundry Income	104.80	-
Total	**2,495.06**	**1,103.50**

23 Cost of materials consumed

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Material consumed comprises of :		
Raw Sugar	147,471.74	155,002.85
Coal	3,749.63	4,806.25
Total	**151,221.37**	**159,809.10**

24 Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Inventories at the end of the year:		
Finished goods	22,768.24	47,875.98
Work-in-progress	5.59	429.03
	22,773.83	48,305.01
Inventories at the beginning of the year:		
Finished goods	47,875.98	10,074.87
Work-in-progress	429.03	862.94
	48,305.01	10,937.81
Foreign currency translation	2,651.46	265.91
Net (Increase) / Decrease	**28,182.64**	**(37,101.29)**

25 Employee Benefits Expense

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Salaries and wages, including bonus (Refer Note 25.1)	951.74	870.66
Contribution to provident and other funds (Refer Note 30)	102.81	83.59
Staff welfare expenses	133.17	152.25
Total	**1,187.72**	**1,106.50**

25.1 Includes an amount of INR Nil Lakhs (for the year ending 31st March 19: INR 51 Lakhs) of managerial remuneration paid in excess of the limit prescribed under Section 197 of the Companies Act, 2013 . The Company was eligible for an exemption under Schedule V of Companies Act, 2013 consequent to which the Company was entitled to pay a remuneration for the period ending 31st March 19 not exceeding INR 240 Lakhs per annum without shareholders approval. However the said exemption had been withdrawn with effect from September 12, 2018. The Company has obtained the approval of shareholders in the Annual General Meeting held on June 03, 2019 for payment of excess managerial remuneration for the Financial Year 2018-19.

25.2 The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In this regard, appropiate provision has been made in the Financial Statements.

26 Finance Cost

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest Expenses on Borrowings		
-Debenture	1,235.79	2,547.53
-Bank	3,806.67	2,626.00
Intrerest on Lease Liability (Refer Note 35D)	99.41	
Other borrowing costs (Refer Note 26.01)	746.12	753.83
Total	**5,887.99**	**5,927.36**

26.01 Other borrowing costs includes commitment charges, loan processing charges, guarantee charges, loan facilitation charges and other ancillary costs incurred in connection with borrowings.

27 Other Expenses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Consumption of Stores, Spares and Consumables	3,811.42	4,451.81
Freight, Forwarding and Material Handling	1,869.98	2,522.65
Power and Fuel	737.37	207.11
Water Charges	71.62	92.27
Repairs and Maintenance - Machinery	1,594.74	1,470.79
Repairs and Maintenance - Buildings	135.92	112.79
Repairs and Maintenance - Others	255.76	273.40
Audit Fee (Refer note 28)	13.86	9.99
Communication Expenses	17.77	22.59
Insurance	204.50	129.66
Professional and Outsourcing Expenses	971.98	1,081.38
Rates and Taxes	292.39	217.42
Rent (Refer note 27.01 and 35)	2,214.33	1,916.50
Selling Expenses	3,735.30	2,309.84
Travelling Expense	86.87	115.15
Unwinding of Decommissioning costs	7.14	6.33
Commission paid	358.50	537.15
Net loss on forward Contracts	-	-
Net loss on foreign currency transactions and translation	-	232.18
Loss on sale of Fixed assets	0.30	-
Net loss arising on financial assets designated as at FVTPL	-	-
Loss on Swap Contracts designated as FVTPL	1,568.00	-
Miscellaneous expenses*	238.93	20.66
Total	**18,186.68**	**15,729.67**

*Includes provision for doubtful trade receivables amounting to Rs. Nil Lakhs (March 31, 2019 - Rs.28.83 Lakhs)

27.01 Includes payments for short term leases of Rs.2,033.33 Lakhs (PY: Rs.1,754.94 Lakhs relates to operating lease rental payments). Also refer Note 35D

28 Payments to the statutory auditors comprises of :

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Statutory audit	7.50	5.00
Other services	5.50	4.25
Reimbursement of expenses	0.86	0.74
Total	**13.86**	**9.99**

29 Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit from operations before income tax expense	(1,889.43)	(8,882.19)
Tax at the Indian tax rate of 25.168% (March 31, 2019 – 31.20%)	(475.53)	(2,771.24)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	-	-
Effect of unused tax losses and tax offsets not recognised as deferred tax assets	475.53	2,771.24
Income tax expense	**-**	**-**

29.01 Tax losses

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Unused tax losses for which no deferred tax asset has been recognised	80,414.79	80,811.90
Potential tax benefit @ 25.168% (March 31, 2019 - 31.20%)	20,238.79	25,213.31

(All amounts are in Rupees lakhs unless otherwise stated)

30 Employee benefits

(a) Defined Contribution Plan

The Company makes Provident Fund and Superannuation Fund contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

During the year the following amounts have been recognised in the Statement of Profit and Loss on account of defined contribution plans:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Employers contribution to Provident Fund	47.72	37.63
Employers contribution to Superannuation Fund	40.26	33.56

(b) Defined Benefit Plans:

Gratuity

The Company operates a gratuity plan covering qualifying employees. The benefit payable is the greater of the amount calculated as per the Payment of Gratuity Act, 1972 or the Company scheme applicable to the employee. The benefit vests upon completion of five years of continuous service and once vested it is payable to employees on retirement or on termination of employment. In case of death while in service, the gratuity is payable irrespective of vesting. The Company makes annual contribution to the Company gratuity scheme administered by the Life Insurance Corporation of India through its Gratuity Trust Fund.

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Salary Escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Defined benefit plans – as per actuarial valuation on March 31, 2020

Amount recognised in the Balance Sheet and the movements in the net Defined Benefit Obligation over the year are as follows : -

Particulars	Gratuity - Funded Plan	
	March 31, 2020	March 31, 2019
I. Net Asset/(Liability) recognised in the Balance Sheet as at 31st March		
1. Present value of defined benefit obligation as at 31st March	94.25	73.35
2. Fair value of plan assets as at 31st March	42.40	39.33
3. Surplus/(Deficit)	51.85	34.02
4. Current portion of the above	-	-
5. Non current portion of the above	51.85	34.02
II. Change in the obligation during the year ended 31st March		
1. Present value of defined benefit obligation at the beginning of the year	73.35	53.35
2. *Expenses Recognised in Profit and Loss Account*		
- Current Service Cost	12.28	9.96
- Interest Expense (Income)	5.51	4.11
3. Benefit payments	(1.65)	(8.45)
4. Acquisition Adjustment	-	20.93
5. Past Service Cost	-	-
6. Remeasurement or Actuarial (gain)/loss arising from:		
-change in demographic assumption	(0.01)	1.77
-change in financial assumption	6.92	1.25
- experience variance	(2.15)	(9.57)
7. Present value of defined benefit obligation at the end of the year	**94.25**	**73.35**

(All amounts are in Rupees lakhs unless otherwise stated)

Particulars	Gratuity - Funded Plan	
	March 31, 2020	March 31, 2019
III. Change in fair value of assets during the year ended 31st March		
1. Fair value of plan assets at the beginning of the year	39.32	23.12
2. Investment Income	2.96	1.78
3. Contributions by employer	0.69	2.09
4. Benefit payments	-	(8.45)
5. Return on plan assets excluding amount recognised in net interest expense	(0.57)	(0.15)
6. Acquisition Adjustment	-	20.93
Fair value of plan assets at the end of the year	**42.40**	**39.32**
IV.Amounts recognised in comprehensive income in respect of these defined benefit plans are as follows:		
Current Service Cost	12.28	9.96
Past Service Cost	-	-
Net interest expense	2.55	2.33
Expenses recognised in the income statement	**14.83**	**12.29**
Actuarial gains/ (losses)		
-Changes in Demographic assumptions	(0.01)	1.77
-Changes in financial assumptions	6.92	1.25
-Experience variance	(2.15)	(9.57)
Return on plan assets, excluding amount recognised in net interest expense	0.57	0.15
Expenses recognised in other comprehensive income	**5.33**	**(6.40)**
Total expenses recognised during the period	**20.16**	**5.89**
V. The Major categories of plan assets		
- LIC Trusts	100%	100%
VI. Actuarial assumptions		
1. Discount rate	6.45%	7.50%
2. Attrition rate	8%	8%
3. Salary escalation rate	6%	6%
4. Mortality rate	100% of IALM 2012-14	IALM (2006-2008)
VII. Experience Adjustments :		
1. Experience adjustment on plan liabilities [(Gain)/Loss]	(2.15)	(9.57)

The remeasurement of the net defined benefit liability is included in other comprehensive income.

VIII. Sensitivity Analysis :

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

Particulars	March 31, 2020	March 31, 2019
Discount rate		
- 1% increase	6.64	5.05
- 1% decrease	(7.53)	(5.70)
Salary growth rate		
- 1% increase	(6.68)	(4.97)
- 1% decrease	5.97	4.46
Mortality rate		
- increase of 10% of mortality rate	(0.02)	(0.03)
- decrease of 10% of mortality rate	0.02	0.03
Attrition rate		
- increase of 50% of attrition rate	(0.37)	(1.55)
- decrease of 50% of attrition rate	0.79	2.52

Negative represents increase in obligation and positive represents decrease in obligation.

Sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

IX. Effect of Plan on Entity's Future Cash Flows:

a) *Funding arrangements and Funding Policy*

The Company has purchased an insurance policy to provide for payment of gratuity to the employees. Every year, the insurance company carries out a funding valuation based on the latest employee data provided by the Company.

b) *Expected Contribution during the next annual reporting period*

The Company's best estimate of the contribution expected to be paid to the plan during the next year is Rs 7.73 lakhs (March 31, 2019 - Rs 45.25 lakhs) which is equivalent as per exchange rate existing on the end of reporting period.

c) *Maturity Profile of Defined Benefit Obligation*

Weighted average duration (based on discounted cashflows) - 7 years

d) The expected maturity analysis of undiscounted defined benefit is as follows:

Expected cash flows over the next (valued on undiscounted basis):	**2019-20**	**2018-19**
1 year	7.73	6.76
2 to 5 years	37.35	29.61
6 to 10 years	57.28	40.84
More than 10 years	66.09	66.20

(c) Long Term Compensated Absences

The compensated absences cover the company's liability for earned leave and sick leave.

31 Earnings Per Share (EPS)

Particulars	**For the year ended March 31, 2020**	**For the year ended March 31, 2019**
Profile / (loss) for the year attributable to owners of the Company **(a)**	(1,889.43)	(8,882.19)
Number of Equity Shares of Rs.10 each outstanding at the beginning of the year	338,092,105	301,250,000
Add : Number of Equity shares of Rs. 10 each issued during the year	7,500,000	36,842,105
Number of Equity Shares of Rs.10 each outstanding at the end of the year	345,592,105	338,092,105
Weighted average number of equity shares (b)	338,112,653	301,350,937
Basic and Diluted Earnings Per Share (a/b)	**(0.56)**	**(2.95)**

31.01 The Basic earnings per share are computed by dividing the net loss attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. There are no potential equity shares hence the Basic and Diluted earnings per share are the same.

32 Financial Instruments

32.01 Capital Management

The Company’s capital management is intended to maximise the return to shareholders for meeting the long-term and short-term goals of the Company through the optimization of the debt and equity balance.

The Company determines the amount of capital required on the basis of annual and long-term operating plans and strategic investment plans. The funding requirements are met through equity and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of capital management, capital includes issued equity capital, securities premium and all other reserves attributable to the equity shareholders of the Company. Net debt includes all long and short-term borrowings (including current maturities of long term borrowings and interest accrued) as reduced by cash and cash equivalents and liquid investments.

Lease liabilities amounting to Rs.930.46 lakhs arising on account of implementation of IND AS 116 has not been considered in the below workings as it is a liability.

The following table summarises the capital of the Company:

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Equity	**(3,610.84)**	**4,820.65**
Debt	119,622.72	133,577.22
Cash and Cash equivalents & other bank balances	(1,931.78)	(7,187.04)
Liquid Investments	(503.14)	(1,914.09)
Net debt	**117,187.80**	**124,476.09**
Net debt to equity ratio	(32.45)	25.82

(All amounts in lakhs unless otherwise stated)

32.02 Categories of financial instruments

Particulars	As at March 31, 2020	As at March 31, 2019
Financial Asset		
Measured at amortised costs		
a) Trade Receivables	18,176.94	7,615.38
b) Cash and Bank Balances	1,931.78	7,187.04
c)Loans	1,513.40	-
d) Other financial asset	9,352.36	1,843.98
Measured at Fair value through Profit or Loss(FVTPL)		
a) Mandatorily measured (Investments in Mutual Funds)	503.14	1,914.09
b) Derivative instruments not designated in hedge accounting relationship	-	(179.54)
c) Mark to Market Gain on Swap Contract	-	181.65
Measured at Fair value Other comprehensive income (FVTOCI)		
Derivative instruments designated in hedge accounting relationship	-	2,957.35
Measured at cost		
a) Investment in equity instruments in subsidiary	1,774.77	1,621.85
Financial Liabilities		
Measured at amortised costs		
a) Trade payables	20,112.18	76,311.29
b) Current Borrowings	98,690.13	107,697.96
c) Long term Borrowings	20,000.00	10,000.00
d) Other Financial liabilities	932.59	15,879.26
Measured at Fair value through Profit or Loss(FVTPL)		
a) Derivative instruments not designated in hedge accounting relationship	(2,074.78)	-
b) Mark to Market loss on Swap Contract	1,873.09	280.03
c) Mark to Market loss on Forward Contract	575.00	
Measured at Fair value Other comprehensive income (FVTOCI)		
Derivative instruments designated in hedge accounting relationship	6,627.90	-

Financial risk management objectives

The Company has adequate internal processes to assess, monitor and manage financial risks. These risks include market risk (including price risk, currency risk, interest rate risk), credit risk and liquidity risk. The Company seeks to minimise the effects of these risks by using financial instruments such as commodity contracts, foreign currency forward contracts, interest and currency swaps to hedge risk exposures and appropriate risk management policies as detailed below.

The risk management objective of the Company is to hedge risk of change in the foreign currency exchange rates associated with its direct and indirect transactions denominated in foreign currency. Since most of the transactions of the Company are denominated in its functional currency (USD), any foreign exchange fluctuation affects the profitability of the Company and its financial position. Hedging provides stability to the financial performance by estimating the amount of future cash flows and reducing volatility. The Company's activities expose it to a variety of financial risks: market risk, credit risk, liquidity risk and price risk . The Company's primary focus is to foresee the unpredictability of financial markets and seek to minimize potential adverse effects on its financial performance. The primary market risk to the Company is price risk. The Company uses derivative financial and non derivative instruments to mitigate the foreign exchange related risk exposure and the price risk exposures.

The Company's risk management is carried out by a central treasury department under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.The Company does not enter into trade financial instruments, including derivative financial instruments, for speculative purposes.

(All amounts in lakhs unless otherwise stated)

Item	Primarily affected by	Risk management policies	Refer
Market risk - commodity price risk	Change in market prices of raw sugar and white sugar	Mitigating price risk using commodity contracts and option contracts	Note 32.03.1
Market risk - currency risk	Exposure towards trade payables, trade receivables and borrowings denominated in foreign currency	Mitigating foreign currency risk using foreign currency forward contracts and cross currency swaps	Note 32.03.2
Market risk - interest rate risk	Change in market interest rates	Mitigating interest rate risk using interest rate swaps	Note 32.03.3
Credit risk	Ability of customers or counterparties to financial instruments to meet contractual obligations	Credit approval and monitoring practices; counterparty credit policies and limits; arrangements with financial institutions	Note 32.04
Liquidity risk	Fluctuations in cash flows	Preparing and monitoring forecasts of cashflows; cash management policies; multiple-year credit and banking facilities	Note 32.05

32.03 Market Risk

The Company's activities expose it primarily to the financial risks of price changes, changes in foreign currency exchange rates and interest rate risks. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Market risk exposures are measured using sensitivity analysis. There has been no change to the Company's exposure to market risks or the manner in which these risks are being managed and measured.

32.03.1 *Commodity Price Risk*

Commodity Price Risk arises from the procurement of raw sugar and sale of white sugar and the consequent exposure to changes in market prices.

Exposure to the market prices of the raw sugar procured and white sugar sold is managed through the use of commodity futures and other hedging instruments, including options primarily to convert floating or indexed prices to fixed prices. The use of such contracts to hedge commodity exposures is governed by the Company's risk management policies and continuously monitored by the Trade desk team. Commodity derivatives also provides a way to meet customer's pricing requirements whilst achieving a price structure consistent with the Company's over all pricing strategy.

Majority of the Company's commodity contracts are treated as hedge of highly probable forecast purchase and sale of raw and white sugar respectively. All other commodity contracts are marked to market through income statement. The impact of hedging activites is set out below**:**

The table below illustrates the sensitivity of the Company’s commodity pricing contracts to the price movement of commodities in respect of trading contracts:

Particulars	Impact on INR (-10% change on outstanding contracts)		Impact on INR (+10% change on outstanding contracts)	
	March 31, 2020	March 31,2019	March 31, 2020	March 31,2019
Impact on Profit or loss for the year	78.14	(452.12)	(78.14)	452.12
Impact on Other comprehensive income for the year	5,793.08	7,296.09	(5,793.08)	(7,296.09)
Impact on total Equity as at the end of the reporting period	5,871.22	6,843.97	(5,871.22)	(6,843.97)

*Negative represents a loss and positive represents a gain

Other price risk

Other price risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or factors affecting all similar financial instruments traded in the market. However the management believes that the such risk is minimal with nil or insignificant impact on Company's performance.

32.03.2 ***Currency Risk***

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the foreign exchange rate. The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuation arise. Exchange rate exposures are managed within approved policy parameters utilising forward foreign exchange contracts and cross currency swaps.

Currency	Liabilities		Assets	
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019
INR (Rs. in lakhs)	27,477.68	28,554.49	3,154.42	10,357.24
AED (Rs. in lakhs)	-	-	159.00	85.51
EURO (Rs. in lakh)	35.23	16.04	-	-

The foreign currency risk on above exposure is mitigated by derivative contracts. The outstanding contracts as at the Balance Sheet date are as follows:

i. Forward contracts

Currency	As at March 31, 2020		As at March 31, 2019	
	Buy	Sell	Buy	Sell
USD/INR (in FCY)	-	225.00	-	-
USD/INR (in INR)	-	16,613.85	-	-

ii. Cross currency interest rate swap contracts

Particulars	Weighted average interest rate		As at March 31, 2020	As at March 31, 2019
	As at March 31, 2020	As at March 31, 2019		
Debentures carried at amortised cost	8.40%	9.35%	10,000.00	23,500.00
Term Loan-From Bank	9.15%	-	10,000.00	-
Fixed Interest Rate Swap carried at FVTPL (Notional amount)	4.41%	3.93%	20,000.00	12,919.74
Fixed Interest Rate Swap carried at FVTPL (Marked to Market value)	4.41%	3.93%	(1,873.09)	(98.38)

The secured borrowings are partially hedged to protect against foreign currency fluctuation risk through a cross currency interest rate swap contract. All other foreign currency assets and liabilities are not hedged as at the year end. During the year ended March 31, 2020 and March 31, 2019, there was a partial unwinding of swap.

Sensitivity Analysis

The Company's currency exposures in respect of foreign currency monetary items at each period end presented that result in net currency gains and losses in the income statement and equity arise principally from movement in INR exchange rates. At each period end, if INR had weakened/strengthened by 10% against the functional currency (USD), with all other variables held constant, the changes in profit or loss on account of outstanding balances as at the reporting date are as summarised in the following table. 10% is the sensitivity rate used when reporting to foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

Particulars	Impact in INR (If INR weakens by 10%)		Impact in INR (If INR strengthens by 10%)	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Impact on Profit or loss for the year	432.33	545.92	(432.33)	(545.92)
Impact on total Equity as at the end of the reporting period	432.33	545.92	(432.33)	(545.92)

This sensitivity analysis is without considering hedged items.

This is mainly attributable to the exposure outstanding on INR receivables and payables in the Company at the end of the reporting period.

In management’s opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

(All amounts in lakhs unless otherwise stated)

32.03.3 Interest Rate risk

The Company has availed long term borrowings at the fixed rates and hence the Company is not exposed to interest rate risk. In respect of short term borrowings, though the borrowings carry a variable rate of interest, considering the fact that the tenure of borrowing do not exceed a maximum tenure of 180 days, there is no significant exposure considering that interest rates are not expected to change drastically over such a short tenure.

Sensitivity analysis

The changes in interest rates which may be due to revision in base lending rates in case of variable rate short term borrowings are very rare and minimal. Hence there is no significant impact due to changes in interest rates for short term borrowings. Long term borrowings are not subject to interest rate risk being debentures at fixed interest which are further swapped against its cash flow exposures.

32.04 Credit Risk

Credit Risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises from cash and cash equivalents, investments carried at amortised cost and deposits with banks and financial institutions, rental deposits as well as credit exposures to wholesale customers including outstanding receivables. For receivables; the Company mostly deals with exchange registered dealers. The exchange clearing house used is one of the world's largest capitalized financial institutions with excellent long-term credit ratings. The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The movement in loss allowance is as below

Reconciliation of loss allowance provision - Trade receivables from contracts with customers

	Trade receivables
Loss allowance as on April 1, 2018	**222.24**
Change in loss allowance	29.26
Loss allowance as on March 31, 2019	**251.50**
Change in loss allowance	(28.52)
Loss allowance as on March 31, 2020	**222.98**

32.05 Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. The central treasury maintains flexibility in funding by maintaining availability under committed credit lines. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows except in the case of variable interest rate borrowings (since in the absence of known amount of cash flows in respect of interest).
The contractual maturity is based on the earliest date on which the Company may be required to pay.

Particulars	Weighted average interest rate (%)	Upto 1 year	1-3 years	More than 3 years
As at March 31, 2020				
Non-interest bearing				
- Trade payables		20,112.18	-	-
Fixed interest rate instruments				
-Non current borrowings	8.78%	-	20,000.00	-
Variable interest rate instruments				
- Current borrowings (variable interest rate)		98,690.13	-	-
Other financial liabilities		932.59		-
Lease Liabilities		94.94	293.38	2,802.98
Total		**119,829.84**	**20,293.38**	**2,802.98**
As at March 31, 2019				
Non-interest bearing				
- Trade payables		76,311.29	-	-
Fixed interest rate instruments				
- Non current borrowings	8.40%	-	11,737.00	-
Lease Liabilities		-	-	-
Variable interest rate instruments				
- Current borrowings (variable interest rate)		107,697.96	-	-
Other financial liabilities		16,269.56	-	-
Total		**200,278.81**	**11,737.00**	-

The following table details the Company's expected maturity for its non-derivative financial assets. The table has been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets. The inclusion of information on non-derivative financial assets is necessary in order to understand the Company's liquidity risk management as the liquidity is managed on a net asset and liability basis.

Particulars	Upto 1 year	1-3 years	More than 3 years
As at March 31, 2020			
Non-interest bearing			
- Trade receivables	18,176.94	-	-
- Cash and cash equivalents	1,931.78	-	-
- Investments	503.14	-	-
- Other Financial Assets	9,301.41	-	-
Interest bearing			
- Short Term I	1,513.40	-	-
Total	**31,426.67**	**-**	**-**
As at March 31, 2019			
Non-interest bearing			
- Trade receivables	7,615.38	-	-
- Cash and bank balances	2,020.24	-	-
- Investments	1,914.09	-	-
-Loans	-	-	-
- Other Financial Assets	1,798.83	-	1,500.00
Interest bearing			
- Other bank balances	5,289.04	-	-
Total	**18,637.58**	**-**	**1,500.00**

The following table details the Company's liquidity analysis for its derivative financial instruments. The table has been drawn up based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross inflows and outflows on those derivatives that require gross settlement.

Particulars	Upto 1 year	1-3 years	More than 3 years
As at March 31, 2020			
Net settled:			
– Cross Currency interest rate swaps	-	(1,873.09)	-
– Currency exchange forward contracts	(575.00)	-	-
– Commodity futures	(4,553.12)	-	-
Total	**(5,128.12)**	**(1,873.09)**	**-**
As at March 31, 2019			
Net settled:			
– Cross Currency interest rate swaps	(219.48)	121.10	-
– Currency exchange forward contracts	-	-	-
– Commodity futures	2,777.81	-	-
Total	**2,558.33**	**121.10**	**-**

Negative represents outflow and positive represents inflow

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realize enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realize the asset and settle the liability, simultaneously. Examples of such offsetting financial assets and liabilities include the mark to market on commodity derivatives among others.

32.05.1 Financing facilities

The Company has access to financing facilities of which Rs.1,45,700 Lakhs (March 31, 2019: Rs. 88,642 Lakhs) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

(All amounts are in Rupees lakhs unless otherwise stated)

Impact of hedging activities

(a) Disclosure of effect of hedge accounting on financial position

Type of hedge and risks	Nominal value of outstanding hedging derivative instrument	Carrying amount of outstanding hedging derivative instrument (grouped under other financial asset - Current (Refer Note 16)	Maturity date	Hedge ratio	Weighted average strike price	Changes in fair value of all hedging instrument during the period	Changes in fair value of all hedged item used as the basis for recognising hedge effectiveness during the period
March 31, 2020							
Cash flow hedge							
Commodity price risk							
(i) Commodity contracts to buy raw sugar	71,395.00	(13,683.00)	American contracts which can be exercised at any time before maturity. The last of the contracts expire in February 2021.	1:01	286.27 $/MT	(11,018.32)	(11,018.32)
(ii) Commodity contracts to sell refined sugar	122,699.00	7,056.00	American contracts which can be exercised at any time before maturity. The last of the contracts expire in February 2021.	1:01	357.31 $/MT	8,816.35	8,816.35
March 31, 2019							
Cash flow hedge							
Commodity price risk							
(i) Commodity contracts to buy raw sugar	18,974.54	(476.31)	American contracts which can be exercised at any time before maturity. The last of the contracts expire in October, 2019.	1:1	$287.16 per metric ton	(9,369.99)	(9,369.99)
(ii) Commodity contracts to sell refined sugar	94,892.92	3,433.66	American contracts which can be exercised at any time before maturity. The last of the contracts expire in February, 2020	1:1	$357.27 per metric ton	5,216.92	5,216.92

(All amounts are in Rupees lakhs unless otherwise stated)

Impact of hedging activities
(b) Disclosure of effect of hedge accounting on financial performance

Type of hedge and risks	Changes in the value of hedging instrument recongised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item affected in the statement of profit and loss because of the reclassification
Cash flow hedge				
For the year ended March 31, 2020				
Commodity price risk				
(i) Commodity contracts to buy raw sugar	(11,022.54)	-	-	NA
(ii) Commodity contracts to sell refined sugar	1,299.34	-	(7,454.05)	Revenue from Operations
For the year ended March 31, 2019				
Commodity price risk				
(i) Commodity contracts to buy raw sugar	(619.24)	-	-	NA
(ii) Commodity contracts to sell refined sugar	4,555.51	-	(669.07)	Revenue from Operations

Hedge ineffectiveness

Hedge ineffectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness to ensure that an economic relationship exist between the hedged item and hedging instrument.

For hedges of purchase and sale of raw and white sugar respectively, the Company enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Company therefore performs a qualitative assessment of the effectiveness. In hedges of purchase and sale of raw and white sugar respectively ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated to beyond the contract period or if there are changes in the credit risk of the Company or the derivative counterparty. There was no hedge ineffectiveness during the year ended March 31, 2020

Movement in cash flow hedging reserve

Particulars	Amount
Cash flow hedging reserve	
As at March 31, 2018	-
Add: Changes in fair value of hedging instruments* (net)	(4,153.07)
Less: Reclassification to profit or loss (net)	669.07
Add: Effect of translation from functional to presentation currency in respect of amount reclassified to profit or loss (net)	(7.22)
Less: Adjusted against the carrying value of inventory* (net)	(8,751.19)
As at March 31, 2019	**3,936.27**
Add: Changes in fair value of hedging instruments* (net)	(2,269.15)
Less: Reclassification to profit or loss (net)	7,454.05
Add: Effect of translation from functional to presentation currency in respect of amount reclassified to profit or loss (net)	(132.09)
Less: Adjusted against the carrying value of inventory* (net)	(1,862.63)
As at March 31, 2020	**(4,056.39)**

*Includes the impact of translation at closing rate

(All amounts are in Rupees lakhs unless otherwise stated)

33 Fair Value Measurement

Fair Valuation Techniques and Inputs used - recurring Items

Financial assets/ financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value and sensitivity
	31, March 2020	31, March 2019				
Fair value hierarchy -Level 1						
1) Commodity derivatives	(4,553.12)	2,777.81	Level 1	Quoted bid prices in an active market.	NA	NA
2) Investment in Mutual funds	503.14	1,914.09	Level 1	Based on NAV as provided by fundhouse	NA	NA
Sub-total	**(4,049.98)**	**4,691.90**				
Fair value hierarchy -Level 2						
3) Foreign currency forward contracts	(575.00)	-	Level 2	Refer Note 3(a) below	NA	NA
4)Cross currency principal and Interest rate swaps	(1,873.09)	(98.38)	Level 2	Refer Note 3(b) below	NA	NA
Sub-total	**(2,448.09)**	**(98.38)**				

Note:

1. Derivatives value here represents Marked to Market value.

2. The Level 1 financial instruments are measured using quotes in active market and based on published NAV

3. The following table shows the valuation technique and key input used for Level 2:

Financial Instrument	Valuation Technique	Key Inputs used
(a) Foreign currency forward contracts	Discounted Cash Flow	Forward exchange rates, contract forward and interest rates, observable yield curves.
(b) Currency and interest rate swap contracts	Discounted Cash Flow	These are swaps where the Company has fixed its interest obligation and converted the foreign currency interest and principal obligations to its functional currency (`USD). Future cash flows are estimated based on forward interest rates (from observable yield curves at the end of the reporting period) and contract interest rates, discounted at a rate that reflects the credit risk of various counterparties. Forward exchange rates, contract forward and interest rates, observable yield curves are key inputs used.

(All amounts are in Rupees lakhs unless otherwise stated)

33 Fair Value Measurement ..continued

Fair value of financial assets and financial liabilities that are not measured at fair value

Particulars	As at 31, March 2020		As at 31, March 2019		Level
	Carrying amount	Fair value	Carrying amount	Fair value	
Financial assets carried at Amortised Cost					
Trade receivables	18,176.94	18,176.94	7,615.38	7,615.38	Refer note below
Cash and cash equivalents	1,931.78	1,931.78	7,187.04	7,187.04	Level 1
Loans	1,513.40	1,513.40	-	-	Level 3
Other Financial Assets	9,352.36	9,352.36	1,843.98	1,843.98	Level 3
Total	**30,974.48**	**30,974.48**	**16,646.40**	**16,646.40**	
Financial liabilities carried at Amortised Cost					
Non Convertible Debentures	10,000.00	10,000.00	23,500.00	23,467.30	Level 3
Term Loan	10,000.00	10,000.00	-	-	Level 3
Trade payables	20,112.18	20,112.18	76,311.29	76,311.29	Refer note below
Short term borrowings	98,690.13	98,690.13	107,697.96	107,697.96	Refer note below
Others	932.59	932.59	2,379.26	2,379.26	Refer note below
Total	**139,734.90**	**139,734.90**	**209,888.51**	**209,855.81**	

The categorisation of fair value measurements into the different levels of the fair value hierarchy depends on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. The fair value of trade receivables, trade payables, short term borrowings and other current financial assets and liabilities approximate their carrying amount due to their short term nature.

33 Fair Value Measurement ..continued

Fair Value Hierarchy - Level 3

Financial assets/ financial liabilities measured at amortised cost	Fair value as at	
	March 31, 2020	**March 31, 2019**
Financials assets		
Loan	1513.4	-
Other Financial assets	9,352.36	1,843.98
Total	**10,865.76**	**1,843.98**
Financial Liabilities		
Non Convertible Debentures	10,000.00	23,467.30
Term Loan	10,000.00	-
Total	**20,000.00**	**23,467.30**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes mutual funds, call options, put options, and commodity derivatives that have quoted price. The fair value of all commodity derivatives which are traded in the commodity exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

34 Segment information

(a) Description of segments and principal activities

The Business Head (Chief operating decision maker) examines the Company's performance from the business of refining sugar, which is the only business segment. There are no other reportable segments.

(b) Segment Revenue

Revenue of approximately Rs.1,61,435.14 Lakhs (March 31, 2019: Rs. 1,24,226 Lakhs) are derived from customers, transactions with whom exceed 10% of the Company's revenue

The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Asia (other than India)	81,455.21	104,376.07
Europe	111,618.55	33,664.07
India (Country of domicile)	4,591.07	1,740.67
North America	1,800.76	819.48
Africa	-	224.61
Total	**199,465.59**	**140,824.90**

(c) There are no non-current assets located in foreign countries.

35 Leases

A.Right -to-use Assets

Particulars	Leasehold Land	Total
I)Cost		
Balance at the As at March 31, 2019	-	-
Amount recognised on transition to Ind AS 116	1.939.98	1.939.98
Deletion	-	-
Effect of translation from functional currency to Presentation currency	253.99	253.99
Balance at the As at March 31, 2020	**2,193.97**	**2,193.97**
Balance at the As at March 31, 2019	-	-
Amount recognised on transition to Ind AS 116	70.87	70.87
Deletion	-	-
Effect of translation from functional currency to Presentation currency	4.79	4.79
Balance at the As at March 31, 2020	**75.66**	**75.66**
III)Carrying value		
Balance as at March 31, 2019	-	-
Balance as at March 31, 2020	**2,118.31**	**2,118.31**

Lease Liabilities	As at March 31, 2020	As at March 31, 2019
B.Non-Current Liabilities	835.52	-
C.Current Liabilities	94.94	-

D.Amount recognized in the Statement of Profit & Loss

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Depreciation charges of Right-to-use Assets		
-Leasehold Land	70.87	-

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Interest expenses(included in the Finance cost)	99.41	-
Expense relating to short term leases (included in other expenses)	2,033.33	-
Expense relating to leases of low value assets that are not shown as short term leases (included in other expenses)	-	-
Total	**2132.74**	**-**

Details of leasing arrangement

The Company has entered into a non-cancellable lease arrangement for lease of factory land at Kakinada SEZ unit, for a period of 30 years commencing from March 31, 2008. During the previous year, the lease has been extended for a further period of 10 years. The lease agreements has a schedule which provides lease payments for specific period. At the end of the lease period, the agreement can be renewed on mutual consent.

Also refer Note 40 regarding change in accounting policy

(All amounts are in Rupees lakhs unless otherwise stated)

36 Related Party Transactions

Name of the parent Company E.I.D. Parry (India) Limited
Subsidiary Company Parry International DMCC

List of Fellow Subsidiaries with whom transactions taken place during the year

Parry Infrastructure Company Private Limited
Parry Enterprises (India) Limited

Key Management Personnel (KMP)

Mr S. Suresh, Managing Director
Mr Suresh Kannan, Whole Time Director

Note : Related Party Relationships are as identified by the management and relied upon by the auditors.

Details of transaction between the Company and its related parties are disclosed below:

Particulars	**For the year ended**	**E.I.D. Parry (India) Limited**	**Parry International DMCC**	**Parry Enterprises (India) Ltd**	**Parry Infrastructure Company Private Limited**	**Mr Suresh Kannan**	**Mr S. Suresh**
Nature of transactions with Related Parties							
Sale of goods	31-Mar-20	6.63	296.63	-	-	-	-
	31-Mar-19	227.17	480.10	-	-	-	-
Purchase of goods	31-Mar-20	3,806.88	-	-	-	-	-
	31-Mar-19	9,397.04	-	-	-	-	-
Reimbursement of expenses	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Receipt of Services	31-Mar-20	235.47	-	14.26	-	-	-
	31-Mar-19	201.84	-	64.81	-	-	-
Employee stock option recharge	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	10.12	-	-	-	-	
Rendering of Services	31-Mar-20	-	602.66	-	-	-	-
	31-Mar-19	-	970.04	-	-	-	-
Lease expenses	31-Mar-20	-	-	-	94.94	-	-
	31-Mar-19	-	-	-	96.37	-	-
Commission paid for Guarantee given by Holding Company	31-Mar-20	49.91	-	-	-	-	-
	31-Mar-19	58.59	-	-	-	-	-
Allotment of equity shares (Also Refer Note 12.03 and 12.04)	31-Mar-20	1,500.00	-	-	-	-	-
	31-Mar-19	7,000.00	-	-	-	-	-

Parry Sugars Refinery India Private Limited
Notes forming part of the financial statements as of and for the year ended March 31, 2020
(All amounts are in Rupees lakhs unless otherwise stated)

36 Related Party Transactions..continued

Details of transaction between the Company and its related parties (contd.):

Particulars	**For the year ended**	**E.I.D. Parry (India) Limited**	**Parry International DMCC**	**Parry Enterprises (India) Ltd**	**Parry Infrastructure Company Private Limited**	**Mr Suresh Kannan**	**Mr S. Suresh**
Investment in subsidiary	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	1,505.78	-	-	-	-
Loan Given to Subsidiary	31-Mar-20	-	1,513.40	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Interest Income	31-Mar-20	-	6.81	-	-	-	-
	31-Mar-19	-	-	-	-	-	-
Dividend Earned	31-Mar-20	-	-	-	-	-	-
	31-Mar-19	-	406.48	-	-	-	-
Remuneration for Whole time director (also refer Note	31-Mar-20	-	-	-	-	97.51	-
Employee Benefits Expense)	31-Mar-19	-	-	-	-	87.78	-

Details of closing balances with related parties :

<u>Nature of Balances with Related Parties</u>	**Balance as on**	**E.I.D. Parry (India) Limited**	**Parry International DMCC**	**Parry Enterprises (India) Ltd**	**Parry Infrastructure Company Private Limited**	**Mr Suresh Kannan**	**Mr S. Suresh**
Trade payables (Unsecured) including acceptances	31-Mar-20	20.36	-	-	-	-	-
	31-Mar-19	9,230.74	-	-	-	-	-
Trade and other receivables (Unsecured, considered good)	31-Mar-20	-	159.00	-	-	-	-
	31-Mar-19	-	85.51	-	-	-	-
Loans and advances given (Unsecured, considered good)	31-Mar-20	-	1,513.40	-	1,500.00*	-	-
	31-Mar-19	-	-	-	1,500.00*	-	-
Guarantee given by Holding Company	31-Mar-20	20,000.00	-	-	-	-	-
	31-Mar-19	25,840.00	-	-	-	-	-

* The amount has been disclosed here at the actual monies given. The advance given is measured at amortised cost in the financial statements.

Compensation to Key Management Personnel

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Short term benefits	87.72	79.75
Post employment benefits	9.59	7.83
Other benefits	0.20	0.20
	97.51	**87.78**

The cost to the Holding Company of employee stock options granted to key managerial personnel of the Company amounted to Rs.nil Lakhs (March 31, 2019 Rs. 10.12 Lakhs).

(All amounts are in Rupees lakhs unless otherwise stated)

37 Contingent liabilities and commitments

Particulars	As at March 31, 2020	As at March, 31, 2019
(i) Contingent liabilities		
Outstanding Bank Guarantee	1,125.00	63.50
Letter of Credit Outstanding	36,483.00	7,376.92
Stand By letter of credit	14,377.00	1,106.40
Disputed Income Tax demand which is under appeal at Income tax	170.68	170.68
* Future cash outflows in respect of the above matters are determinable only on receipt of judgments / decisions pending at various forums /		
(ii) Capital Commitments		
Capital expenditures contracted for at the end of the reporting period but not recognised as liabilities	62.78	57.57

(All amounts are in Rupees lakhs unless otherwise stated)

38 Impact of COVID 19 Pandemic:

The spread of COVID 19 has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operation due to lock downs, disruptions in transportation, supply chain, travel restrictions, quarantines, social distancing and other emergency measures.

The Government of India on March 22, 2020 announced a nationwide lockdown for 21 days up to April 15, 2020. On account of the same, the company had closed both its refinery at Kakinada and its Head office at Chennai from March 23, 2020. The order from the Ministry of Home Affairs dated No.-40-3/2020- DM-1(A) cited, "Manufacturing and other industrial establishments with access control in Special Economic Zones (SEZ) " under the list of Industries/ Industrial establishments that were allowed to operate from 20th Apr 2020. This was followed by a circular from the office of Development Commissioner of Visakhapatnam Special Economic Zone No.9/VSEZ/DC/Misc/2020 dated 15th Apr 2020 outlining the conditions for operations of SEZ units. Based on this, the refining facility of the company had resumed its operations on April 21, 2020 after seeking adequate approvals from the authorities concerned, while the Head office is yet to resume its operations due to lock down. The company was able to receive raw sugar and export refined sugar even during lockdown period, as Kakinada seaport was operational.

Global supply of refined sugar remains tight due to poor crop in Thailand. Since sugar is an essential commodity, some importing countries are stocking up currently, leading to demand for exports. We expect that this scenario will help us to continue to export sugar as per our plan, though there could be variability in offtake from month to month.

The Company has made a detailed assessment of its liquidity position for the next financial year and has critically assessed the recoverability and carrying values of its assets comprising of property, plant and equipment, trade receivables, inventory, investments and liabilities as at balance sheet date, and has concluded that no material adjustments are required in the financial statements. The management has performed a year end physical inventory count at a date, subsequent to the year end, after appropriately considering the intervening transactions, in the presence of its internal auditor, to assess the existence and condition of inventories as at March 31, 2020.

The management has taken into account all the possible impacts of events that could arise from the outbreak of COVID 19 pandemic, in the preparation of the financial statements including the entity's ability to continue as a going concern.

The impact assessment of COVID 19 is a continuing process, given the uncertainties associated with its nature and duration and the Company will continue to monitor all material changes to the entity's internal and external environment.

39 The company was using SAP ECC 6.0 as its financial application system. With effect from October 3, 2020 the company has migrated to SAP S/4 Hana financial application system an advanced version of SAP.

40 Changes in accounting policies - Impact on the financial statements

The company has adopted a simplified transition approach that is permitted under Ind AS 116, hence it does not restate any comparative information and the disclosures for the prior period reflects the accounting treatment applied in that period.

To determine the incremental borrowing rate, the Company uses a build up approach that starts with a risk free interest rate adjusted for credit risk for leases held up by Parry Sugars Refinery India Private Limited, and makes adjustments specific for the lease term.

On adoption of Ind AS 116, the company recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17, Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of April 1, 2019. The incremental borrowing rate applied to the lease liabilities on April 1, 2019 was 10.74%.

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

In applying Ind AS 116 for the first time, the company has used the following practical expedients permitted by the standard:
• Applying a single discount rate to a portfolio of leases with reasonably similar characteristics.
• Relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review.
• there were no onerous contracts as at April 1, 2019
• accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases
• excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
• Using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application.

Instead, for contracts entered into before the transition date the company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

Measurement of Lease Liabilities

Particulars	Amount
Operating lease commitments disclosed on 31 March 2019	3,087.75
Discounted using lessee's incremental borrowing rate at the date of initial application	10.74%
Lease liability recognised as at April 01, 2019	925.95
Interest cost for the year	99.41
Payment of Lease liability	(94.90)
Lease liability recognised as at March 31, 2020	930.46
of which are:	
Current lease liability	94.90
Non current lease liability	835.56

41 The figures for the previous year have been reclassified/ regrouped wherever necessary for better understanding and comparability.

42 The financial statements were approved for issue by the board of directors on June 5 , 2020

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

Suresh S
Partner
Membership No:200928

Place : Chennai
Date : June 05, 2020.

For and on behalf of the Board of Directors

S. Suresh
Managing Director

P. Nagarajan
Chairman

TV Swarna Prakash
Chief Financial Officer

B. Satish Krishnan
Company Secretary