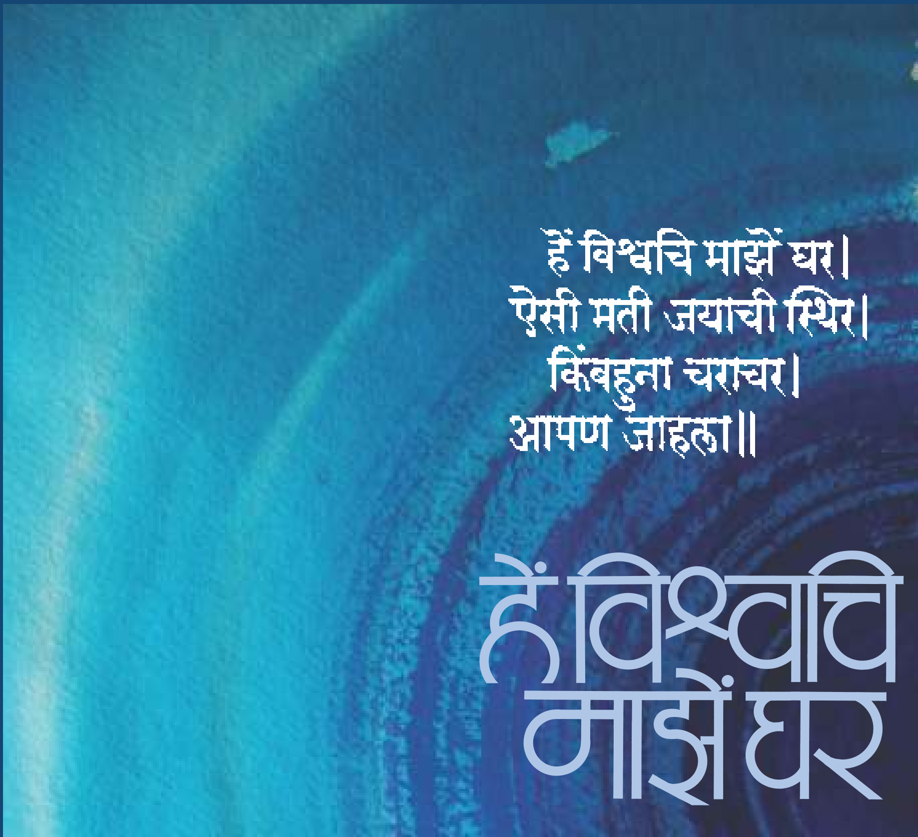
Somaiya
GROUP



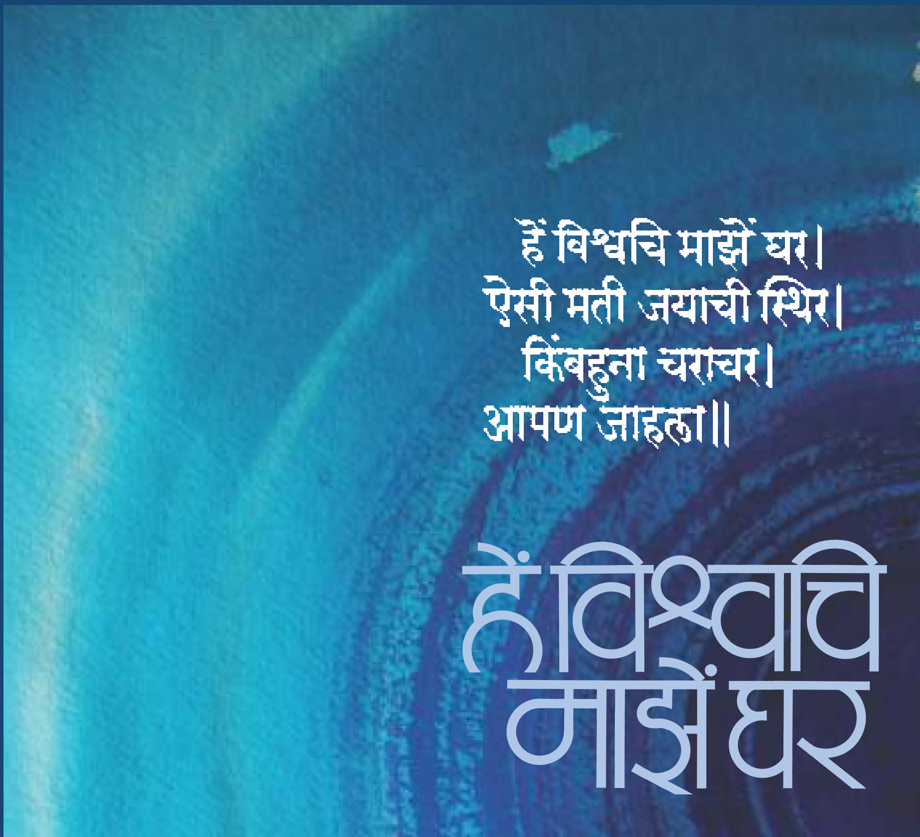
Godavari Biorefineries Ltd

64th Annual Report
2018 - 2019

Godavari
Biorefineries Ltd

Our Mission

- To be a world-class global organization.
- To be the leading integrated biorefinery.
- To visualise, understand and meet customer needs and expectations.
- To continuously add value to every part of sugarcane and any other biomass that the company processes.
- To provide superior returns to shareholders through efficient management, innovation and teamwork.
- To participate in, and contribute to the all-round development of the community in which the company operates.
- To be a place where individuals aspire to and can make a difference, where good performance is applauded and of which people are proud to be a part of

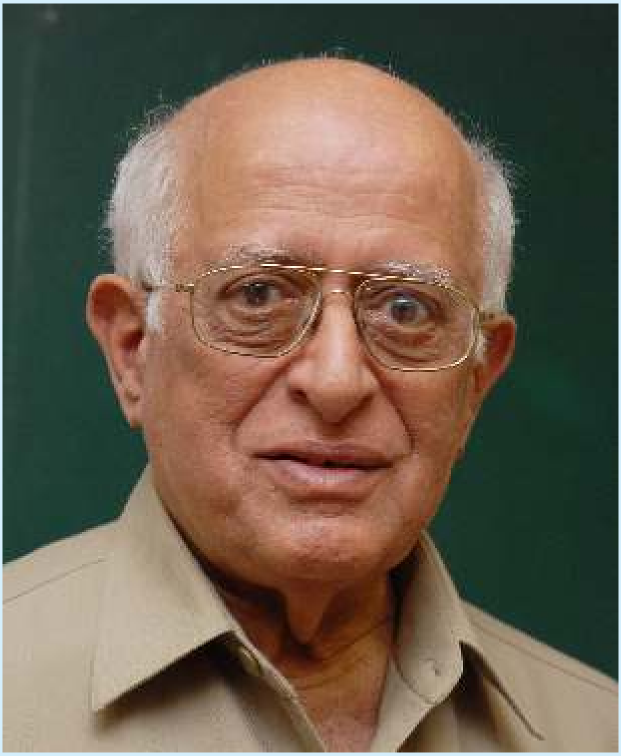


One whose mind is steady
Thinks the whole universe his home
He is a true devotee...
For he is one
To whom the movable and immovable
Are his own self

Our Founder

Our Founder
Padmabhushan Late Shri K. J. Somaiya
1902-1999

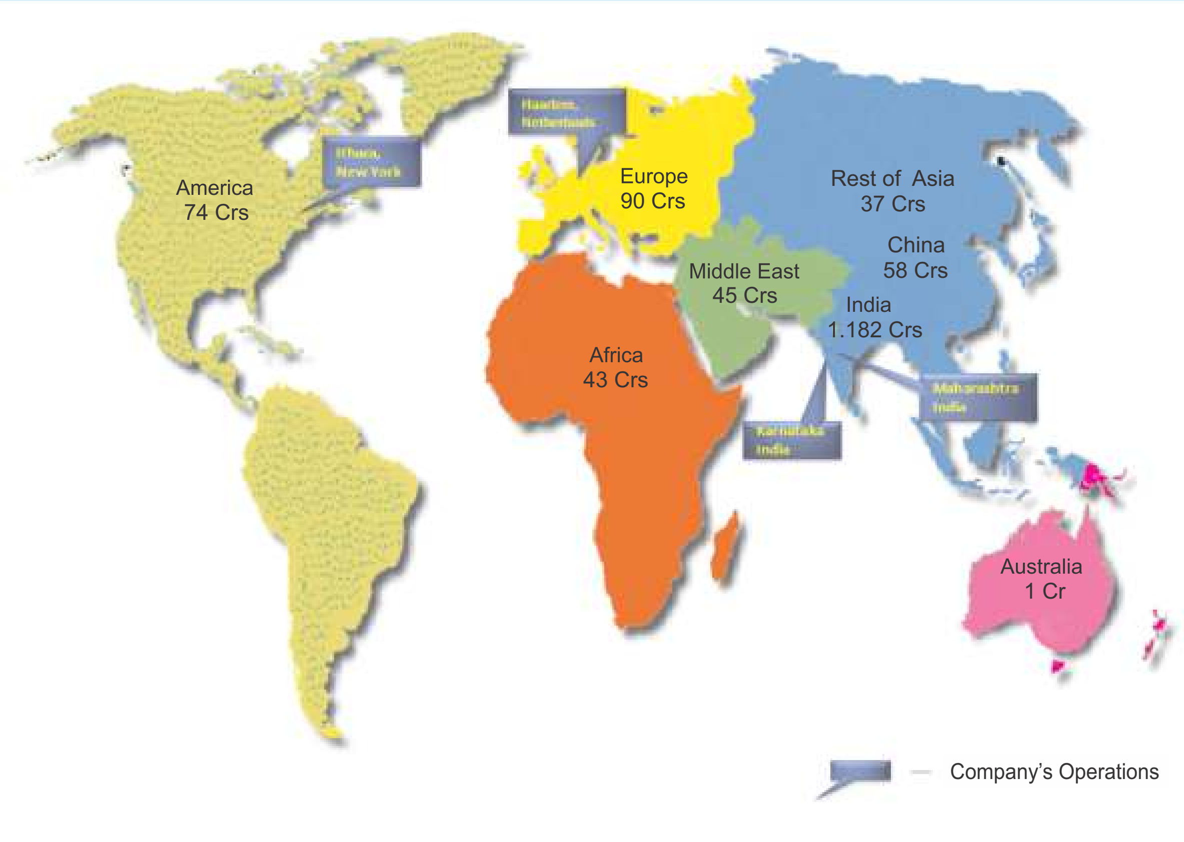
Our Mentor



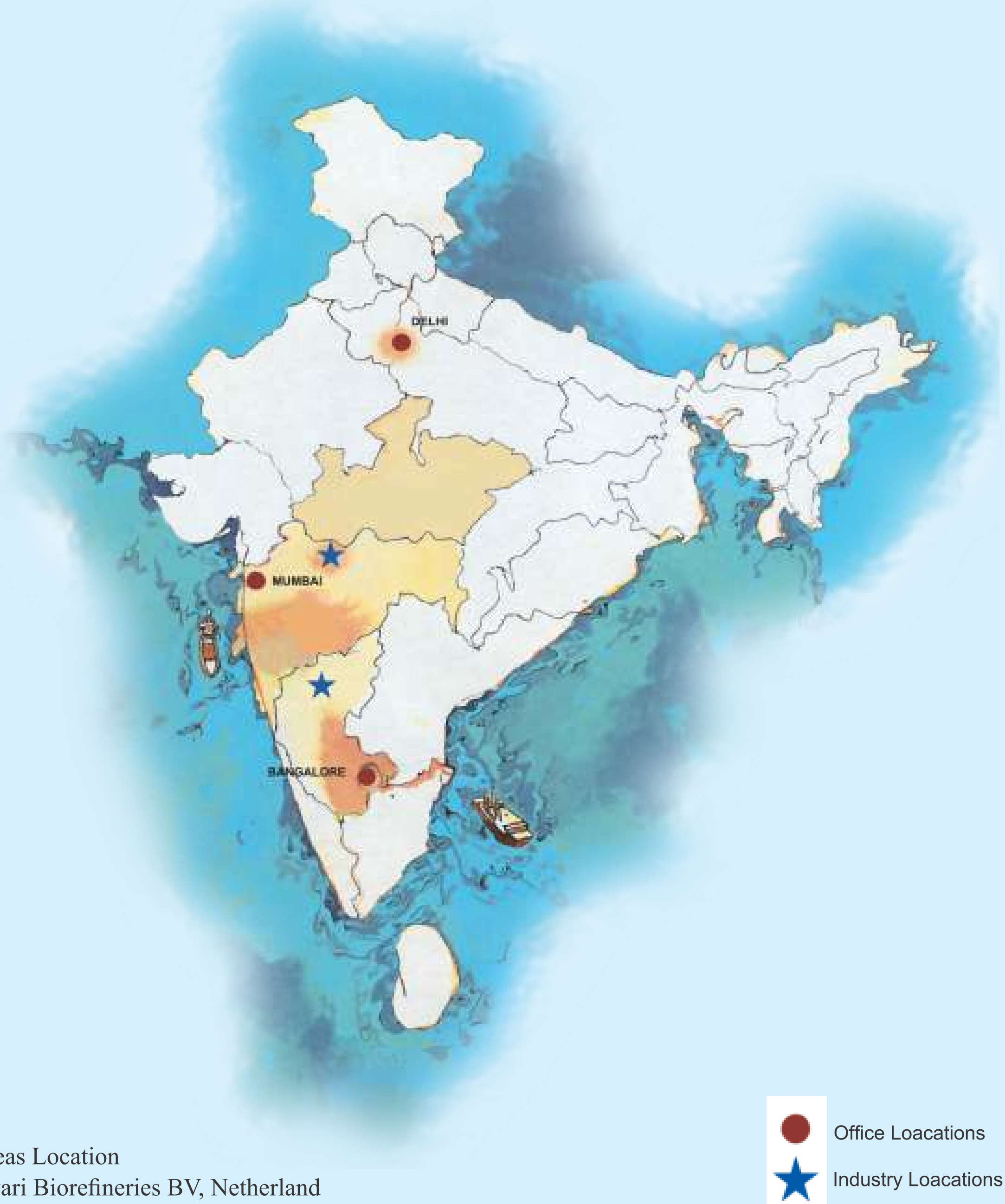
Late Dr. Shantilal K. Somaiya

1927 - 2010

Godavari Biorefineries Ltd's Global Presence



Locations



Overseas Location
Godavari Biorefineries BV, Netherland
Cayuga Investment BV, Netherland
Godavari Biorefineries Inc, USA

Our Products

जीवना Jivāna™

Bio - Acetic Acid Plant at Sakarwadi, Maharashtra

Bio & Technical Ethyl Acetate Plant at Sakarwadi, Maharashtra

Awards

Shri B. R. Bakshi, Director (W) received FKCCI Best Exporter Award in the hands of Shri K J George, Minister for Industries. 4th June 2019, Bengaluru

Shri S. M. Hukkeri, GM (Cane) receiving Best General Manager - Cane Award from Bharatiya Sugar Kolhapur. 14th July, 2018

Awards

Momento

Trophy

Green Energy Award - 7th September, 2018 New Delhi

Certificate

Momento

Federation of Karnataka Chambers of Commerce Industry - 4th June, 2019

Medal

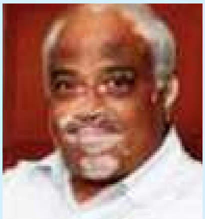
Certificate

The South Indian Sugarcane & Suger Technologist - 28th June, 2019

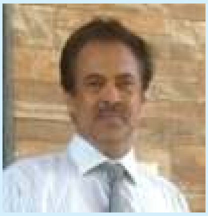
Board of Directors

Mr. Samir S. Somaiya
Chairman and Managing Director

Mr. Vinay V. Joshi
Executive Director



Mr. Mohan Samanathan
Director - Works (Sakarwadi)



Mr. Bhalachandra R. Bakshi
Director - Works (Sameerwadi)

Mr. Jayendra Shah
Independent
Non Executive Director

Mr. Kailash Pershad
Independent
Non Executive Director

Prof. M. Lakshmi M Kantam
Independent
Non Erecutive Director

Dr. Preeti Rawat
Non - Executive Director

Mr. Uday Garg
Investor Nominee Director

Board of Directors

Chairman & Managing Director

Mr. Samir S. Somaiya

Executive Director

Mr. Vinay V. Joshi

Non - Executive Directors

Dr. Preeti Singh Rawat

Mr. Werner Wutscher (upto 21st June, 2019)

Independent Directors

Prof. Mannepalli Lakshmi Kantam

Mr. Kailash Pershad

Mr. Jayendra Shah

Director - Works

Mr. Bhalachandra R. Bakshi (Sameerwadi Unit) (w.e.f. 01st June, 2018)

Mr. Mohan Somanathan (Sakarwadi Unit)

Investor Nominee Director

Mr. Uday Garg

Chief Financial Officer

Mr. Naresh Khetan

Company Secretary

Ms. Swarna S. Gunware

Board of Directors

CORPORATE IDENTITY NUMBER

U67120MH1956PLC009707

REGISTERED OFFICE

Somaiya Bhavan,
45/47, Mahatma Gandhi Road,
Fort, Mumbai – 400 001. INDIA.
Tel +91 -22 -2204 8272 / +91-22-6170 2100
Fax + 91-22-2204 7297
Website: www.godavaribiorefineries.com
Email: investors@somaiya.com

FACTORIES

Sameerwadi
(Via Mahalingpur),
Dist. Bagalkot,
Taluka Mudhol,
Karnataka - 587 316.

Sakarwadi
(Stn Kanhegaon),
Dist Ahmednagar,
Maharashtra - 413 708.

AUDITORS

Verma Mehta & Associates
(Chartered Accountants)

COST AUDITORS

B. J. D. Nanabhoy & Co.
(Cost Accountants)

SOLICITORS & ADVOCATES

Economic Law Practice
Hariani & Co.
Gagrats

REGISTRAR AND TRANSFER AGENTS

Link Intime India Pvt. Ltd.
C-101, 247 Park, LBS Marg,
Vikhroli (West), Mumbai - 400 083.
Tel: +91 22 4918 6000
Fax: +91 22 4918 6060
Email: rnt.helpdesk@linkintime.co.in

DEBENTURE TRUSTEE

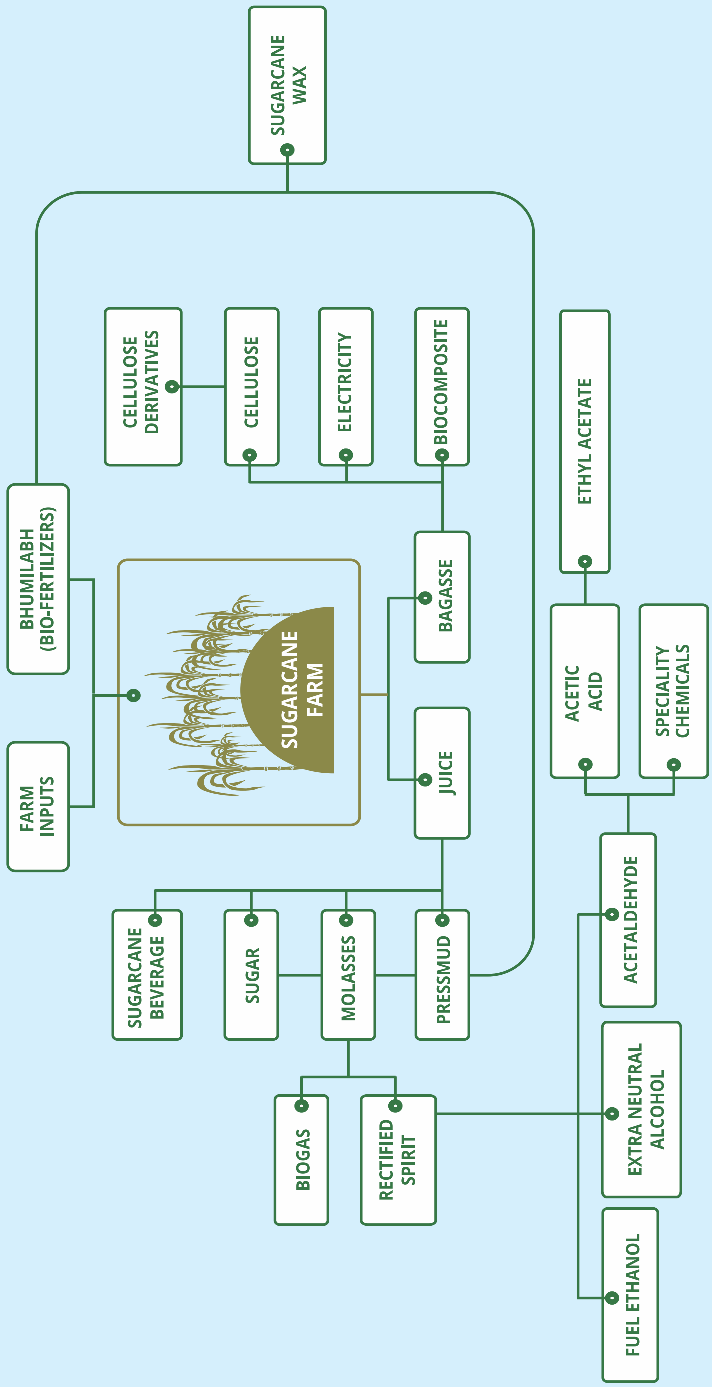
IDBI Trusteeship Services Limited
Asian Building, Ground Floor, 17 R. Kamani Marg,
Ballard Estate, Mumbai - 400 001

BANKS AND INSTITUTIONS

Andhra Bank
Bank of Baroda
Bank of India
Council for Scientific and Industrial Research
Syndicate Bank
Sugar Development Fund
Union Bank of India

Contents

GBL's Value Chain



Chairman's Outlook

Dear Shareholders,

We are continuing on our journey of creating a world class cascading biorefinery. Our strategy is to add value to our feedstock, and its related biomass. To convert biomass into value added product, chemically, physically or biologically. This year, sugar as a percentage of our business has reduced, as we have made larger quantities of ethanol.

Your company participated in the expanded ethanol blending programme of the Government of India. This enabled us from diversifying away our risk on sugar. The Indian economy is producing more sugarcane and consequently, more sugar than it can consume. The new Ethanol Blending Programme (described in detail below), enables us to divert some of our sugar to ethanol - on the lines of the Brazilian policy. We were among the first few companies in India to participate in this program, and the first in Karnataka to make deliveries ethanol based on B - Heavy Molasses

A year ago, the sugar prices in India were falling dramatically. This was caused by the announcement of high cane prices, leading to higher cane plantation in the country and leading to a structural sugar surplus. To stem the fall in the Indian market, and to enable the country to pay the farmers the FRP, the Government has announced many measures to help the sugar industry bridge the gap between the sugar prices and the cane costs. It did this by:

1. Announcing a policy to encourage a sugar export of 5 million tons, and announcing a payment to the farmer provided this export quota is fulfilled.
2. Announcing a buffer stock of 3 million tons.
3. Announcing a minimum price of sugar (₹31 per kg) and creating stock limits to ensure that this happens.
4. Creating a larger ethanol programme, for conversion of B molasses to ethanol. This they have done by announcing an ethanol price of about ₹ 52.40 per litre for the B molasses diverted. The Government has also announced soft loans for this purpose.

By announcing that the Government will guarantee a price of ethanol converted under the B Heavy programme, the Government is changing a volatile business into a stable price system. For us, this created an opportunity to add ethanol capacity at Sameerwadi. For an agricultural economy like India, it makes sense for India to meet its energy security via biofuels. And this conversion will help us keep lower inventories, generate cash flow from operations and also, mitigate against a price fall of sugar.

The Government has now added a new market for sugarcane based by-products. The Government of India has invited expressions of Interest for making Bio-CNG. This is made by purifying the biogas that comes out as a byproduct of our waste treatment of ethanol fermentation. The biogas needs to be treated by removing the H2S, and the Carbon Dioxide, and then compressing the same. The Government is giving a fixed price for the same, much like they have done for bio-ethanol. By this policy, the Government has created one more market and opportunity for the renewable resources that are made via the manufacture of ethanol and sugar.

Our production of ethanol from B Heavy molasses is moving smoothly. The Indian Government issued a tender for ethanol from B Heavy molasses. The total tender for about 3+ billion litres of bioethanol, of which 2.59 billion litres were awarded. Of this, ethanol from B heavy was about 0.5 billion litres.

We bid for 40 million litres, but were awarded about 35 million litres for this ethanol at ₹ 52.4 per litre. We were also awarded a tender for about 12.5 million litres from C molasses. We were one of the first in the country to supply ethanol under this programme (certainly the first in Karnataka). The ethanol is being sold as it is made. This helps keep our inventory low, and also mitigate the need for holding higher sugar stocks, that we would have had to do, had we not participated in this programme. We will make more Alcohol from C molasses and supply to our markets for ENA, pharmaceutical, and perfumery. In this past year, we made about 52 million liters of rectified spirit (that was then converted to ethanol, ENA etc)

To further expand our capacity to meet the demand of ethanol under this program, we moved the Sakarwadi fermentation section to Sameerwadi. This saved time and money, and brought an idle asset into use.

With the expansion of ethanol capacity at Sameerwadi, we will be targeting to manufacture about 70 million litres of ethanol in the coming season.

The chemical division is performing well and is backed by strong demand from customers.

The Company has been a pioneer in the use of Sustainable and Renewable Resources to produce chemicals. Our close cooperation with many of the large companies to develop and produce products for them is helping us sustain and grow our pipeline for new products. Customers have expressed renewed and strong interest in sourcing products that are renewable, sustainable, and adhering to the 'green chemistry' principles. Further, they are setting targets of lowering Carbon emissions, and understanding a Life Cycle Assessment (LCA) for the chemicals they make and consume.

We commissioned our new plant to make Bio-Acetic Acid from ethanol. We received the Bio-preferred certification from the USA that gives us an added advantage in that market. We are also seeing a market for Bio-Ethyl Acetate. We have commenced sale of this product globally, and are receiving good interest for the same.

Your company is planning to make bagasse based chemicals. Diversion of sugarcane juice to ethanol will reduce our steam needs, and will result in more bagasse savings. We are building a pilot plant for biocomposites, based on bagasse and are hoping for trial orders in the coming year.

Currently your company manufactures over 20 products from sugarcane, and has many more products in the pipeline.

We continue to work closely with the farmer. We are inextricably linked together. Our aim is to see that the farmer and the farm are healthy. To do this, we continue to work on introducing drip irrigation, intercropping, soil testing, subsequent supply of quality inputs, supply of tissue culture plantlets, and agronomic practices for achieving high yield. We collaborate with KIAAR to demonstrate new techniques, that would improve productivity, optimize resource use, and maintain soil fertility. Our experiments on using older and traditional techniques and modern science with KIAAR have shown good results.

I am delighted to say that your company won FKCCI Award for "Best Exporter Bagalkot District" for the year 2018, competing against all industries in the Bagalkot district.Your company has also received Runner-up "India Green Energy Award - 2018" in the category of Outstanding Renewable Energy Generation - Bioenergy by Indian Federation of Green Energy New Delhi and "VTPC Export Excellence Award" from Vishweswaraya Trade promotion Center Govt of Karnataka.

Samir S. Somaiya
Chairman and Managing Director
(2018-2019)

Dear Shareholders,

Your Directors have pleasure in presenting the **Sixty Fourth Annual Report** on the business and operations of the Company and the audited financial accounts for the year ended 31st March, 2019.

FINANCIAL PERFORMANCE:

₹ in Lakh

Particulars	2018-19	2017-18
Sales (Net of Excise Duty)	1,53,551	1,21,802
Profit / (Loss) before Depreciation, Interest and Tax	14,127	10,691
Finance costs	8,892	8,753
Profit / (Loss) after Interest but before Depreciation and Tax	5,235	1,938
Depreciation & Amortization	4,961	4,868
Profit / (Loss) Before Tax	274	(2,930)
Taxes (Income)/Expense	56	(817)
Profit / (Loss) After Tax	218	(2,113)

DIVISION WISE SALES TURNOVER:

₹ in Lakh

DIVISIONS	2018-19	2017-18
Sugar	63,205	54,384
Cogeneration	3,356	3,646
Chemicals	60,920	48,169
Distillery	26,070	15,603
Total	**1,53,551**	**1,21,802**

On a standalone basis, your Company has achieved sales turnover of ₹ 1,53,551 Lakh for the financial year 2018-19 as compared to the turnover of ₹1,21,802 Lakh in the previous year an increase of 26 % over previous year. On consolidated basis, the turnover in current year was ₹ 1,55,223 Lakh.

The smart recovery in the turnover was due to improved performance in Sugar, Distillery and Chemicals division.

On a standalone basis, your company has reported profit after tax of ₹ 218 Lakh as against the loss of ₹ 2,113 Lakh (As per IND AS) in the previous financial year 2017-18. On consolidated basis, loss after tax was ₹ 553 Lakh for the current year.

DIVIDEND

In view of inadequate profits during the year, your Directors regret their inability to recommend dividend for FY 2018-19.

DIRECTORS' RESPONSIBILITY STATEMENT

Your Directors' state that:

a) In the preparation of the annual financial statements for the year ended 31st March, 2019 the applicable accounting standards have been followed with no material departures;

b) Have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit and loss of the company for that period;

c) Proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) The annual financial statements have been prepared on a going concern basis;

e) Proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.

INDIAN SUGAR INDUSTRY OUTLOOK

Sugar Season (SS) 2018-19 (October –September) started with All India Opening Stock of 107.2 Lakh MT as on 1st October 2018. Production during SS 2018-19 is expected to be an all-time high of 330 Lakh MT. Increase in sugar production has been contributed by all the three major sugar producing states of Maharashtra, Uttar Pradesh & Karnataka. Thus, the total availability of sugar in the market would be about 437.2 Lakh MT.

Domestic sugar consumption is expected to be about 260 Lakh MT and sugar exports are expected to be about 30 Lakh MT. Thus, the estimated sugar stock as on 30th September, 2019 would be 147.20 Lakh MT – an increase of about 40 Lakh MT over the closing stock.

Indian Sugar Production, Supply and Distribution (Figure in Lakh MT)

(In Lakh tons)

Sugar Balance Sheet for Sugar Season	2018-19(E)	2017-18
Opening stock as on 1st October	107.20	38.80
Production during the season	330	324.79
Imports	0.00	2.15
Total Availability	437.20	365.74
Off-take for		
i) Internal Consumption	260	253.90
ii) Exports	30	4.64
Total off-take	290	258.54
Closing stock as on 30thSeptember	147.20	107.20

Source: Indian Sugar Mills Association (ISMA) (E) - Estimated

Closing sugar stock as % of off-take is estimated to be very high at about 55%. Sugar industry is facing cost of carrying staggering sugar stocks as well as the pressure it puts on the domestic sugar prices. Moreover, this trend of increased sugarcane production and sugar production is expected to continue for next 2-3 years until additional ethanol capacity comes on stream, which would consume the excess sugar production over the domestic consumption of sugar.

Policy Initiatives by Government of India

Against this backdrop of huge surplus of sugar in the domestic market, Government of India has taken following policy initiatives to deal with mismatch between demand and supply of sugar:

1. Minimum Indicative Export Quota (MIEQ) scheme in order to export 5 million MT of sugar during SS 2018-19.
2. Monthly sugar sales quota for the sugar factories.
3. Minimum selling price for sugar.
4. Announcing aggressive Ethanol Blending Program (EBP) policy whereby sugar factories are encouraged to convert B Heavy molasses and sugarcane juice into Ethanol and take surplus sugar out of the market.
5. Financial assistance scheme for sugar factories for establishing new distilleries or expansion of existing distilleries to increase the ethanol production in line with the EBP of the government.
6. Production subsidy of ₹ 138/MT of sugarcane crushed during season 2018-19.
7. Subsidy on transport and marketing expenses incurred on sugar exports during season 2018-19 against MIEQ(Minimum Indicative Export Quota).

These measures have helped in maintaining the sugar prices above the Minimum Selling Price (MSP) of ₹31 per kg.

Performance of Sameerwadi sugar factory during SS 2018-19

In view oil market companies of the excess sugar production in the country and possibility of carrying high sugar inventory and preferential price announced by oil market companies for ethanol based on B-Heavy molasses, your company decided to convert part of sugar in the form of B Heavy molasses into ethanol. This policy helped us in converting sugar into ethanol during SS 2018-19. Apart from reducing net sugar production, it also helped in improving the cash flows due to higher sugar sales release orders and immediate ethanol sales based on sugar diverted for ethanol. This policy of ours has helped us in reducing our sugar inventory as on 31st March 2019. We are planning to continue with this policy in the SS 2019-20. In fact, we are implementing our ethanol expansion project, which will help us in further reducing the sugar inventory during the next year. This is very essential in view of the expected increase in All India sugar inventory from 107.2 lakh MT as on 30th September, 2018 to about 147.20 lakh MT as on 30th September, 2019 and further increase upto 175 lakh MT as on 30th September, 2020.

This policy would also help us in reducing the sugar turnover as % of our total turnover and thus reduce the risks attached to the volatile sugar market.

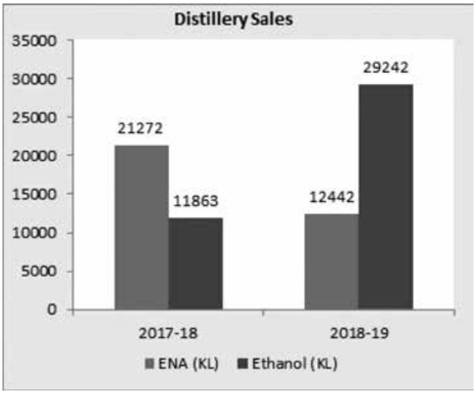
Sugar sales improved from ₹ 54,384 Lakh in previous year to ₹ 63,205 Lakh in the current year (i.e. increase of 16.2 % over previous year). Our sugar sales realisation per unit continued to be better in view of the wide acceptability of our sugar quality in different market segments including institutional customers, whole-sale trade and retail trade. We are planning to consolidate our position in these market segments by undertaking further marketing initiatives.

Jivana - Our Retail Brand:

Company is selling sugar, salt and turmeric under the brand name **"Jivana"**. We are aligning our marketing policies to help us to become more competitive. We have planned interesting offerings in the near future to make **"Jivana"** a trustworthy and household name.

DISTILLERY DIVISION:

Sameerwadi Distillery manufactures various grades of Ethanol. The distillery services requirement of various customers from Beverage industry, Fuel Ethanol industry, Pharmaceuticals and Flavour & Fragrance industry.



➢ **2018-19:**

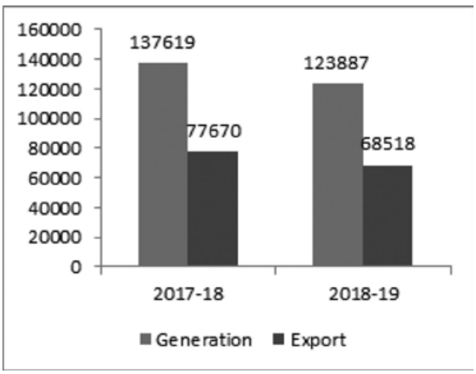
The total sale of Distillery division for the year were ₹ 26,071 Lakh against last year's sale of ₹ 15,603 Lakh i.e. an increase of 67% over previous year. We expect further increase in turnover in the next financial year with commissioning of 120 KLPD distillery.

Company has contracts with Oil Marketing Companies for 482 Lakh litres of Ethanol against previous year's 285 Lakh litres. Distillery Division commissioned the incineration boiler of 40 MT/Hr and 4 MW turbine to generate power from August 2017. With the commissioning of this boiler we have started incinerating the distillery effluent in the boiler resulting into saving of fuel namely bagasse and additional days to run the distillery.

In view of our decision to convert B Heavy Molasses into Ethanol, we also increased production of various grades of alcohol from 36,350 KL in 2017-18 to 51,759 KL in 2018-19. During the current year, due to preferential pricing by Government of India for Ethanol based on B Heavy Molasses, our sales for Fuel Ethanol increased at the cost of sales of Extra Neutral Alcohol.

As mentioned earlier, we are planning our project for expanding the ethanol capacity by 120 KLPD, which will be operational during FY 2019-20. This investment apart from improving the cash flow and reducing the working capital utilisation would help us in providing stable revenue flow from sale of ethanol and reduce our exposure to the volatile sugar market. Your Company projest cost of the expansion of 120 KLPD is amongst the lowest as approved by the Government of India.

Our incineration boiler operated continuously during the year under review, this has helped us achieve Zero Liquid Discharge.



COGENERATION/POWER DIVISION:

Cogeneration division has Generated 123,887 Mwhr and Exported 68,518 Mwhr in the current year as compared to the power Generation of 137,619 and Exported 77,670 Mwhr in the previous year. Power exports were lower during the current year as we decided to sell the saved bagasse in view of the better sales realization vis-a-viz realisation from power exports.

Company sold its power to KPTCL under Power Purchase Agreement (PPA). We undertook improvements last year in form of debottlenecking of the power plant capacity as well as installation of bagasse dryer for unit 1. Our bagasse savings was 1,42,000 MT in FY 2017-18 against 1,38,365 MT in FY 2018-19.

With this, we expect to run the power plant for approximately 150 days during off-season, thus improving the capacity utilization of the power plant.

The power distribution companies to whom we are exporting power coming under jurisdiction of Karnataka Power Transmission Corporation Ltd (KPTCL) continue to deny us payments for power exports as per Power Purchase Agreements (PPAs) rates as stipulated by Karnataka Electricity Regulatory Commission (KERC). We have moved the Karnataka High Court for implementation of the PPAs signed by all these power distribution companies. We have also raised the issue with Government of Karnataka, who have been promising implementation of PPAs signed with Karnataka sugar industry.

SAKARWADI CHEMICAL DIVISION:

Chemical division located at Sakarwadi in Maharashtra has recorded turnover of ₹60,920 Lakh for the FY 2018-19 against the previous year sales turnover of ₹48,169 Lakh i.e. increase in sales turnover by about 26.5%. Chemical exports during the current year were ₹22,599 Lakh against the previous year Export sales of ₹ 16,254 Lakh an increase of about 39%.

Chemical division manufactures various specialty chemicals and bulk commodity i.e. Ethyl Acetate. The performance of the speciality chemicals continued to be robust. We infact see demand for our products exceeding the production capacity, thus, necessitating expansion of production capacity in this segment. We have applied for necessary Statutory Approvals for expansion, which normally take 12-18 months with Terms of Reference (TOR) approval received from MOEF, N. Delhi. We continue to work in the field of green and renewable specialty chemicals. The Company's initiative has been recognized and we were invited to speak at the 12th International Conference of Bio-Based Materials held at Germany, May 2019. The Company was given opportunity to present its work done in this field to an audience of about 250+ delegates from all sections of industries like coatings, specialty, plastics as well as Fine chemicals.

The market for Ethyl Acetate was very bullish during first 3 quarters of the year on the back of trends in crude oil prices and increased demand from our overseas customers. However, we saw sudden collapse in Q4 of the financial year due to various factors including fall in crude oil prices from early 2019. Our policy of not taking long positions both for raw material and finished products put limits on the gains or loss due to the volatility in the Ethyl Acetate market.

While the price for ethanol, an important raw material, which we are importing for consumption in chemicals, remained fairly stable during the year under review, the price of Acetic Acid another important raw material, which we are importing, remained very volatile and which essentially caused the swings in Ethyl Acetate price.

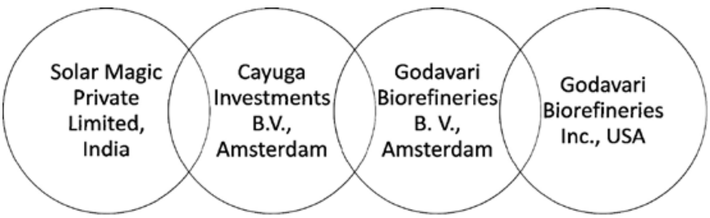
In view of the preferential price for fuel ethanol announced by the Government of India, availability of domestically produced ethanol for chemicals became very difficult as this price was unviable for chemical production. However, we continued to source local Ethanol for few of the speciality chemicals on spot basis due to customers mandate for using local Ethanol.

Sakarwadi site has been undertaking bio-remediation under guidance of Prof C.R.Babu, Professor Emeritus, and Centre for Environment Management of Degraded Ecosystems (CEMDE), University of Delhi. The Chairman of CPCB (Central Pollution Control Board) had reviewed the progress made in the project and has acknowledged the progress made till date. CPCB has expressed the desire that the findings of project be shared with various State Pollution Control Board in the country considering that it is the first of its kind attempt to remediate the distillery effluent site by biological means, with encouraging results.

During the year under review, we have received the (TOR) for our proposed chemical complex at Sameerwadi site in Karnataka. We are planning production of chemicals based on the Ethanol at this site and will be taking further effective steps for the getting the final approval from Ministry of Environment, Forest & Climate Change (MOEF) for implementing the project in future.

The company remains optimistic for the future and is determined to keep working towards achieving the objective of creating unique bio refinery by adding value from the feedstock used by it. With favourable government initiatives to deal with the problem of mismatch between the sugarcane price and revenue from sugarcane in the sugar sector, we hope to reach our goal faster.

SUBSIDIARIES & ASSOCIATE COMPANIES



As on 31st March, 2019, your Company had four (direct and indirect) subsidiaries (One in India and three overseas), the Company does not have any joint venture companies and associate company.

i **Solar Magic Private Limited (CIN: U01100MH1998PTC113856)**

The subsidiary is engaged in manufacturing of farm products and provides services to the farmers by way of sale and supply of fertilizers, irrigation facilities and other agriculture inputs.

ii. **Cayuga Investments B.V. (KVK NO: 34319213)**

The Subsidiary is engaged in investment activities. Cayuga has two following subsidiaries which are the Step Down Subsidiaries of Godavari Biorefineries Limited:

a. ***Godavari Biorefineries B.V., Amsterdam (KVK NO : 34325188)***

The Step down Subsidiary of GBL act as intermediaries, consultants to provide support services, penetrate European markets.

b. ***Godavari Biorefineries Inc., USA (EIN : 30-0546856)***

The Company carried on the business as intermediaries, consultants to provide support services, penetrates USA markets during the year.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Company and its subsidiaries, prepared in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India (ICAI) , forms part of the Annual Report and are reflected in the consolidated financial statements of the Company. In compliance with section 129 of the Companies Act, 2013 a statement containing requisite details including financial highlights of the operation of all the subsidiaries in Form AOC-1 is annexed to this report.

MATERIAL CHANGES & COMMITMENTS

There have been no material changes and commitments that have occurred after close of the financial year till the date of this report, which affect the financial position of the Company. Based on the internal financial control framework and compliance systems established in the Company, the work performed by Statutory, Internal, Secretarial Auditors and reviews performed by the management and/or relevant Audit and other Committees of the Board, your Board is of the opinion that the Company's internal financial controls were adequate and working effectively during financial year 2018-19.

MEETINGS

During the financial year under review, Four meetings of the Board of Directors were held on 25th May, 2018, 11th September, 2018, 13th November, 2018, and 11th March, 2019. Particulars of Directors, their attendance at the Board Meetings held during the Financial Year 2018-19 are as under:

Name of the Director	Category of the Director	Number of Board Meetings held during the FY 2018-19	Number of Board Meetings attended during the FY 2018-19
Mr. Samir S. Somaiya DIN - 00295458	Chairman & Managing Director	4	4
Mr.Vinay V. Joshi DIN - 00300227	Executive Director	4	4
Dr. Preeti Singh Rawat DIN - 07154417	Non-Executive Director	4	3
Mr. Werner Wutscher DIN - 06456562	Non-Executive (Resigned w.e.f. 21.06.2019)	4	3
Mr. Kailash Pershad DIN - 00503603	Independent, Non-Executive Director	4	4
Mr. Jayendra Shah DIN - 00084759	Independent, Non-Executive Director	4	2
Mr. S. N. Bableshwar DIN - 05101183	Director – Works (Sameerwadi Unit) (Resigned w.e.f 14th August, 2018)	4	1
Mr. Mohan Somanathan DIN - 03184356	Director – Works (Sakarwadi Unit)	4	4
Mr. Uday Garg DIN - 03285941	Nominee Director Non-Executive	4	4
Prof. Mannepalli Lakshmi Kantam DIN- 07831607	Independent, Non-Executive Director	4	3
Mr. Bhalachandra Bakshi DIN: 03538688	Director – Works (Sameerwadi Unit) (Appointed w.e.f. 1st June, 2018)	4	3

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Vinay Joshi who was appointed as Executive Director of the Company for a period of three years from 1st April 2016 to 31st March 2019 in the meeting held on February 2016 has been reappointed for further period of two years from 1st April 2019 to 31st March 2021 as Executive Director of the Company in the Board Meeting held on 11th March 2019 as per the recommendation of the nomination and remuneration committee, subject to approval of the members of the ensuring Annual General Meeting.

On 21st June, 2019 Mr. Werner Wutscher tendered his resignation from the post of Director of the Company due to health issues. The Board places on record its appreciation for the assistance and guidance provided by Mr. Werner Wutscher during his tenure as Director of the Company.

Shri Mohan Somanathan who was appointed as Director – Works for our business unit in Sakarwadi, Ahmednagar with effect from 1st September, 2016 was re-appointed as the Director (Works) for Sakarwadi unit of the Company for a period of three years from 1st April 2019 to 31st March 2022 in the Board Meeting held on 11th March 2019 as per the recommendation of the Nomination and Remuneration Committee, subject to approval of the members at the ensuing Annual General Meeting.

Mr. Jayendra Shah and Mr. Kailash Pershad, Independent Directors were appointed as Independent Directors of the Company for a period of 5 (five) consecutive years from the date of the 59th Annual General Meeting. Since, Mr. Jayendra Shah and Mr. Kailash Pershad will complete their initial term as an Independent Director of the Company on the 64th Annual General Meeting, they are eligible for re-appointment for one more term.

The Board of Directors of the Company on the recommendation of the Nomination & Remuneration Committee considered the re-appointment of Mr. Jayendra Shah and Mr. Kailash Pershad pursuant to the provisions of Sections 149, 150, 152 of the Companies Act, 2013, as an Independent Non-Executive Director of the Company for second term of five consecutive years with effect from 64th Annual General Meeting upto 69th Annual General meeting. The Company has received a Declaration of Independence under Section 149(7) of the Companies Act, 2013.

Currently your Board comprises of Nine (9) Directors including three (3) Independent Non-Executive Directors, four (4) Executive Directors and Two (2) Non-Executive Directors. Independent Directors provide their declarations both at the time of appointment and annually confirming that they meet the criteria of independence as prescribed under Companies Act, 2013.

In accordance with the provisions of the Act and the Articles of Association of the Company, Dr. Preeti Rawat, Non-Executive Director of the Company and Mr. S Mohan, Director (Works) Sakarwadi retire by rotation at the ensuing AGM, and being eligible, have offered themselves for re-appointment.

In compliance with the requirements of section 203 of the Companies Act, 2013, Mr. Samir S. Somaiya, Chairman & Managing Director, Mr. Naresh Khetan, Chief Financial Officer and Ms. Swarna S. Gunware, Company Secretary & Compliance Officer of the Company continue as Key Managerial Personnel of the Company.

DECLARATION FROM INDEPENDENT DIRECTORS

The Independent Directors, have submitted a declaration that each of them meet the criteria of independence as provided in sub section (6) of Section 149 of the Companies Act, 2013 and there has been no change in the circumstances which may affect their status as Independent Director during the year. In the opinion of the Board, the Independent Directors possess appropriate balance of skills, experience and knowledge, as required.

BOARD EVALUATION

The Independent Directors of your Company, in a separate meeting held without presence of other Directors and management evaluated performance of the Chairman and Managing Director and other Non-Independent Directors along with performance of the Board and its Committees based on various criteria recommended by Nomination & Remuneration Committee. A report on such evaluation done by Independent Directors was taken on record by the Board and further your Board, in compliance with requirements of Companies Act, 2013, evaluated performance of all Independent Directors based on various parameters including attendance, contribution etc.

BOARD COMMITTEES

In compliance with the requirements of Companies Act, 2013, your Board had constituted various Board Committees including Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee.

Audit Committee:

Currently the Audit Committee of the Board comprises of five (5) Members including Mr. Kailash Pershad, as Chairman, Prof. Mannepalli Lakshmi Kantam, Mr. Jayendra Shah, Mr. Uday Garg and Mr. Samir S. Somaiya as its Members.

During the year under review, four (4) meetings of the Audit Committee were held on 25th May, 2018, 11th September, 2018, 13th November, 2018, and 11th March, 2019.

Nomination & Remuneration Committee:

The Nomination and Remuneration Committee comprises of Mr. Kailash Pershad as Chairman, Mr. Uday Garg and Mr. Jayendra Shah as its Members.

During the year under review the Committee met thrice on 25th May, 2018, 13th November, 2018 and 11th March, 2019.

Share Transfer & Allotment Committee (STAC) :

The STAC comprises of Mr Samir S. Somaiya as Chairman, Mr. Vinay V. Joshi and Mr Mohan Somanathan, as its Members.

During the year under review, STAC met two (2) times on 26th September, 2018 and 15th February, 2019.

WHISTLE BLOWER & VIGIL MECHANISM

As per section 177, Rule 7 of the Companies Act, 2013 a comprehensive Whistle Blower and Vigil Mechanism Policy has been approved and implemented within the organization. The policy enables the employees and directors to report instances of any unethical act or suspected incidents of fraud or violation of Companies Code of Conduct or ethics policy. This Policy (copy of which is uploaded on the website of the Company) safeguards whistleblowers from reprisals or victimization.

SHARE CAPITAL

The Authorised Capital of your Company is ₹ 60 Crores divided into 4,20,00,000 (Four Crores Twenty Lakh) Equity Shares of 10/- each and 18,00,000 (Eighteen Lakh) Preference Shares of ₹ 100/- each. On March 31, 2019, the issued, subscribed and paid up share capital of your Company stood at ₹ 38,37,59,080 (Rupees Thirty Eight Crores Thirty Seven Lakh Fifty Nine Thousand Eighty Only) comprising 3,83,75,908 (Three Crores Eighty Three Lakh Seventy Five Thousand Nine Hundred Eight only) Equity shares of ₹ 10/- each.

Further issue of Share Capital

During the year under review, your Company had allotted 7,38,275 Equity Shares of the face value of ₹ 10/- each on right basis aggregating to ₹ 16,61,11,875/-.

Further, the Company has come out with the fresh Right Issue of ₹ 65.23 Crores and allotted in 29th July 2019, first tranche of 24,02,303 Equity Shares of the face value of ₹ 10/- each on right basis aggregating to ₹ 43,24,14,540/-.

Repayment of Debentures

The Company has repaid in full the Non-convertible debentures/Bond to Mandala Agribusiness Investments II Limited as on 29th July, 2019.

DEPOSITS

Pursuant to section 73 of the Companies Act, 2013 read with Rule 2 (e) of Companies (Acceptance of Deposits) Rules, 2014 your Company has obtained consent of the members to accept Public Deposits at its Annual General Meeting held on 26th September, 2018 and started accepting the deposits after due compliance of the provisions laid down in the Act.

Your company continues to receive/renew the fixed deposits in accordance with Section 73 of the Companies Act, 2013 read with Rule 2 (e) of Companies (Acceptance of Deposits) Rules, 2014 mainly from the Cultivators who supply cane to the company, re-imposing the faith they have in the company, a relationship built over more than three decades of sustained business and the mutual trust between the cultivators and the management of the Company.

CORPORATE SOCIAL REPONSIBILITY

Your Company is committed to conduct its business in a socially responsible, ethical and environmental friendly manner and to continuously work towards improving quality of life of the communities in its operational areas.

In compliance with the requirements of section 135 read with Schedule VII of the Companies Act 2013, the Board had constituted CSR Committee, which is responsible for fulfilling the CSR objectives of your Company comprising of Prof. M. Lakshmi Kantam, Independent Director as Chairman, Mr. Jayendra Shah and Mr. Mohan Somanathan as members.

A detailed note containing details of CSR activities carried out by Company are included in this Director Report.

RELATED PARTY TRANSACTIONS

The Details of transactions entered into with the Related Parties is annexed to this report as **"Annexure I."**

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

Information in accordance with the provisions of section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo is attached as "Annexure II" to this report.

RESEARCH AND DEVELOPMENT

Research & Development continues to be a strong backbone for the continuous innovation and business plans of your Company. It focuses on the key areas of:

i) new process development exploring new value added products out of sugarcane biomass
ii) continuous improvement in the existing processes for value creation and to achieve sustainable growth and
iii) continuous improvement in the products quality as perceived by the customer

The detailed disclosure is annexed to this report as **"Annexure II."**

AUDITORS' REPORT

The notes to accounts referred to in the Auditors' Report for the financial year ended 31st March, 2019 are self explanatory and, therefore, do not call for any further comments. The observations and comments given in the report of the Auditors read together with notes to accounts are self explanatory and hence do not call for any further information and explanation under section 134 of the Companies Act, 2013.

AUDITORS

Statutory Auditor: M/s Verma Mehta & Associates, Chartered Accountants, (Firm Registration No. 112118W) were appointed for tenure of five years in place of M/s. Desai Saksena & Associates, Chartered Accountants as Statutory Auditors of the Company at 63rd Annual General Meeting of the Company held on 26th September, 2018.

Secretarial Auditor: During the year, Secretarial Audit was carried out by Mr. Tushar Shridharani, Practising Company Secretary having Membership No. FCS 2690 and COP No. 2190 in compliance with section 204 of the Companies Act, 2013. The report of the Secretarial Audit is annexed to this report as **Annexure III.**

Cost Auditors: In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company has appointed M/s. B.J.D. Nanabhoy & Co., Cost Accountants as the Cost Auditors of the Company having Firm

Registration No. 000011 to conduct the Cost Audit for the financial year 2019-20. The Cost Auditor has given a Certificate to the effect that the appointment, if made, will be within the prescribed limits specified under Section 141 of the Companies Act, 2013. Further the remuneration payable to the cost auditor is placed before the Members for their ratification.

SECRETARIAL STANDARDS ISSUED BY ICSI

The Company is in compliance with all the applicable Secretarial Standards as specified by the Institute of Company Secretaries of India (ICSI)

RISK MANAGEMENT

The Board of Directors is overall responsible for identifying, evaluating and managing all significant risks faced by your Company. The Board has approved Risk Management Policy, which acts as an overarching statement of intent and establishes the guiding principles by which key risks are managed across the organization. The Board monitors and reviews the implementation of various aspects of the Risk Management Policy through a duly constituted Risk Management Committee (RMC)

Your Company's risk management policies are based on the philosophy of achieving substantial growth while mitigating and managing risks involved.

PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

Your Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. During the year under review no complaint on sexual harassment was received.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of loans, guarantees and investments by your Company to other bodies corporate or persons are given in notes to the financial statements.

PARTICULARS OF EMPLOYEES

The disclosures in terms of the provisions of section 197 of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 along with statement showing names and other particulars of the employees drawing remuneration in excess of the limits prescribed under the said rules is annexed to this report as **Annexure IV**.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in Form MGT-9 as required under section 92(3) of the Act read with Companies (Management & Administration) Rules, 2014 is annexed to this report as **Annexure V**.

INTERNAL FINANCIAL CONTROLS & ITS ADEQUACY

Your Company has put in place an adequate system of internal financial control commensurate with its size and nature of business which helps in ensuring the orderly and efficient conduct of its business. These systems provide a reasonable assurance in respect of providing financial and operational information, complying with applicable statutes, safeguarding of assets of the Company, prevention & detection of frauds, accuracy & completeness of accounting records and ensuring compliance with corporate policies. As a means to further strengthen the control environment, during the year, the processes were benchmarked with industry practices to identify the gaps, if any, and remedial measures were taken.

The Audit Committee reviews adherence to internal control systems and internal audit reports.

ACKNOWLEDGEMENTS

The Directors wish to place on record their appreciation for the continued support and co-operation by the Government Authorities, Banks, Financial Institutions, Ministry of Corporate Affairs, Reserve Bank of India, Securities and Exchange Board of India, the Stock Exchanges and Depositories, Sugarcane Growers, Suppliers, Customers, Investors and finally to all its members for the trust and confidence reposed on the Company.

The Board further wishes to record its sincere appreciation for the significant contributions made by employees at all levels for their competence, dedication and contribution towards the operations of the Company.

For and on behalf of the Board of Directors

Sd/-
Samir S. Somaiya
Chairman and Managing Director
DIN - 00295458

Date: 29th July, 2019
Place: Mumbai

Promotion of Education:

Help A Child To Study Project: Started a project called help a child to study in 2001 through which we are extending scholarships and necessary assistance such as laptops, text books, career guidance, spoken English etc., to the needy and meritorious students. Most of the students provided with scholarship and other benefits are orphans, students with single parent, children of devadasi, children of alcoholic parents, children of daily wage labours etc. Few of our beneficiaries do not have electricity and stays in hut etc. About 56% of ours scholarship has been awarded to girl child.

The Company support the identification of meritious student and sponsors some of the students.

Scholarship award function:

We conducted scholarship award ceremony on 5th September, 2018 and all the beneficiary students were awarded with first installment scholarship cheque, text books and laptops for their projects / assignments. We have also felicitated the students that have done extremely well in their studies so as to motivate other students to do well.

Mrs. Roopa Balsekar and Mrs. Amrita Somaiya awarding Scholarship cheque to one of the medicine beneficiary student

Lap tops distributaries:

Under the project we provide laptops to the final year BE, MBA and MCA and students for their project as most of the students are unable to purchase the same. The laptops are distributed on student's personal account on returnable basis.

Mrs. Amrita Somaiya awarding laptop to one of the Engineering beneficiary student

Felicitation:

Every year during scholarship award function we will also felicitate outstanding student of the project such as gold medalist, University blues, and National level participants etc. to motivate other students.

Mrs. Amrita Somaiya felicitating Mr. Rajat Revankar for securing two gold medals for Rani Cannamma University for the highest securing in B.Sc Chemistry and Biotech subject Exam

Book Bank:

Help A Child Project have more than 1000 books representing Science, Arts, Commerce and CET books for 11th and 12th standard. These books are being distributed to the beneficiaries of the project on returnable basis every year. Once the final exams over, these books would be collected and are being distributed to next batch students.

Mrs. Amrita Somaiya awarding text books to one of the beneficiary student

Career Counseling:

The career counseling programs, personality development, resume writing, interview skills etc. are being organized regularly for the benefit our project beneficiaries to facilitate wider exposure about different courses available after 12th and degree. At present our students opts only few courses as a result of which most of our arts students are unemployment.

Students at workshop

Supports to Somaiya Vidyavihar Schools:

Godavari supports 2 Marathi medium, 2 Kannada medium, 2 English medium and residential schools in Maharashtra and Karnataka supporting more than 4500 students that are run by Somaiya Vidyavihar. Support is in the form providing financial assistance for the basic facilities such as construction of new school buildings, libraries, science laboratories, indoor and outdoor playground developments, text books and computers to libraries, beautification with landscaping etc.

Construction of new library for Kannada schools

Early Childhood Education through Anganwadis (Preprimary schools)

Early childhood education is an important step in rural development, as the young children, who know only the tribal language get familiar with the language in which education is taught.

With a mission to provide nutrition value to under- privileged children in the age group of 0-6 years; we have joined hands with the State Governments to support Anganwadi Project. We support 14 Anganwadi Centres called SOMAIYA SHISUVIHAR in different villages in Bagalkot and Belgaum districts of Karnataka for value based education to the kids of 3 to 5 years of age benefiting more than 340 kids every year. We provide teaching materials and toys, honorarium to volunteers, training to teachers as well as monitoring to ensure that classes are held regularly.

List of Anganwadi centers

No.	Village name	Taluka	District	No of kids
1	Saidapur	Mudhol	Bagalkot	23
2	Nagaral	Mudhol	Bagalkot	30
3	Mahalingpur	Mudhol	Bagalkot	33
4	Kesaragoppa	Mudhol	Bagalkot	21
5	Uttur	Mudhol	Bagalkot	26
6	Bisnal	Mudhol	Bagalkot	22
7	Marapur	Mudhol	Bagalkot	24
8	Sanganatti	Mudhol	Bagalkot	28
9	Navalagi	Jamakhandi	Bagalkot	20
10	Chimmad	Jamakhandi	Bagalkot	25
11	Shivapur	Gokak	Belgaum	30
12	Hallur	Gokak	Belgaum	18
13	Khanatti	Gokak	Belgaum	23
14	Sultanapur	Raybag	Belgaum	21
			Total	**344**

Students at Anganwadi centres (Pre-primary)

Self-Employment Training Program

GBL conducts self-employment programs such as, tailoring classes, bakery training, painting class, vermi composting etc.

Tailoring classes:

When women are empowered, it has a multiplying positive impact on the health and progressof their families and communities. We run 18 tailoring centers in different locations in Bagalkot and Belgaum district of Karnataka every year around 325 women in the age group of 15 to 30 learn the art of tailoring and get the opportunity to become self-employed and earn around ₹ 3000/- per month. This allows them to take care of their children while supplementing the family income thus making a better life for her and her children.

Total No of self-employment / tailoring centers:

No.	Village name	Taluka	District	No of women
1	Madabhavi	Mudhol	Bagalkot	16
2	Mallapur	Mudhol	Bagalkot	20
3	Sanaganatti	Mudhol	Bagalkot	16
4	Belagali	Mudhol	Bagalkot	20
5	Bisnal	Mudhol	Bagalkot	14
6	Kesaragoppa	Mudhol	Bagalkot	18
7	Chimmad	Jamakhandi	Bagalkot	20
8	Handigund	Raybag	Belgaum	20
9	Kappalaguddi	Raybag	Belgaum	16
10	Sultanapur	Raybag	Belgaum	20
11	Itnal	Raybag	Belgaum	18
12	Dhawaleshwar	Gokak	Belgaum	18
13	Gurlapur	Gokak	Belgaum	18
14	Hallur	Gokak	Belgaum	20
15	Munnyal	Gokak	Belgaum	17
16	Awaradi	Gokak	Belgaum	18
17	Khanatti	Gokak	Belgaum	17
18	Aralimatti	Gokak	Belgaum	17
			Total	**323**

Candidates at tailoring class

Further we have started new batches of women empowerment tailoring classes at Kappalaguddi, Sultanapur and Handigund viillages in Raybagtaluka and Bisnal village is Mudhol talukd during February 2019.

Kappalaguddi villagers performing pooja on inauguration of new tailoring centre

Donation of Govt. Higher primary school at Halyal taluk

Constructing two class rooms at Govt. Higher Primary School and compound wall for Govt. High school at Bhasgavati village in Halyal taluka of Karwar dist.

Class rooms constructed at Bhaagavati village in Haliyal taluk of Karwar dist

Compound wall constructed at Bhaagavati village in Haliyaltaluk of Karwar dist

Report on Dental camp held at Sameerwadi

We organized free dental checkup and treatment on 13th August 2018 at Sameerwadi in association with Lions Club Green Basin, Mahalingpur and P.M.Nadagouda Dental College and Hospital, Bagalkot. Team consisting 16 doctors and supporting staff from Bagalkot dental college examined and treated the patients with scaling, filling and extractions of decayed teeth.

206 patients from Sameerwadi and surrounding villages availed the benefit of this camp. Out 206 patients, 54 were female and 152 were male.

Help a Child success story

Ms. Kavita M. Kalal

Ms. Kavita is an orphan and she used to stay in a room with 3 siblings. She used to clean people's houses every day before school in order to make some money to support her family and education. Being the eldest in her family, the responsibility of her siblings fell on her shoulders at a very tender age.

After getting a scholarship from Help A Child, Kavita has completed her pre university course, graduation as well as her post-graduation in Hindi. She also did B.Ed. She use to teach her neighbour's children so as to encourage young children to focus on their education and to not drop out of schools, however tough situations in life become.

Juggling between household chores and studies, has now emerged a bright and confident young lady, Kavita, is now an independent woman who has risen above from the shackles of poverty and has educated herself to ensure that her family's future is also secured.

Annexure I

Details of contracts or arrangements or transactions at Arm's Length Basis

Sr. No.	Name of the Related Party	Nature of Transaction	Nature of Relationship	Duration of Contract	Salient terms of the Contract	Date of Approval by the Board	Advance paid/ received for the Contract
1.	Jasmine Trading Co. Pvt. Ltd.	Property on leave and License	Associate Company	1 Year	Leave and License for the period of 1 year	25-05-2018	Nil
2.	Somaiya Properties &Investments Pvt. Ltd.	Property on leave and License	Associate Company	1 Year	Leave and License for the period of 1 year	25-05-2018	Nil
3.	Arpit Limited	Property on leave and License	Associate Company	1 Year	Leave and License for the period of 1 year	25-05-2018	Nil
4.	Somaiya Chemicals Industries Pvt. Ltd.	Property on leave and License	Associate Company	1 Year	Leave and License for the period of 1 year	25-05-2018	Nil
5.	K.J. Somaiya & Sons Pvt. Ltd.	Property on leave and License	Associate Company	1 Year	Leave and License for the period of 1 year	25-05-2018	Nil
6.	Godavari Biorefineries INC.	Commission for sale of goods/Liaisoning fees	Step Down Subsidiary Company	1 Year	2 - 3% on FOB value or $ 20 – 25 Per MT.	25-05-2018	Nil
7.	Godavari Biorefineries B. V.	Commission / Sales / License / Re-imbursement / Liaisoning fees	Step Down Subsidiary Company	1 Year	As per term agreed.	25-05-2018	Nil
8.	Ms. Harinakshi Somaiya	Salary	Sister of Mr. Samir S. Somaiya, Chairman & Managing Director	1 Year	General Manager (Communication & Development)	25-05-2018	Nil
9.	The Book Centre Ltd.	Printing & art work of stationary and reports etc.	Associate Company	1 Year	As per PO issued, for each transaction	25-05-2018	Nil
10.	Pentokey Organy (India) Ltd.	Sale of goods	Associate Company	1 Year	As per term agreed for each transaction	25-05-2018	Nil
11.	Arpit Ltd.	Sale of goods	Associate Company	1 Year	As per Term Agreed, for each transaction	25-05-2018	Nil
12.	Mrs. Maya S. Somaiya	Purchase of goods	Mother of Mr. Samir S. Somaiya, Chairman & Managing Director	1 Year	As per FRP declared by Government/Cane price paid to sugar farmers, whichever is higher	25-05-2018	Nil
13.	Pentokey Organy (India) Ltd.	Purchase of goods including capital goods/ Vehicles	Associate Company	1 Year	As per PO issued, for each transaction	25-05-2018	Nil
14.	Mr. Samir S. Somaiya	Purchase of goods	Chairman & Managing Director	1 Year	As per FRP declared by Government/Cane price paid to sugar farmers, whichever is higher	25-05-2018	Nil
15.	Ms. Harinakshi Somaiya	Purchase of goods	Sister of Mr. Samir S. Somaiya, Chairman & Managing Director	1 Year	As per FRP declared by Government/Cane price paid to sugar farmers, whichever is higher	25-05-2018	Nil
16.	K.J. Somaiya & Sons Pvt. Ltd.	Royalty paid for use of Trademark	Associate Company	1 Year	For turnover upto 1000 Crs. Royalty @ 0.10% on Sales, Above 1000 Crs. And upto 2500 Crs., .075% on Sales	25-05-2018	Nil
17.	Filmedia Communications System Pvt. Ltd	Service Charges paid for manpower services	Associate Company	1 Year	NA	25-05-2018	Nil
18.	Solar Magic Pvt. Ltd.	a) Unsecured Loans b) Corporate Guarantee	Wholly owned Subsidiary Company	1 Year	NA	25-05-2018	Nil
19.	Solar Magic Pvt. Ltd.	Purchase of goods	Wholly owned Subsidiary Company	1 Year	As per PO issued, for each transaction	25-05-2018	Nil

Sr. No.	Name of the Related Party	Nature of Transaction	Nature of Relationship	Duration of Contract	Salient terms of the Contract	Date of Approval by the Board	Advance paid/ received for the Contract
20.	Solar Magic Pvt. Ltd.	Interest Income received	Wholly owned Subsidiary Company	1 Year	Interest Received	25-05-2018	7 - 8% per annum
21.	Acharya Travels	Air Ticket Bookings	Mrs. Amrita Somaiya, Wife of Mr. Samir S. Somaiya, is Partner in the firm.	1 Year	As per PO term agreed, for each transaction	25-05-2018	Nil
22.	Somaiya Agencies Private Limited	Purchase of Gift Articles and Books	Mr. Samir Somaiya is Director of SAPL.	1 Year	As per Maximum Retail Price	25-05-2018	Nil
23.	Zenith Commercial Agency Pvt. Ltd. (Gayatri Salt Works)	Purchase of Salt	Associate Company	1 Year	As per PO issued, for each transaction	25-05-2018	Nil
24.	K. J. Somaiya Institute of Applied Agricultural Research	Purchase of Seeds etc.	Associate	1 Year	NA	25-05-2018	Nil
25.	K. J. Somaiya Institute of Applied Agricultural Research	Donation	Associate	1 Year	NA	25-05-2018	Nil
26.	SomaiyaVidyavihar / Somaiya Medical Trust	Donation	Associate	1 Year	NA	25-05-2018	Nil
27.	Mr. Samir Somaiya	Sale of Goods	Chairman & Managing Director	1 Year	NA	25-05-2018	Nil
28.	K.J Somaiya Institute of Management Studies & Research	Payment for Leadership Development Programme	Associate	NA	NA	25-05-2018	Nil
29.	K.J Somaiya Institute of Engineering (Information Technology)	Mobile application	Associate	NA	NA	25-05-2018	Nil
30.	Solar Magic Pvt. Ltd	Investments	Wholly owned Subsidiary	NA	NA	25-05-2018	Nil
31.	Cayuga Investments BV	Investments	Wholly owned Subsidiary	NA	NA	25-05-2018	Nil
32.	Arpit Ltd.	Purchases	Associate Company	NA	NA	25-05-2018	Nil

For and on behalf of the Board of Directors

Sd/-
Samir S. Somaiya
Chairman and Managing Director
DIN - 00295458

Date: 29th July, 2019

Place: Mumbai

Annexure II

Disclosure of particulars with respect to conservation of energy, technology absorption and foreign exchange earnings and outgo as required under section 134(3)(m) of Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

A. Conservation of energy:

1. Steps taken for conservation of energy:

The Company has taken various steps towards energy conservation. The Company continues to give high priority to the conservation of energy on an ongoing basis. Some of the important measures taken are:

- **Sugar Division: Energy Conversation 2018-19**

Sameewadi (SMR) site undertook exercise of replacing conventional low-efficiency lamps in a phased manner by installing LED bulbs. This helped conserve approx 6705 kWh.

In the last year, SMR site had taken the initiative of installing Bagasse Dryer. However after commissioning, it started operation on full capacity in current year. This has resulted in Bagasse being saved more. For example in last year when cane crushing was 18.17 Lakh, Bagasse was 140,700 MT (i.e 7.7% on cane) while in the current FY, it was 138,365 MT @ cane crushing of 17.27 Lakh tons (i.e. 8.01% on cane).

- **Chemical Division: Energy Conversation 2018-19**

1. Conventional low efficiency lamps were replaced in phased manner with energy saving LED bulbs. The saving was approx 36500 kWh.
2. In order to strengthen the utilities, VAM Chiller of 250TR capacity was installed for supply of Chilling water to the plant. The new installed unit replaced old unit thereby saving 1 KG/TR. The new unit steam consumption @ 3.80 Kg/TR and old unit was @ steam of 4.80 Kg/TR.

2. The steps taken by the Company for utilizing alternate source of energy:

Sugar Division

1. SMR site had commissioned Incineration Boiler in last year. It helps convert spent wash in to renewable energy through Incineration. The concentrated spent wash is used as major fuel to fire along-with coal as supplementary fuel. As the spent wash has variable brix %, coal helps to bridge the gap. In a scenario if the said unit was not installed, SMR site would have used 12 TPH of coal as against at present 4 TPH. While this saves money in terms of lower coal consumption, it helps add value to the waste stream of spent wash least to mention the lower carbon footprint. The project has helped SMR site in substantial savings on account of coal and as well as additional days of Distillery operations.

Chemical Division

1. Converting Solar energy by installing solar panels on the roof of Administrative block of factory, Sakarwadi (SAK) site is able to generate 14000 kWh/Year.
2. SAK site has installed additional turbine ventilators which work on natural air draft. The site did not choose to install conventional exhaust fans using electric power to run. The site decided and executed "Turbine Ventilators" 36 in nos.

Capital investment in energy conservation equipment during the year:

Sugar Division: ₹ 6 Lakh were spent during the FY 2018-19.

Chemical Division: Investment in all of the above initiatives with associated equipments was ₹ 70.50 Lakh

B. Technology Absorption:

1. Efforts made towards technology absorption:

Sameerwadi site has learnt and assimilated the evaporation technical knowhow based on Distillery waste stream, spent wash and its mixing with coal. The fundamentals have been well understood and it reflects in the operational excellence demonstrated though issues in working on variable Brix % are still being further delved deep. Further dynamics of drying of Bagasse to lower the moisture % drop from 50% to 42% was well understood.

Concepts of solar energy and wind energy were well assimilated by team while executing the above mentioned alternate sources of energy initiatives. The journey to advanced learning for higher technology options for future decisions is a continuous journey that SAK is continuously undertaking.

Your Company is pursuing Research & Development (R&D) activities in the following broad areas:

1. Biomass based bio refining
2. Acetaldehyde chemistry
3. Fermentation of sugars
4. Cancer Biology
5. Other value added products (Juice)
6. Operational excellence by increasing throughput / debottlenecking existing assets.
7. A new area being explored by R&D is developing bio-composite from Sugar cane bagasse and natural resin.

Specific process developed during the period.

- Process was developed for producing various bagasse based chemicals both on lab and pilot scale facility.
- Processes for various acetaldehyde based vinyl ethers were also developed.
- New grade of wax (resin free) was developed for specific application.
- Utilization of By-product (resin) from Wax Plant is developed to produce value added products.
- Developed various bio-composite panels using different by-products of Sugar and Chemical Divisions.

2. Benefits derived as a result of above R&D:

- Improved process for Acetal production was developed using heterogeneous catalyst in order to avoid the mineral acid as catalyst.
- R&D is involved in developing many new molecules and analogues of its lead molecule that can extend life of cancer patients where current medications are insufficient.
- New end applications for Biocomposite derived from renewable raw materials, are under development. Globally established market players are in touch with us exploring possible design permutation & combinations aligned to the Biocomposite properties.
- Sugarcane based wax being converted to niche by the Company efforts of making "resin free Wax" for various applications.

3. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) - NA

4. Expenditure incurred on Research and Development: (₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
a) Capital	32.11	681.16
b) Recurring	1,229.37	1,016.47
Total	**1,261.48**	**1,697.63**

5. Foreign Exchange earnings and outgo: (₹ in Lakh)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Foreign exchange earned in terms of actual inflows	37,179.86	23,544.15
Foreign exchange outgo in terms of actual outflows	34,458.46	28,200.69

For and on behalf of the Board of Directors

Sd/-
Samir S. Somaiya
Chairman & Managing Director
DIN - 00295458

Date: 29th July, 2019
Place: Mumbai

Annexure III

Secretarial Audit Report
For the Financial Year ended on 31 March 2019

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

To
The Members -

Godavari Biorefineries Limited
45/47, Mahatma Gandhi Road, Fort
Mumbai – 400 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Godavari Biorefineries Limited **("the Company")**. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 **("Audit Period")** complied with the statutory provisions, to the extent applicable, listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2019 according to the provisions of:

1. The Companies Act, 2013 ("the Act") and the rules made thereunder;
2. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
3. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable to the Foreign Direct Investment and Overseas Direct Investment;
4. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
5. Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

Having regard to the compliance system prevailing, on examination of the relevant documents on a test check basis, explanations provided; I further report that the Company has complied with the following laws applicable specifically to the Company.

1. Essential Commodities Act, 1955
2. Sugar (Control) Order, 1966
3. The Karnataka Sugarcane (Regulation of Purchase and Supply) Act, 2013
4. Sugarcane (Control) Order, 1966
5. Sugar (Packing and Marking) Order, 1970
6. Sugar Cess Act, 1982
7. Sugar Development Fund Act, 1982
8. The Karnataka Sugar (Regulation of Production) Order, 1975
9. Food Safety and Standard Act, 2006
10. Export (Quality Control and Inspection) Act, 1963
11. Agriculture and Processed Food Products Exports Act, 1986
12. Karnataka Land Reforms Act, 1974
13. Minimum Wages Act, 1948 as applicable to Sugar Industry
14. Indian Electricity Act, 1910
15. The Electricity Act, 2003
16. The Electricity Regulatory Commission Act 1998

17. The Electricity Act, 2015
18. The Electricity Supply Act, 1948
19. The Electricity Tax Amendment Act, 1959
20. The Electricity Tax Amendment Act, 2013
21. Karnataka Excise (Distillery and Warehouse) Rules, 1967
22. Licensing related regulation of Petroleum and Explosives Safety Organisation as applicable for manufacturing and storing Ethyl Alcohol
23. Petroleum Act, 1934
24. Petroleum Rules, 2002
25. The Poisons Act, 1919

During the Audit Period; the following Acts, Regulations and Guidelines were not applicable to the Company.

1. The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder;
2. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
3. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
4. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
5. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
6. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
7. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
8. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
9. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder with respect to External Commercial Borrowings.

I further report that -

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance; and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

During the Audit Period, all decisions at Board Meetings and Committee Meetings were carried out unanimously.

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

I further report that during the Audit Period the Company had no specific event / action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

Tushar Shridharani
Practicing Company Secretary
FCS: 2690 / COP: 2190

Place: Mumbai
Date: 29th July, 2019

Note: This report is to be read with my letter of even date which is annexed herein next as Annexure A and forms an integral part of this report.

Annexure A

To,
The Members -

Godavari Biorefineries Limited
45/47, Mahatma Gandhi Road, Fort
Mumbai – 400 001

This letter is an integral part of the Secretarial Audit Report of even date for F.Y. 2018-19 submitted to the Godavari Biorefineries Limited **("the Company")** in pursuance of provisions of section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Members of the Company are informed as follow.

1. The compliance of provisions of all laws, rules, regulations, standards applicable to the Company is the responsibility of the management of the Company. My examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the present Secretarial Audit Report.
2. Maintenance of the secretarial and other records of applicable laws is the responsibility of the management of the Company. My responsibility is to issue Secretarial Audit Report, based on the examination of the relevant records maintained and furnished to us by the Company, along with explanations where so required.
3. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial and other legal records, legal compliance mechanism and corporate conduct. The verification was done on test check basis to ensure that correct facts as reflected in secretarial and other records produced to us. I believe that the processes and practices that I followed, provide a reasonable basis for my opinion for the purpose of issue of the Secretarial Audit Report.
4. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Wherever required, I have obtained the management representation about list of applicable laws, compliance of laws, rules and regulations and major events during the audit period.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Tushar Shridharani
Practicing Company Secretary
FCS: 2690 / COP: 2190

Place: Mumbai
Date: 29th July, 2019

Annexure IV

Particulars of Remuneration of Employees

(Pursuant to section 197 read with Rule 5 of Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014)

A. Ratio of remuneration of each Director to the median remuneration of the employees of the Company for the FY 2018-19 as well as the percentage increase in remuneration of each Director, Chief Financial Officer (CFO) and Company Secretary is as under:

Sr. No.	Name of the Director/ Key Managerial Personnel*	Remuneration (in ₹)	% increase in Remuneration	Ratio of Directors Remuneration to Median Remuneration
1.	Mr. Samir Somaiya (CMD)	2,37,64,425	10%	73.12
2.	Mr. Vinay Joshi (ED)	78,75,836	5%	24.23
3.	Mr. S. N. Bableshwar (WTD)**	14,71,889	0	3.77
4.	Mr. Mohan Somanathan (WTD)	45,33,303	10%	13.95
5.	Mr Bhalachandra Bakshi ***	35,32,019	0	9.06
6.	Mr. Naresh Khetan (CFO)	69,52,941	10%	21.39
7.	Ms. Swarna Gunware (CS)	8,77,462	12%	2.70

* Non – Executive Directors were paid sitting fees for attending meetings.

** Shri S. N. Bableshwar has tendered his resignation from the Board of Directors of the Company w.e.f. 14th August, 2018 due to pre-occupation

*** Shri Bhalachandra Bakshi was appointed as Director - Works on the Board w.e.f 1st June, 2018.

B. Percentage increase in the median remuneration of employees in the FY 2018-19: 12.40%

C. Number of permanent employees on the rolls of the Company as on 31st March, 2019: 1429

D. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration : NIL

E. Affirmation: It is affirmed that the remuneration paid to the Directors, Key Managerial Personnel and other employees is as per the Remuneration Policy of the Company.

For and on behalf of the Board of Directors

Sd/-
Samir S. Somaiya
Chairman & Managing Director
DIN - 00295458

Date: 29th July, 2019
Place: Mumbai

(A) EMPLOYED THROUGHOUT THE PERIOD AND RECEIPT OF REMUNERATION IN THE AGGREGATE OF NOT LESS THAN ₹ 120 Lakh PER ANNUM.

Name of the Employee	Designation and Nature of Duties	Remuneration Received (₹ in Lakh)	Nature of the Employment whether contractual or otherwise	Qualifications and Experience of the Employee before joining	Date of Commencement of Employment of the Company	Age	Last Employment held by such Employee
Samir S. Somaiya	Chairman & Managing Director	241.64	Contractual	B.S. Chemical Engineering, Cornell M. Chemical Engineering, Cornell MBA, Cornell MPA, Harvard 22 years of experience.	29th September, 2009	51 years	Somaiya Organo Chemicals Limited, Director

(B) EMPLOYEES OF THE COMPANY WHO WERE EMPLOYED PART OF THE YEAR UNDER REVIEW AND WERE IN RECEIPT OF REMUNERATION FOR THAT YEAR IN THE AGGEGRATE OF NOT LESS THAN ₹ 8.5 Lakh PER MONTH: NIL

NOTES : Remuneration received as shown in the statement includes Salary, Bonus, Commission, Leave Encashment, House Rent Allowance or value for perquisites for accommodation, motor car perquisite and other allowance like contribution to provident fund and superannuation Fund, Gratuity, Leave Travel Facility and Reimbursement of Medical Expenses as applicable

For and on behalf of the Board of Directors

Sd/-
Samir S. Somaiya
Chairman & Managing Director
DIN - 00295458

Date: 29th July, 2019
Place: Mumbai

Annexure V

Extract of Annual Return

as on the financial year ended on 31st March, 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	**CIN**	U67120MH1956PLC009707
ii.	**Registration date**	12th January, 1956
iii.	**Name of the Company**	Godavari Biorefineries Limited
iv.	**Category / Sub-Category of the Company**	Public Company/ Company Limited by Shares
v.	**Address of the Registered Office & Contact Details**	Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai- 400001
vi.	**Whether listed or unlisted**	Yes (with respect to Non-Convertible Debentures on Bombay Stock Exchange - BSE)
vii.	**Name, Address and Contact details of Registrar Transfer Agent**	Link Intime India Private Limited C – 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 Tel: 022- 4918 6000 Email: rnt.helpdesk@linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sr. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Sugar	1072	39.07%
2.	Ethyl Acetate	20116	24.17 %

III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

NAME & ADDRESS OF THE COMPANY	CIN	HOLDING / SUBSIDIARY / ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
Solar Magic Pvt. Ltd Somaiya Bhavan, 45/47, M. G. Road, Fort, Mumbai- 400001	U51900MH1998PTC113856	Subsidiary	100%	2(87)
Cayuga Investments B. V. Street name: Hoofdweg, House no: 640, ZIP Code : 2132 MK, City: Hoofddorp , The Netherlands	KVK No 34319213	Subsidiary	100%	2(87)
Godavari Biorefineries B.V., Street name: Hoofdweg, House no: 640, ZIP Code : 2132 MK, City: Hoofddorp , The Netherlands	KVK No: 34325188	Step-Down Subsidiary of Cayuga Investments B.V.	100%	2(87)
Godavari Biorefineries Inc. 103, Carnegie Center, Dr. Suite 300 369, New Jersy, United States Of America, ZIP Code : 0 8540	EIN No. 30-0546856	Step-Down Subsidiary of Cayuga Investments B.V.	100%	2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	44,43,865	1,49,950	45,93,815	12.21	45,76,865	1,49,950	47,26,815	12.32	0.11
(b)	Central Government / State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other (Specify)									
	Bodies Corporate	19,833,679	47,20,770	2,45,54,449	65.24	2,06,96,529	43,95,920	2,50,92,449	65.39	0.15
	Sub Total (A)(1)	24,277,544	48,70,720	2,91,48,264	77.44	2,52,73,394	45,45,870	2,98,19,264	77.70	0.26
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0	0	0	0	0	0
(b)	Government	0	0	0	0	0	0	0	0	0
(c)	Institutions	0	0	0	0	0	0	0	0	0
(d)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	0	0	0	0	0	0
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**2,42,77,544**	**48,70,720**	**2,91,48,264**	**77.44**	**2,52,73,394**	**45,45,870**	**2,98,19,264**	**77.70**	**0.26**
(B)	**Public Shareholding**									
[1]	Institutions									
(a)	Mutual Funds / UTI	0	0	0	0	0	0	0	0	0
(b)	Venture Capital Funds	0	0	0	0	0	0	0	0	0
(c)	Alternate Investment Funds	0	0	0	0	0	0	0	0	0
(d)	Foreign Venture Capital Investors	0	0	0	0	0	0	0	0	0
(e)	Foreign Portfolio Investor	0	0	0	0	0	0	0	0	0
(f)	Financial Institutions / Banks	0	0	0	0	0	0	0	0	0
(g)	Insurance Companies	0	0	0	0	0	0	0	0	0
(h)	Provident Funds/ Pension Funds	0	0	0	0	0	0	0	0	0
(i)	Any Other (Specify)									
	Sub Total (B)(1)	0	0	0	0	0	0	0	0	0
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	0	0	0	0	0	0
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	2,255	23,02,001	23,04,256	6.12	3210	23,01,026	23,04,236	6.00	-0.12
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	0	1,10,0630	11,00,630	2.92	0	11,45,925	11,45,925	2.99	0.06
(b)	NBFCs registered with RBI	0	0	0	0	0	0	0	0	0.00

Sr No	Category of Shareholders	Shareholding at the beginning of the year				Shareholding at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0	0	0	0	0	0.00
(e)	Any Other (Specify)									
	Foreign Companies	49,26,983	0	49,26,983	13.09	49,26,983	0	49,26,983	12.84	-0.25
	Bodies Corporate	0	1,57,500	1,57,500	0.42	0	1,79,500	1,79,500	0.47	0.05
	Sub Total (B)(3)	49,29,238	35,60,131	84,89,369	22.56	49,30,193	36,26,451	85,56,644	22.30	-0.26
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	49,29,238	35,60,131	84,89,369	22.56	49,30,193	36,26,451	85,56,644	22.30	-0.26
	Total (A)+(B)	**2,92,06,782**	**84,30,851**	**3,76,37,633**	**100.00**	**3,02,03,587**	**81,72,321**	**3,83,75,908**	**100.00**	**0.00**
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0	0	0	0	0	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0	0	0.00
	Total (A)+(B)+(C)	**2,92,06,782**	**84,30,851**	**3,76,37,633**	**100.00**	**3,02,03,587**	**81,72,321**	**3,83,75,908**	**100.00**	**0.00**

(ii) Shareholding of Promoters

Sr No	Shareholder’s Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No.of Shares Held	% of total Shares of the company	%of Shares Pledged /encumbered to total shares	NO.OF SHARES HELD	% of total Shares of the company	%of Shares Pledged/ encumbered to total shares	% change in shareholding during the year
1	Somaiya Agencies Private Limited	85,49,965	22.72	0	85,49,965	22.28	0	-0.44
2	Sakarwadi Trading Company Private Limited	54,85,552	14.57	0	54,85,552	14.29	0	-0.28
3	Lakshmiwadi Mines and Minerals Private Limited	52,30,762	13.90		52,30,762	13.63		-0.27
4	Samir Shantilal Somaiya	44,43,865	11.81	0	45,76,865	11.93	0	0.12
5	Sindhur Construction Pvt.ltd.	26,16,120	6.95	0	26,81,120	6.99	0	0.04
6	Filmedia Communication Systems Pvt. Ltd.	7,09,000	1.88	0	7,09,000	1.85	0	-0.04
7	Zenith Commercial Agencies Pvt. Ltd.	6,30,000	1.67	0	8,52,000	2.22	0	0.55
8	K. J. Somaiya & Sons Pvt. Ltd.	5,13,850	1.37	0	5,44,850	1.42	0	0.05
9	Jasmine Trading Company Private Limited	3,42,400	0.91	0	5,62,400	1.47	0	0.56
10	Shri Samir .S. Somaiya (Karta Of Sk Somaiya HUF)	1,49,950	0.40	0	1,49,950	0.39	0	-0.01
11	Somaiya Properties and Investments Private Limited	1,20,000	0.32	0	1,20,000	0.31	0	-0.01
12	Arpit Limited	86,000	0.23	0	86,000	0.22	0	0.00
13	Somaiya Chemical Industries Pvt. Ltd.	20,800	0.06	0	20,800	0.05	0	0.00
14	Karnataka Organic Chemicals Pvt Ltd	2,50,000	0.66	0	2,50,000	0.65	0	-0.01
	Total	**2,91,48,264**	**77.44**	**0**	**2,98,19,264**	**77.70**	**0.00**	**0.26**

(iii) Change in Promoters' Shareholding

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Somaiya Agencies Private Limited	85,49,965	22.72			85,49,965	22.28
	At the end of the year					85,49,965	22.28
2	Sakarwadi Trading Company Private Limited	54,85,552	14.57			54,85,552	14.29
	At the end of the year					54,85,552	14.29
3	Lakshmiwadi Mines And Minerals Private Limited	52,30,762	13.90			52,30,762	13.63
	At the end of the year					52,30,762	13.63
4	Samir Shantilal Somaiya	44,43,865	11.81			44,43,865	11.58
	Allotment			26/09/2018	1,33,000	45,76,865	11.93
	At the end of the year					45,76,865	11.93
5	Sindhur Construction Pvt.ltd.	26,16,120	6.95			26,16,120	6.82
	Allotment			26/09/2018	65,000	26,81,120	6.99
	At the end of the year					26,81,120	6.99
6	Zenith Commercial Agencies Pvt. Ltd.	6,30,000	1.67			6,30,000	1.64
	Allotment			26/09/2018	2,22,000	8,52,000	2.22
	At the end of the year					8,52,000	2.22
7	Filmedia Communication Systems Pvt. Ltd.	7,09,000	1.88			7,09,000	1.85
	At the end of the year					7,09,000	1.85
8	Jasmine Trading Company Private Limited	3,42,400	0.91			3,42,400	0.89
	Allotment			26/09/2018	2,20,000	5,62,400	1.47
	At the end of the year					5,62,400	1.47
9	K J Somaiya And Sons Private Limited	5,13,850	1.37			5,13,850	1.34
	Allotment			26/09/2018	31,000	5,44,850	1.42
	At the end of the year					5,44,850	1.42
10	Karnataka Organic Chemicals Pvt Ltd	2,50,000	0.66			2,50,000	0.65
	At the end of the year					2,50,000	0.65
11	Shri Samir .S. Somaiya (Karta of Sk Somaiya HUF)	1,49,950	0.40			1,49,950	0.39
	At the end of the year					1,49,950	0.39
12	Somaiya Properties And Investments Private Limited	1,20,000	0.32			1,20,000	0.31
	At the end of the year					1,20,000	0.31
13	Arpit Limited	86,000	0.23			86,000	0.22
	At the end of the year					86,000	0.22
14	Somaiya Chemical Industries Pvt. Ltd.	20,800	0.06			20,800	0.05
	At the end of the year					20,800	0.05

Note: 1. Paid up Share Capital of the Company (Face Value ₹ 10.00) at the end of the year is 3,83,75,908 Shares.
2. The details of holding has been clubbed based on Permanant Account Number (PAN).
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		NO.OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY	DATE OF TRANSACTION	NO. OF SHARES	NO OF SHARES HELD	% OF TOTAL SHARES OF THE COMPANY
1	Mandala Capital AG Limited	49,26,983	13.09			49,26,983	12.84
	At the end of the year					49,26,983	12.84
2	Smt. Mayadevi Shantilal Somaiya	5,27,680	1.40			5,27,680	1.38
	At the end of the year					5,27,680	1.38
3	Dr S K Somaiya(Harrinakshi Somaiya Trust)	3,00,000	0.80			3,00,000	0.78
	At the end of the year					3,00,000	0.78
4	Ankit Raj Organo Chemicals Limited	11,2500	0.30			1,12,500	0.29
	At the end of the year					1,12,500	0.29
5	Vijay V. Mithani	68,750	0.18			68,750	0.18
	At the end of the year					68,750	0.18
6	Upendra V.mithani	68,750	0.18			68,750	0.18
	At the end of the year					68,750	0.18
7	The Book Centre Limited	45,000	0.12			0	0.00
	Allotment			26/09/2019	22,000	67,000	0.17
	At the end of the year					67,000	0.17
8	Pankaj V Patel	10	0.00			0	0.00
	Allotment			15/02/2019	23,500	23,510	0.06
	At the end of the year					23,510	0.06
9	Nirupama Kulinbhai Maskai	19,350	0.05			19,350	0.05
	At the end of the year					19,350	0.05
10	Jankiben Buddhidhan Thakkar	19,350	0.05			19,350	0.05
	At the end of the year					19,350	0.05

(v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Name of Director/KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Date wise Increase / Decrease in Promoters Share holding during the year Specifying the reasons for increase / decrease (e.g. allotment / transfer/ bonus/ sweat equity etc):	Shareholding at the end of the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company		No. of shares	% of total shares of the company
1	Shri. Samir Shantilal Somaiya	44,43,865	11.80	45,76,865	11.93	1,33,000 Equity Shares of ₹ 10/- each were allotted on 26th September 2018 at a Premium of ₹ 215/- per Equity Share.	45,76,865	11.93
2	Shri B. R. Bakshi	60	0.00	60	0.00	-	60	0.00
3	Shri Naresh Khetan	300	0.00	300	0.00	-	300	0.00

V. INDEBTEDNESS

Indebtedness of the Company including Interest Outstanding/Accrued but not due for payment

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Fixed Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	53,611	37,938	2,371	93,920
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,208	1,898	12	4,117
Total (i+ii+iii)	**55,819**	**39,836**	**2,383**	**98,037**
Change in Indebtedness during the financial year				
• Addition				
Principal Amount	2,173	28,593	1,365	32,131
Interest accrued but not due	660	4,032	130	4,821
• Reduction				
Principal Amount	(15,345)	(32,099)	(627)	(48,070)
Interest Paid	(292)	(4,588)	(113)	(4,993)
Net Change	**(12,804)**	**(4,062)**	**754**	**(16,112)**
Indebtedness at the end of the financial year				
i) Principal Amount	40,440	34,432	3,109	77,980
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,576	1,342	28	3,945
Total (i+ii+iii)	**43,016**	**35,774**	**3,137**	**81,925**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration To Managing Director, Whole-Time Directors and / or Manager

(amount in ₹)

Sr. No.	Particulars of Remuneration	Chairman and Managing Director	Whole Time Director				Total Amount
		Shri S.S. Somaiya	Shri V. V. Joshi	**Shri S. N. Bableshwar	***Shri B.R Bakshi	Shri Mohan Somanathan	
1	Gross salary						
	*(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	20,433,600	6,490,440	2,779,169	3,455,849	3,862,764	37,021,822
	**(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	2,237,905	588,155	-	-	361,521	3,187,581
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	
2	Stock Option	-	-	-	-	-	0
3	Sweat Equity	-	-	-	-	-	
4	Commission	-	-	-	-	-	0
	- as % of profit	-	-	-	-	-	
	- Others, specify...	-	-	-	-	-	
5	Contribution to Providend Fund	1,532,520	573,552	-	19,800	252,000	2,377,872
	Total (A)	**24,204,025**	**7,652,147**	**2,779,169**	**3,475,649**	**4,476,285**	**42,587,275**
	Ceiling as per the Act	The said limits has been doubled by Special Resolution of the Shareholders at the Annual General Meeting held on 26th September 2018					

* Includes leave encashment & LTA availed during this year and provided for in the books.

** Shri S. N. Bableshwar has tendered his resignation from the Board of Directors of the Company w.e.f. 14th August, 2018

*** Shri B.R. Bakshi has been appointed w.e.f. 1st June, 2018

B. Remuneration To Other Directors: (amount in ₹)

Particulars of Remuneration	Name of the Director							Total Amount
	Kailash Pershad	Jayendra Shah	Preeti Singh Rawat	Uday Garg	M Lakshmi Kantam	Werner Wutscher	Mandala Capital AG Limited	
Fees for attending board/committee meetings	3,00,000	2,00,000	75,000	1,00,000	2,40,000	55,000	165,000	11,35,000
Commission	-	-	-	-	-	-	-	-
Others, please specify	-	-	-	-	-	-	-	-
TOTAL	**3,00,000**	**2,00,000**	**75,000**	**1,00,000**	**2,40,000**	**55,000**	**165,000**	**11,35,000**
Overall Ceiling as per the Act	The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board. The Board has fixed ₹ 35,000/- including Service Tax as sitting fees for Board/ Committee meetings.							

C. Remuneration To Key Managerial Personnel Other Than MD/Manager/WTD (amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Company Secretary	Chief Financial Officer	
1	Gross salary			
	*(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	818,439	6,039,324	6,857,763
	**(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	19,308	254,162	273,470
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	- Others, specify...	-	-	-
5	Contribution to Providend Fund	36,912	302,955	339,867
	Total (A)	**874,659**	**6,596,441**	**7,471,100**

* Includes leave encashment & LTA availed during this year and provided for in the books.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: Nil

For and on behalf of the Board of Directors

Sd/-
Samir S. Somaiya
Chairman & Managing Director
DIN - 00295458

Date: 29th July, 2019
Place: Mumbai

Auditors' Report

Independent Auditors’ Report

To the Members of Godavari Biorefineries Limited

Report on the audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Godavari Biorefineries Limited (“the Company”), which comprise the Balance Sheet as at 31st March 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

KEY AUDIT MATTERS

a) Cane and Transport subsidy under the Government Schemes

(Refer to note 41 in the Standalone Financial Statement)

The Government notified Schemes namely assistance of ₹138.80/ MT of cane crushed for cane season 2018-19 for production of Sugar and Ethanol and ₹2,500/ MT of sugar exported or actual transportation cost whichever is lower subject to fulfilment of conditions namely:

a. At least 80% of contracted supply of Ethanol to Government Oil marketing companies up to the period of 30th November, 2019.

   Till 31st March, 2019 75% of the contractual supply of ethanol has been achieved.

b. Export of allotted quota of sugar (28,846 MT)to be completed up to 30th September, 2019.

Till 31st March 2019 48.65% of the Export quota of sugar has been achieved.

Both the above-mentioned conditions given in a & b are to be fulfilled completely to lodge the claim for assistance to Government Authority for payment.

1. Subsidy Assistance of ₹2397.43 Lakh as Cane Subsidy on the cane crushed during the cane season 2018-19 has been accounted for during the year by offsetting the same against the cost of cane purchased & considered for Inventory valuation of sugar.

2. Subsidy Assistance of ₹350.85 Lakh as Transport Subsidy on the actual exports made till 31st March, 2019 has been accounted for during the year by offsetting the same against the cost of transportation.

The Management is confident of achieving the remaining sales of required ethanol quota and export of sugar quota based on availability of enough quantities of materials to produce ethanol, stocks of ethanol, sugar and orders for sugar export. Accordingly, decision was taken to account the Claim Subsidy Assistance as given in 1 and 2 above during the year under audit.

We have considered this to be a Key Audit Matter considering the materiality of the amounts and the fact that the Claim Subsidy Assistance accounted during the year is subject to fulfilment of the balance quantities of the conditions as given in a and b above after 31st March, 2019.

As at 30th June, 2019 the Company has achieved required quotas of Ethanol Supply and 100% Sugar Export.

How our audit addressed the key audit matter

Our procedure included the following:

Obtained an understanding of the matter from the management.

Examined

1. The quantities of Closing Stocks of Materials to produce ethanol and sugar, from the accounting records.
2. Contracted Orders from Oil Marketing Companies for supply of ethanol up to 30th November, 2019.
3. Export Orders in hand for export of sugar up to 30th September, 2019.

   Based on the above procedures performed, we noted that the Management assessment of accounting the Claim Subsidy Assistance during the year is reasonable.

b) **Additional Cane Price for the Financial Years 2016-17 and 2017-18 accounted during the Year in cost of materials consumed**

(Refer note to schedule 24 in the Standalone Financial Statement)

Additional Cane price amounting to ₹3674.15 Lakh for the FY 2016-17 and ₹3,517.59 Lakh for FY 2017-18 accounted as cost of material consumed during the year under audit.

As per the Management the above liability was crystalized during the year under audit however the same is not included in the valuation of the Closing Stock.

We have considered this to be a Key Audit Matter considering the materiality of the amounts.

How our audit addressed the Key Audit Matter

Our procedure included the following :

Obtained an understanding of the matter from the management.

Examined the supporting data and documents to ascertain that the expenses even though relate to FY 2016-17 and 2017-18 the same were Crystalized and Finalised during the year under audit.

Examined the valuation of inventory of sugar to ascertain that the above is not considered in the valuation.

Based on the above procedures performed we noted that the Management assessment of considering the additional cane price for the FY 2016-17 and 2017-18 as cost of cane consumed during the Year is reasonable.

Other Information

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

6. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure A** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

16. As required by Section 143(3) of the Act, we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

(b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B".**

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

    i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 33 B, i to iii to the Ind AS financial statements;

    ii) There are no material foreseeable losses arising out of any long-term contracts for which provision is required to be made under any law or accounting standards. The Company has made provision in respect of derivative contracts as required under the applicable law or accounting standard;

    iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

    iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N.043599

Place: Mumbai
Date: 24th July 2019

Annexure - A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone IND AS financial statements for the year ended 31st March 2019, we report that:

(i) In respect of Company's property plant and equipment:

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

(b) The Company has a regular programme of physical verification of its property plant and equipment by which property plant and equipment are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this programme, certain property plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) in respect Company's inventories:

The inventory, except goods-in-transit and inventory lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable.

The discrepancies noticed on verification between the physical stocks and the book records were not material.

(iii) in respect of loans secured or unsecured, granted to companies, firms, Limited Liability Partnerships or other parties covered in register maintained under section 189 of the Act:

The Company has granted loan to a wholly owned subsidiary covered in the register maintained under section 189 of the Act.

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to a wholly owned subsidiary listed in the register maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.

(b) Schedule of repayment of principal and payment of interest has been stipulated. The borrower has been regular in the payment of the interest as stipulated. Principal is repayable within a period of five years.

(c) There are no overdue amounts in respect of the interest. As the principal is repayable within five years question of overdue do not arise.

(iv) The Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the wholly owned subsidiary covered under Section 186.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with directives issued by Reserve Bank of India and the provision of sections 73 to 76 or any other applicable provisions of the Act and the (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) We have broadly reviewed the books of accounts and records maintained by the Company pursuant to the Rules prescribed by the Central Government under sub section (1) of section 148 of the Act and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.

(vii) in respect of statutory dues:

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of excise, duty of customs, service tax, GST ,professional tax, cess and other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of excise, duty of customs, service tax, GST, professional tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no material statutory dues which have not been deposited with the appropriate authorities on account of any dispute, other than the following dues of duty of excise, service tax, custom duty, income tax and electricity duty:

Name of the Statute	Nature of Dues	Period to which it pertains	Forum Where Dispute is Pending	Amount (Excluding Interest and Penalty) (₹ in Lakh)
The Central Excise Act, 1944	Excise Duty Excise	2009-10	Commissioner of Central Excise	130.86
		2008-09, 2009-10, 2010-11, 2014-15, 2015-16	CESTAT	280.62
		2004-05	Supreme Court	37.68
		2005-06, 2006-07	Commissioner of State Excise	164.40
		2015-16	Commissioner of Central Excise (Appeals)	152.06
Customs Act, 1962	Customs Duty	2013-14	CESTAT	25.38
Income Tax Act, 1961	Income Tax	2012-13	Commissioner of Income Tax (Appeals) Mumbai	2.27

(viii) According to the information and explanations given to us, the Company has not defaulted any loans or borrowings from any financial institution, banks, government or debenture holders during the year.

(ix) The Company did not raise any moneys by way of initial public offer or further public offer (including debt instruments) during the year. In our opinion and according to the information and explanations given to us, the term loans taken by the Company have been applied, on an overall basis, for the purposes for which they were raised.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. The details of such related party transactions have been disclosed in the financial statements as required under Accounting standard (AS) 18, Related Party Disclosure specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

(xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment of shares. The Company has not made private placement of partly or fully convertible debentures during the year under review.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Accordingly, paragraph 3(xvi) of the Order is not applicable.

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N.043599
UDIN: 19043599AAAAAP8231

Place: Mumbai
Date: 24th July, 2019

Annexure B

to the Independent Auditor's Report of even date on the standalone Ind AS Financial Statements of Godavari Biorefineries Limited

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act") We have audited the internal financial controls over financial reporting of Godavari Biorefineries Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone Ind AS financial statements for external purposes in accordance with the generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N.043599
UDIN: 19043599AAAAU4799

Place: Mumbai
Date: 24th July 2019

(₹ in Lakh)

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	69,201.67	74,280.15
(b) Capital Work-in-Progress	4	6,739.87	612.32
(c) Other Intangible Assets	5	29.21	0.34
(d) Financial Assets			
(i) Investments	6	1,386.85	1,378.21
(ii) Loans	6	456.59	761.68
(iii) Other Financial Assets	6	374.73	330.66
(e) Deferred Tax Asset (Net)	12	1,484.07	1,524.91
(f) Other Non-Current Assets	11	1,096.15	1,112.96
		80,769.14	**80,001.23**
Current assets			
(a) Inventories	7	56,716.38	62,451.85
(b) Financial Assets			
(i) Trade Receivables	8	13,925.46	12,758.10
(ii) Cash and Cash Equivalents	9	87.35	267.87
(iii) Bank Balances Other than (ii) above	10	3,458.35	4,044.91
(iv) Other Financial Assets	6	4,118.01	676.38
(c) Other Current Assets	11	5,092.48	5,040.54
		83,398.03	85,239.65
TOTAL		**164,167.17**	**165,240.88**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share Capital	13	3,837.59	3,763.76
(b) Other Equity	14	32,874.44	31,103.26
		36,712.03	**34,867.02**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	13,488.48	13,822.81
(ii) Other Financial Liabilities	16	8.98	8.98
(b) Provisions	19	199.94	120.50
(c) Other Non-Current Liabilities	18	625.16	837.86
		14,322.56	14,790.15
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	63,840.29	75,117.55
(ii) Trade Payables	17		
Micro, Small and Medium Enterprises		-	-
Others		42,760.69	28,522.29
(iii) Other Financial Liabilities	16	5,559.97	9,914.30
(b) Other Current Liabilities	18	570.22	1,631.95
(c) Provisions	19	401.41	397.62
		113,132.58	115,583.71
TOTAL		**164,167.17**	**165,240.88**
Significant Accounting Policies and Notes on Account form an integral part of the financial statements.	1 to 43		

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

(₹ in Lakh)

Particulars	Notes	2018-19	2017-18
REVENUE			
Revenue from Operations	21	154,226.83	123,295.44
Other income	22	1,303.46	474.49
Total Revenue (I)		**155,530.29**	**123,769.93**
EXPENSES			
Cost of materials consumed	23	105,074.87	98,581.41
Purchases of stock-in-trade	24	352.04	270.34
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	25	6,057.09	(12,820.12)
Excise duty (April 2017 to June 2017)		-	1,493.41
Employee benefits expense	26	7,991.15	7,408.51
Finance costs	27	8,892.44	8,752.61
Depreciation and amortization expense	28	4,960.61	4,868.44
Other expenses	29	21,928.00	18,144.93
Total Expenses (II)		**155,256.20**	**126,699.53**
Profit/(loss) before tax		**274.09**	**(2,929.60)**
Tax expense:			
Current tax		-	-
Deferred tax		56.24	(817.09)
Profit/(loss) for the period		**217.85**	**(2,112.51)**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(49.36)	(127.64)
Income tax effect		15.40	39.44
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:		-	-
Other Comprehensive income for the year, net of tax		**(33.96)**	**(88.20)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**183.89**	**(2,200.71)**
Earnings per share for profit attributable to equity shareholders	31		
Basic and Diluted EPS		0.57	(5.72)
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements	1 to 43		

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

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Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

(₹ in Lakh)

Particulars	2018-19	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit / (Loss) before tax	**274.09**	**(2,929.60)**
Adjustments for:		
Depreciation and amortisation expense	4,960.61	4,868.44
Loss/ (Profit) on Sale of Property,Plant and Equipment	(344.60)	36.67
Sundry Debit/(Credit) Balances Written Off/Back (Net)	(88.15)	17.02
Allowance for Doubtful Debts / Advances	102.46	219.22
Write down of inventories (stores)	20.00	40.00
Interest income classified as investing cash flows	(260.28)	(214.28)
Financial Guarantee Income	(8.64)	(8.65)
Interest and finance charges	8,892.44	8,752.62
Profit on sales of Investment	-	(0.70)
Government grant income	(23.35)	(23.35)
Unrealised foreign currency (gain)/loss	(317.09)	21.25
Change in operating assets and liabilities:		
Trade payables	14,050.07	16,749.26
Other liabilities	(1,110.23)	1,221.03
Provisions	83.22	169.91
Trade receivables	(570.97)	(6,455.22)
Inventories	5,715.49	(12,678.11)
Other assets	(2,754.83)	(2,515.40)
Cash generated from operations	**28,620.24**	**7,270.12**
Less: Income taxes paid	(25.70)	(21.70)
Net cash inflow from operating activities	**28,594.54**	**7,248.42**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property, plant and equipment (net)	(6,725.36)	(3,082.89)
Proceed from sale of property, plant and equipment	1,031.24	25.41
Proceed from sale of investment	-	6.52
Interest received	309.18	145.19
Net cash outflow from investing activities	**(5,384.94)**	**(2,905.77)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of non current borrowings	(4,890.91)	(6,000.77)
Proceeds of non current borrowings	-	28.81
(Decrease) / Increase in current borrowings	(11,048.69)	8,528.56
Issue of share capital including share premium (net)	1,661.12	1,183.13
Interest and finance charges paid	(9,111.64)	(8,021.27)
Net cash inflow (outflow) from financing activities	**(23,390.12)**	**(4,281.54)**
Net increase (decrease) in cash and cash equivalents	(180.52)	61.09
Cash and Cash Equivalents at the beginning of the financial year	267.87	206.78
Cash and Cash Equivalents at end of the year	**87.35**	**267.87**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks:		
- On current accounts	43.44	163.85
- Deposits with original maturity of less than three months	34.67	91.77
Cash on hand	9.24	12.25
Balances per statement of cash flows	**87.35**	**267.87**

Notes:

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.
2. Previous years figures have been regrouped/rearranged/recast wherever necessary to conform to this year's classification.

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements **1 to 43**

As per our report of even date attached

For and on behalf of the Board of Directors

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Vimlesh Mehta
Partner
Membership No. 043599

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

Place : Mumbai
Date : 24th July, 2019

A Equity Share Capital

(₹ in Lakh)

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2018			
Numbers	3,69,52,347	685,286	3,76,37,633
Amount	3,695.23	68.53	3,763.76
March 31, 2019			
Numbers	3,76,37,633	7,38,275	3,83,75,908
Amount	3,763.76	73.83	3,837.59

B Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus				Total
	Securities Premium Reserve	General Reserve	Capital Redemption Reserve	Retained Earnings	
As at April 1, 2017	**17,494.99**	**1,865.38**	**573.50**	**12,255.54**	**32,189.40**
Profit for the period	-	-	-	(2,112.51)	(2,112.51)
Other Comprehensive Income	-	-	-	(88.20)	(88.20)
Total Comprehensive Income for the year	**-**	**-**	**-**	**(2,200.71)**	**(2,200.72)**
Issue of equity shares	1,114.56	-	-	-	1,114.56
As at March 31, 2018	**18,609.55**	**1,865.38**	**573.50**	**10,054.83**	**31,103.26**
Profit for the period	-	-	-	217.85	217.85
Other Comprehensive Income	-	-	-	(33.96)	(33.96)
Total comprehensive income for the year	**-**	**-**	**-**	**183.89**	**183.89**
Issue of equity shares (net)	1,587.29	-	-	-	1,587.29
As at March 31, 2019	**20,196.84**	**1,865.38**	**573.50**	**10,238.72**	**32,874.44**
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements	1 to 43				

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

1 Corporate Information

These statements comprise financial statements of Godavari Biorefineries Limited (referred to as “the Company”) (CIN: U67120MH1956PLC009707) for the year ended March 31, 2019. The Company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its Equity share are unlisted and debentures (bonds) are listed on Bombay Stock Exchange in India. The registered office of the company is located at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

The Company is principally engaged in the manufacturing of sugar, power generation, chemicals, distillery and other bio products.

The financial statements were approved by the Board of Directors and authorised for issue on 24th July, 2019

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies(Indian Accounting Standards)(Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 (“the Act”).

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

The financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification(refer accounting policy regarding financial instruments),
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations, “

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

2.2 Summary of significant accounting policies

(a) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line method using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013. If the management's estimate of the useful life of a item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The residual values are not more than 5% of the original cost of the asset.

(b) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Amortisation methods and periods

Intangible assets comprising of patents are amortized on a straight line basis over the useful life of five years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

(c) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The Fixed Asset utlised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

(d) Impairment of non financial assets

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

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is entity's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss.

(f) Financial Instruments

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

Initial Recognition

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 and ancillary costs related to borrowings) 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 Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

the entity’s business model for managing the financial assets and

the contractual cash flow characteristics of the financial asset.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

(ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

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

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Equity investment in subsidiaries and associates

Investment in subsidiaries and associates are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

(g) Financial liabilities and equity instruments

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.

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 a Company are recognised at the proceeds received.

(h) Taxes

(i) Current income tax

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

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

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

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

(iii) Minimum Alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probability that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as ‘MAT Credit Entitlement’ under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have probable certainty that it will pay normal tax during the specified period.

(i) Inventories:

Raw Materials are valued at lower of moving average cost or net realisable value.

Stores and Spares are valued at moving average cost.

Work-in-Progress stocks is converted into equivalent units of finished stocks. Work-in-Progress valued at lower of cost or net realisable value.

Finished stocks are valued at cost or net realisable value whichever is lower.

Bagasse, Molasses (Including B Heavy Molasses)and waste/scrap generated in the production process are valued at net realisable value.

The valuation of inventories includes taxes, duties of non refundable nature and direct expenses and other direct cost attributable to the cost of inventory, net of excise duty/ Goods and Service tax/countervailing duty / education cess and value added tax.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

(j) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of third parties.

The Company collects taxes such as GST, sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

Effective April 1, 2018, the company adopted Ind AS 115 “Revenue from Contracts with customers”.

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods

Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Power sales are accounted as per the rate mentioned in Contracts entered with state governments and other entities.

(ii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iii) Dividend income

Dividends are recognised when right to receive is established.

(iv) Other income

Export benefits are accounted on the basis of completion of Export Obligation, which are to be received with a reasonable certainty.

(k) Employee Benefit Obligations:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The earned leave obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans viz gratuity,

(b) defined contribution plans viz state governed provident fund scheme and employee pension scheme.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The plan assets are administered by the approved gratuity fund trust.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(l) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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

(m) Leases

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

(i) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

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

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(n) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(o) Borrowing Costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(p) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(q) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(r) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(s) Current/non current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

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

(t) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgments, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Critical Estimates and Judgments

(i) Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

(ii) Estimation of net realizable value for inventories

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.

(iii) Recoverability of trade receivables

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(iv) Useful lives of property, plant and equipment/intangible assets

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(v) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note above.

(vi) Defined benefit plans

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

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	During the period	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Free Hold Land	24,334.84		(176.96)	24,157.88	-			-	24,157.88	24,334.84
Building	5,090.81		(44.26)	5,046.56	445.42	223.23	(3.11)	665.55	4,381.01	4,645.39
Plant and Equipments	53,749.82	380.13	(649.65)	53,480.30	9,038.76	4,593.10	(181.30)	13,450.56	40,029.73	44,711.22
Furniture and Fixtures	172.04	44.03		216.07	26.63	21.97		48.59	167.48	145.42
Vehicles	376.10	60.27		436.37	118.87	60.64		179.51	256.86	257.23
Office Equipments	189.48	21.87		211.35	48.28	35.67		83.95	127.40	141.20
Computer Hardwares	90.33	62.06	(0.20)	152.18	45.48	25.41	(0.03)	70.87	81.31	44.84
	84,003.42	**568.35**	**(871.08)**	**83,700.69**	**9,723.44**	**4,960.02**	**(184.44)**	**14,499.03**	**69,201.67**	**74,280.14**
Capital Work in Progress	612.32	6,332.57	(205.02)	6,739.87	-			-	6,739.87	612.32
Total	**84,615.74**	**6,900.92**	**(1,076.10)**	**90,440.56**	**9,723.44**	**4,960.02**	**(184.44)**	**14,499.03**	**75,941.53**	**74,892.46**

(₹ in Lakh)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Free Hold Land	24,334.84	-	-	24,334.84	-	-	-	-	24,334.84	24,334.84
Building	4,122.89	967.93	-	5,090.81	211.72	233.70	-	445.42	4,645.39	3,911.16
Plant and Equipments	44,902.47	9,016.97	(169.62)	53,749.82	4,647.33	4,502.39	(110.96)	9,038.76	44,711.22	40,255.19
Furniture and Fixtures	41.93	138.36	(8.24)	172.04	14.99	19.48	(7.84)	26.63	145.42	26.94
Vehicles	317.29	61.77	(2.97)	376.10	57.54	61.35	(0.02)	118.87	257.23	259.75
Office Equipments	68.38	121.10	-	189.48	19.89	28.40	-	48.28	141.20	48.49
Computer Hardwares	69.54	23.92	(3.13)	90.33	25.48	23.02	(3.01)	45.48	44.85	44.07
	73,857.34	**10,330.06**	**(183.96)**	**84,003.43**	**4,976.94**	**4,868.33**	**(121.83)**	**9,723.44**	**74,280.15**	**68,880.45**
Capital Work in Progress	7,859.59	2,377.82	(9,625.09)	612.32	-	-	-	-	612.32	7,859.59
Total	**81,716.93**	**12,707.88**	**(9,809.06)**	**84,615.75**	**4,976.94**	**4,868.33**	**(121.83)**	**9,723.44**	**74,892.46**	**76,740.04**

* The company has elected to measure certain items of property, plant and equipment viz. Land at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 23,727.24 Lakh was recognised in property, plant and equipment. The Valuation was carried out by registered approved valuer.

i. Property, Plant and Equipment pledged as security against borrowings by the company

None of the property, plant and equipment is pledged as security against borrowings by the company

ii. Borrowing Cost Capitalised

The amount of borrowing cost capitalised during the year ended March 31, 2019 was ₹ Nil (March 31, 2018 ₹ 582 Lakh). The rate used to determine the amount of borrowing costs eligible for capitalisation was 10 %, which is effective interest rate of the specific borrowing.

iii. Contractual Obligations

Refer to Note 33 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

5. INTANGIBLE ASSETS

(₹ in Lakh)

	Gross Block				Accumulated Amortisation				Net Block	
Particulars	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Patents	0.56	29.46	-	30.02	0.22	0.59		0.81	29.21	0.34
Total	**0.56**	**29.46**	**-**	**30.02**	**0.22**	**0.59**	**-**	**0.81**	**29.21**	**0.34**

(₹ in Lakh)

	Gross Block				Accumulated Amortisation				Net Block	
Particulars	As at March 31, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Patents	0.56	-	-	0.56	0.11	0.11	-	0.22	0.34	0.45
Total	**0.56**	**-**	**-**	**0.56**	**0.11**	**0.11**	**-**	**0.22**	**0.34**	**0.45**

6. FINANCIAL ASSETS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
(A) INVESTMENTS		
Non Current		
(1) Investments carried at fair value through Profit and Loss		
Unquoted		
Investments in Preference Shares		
3,57,604 Nonassessable shares of $0.001 par value of e2e Material INC, USA in Series B preferred Stock (March 31, 2018: 3,57,604)	134.65	134.65
Less : Loss allowance	(134.64)	(134.64)
	0.01	0.01
(2) Investments carried at Cost		
Unquoted		
Investments in Equity Instruments of Subsidiaries		
13,94,761 Equity Shares of EURO 1 each in Cayuga Investment B.V. (March 31, 2018: 13,94,761)	1,001.92	1,001.92
Less : Loss allowance	-	-
	1,001.92	1,001.92
34,50,000 Equity Shares of ₹ 10 each in Solar Magic Private Limited (March 31, 2018: 34,50,000)	380.21	371.57
Investments in Equity Instruments of Associate		
210 Equity Shares of ₹ 100 each in The Book Centre Limited (March 31, 2018: 210)	0.21	0.21
Quoted		
Investments in Equity Instruments of Associate		
25,000 Equity Shares of ₹ 10 each in Pentokey Organy (India) Limited (March 31, 2018: 25,000,)	4.50	4.50
Total	**1,386.85**	**1,378.21**
Aggregate amount of quoted investments	4.50	4.50
Aggregate amount of unquoted investments	1,516.98	1,508.35
Aggregate amount of impairment in the value of investments	134.64	134.64
Investments carried at fair value through profit and loss	0.01	0.01
Investments carried at cost	1,386.84	1,378.20
(B) LOANS		
Non Current		
Unsecured, considered good unless otherwise stated		
Loans to Solar Magic Private Limited (Subsidiary)	456.59	761.68
Total	**456.59**	**761.68**
(C) OTHER FINANCIAL ASSETS		
Non Current		
Financial assets carried at amortised cost		
Security and Other Deposits	374.73	330.66
Total	**374.73**	**330.66**
Current		
Financial assets carried at amortised cost		
Security Deposits	13.00	13.00
Claim receivables	3,842.52	663.38
(ii) Financial assets carried at fair value through profit and loss		
Derivatives not designated as hedge - Foreign Exchange forward contracts	262.49	-
Total	**4,118.01**	**676.38**

7. INVENTORIES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
(Valued at lower of Cost and Net Realisable value)		
Raw materials		
In stock	8,568.01	8,672.64
Work-in-process	46.33	64.11
Finished goods		
In stock	45,391.54	51,322.20
In transit	230.08	338.73
Traded goods	23.62	72.56
	2,456.80	1,981.61
Total	**56,716.38**	**62,451.85**

During the year ended March 31, 2019, ₹ 20 Lakh (March 31, 2018: ₹ 40 Lakh) was recognised as an expense for inventories carried at net realisable value.

8. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Receivables from customers	13,777.08	12,679.76
Receivables from step down subsidiary	123.78	49.46
Receivables from other Related parties (Refer Note 34)	24.60	28.88
	13,925.46	**12,758.10**
Breakup of Security details		
Unsecured, considered good	13,925.46	12,758.10
Doubtful	171.68	144.68
	14,097.14	**12,902.78**
Allowance for bad and doubtful debts		
Doubtful	171.68	144.68
	171.68	**144.68**
	13,925.46	**12,758.10**

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to ₹ 24.60 Lakh (Previous year ₹ 28.88 Lakh).

9. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Balances with banks:		
- On current accounts	43.44	163.85
- Deposits with original maturity of less than three months	34.67	91.77
Cash on hand	9.24	12.25
	87.35	**267.87**

10. OTHER BANK BALANCES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Deposits with banks to the extent held as margin money	2,662.87	3,424.78
Other Deposits with banks	795.48	620.13
	3,458.35	**4,044.91**

11. OTHER ASSETS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Capital Advances	182.54	41.24
Advances other than Capital advances		
- Advances for Supplies and Services	215.56	328.06
Others		
- Payment of Taxes (Net of Provisions)	228.84	294.96
- Balances with Statutory, Government Authorities	469.21	448.70
Total	**1,096.15**	**1,112.96**
Current		
Advances other than Capital advances		
- Advances to Suppliers	4,024.51	3,905.83
Others		
- Prepaid expenses	199.02	244.37
- Balances with Statutory, Government Authorities*	531.05	561.74
- Export Incentive/Benefits - MEIS and Others	337.90	328.60
Total	**5,092.48**	**5,040.54**

*Includes Cenvat and VAT Credit receivables

12. INCOME TAX

Deferred Tax (₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Deferred tax relates to the following:		
Temporary difference in the carrying amount of property, plant and equipment	(8,372.25)	(9,233.67)
Impairment on financial assets at amortised cost	9.36	45.14
Unabsorbed Depreciation and Business Losses	9,928.86	10,694.94
Others	(81.90)	18.50
Net Deferred Tax Assets / (Liabilities)	1,484.07	1,524.91

Movement in deferred tax liabilities/assets

Particulars	March 31, 2019	March 31, 2018
Opening balance as of April 1	**1,524.91**	**668.38**
Tax income/(expense) during the period recognised in profit or loss	(56.24)	817.09
Tax income/(expense) during the period recognised in OCI	15.40	39.44
Closing balance as at March 31	**1,484.07**	**1,524.91**

Particulars	March 31, 2019	March 31, 2018
Unrecognised deferred tax assets		
Unrecognised tax credits (MAT Entitlement)	1211.19	1211.19

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liablities relate to income taxes levied by the same tax authority.

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax credits carried forward by the Company.

Major Components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

i. Income tax recognised in profit or loss (₹ in Lakh)

	2018-19	2017-18
Current income tax charge	-	-
Adjustment in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	56.24	(817.09)
Income tax expense recognised in profit or loss	**56.24**	**(817.09)**

ii. Income tax recognised in OCI

	March 31, 2019	March 31, 2018
Net loss/(gain) on remeasurements of defined benefit plans	15.40	39.44
Income tax expense recognised in OCI	15.40	39.44

Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2019 and March 31, 2018

	March 31, 2019	March 31, 2018
Accounting profit before income tax	**274.09**	**(2,929.60)**
Enacted tax rate in India	31.20%	30.90%
Income tax on accounting profits	85.52	(905.25)
Tax Effect of		
Depreciation	(1,230.54)	607.88
Expenses not allowable or considered separately under Income Tax	3,169.93	300.78
Expenses allowable and others	(3,023.95)	(205.36)
Losses carried forward to future years	1,055.28	(614.67)
Income not taxable under income tax	-	(0.47)
Tax at effective income tax rate	56.24	(817.09)

Changes in tax rate

The increase in education cess from 3% to 4% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balance have been remeasured using the effective rate that will apply in India for the future periods(31.20%).

13. SHARE CAPITAL

i. Authorised Share Capital

(₹ in Lakh)

	Equity Share of ₹ 10 each		Preference Share of ₹ 100 each	
	Number	Amount	Number	Amount
At April 1, 2017	42,000,000	4,200.00	1,800,000	1,800.00
Increase/(decrease) during the year				
At March 31, 2018	42,000,000	4,200.00	1,800,000	1,800.00
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	42,000,000	4,200.00	1,800,000	1,800.00

Terms/rights attached to equity shares

The Company has one class of Equity shares having a par value of ₹ 10/- each. Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as prescribed under law or those of preference shareholders,if any. The Equity share holders are also subject to restrictions as presribed under the Companies Act, 2013. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting, except in the case of Interim Dividend.

In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders.

ii. Issued Capital

(₹ in Lakh)

	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At April 1, 2017	**36,952,347**	**3,695.23**
Issued during the period	685,286	68.53
At March 31, 2018	**37,637,633**	**3,763.76**
Issued during the period	738,275	73.83
At March 31, 2019	**38,375,908**	**3,837.59**

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 10 each fully paid				
Somaiya Agencies Private Limited	8,549,965	22.28	8,549,965	23.14
Sakarwadi Trading Company Private Limited	5,485,552	14.29	5,485,552	14.84
Lakshmiwadi Mines and Minerals Private Limited	5,230,762	13.63	5,205,762	14.09
Mandala Capital AG Limited	4,926,983	12.84	4,926,983	13.09
Samir Shantilal Somaiya	4,576,865	11.93	4,443,865	12.03
Sindhur Construction Private Limited	2,681,120	6.99	2,605,120	7.05

iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

14. OTHER EQUITY

Reserves and Surplus

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Securities Premium Reserve	20,196.84	18,609.55
General Reserve	1,865.38	1,865.38
Retained Earnings	10,238.72	10,054.83
Capital Redemption Reserve	573.50	573.50
	32,874.44	**31,103.26**

(a) Securities Premium Reserve

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	18,609.55	17,494.99
Add/(Less):		
Premium on share issue (Net)	1,587.29	1,114.56
Closing balance	**20,196.84**	**18,609.55**

The amount received in excess of face value of the equity shares is recognised in Share premium reserve. This is not available for distribution of dividend but can be utilised for issuing bonus shares.

(b) General Reserve

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	1,865.38	1,865.38
Add/(Less):	-	-
Closing balance	**1,865.38**	**1,865.38**

(c) Retained Earnings

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	**10,054.83**	**12,255.54**
Net Profit/(Loss) for the period	217.85	(2,112.51)
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of gains (losses) on defined benefit plans	(49.36)	(127.64)
Income tax effect	15.40	39.44
Closing balance	**10,238.72**	**10,054.83**

(d) Capital Redemption Reserve (CRR)

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	573.50	573.50
Add/(Less):	-	-
Closing balance	**573.50**	**573.50**

Represents reserve created during redemption of preference shares and it is a non distributable reserve.

15. BORROWINGS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current Borrowings		
Secured		
(a) Debentures (Bonds)		
Principal outstanding	6,500.00	6,500.00
Interest accured	1,533.61	1,060.22
(b) Term Loans		
From Banks	330.64	3,713.09
From Others		
Sugar Development Fund	2,920.80	4,028.45
Others	31.13	50.10
Unsecured		
(c) Term Loans from Others		
Council of Scientific and Industrial Research	485.00	485.00
Deferred Cane Purchase Tax	775.80	775.85
(d) Public Deposits	2,333.41	2,104.85
(A)	**14,910.39**	**18,717.55**
Current Maturity of Non Current Borrowings		
Term Loans		
From Banks	335.00	3,525.89
From Others		
Sugar Development Fund	1,068.43	1,346.07
Others	18.48	22.78
(B)	**1,421.91**	**4,894.74**
Total (A)-(B)	**13,488.48**	**13,822.81**
Current Borrowings		
Secured		
(a) From Banks		
Cash Credit / Packing Credit	30,132.69	38,413.40
Unsecured		
(b) Loans repayable on demand from Banks	32,932.00	36,437.92
(c) Public Deposits	775.60	266.23
Total	**63,840.29**	**75,117.55**

Non Current Borrowings

Details of Terms of repayment for Long Term Secured Borrowings (₹ in Lakh)

Sr. No.	Particulars	March 31, 2019		March 31, 2018	
		Current	Non - Current	Current	Non - Current
1	**Andhra Bank**	-	-	51.50	-
2	**Union Bank of India**	-	-	432.00	-
3	**Union Bank of India**	-	-	108.00	-
4	**Bank of India**	335.00	-	2,010.00	335.00
	(Repayable in 2 equal monthly installments, last installment falling due on May 2019.)				
5	**Bank of India**	-	-	209.00	-
6	**Corporation Bank**	-	-	511.01	-
7	**Punjab National Bank**	-	-	204.39	-
8	**Sugar Development Fund**	790.80	2,372.42	790.80	3,163.22
	(Repayable in 5 equal yearly installments, last Installment falling due on March 2023.)				
9	**Sugar Development Fund**	277.63	-	555.27	277.63
	(Repayable in 1 equal half yearly installments, last Installment falling due on June 2019.)				
10	**Hire Purchase Finance**	18.48	12.66	22.77	27.61
11	**IDBI Trusteeship Services Ltd**	-	8,033.61	-	7,560.22
	(For Debentures/ Bonds)				
	(Bullet payment on June 2021)				
	Call Option after three years (June 2018)				
	Total	**1,421.91**	**10,418.69**	**4,894.74**	**11,363.68**

Nature of Securities:

Loan covered in Sr. No. 1 to 5, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Subservient First Ranking Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and First Pari Passu Charge and Corporate Guarantee on certain Assets of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd). Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka. #

Loan covered in Sr.No. 6, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Second Pari Passu Charge on Curent Assets of Sugar & Cogen Division. #

Loan covered in Sr.no. 7 First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karantaka and second Pari Pasu Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and second pari passu charge on current Asset of Sugar Division. #

Loan covered in Sr.No. 8 & 9, All Immoveable & Moveable Properties at Sameerwadi Factory , Karnataka on First Pari Passu Charge basis.

Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above ie 1 to 9 are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.

Loan covered in Sr.No. 10, Exclusive Charge on Assets purchased under Hire purchase arrangements.

Debenture (Bonds) covered in Sr.No. 11 , Exclusive Charge on the Property, Plant & Equipment Of Capital Investment Programme as per the agreement dated 09th July, 2015 and thereafter amended agreement dated 02nd Nov 2017 and First Pari Passu Charge on Property, Plant & Equipment at Sakarwadi upto June 2015 @ ₹ 10% p.a (with effect from 01st July, 2017 at the rate 16% p.a.) inclusive of Withholding tax.

The Company has not made any default in repayment of principal and interest as stipulated

The Company has avail interest free purchase tax loan from Government of Karnataka, however the repayment schedule still to be informed. In view of this same has been classified under Non Current Liability.

Interest for above loans varies from 4% to 14.25% (Previous Year 4% to 14.75%).

Current Borrowings

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Secured		
(a) From Banks		
Cash Credit / Packing Credit	30,132.69	38,413.40
Unsecured		
(b) Loans repayable on demand from Banks	32,932.00	36,437.92

Nature of Security:

* Secured by First Pari Passu charge over current assets of the company (respective division), both present and future and second Pari Passu charge on Property, Plant & Equipment; and Second charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd) as a Corporate Guranatee of SPIPL. #

 # Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above ie 1 to 9 are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.

Interest for above Cash credit Rupee loans varies from 12.20% to 13.30% (Previous Year 12.60% to 13.30%)

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

(₹ in Lakh)

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Net Debt as at March 31, 2017	**15,534.60**	**77,178.72**	**92,876.10**
Cash Inflows	28.81	46,158.45	46,187.26
Cash Outflows	(6,000.77)	(37,629.88)	(43,630.65)
	9,562.64	85,707.29	95,432.72
Interest Expense			8,752.61
Interest Paid			(8,021.27)
Other non cash adjustments	727.87	-	727.87
Net Debt as at March 31, 2018	**10,290.51**	**85,707.29**	**96,891.93**
Cash Inflows	-	48,128.18	48,128.18
Cash Outflows	(4,890.91)	(59,176.89)	(64,067.80)
	5,399.60	74,658.58	80,952.31
Interest Expense			8,892.44
Interest Paid			(9,111.64)
Other non cash adjustments	381.81	-	381.81
Net Debt as at March 31, 2019	**5,781.41**	**74,658.58**	**81,114.92**

16. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Financial Liabilities at amortised cost		
Other payable	8.98	8.98
Total	**8.98**	**8.98**
Current		
(i) Financial Liabilities at amortised cost		
Current maturities of long term debts	1,421.91	4,894.74
Interest accrued but not due on borrowings	2,364.24	3,056.83
Security Deposits	228.19	136.74
Other payable	1,545.63	1,766.72
	5,559.97	9,855.03
(ii) Financial Liabilities carried at fair value through profit and loss		
Derivatives not designated as hedge - Foreign Exchange forward contracts	-	59.28
	-	59.28
Total	5,559.97	9,914.30

17. TRADE PAYABLES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Payables to Micro, Small and Medium Enterprises	-	-
Trade Payables to Related Parties (Refer Note 34)	199.73	46.86
Trade Payables to Others	42,560.96	28,475.43
Total	**42,760.69**	**28,522.29**

18. OTHER LIABILITIES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Government Grants		
- Deferred Cane Purchase Tax	113.31	158.37
- Sugar Development Fund	365.43	505.43
- BOI SEFASU	(0.00)	4.36
- For depreciable assets	146.42	169.70
	625.16	**837.86**
Current		
Advance received from Customers	80.95	971.33
Government Grants		
- Deferred Cane Purchase Tax	125.60	80.49
- Sugar Development Fund	154.62	253.04
- BOI SEFASU	4.36	143.44
- For depreciable assets	23.28	23.35
Statutory Liabilities	181.41	160.31
Total	**570.22**	**1,631.95**

19. PROVISIONS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits (Refer Note 32)		
Leave encashment	199.94	120.50
Total	**199.94**	**120.50**
Current		
Provision for employee benefits (Refer Note 32)		
Gratuity	184.52	135.93
Leave encashment	216.89	261.69
Total	**401.41**	**397.62**

20. GOVERNMENT GRANTS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Opening balance	1,338.17	2,089.41
Grants received during the year	-	-
Released to statement of profit and loss	(405.15)	(751.23)
Closing Balance	**933.02**	**1,338.18**

21. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	2018-19	2017-18
Sale of products (inclusive of excise duty)	153,551.11	123,295.44
Other Operating Revenues		
Sugar Washout Charges	675.72	-
	154,226.83	**123,295.44**

Sale of goods includes excise duty collected from customers of ₹ Nil Lakh (March 31, 2018: ₹ 1,493.41 Lakh).

22. OTHER INCOME

(₹ in Lakh)

Particulars	2018-19	2017-18
Interest income on bank fixed deposits	260.28	214.28
Other Non Operating Income		
Fair value gain on financial instruments at fair value through profit and loss	321.76	87.99
Net gain on disposal of property, plant and equipment	344.60	-
Government Grants Income	23.35	23.35
Financial Guarantee Income	8.64	8.65
Miscellaneous Income	344.83	140.22
	1,303.46	**474.49**

23. COST OF MATERIALS CONSUMED

(₹ in Lakh)

Particulars	2018-19	2017-18
* Cost of Material Consumed (Refer 41)	105,074.87	98,581.41
	105,074.87	**98,581.41**

* The Cost of Raw material consumed includes cane price of ₹ 3674.15 Lakh for FY 16-17 and ₹ 3517.59 Lakh for FY 17-18 (Previous year ₹893.81 Lakh for FY 14-15) accounted in the current year. The cost so incurred has not been considered for valaution of the sugar inventory.

24. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakh)

Particulars	2018-19	2017-18
Purchases of Stock-In-Trade	352.04	270.34
	352.04	**270.34**

25. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh)

Particulars	2018-19	2017-18
Inventories as at the beginning of the year		
Work - in - process	64.11	31.68
Finished goods	51,660.93	38,873.24
Total	**51,725.04**	**38,904.92**
Less : Inventories as at the end of the year		
Work - in - process	46.33	64.11
Finished goods	45,621.62	51,660.93
Total	**45,667.95**	**51,725.04**
Net decrease / (increase) in inventories	**6,057.09**	**(12,820.12)**

26. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	2018-19	2017-18
Salaries, wages and bonus	6,722.97	6,071.11
Director's Remuneration	362.14	326.44
Contribution to provident and other funds	619.08	560.71
Staff welfare expenses	286.96	450.25
	7,991.15	**7,408.51**

27. FINANCE COST

(₹ in Lakh)

Particulars	2018-19	2017-18
Interest Expense on		
Term Loan	1,487.93	1,175.93
Cash Credit	2,688.82	2,873.71
Others	4,715.69	4,702.97
	8,892.44	**8,752.61**

28. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

Particulars	2018-19	2017-18
Depreciation on tangible assets	4,960.02	4,868.33
Amortisation on intangible assets	0.59	0.11
	4,960.61	**4,868.44**

29. OTHER EXPENSES

(₹ in Lakh)

Particulars	2018-19	2017-18
Manufacturing Expenses		
Power and Fuel	8,258.42	6,154.87
Repairs and maintenance		
Plant and Machinery	2,262.67	2,083.26
Buildings	114.39	104.92
Others	556.43	548.25
Stores, consumables and packing material	2,486.66	2,256.08
Packing, forwading and storage	2,231.61	1,658.40
	15,910.18	**12,805.78**
Selling Expense	2,473.75	1,925.25
Administration Expense		
Payments to auditors (Refer note below)	30.00	26.00
Contribution to Scientific Research Institution	100.00	95.00
Insurance	141.82	161.71
Professional Charges	464.85	487.03
Net loss on disposal of property, plant and equipment	-	36.67
General Expenses (Including travelling,telephone, etc.)	2,365.94	2,037.35
Director's Fees	11.35	10.46
Rent, Rates and taxes	400.11	349.59
Foreign exchange fluctuation loss	-	180.47
Loss Allowance on Receivables	30.00	29.62
	3,544.07	**3,413.91**
Total	**21,928.00**	**18,144.93**

Details of Payments to Auditors (₹ in Lakh)

	2018-19	2017-18
As auditor		
Statutory Audit Fee	22.00	26.00
Tax Audit Fee	8.00	-
	30.00	**26.00**

30. RESEARCH AND DEVELOPMENT COSTS

The Company during the period has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under statement of profit and loss. Amount charged to profit or loss during the period ended March 31, 2019 ₹ 1,229.37 Lakh (March 31, 2018: ₹ 1,016.47 Lakh) details of which are as follows:

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
i. On Revenue Account :		
Manufacturing Expenses		
Stores, Spares and Tools consumed	90.35	138.55
Payments to and provision for employees		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	478.66	376.77
Other Expenses		
- Legal and Professional charges	116.84	102.04
- Other Expenses	543.52	399.11
Total	**1,229.37**	**1,016.47**
ii. On Capital Account	32.11	681.16
Total Research & Development Expenditure (i + ii)	**1,261.48**	**1,697.63**

31. EARNINGS PER SHARE

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
(a) Basic earnings per share (₹)	0.57	(5.72)
(b) Diluted earnings per share	0.57	(5.72)
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	217.85	(2,112.51)
Diluted earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	217.85	(2,112.51)
Adjustments for calculation of Diluted earnings per share:	-	-
Profit attributable to the equity holders of the company used in calculating diluted earnings per share	217.85	(2,112.51)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	3,79,96,236	3,69,54,224
Adjustments for calculation of Diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating Diluted earnings per share	**3,79,96,236**	**3,69,54,224**

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

32. EMPLOYEE BENEFIT OBLIGATIONS

(₹ in Lakh)

	March 31, 2019			March 31, 2018		
	Current	Non Current	Total	Current	Non Current	Total
Leave Encashment	216.89	199.94	416.83	261.69	120.50	382.19
Gratuity	184.52	-	184.52	135.93	-	135.93
Total Employee Benefit Obligation	**401.41**	**199.94**	**601.35**	**397.62**	**120.50**	**518.12**

(i) Leave Encashment

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

The amount of the provision of ₹ 273.79 Lakh (March 31, 2018: ₹ 261.69 Lakh) is presented as current, since the company does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employement obligations

a) Defined benefit plans - Gratuity

The company provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a funded plan and the company makes contributions to recognised funds in India. The company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2017	**1,411.02**	**1,390.88**	**20.14**
Current service cost	136.37	-	136.37
Past Service Cost -(vested benefits)	45.05	-	45.05
Interest expense/(income)	95.43	100.04	(4.61)
Adjustment to Opening Fair Value of Plan Asset	-	44.16	(44.16)
Total amount recognised in profit or loss	**276.85**	**144.20**	**132.65**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	2.23	(2.23)
(Gain)/Loss from change in financial assumptions	(58.07)	-	(58.07)
Experience (gains)/losses	187.93	-	187.93
Total amount recognised in other comprehensive income	**129.86**	**2.23**	**127.63**
Employer contributions	-	80.48	(80.48)
Benefit payments	(160.17)	(160.17)	-
As at March 31, 2018	**1,657.56**	**1,457.62**	**199.94**
Current service cost	127.48	-	127.48
Past Service Cost -(vested benefits)		-	-
Interest expense/(income)	119.92	112.19	7.73
Adjustment to Opening Fair Value of Plan Asset	-		-
Total amount recognised in profit or loss	**247.40**	**112.19**	**135.21**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	(6.34)	6.34
(Gain)/Loss from change in financial assumptions	8.48	-	8.48
Experience (gains)/losses	34.53	-	34.53
Total amount recognised in other comprehensive income	**43.01**	**(6.34)**	**49.35**
Employer contributions	-	198.20	(198.20)
Benefit payments	(187.97)	(187.97)	-
As at March 31, 2019	**1,760.00**	**1,573.70**	**186.30**

The net liability disclosed above relates to funded and unfunded plans are as follows:

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Present value of funded obligations	1,760.00	1,657.56
Fair value of plan assets	1,573.70	1,457.62
Deficit of funded plan	**186.30**	**199.94**
Unfunded plans	-	-
Deficit of gratuity plan	**186.30**	**199.94**

The major categories of plan assets of the fair value of the total plan assets are as follows :

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Other Insurance Contracts (LIC of India) (100%)	1,573.70	1,457.62

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest/ Discount Rate	7.60%	7.67%
Rate of Increase in Compensation	4.00%	4.00%
Expected average remaining service	14.16	14.08
Retirement age	60 Years	60 Years
Emplyoee Attrition Rate	"Upto Age 45: 2% 46 and above: 1%"	"Upto Age 45: 2% 46 and above: 1%"

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is shown below:

(₹ in Lakh)

Assumptions	Discount rate		Salary escalation rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
March 31, 2019				
Impact on defined benefit obligation	(113.94)	130.59	129.67	(114.66)
% Impact	-6.47%	7.42%	7.37%	-6.51%
March 31, 2018				
Impact on defined benefit obligation	(105.06)	120.29	119.73	(106.71)
% Impact	-6.34%	7.26%	7.22%	-6.44%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined beenfit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

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

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Expected Outgo First	232.24	276.22
Expected Outgo Second	158.39	182.24
Expected Outgo Third	165.53	144.92
Expected Outgo Fourth	173.95	194.96
Expected Outgo Fifth	123.59	166.88
Expected Outgo Six to Ten years	767.19	1,055.90
Total expected payments	**1,620.89**	**2,021.12**

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.16 years (March 31, 2018: 14.08 years)

b) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any contructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 368.15 Lakh (March 31, 2018: ₹ 360.77 Lakh)

33. COMMITMENTS AND CONTINGENCIES

A. Commitments

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Property, plant and equipment	4,016.81	1,347.86

B. Contingent Liabilities

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Excise duty and Service Tax (Excluding Interest and Penalty)	791.00	786.52
Bank Guarantee	1,844.92	1,524.76
Letter of Credits	2,640.46	4,394.34

i. Council of Scientific & Industrial Research (CSIR)

The Company has taken financial assistance from Council of Scientific & Industrial Research (CSIR) of ₹ 485 Lakh to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology by CSIR.

The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and accepted by NCL and also third party engineering firm appointed by CSIR.

CSIR is demanding repayment of the financial assistance and the matter was under Arbitration as GBL had given the consent for arbitration during 2014 and have been constantly following up with CSIR and did not receive any response. During March 2019 an Arbitration petition was filed by CSIR at Delhi High Court under section 11 (6)to which company's advocate has filed a reply stating that The Application under Section 11 (6) of the Act is barred by time.

ii. National Green Tribunal

National Green Tribunal (NGT) has permitted Prof. C. R. Babu, CEMDE, University of Delhi, for Bio-remediation of contaminated soil and surface water bodies at Sakarwadi. The work order was released by Central Pollution Control Board (CPCB) on Prof Babu for Phytoremediation of distillery waste. The process of Bio-remediation is progressing and will continue till December 2019. Plants growth has been reported with detoxificaiton via bacterial assisted phytoremediation under progress. Hearing posted for 9th August 2019

III. Sale of Extra Neutral Alcohol (ENA) to Bottling Plant

The Company has sold ENA (Qty 11,410 KL Value ₹ 5163.80 Lakh in the year 2018-19 and Qty 19,650 KL Value ₹ 9055.95 Lakh n the period July 2017- March 18) to various customer of IFL (potable industry) without GST. As per law , ENA is chargeable under GST. The Customers have interpreted that GST is not applicable to IFL (potable industry) and customers have voluntered and have given undertaking for reimbursement of tax plus interest whenever department of taxes may raise notices for the same. The matter was referred to GST Council by Indian Sugar Mills Assocication and followed by reminders. However in view of difference of opinion, GST Council has referred the matter to Advocate General of India for his opinion. GST Council is yet to communicate its decision on the matter as on date.

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash flows except Letter of Credits , in respect of matters stated above. Letter of Credits are due within three to six months"

C. Financial Guarantees

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Guarantee/security given by the Company for loan taken by:		
Solar Magic Private Limited (Sustainable Agro -Commerical Finance Ltd)	73.03	98.46
Solar Magic Private Limited (Corporation Bank)	503.10	494.79
Solar Magic Private Limited (Ratnakar Bank Limited)	-	3.63

34. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party	Country of Incorporation
List of related parties :		
Subsidairy	Solar Magic Private Limited	India
	Cayuga Investment B.V.	Netherlands
Fellow Subsidairy	Godavari Biorefineries B.V.	Netherlands
	Godavari Biorefineries INC.	U.S.A.
Associate	Pentokey Organy (India) Limited	India
	The Book Centre Limited	India
Enterprises over which Key management personnel are able to exercise significant influence	Somaiya Properties and Investments Private Limited	India
	Somaiya Agencies Private Limited	India
	Jasmine Trading Co. Private Limited	India
	K. J. Somaiya & Sons Private Limited	India
	Lakshmiwadi Mines & Minerals Private Limited	India
	Somaiya Chemical Industries Private Limited	India
	Sakarwadi Trading Company Limited	India
	Arpit Limited	India
	Filmedia Communication System Private Limited	India
	Zenith Commercial Agency Private Limited	India
	Amrita Travels Private Limited	India
	Somaiya Vidyavihar	India
	K. J. Somaiya Medical Trust	India
	K. J. Somaiya Institute of Applied Agricultural Research	India
Key Management Personnel	Samir S. Somaiya (Chairman and Managing Director)	
	Vinay V.Joshi (Executive Director)	
	Shrinivas N. Bableshwar (Director - Works up to 14th August, 2018)	
	Bhalachandra R. Bakshi (Director - Works w.e.f. 01st June, 2018)	
	Mohan Somanathan (Director - Works)	
	Werner Wutscher (Non Executive Director)	
	Preeti Singh Rawat (Non Executive Women Director)	
	Kailash Pershad (Independent Director)	
	Jayendra Shah (Independent Director)	
	Uday Garg (Nominee Director)	
	K V Raghavan (Independent Director - till 12th October, 2017)	
	Lakshmikantam Mannpalli (Additional Director - w.e.f 28th November, 2017)	
	N. S. Khetan (Chief Financial Officer)	
	Swarna S Gunware (Company Secretary - w.e.f 18th October, 2017)	
	Nishi Vijayvargia (Company Secretary - till 13th October, 2017)	
Relatives of Key Management Personnel	Maya S. Somaiya	
	Harinakshi Somaiya	

(ii) Transactions with related parties

The following transactions occurred with related parties (₹ in Lakh)

Name	Nature of Transaction	March 31, 2019	March 31, 2018
Solar Magic Private Limited			
	Loans and Advances Given/(Recd)	(305.10)	461.11
	Interest income Received	65.07	55.02
	Purchases	8.93	9.58
Cayuga Investments B.V.	Investments in Equity Shares	-	700.00
Godavari Biorefineries INC.	Commission/ Reimbursement of Expenses	219.61	158.25
Godavari Biorefineries B.V.	Commission/ Reimbursement of Expenses	392.43	286.83
	Sales	447.20	174.21
The Book Centre Limited	Purchases	41.51	31.85
Pentokey Organy (India) Limited	Purchases	624.21	215.28
	Sales	-	194.68
K.J, Somaiya Institute of Applied Agricultural Research	Purchases	28.51	27.81
	Donation paid	100.00	95.00
Amrita Travel Private Limited	Purchases	83.32	24.06
Zenith Commercial Agency Private Limited	Purchases	8.07	7.85
Arpit Limited	Purchases	4.42	6.25
	Rent paid	1.42	1.41
	Sales	191.52	288.66
Somaiya Agencies Private Limited	Purchases	1.83	1.31
Jasmine Trading Co. Private Limited	Rent paid	110.45	109.75
Somaiya Properties & Investments Private Limited	Rent paid	64.76	66.90
Somaiya Chemicals Industries Private Limited	Rent paid	2.44	2.09
	Advance Given	-	35.00
K. J.Somaiya & Sons Private Limited	Rent paid	25.58	16.55
	Royalty paid	164.18	137.64
Filmedia Communications System Private Limited	Service Charges paid	9.59	7.22
Somaiya Vidyavihar	Donation paid	66.92	31.90
	Mobile application Development	17.70	-
	Training Expenses paid	5.29	7.04
Samir S. Somaiya	Remuneration paid	237.64	203.65
	Purchases	10.37	15.47
Vinay V. Joshi	Remuneration paid	78.76	75.23
Shrinivas N. Bableshwar	Remuneration paid	14.72	47.25
Mohan Somanathan	Remuneration paid	45.33	35.18
Shri N S Khetan	Remuneration paid	69.53	61.07
Swarna S Gunware	Remuneration paid	8.77	3.50
Nishi Vijayavargia	Remuneration paid	-	8.64
Bhalchandra R. Bakshi	Remuneration paid	26.35	-
Harinakshi Somaiya	Salary paid	5.01	5.01
	Purchases	2.17	0.89
Maya S. Somaiya	Purchases	1.22	2.60
Shri Jayendra Shah	Director's fees paid	2.00	1.81
Shri K. V. Raghavan	Director's fees paid	-	0.81
Shri Kailash Pershad	Director's fees paid	3.00	2.81
Shri Lakshmikantam Mannpalli	Director's fees paid	2.40	1.40
Dr. Preeti Rawat	Director's fees paid	0.75	1.00
Mandala Capital Ag Limited	Director's fees paid	2.65	2.61
Shri Werner Wutscher	Director's fees paid	0.55	0.03

(iii) Outstanding balances arising from sales/purchases of goods and services (₹ in Lakh)

Name	March 31, 2019	March 31, 2018
Investments		
Solar Magic Private Limited *	345.00	345.00
Cayuga Investments BV	1,001.92	1,001.92
(* Excludes IND AS adjustments)		
Trade Receivables		
Godavari Biorefineries BV	123.78	49.46
Somaiya Properties & Investments Pvt. Ltd.	-	0.03
Arpit Limited	24.60	28.85
Trade Payables		
Solar Magic Private Limited	0.45	0.40
Godavari Biorefineries INC.	56.46	21.87
Godavari Biorefineries BV	80.93	19.04
The Book Centre Ltd.	2.82	0.08
Pentokey Organy (India) Limited	57.43	-
Arpit Limited	0.39	-
K.J.Somaiya & Sons Pvt. Ltd.	0.50	4.21
Somaiya Vidyavihar	0.75	1.26

(iv) Loans to related parties (₹ in Lakh)

Name	March 31, 2019	March 31, 2018
Solar Magic Private Limited	456.59	761.69

(v) Other balances with related parties (₹ in Lakh)

Name	March 31, 2019	March 31, 2018
Samir S. Somaiya	(1.36)	(1.36)
Somaiya Chemicals Industries Pvt. Ltd.	35.00	35.00
Amrita Travel Private Limited	-	22.50

(vi) Key management personnel compensation (₹ in Lakh)

	March 31, 2019	March 31, 2018
Director sitting fees	11.35	10.46
Short term employee benefits	474.15	439.52
Post-employment benefits	-	-
Other long term employee benefits	-	-
	485.50	**449.98**

The amount of post employment benefits and long term employee benefits cannot be separately identified from the composit figure advised by the actuary/valuer.

(vii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has given guarantee/security to the lenders of subsidiary companies amounting to ₹ 576.13 Lakh (March 31, 2018: ₹ 596.88 Lakh). For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amount owed by related parties March 2019 NIL (March 31, 2018: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

35. SEGMENT REPORTING

A. For management purposes, the Company is organized into following four business units based on the risks and rates of returns of the products offered by these unit as per Ind AS 108 on 'Operating Segment' :

Sugar
Cogen
Chemicals
Distillery

No operating segments have been agrregated to form the above reportable operating segment

The Managing Director (MD) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2019 (₹ in Lakh)

Particulars	Sugar	Cogen	Chemicals	Distlliery	Interunit Transfer	Unallocated	Total
Revenue							
External Revenue / Operating Revenue	63,881.03	3,355.60	60,919.58	26,070.62	-	-	154,226.83
Inter-segment	12,147.60	5,765.62	-	6.50	(17,919.72)	-	-
Total revenue	**76,028.64**	**9,121.22**	**60,919.58**	**26,077.12**	**(17,919.72)**	**-**	**154,226.83**
Other Non Operating Income							
Other Income	1,029.41	29.38	(26.30)	10.70	-	260.28	1,303.47
	1,029.41	29.38	(26.30)	10.70	-	260.28	1,303.47
Total revenue	**77,058.04**	**9,150.60**	**60,893.28**	**26,087.82**	**(17,919.72)**	**260.28**	**155,530.30**
Segment profit							
Operating Profit Before Interest Expense	(1,153.95)	1,593.91	2,768.85	6,648.91	-	(740.55)	9,117.17
Interest Expense	-	-	-	-	-	8,892.44	8,892.44
Tax Expenses	-	-	-	-	-	40.84	40.84
Net Profit / (Loss)	-	-	-	-	-	-	183.89
Segment Asset	53,630.78	2,858.75	21,402.41	7,115.62	-	3,188.86	88,196.42
Capital assets including CWIP	30,135.31	10,234.48	16,829.56	17,622.57	-	1,148.83	75,970.75
Total Segment Asset	**83,766.09**	**13,093.23**	**38,231.97**	**24,738.19**	**-**	**4,337.69**	**164,167.17**
Total Segment Liabilities	**97,378.59**	**782.89**	**24,731.12**	**4,562.53**	**-**		**127,455.13**
Other disclosures							
Capital expenditure	35.33	138.24	209.38	100.45	-	114.41	597.81
Segment Depreciation	2,110.67	934.65	672.34	1,133.84	-	109.11	4,960.61
Non cash expenses other than Depreciation	-	-	-	-	-	-	-

Year ended March 31, 2018 (₹ in Lakh)

Particulars	Sugar	Cogen	Chemicals	Distlliery	Interunit Transfer	Unallocated	Total
Revenue							
External Sales Revenue	55,204.68	3,646.51	48,790.17	15,654.08	-	-	123,295.44
Inter-segment	7,852.48	6,574.86	7.14	-	(14,434.49)	-	-
Total revenue	**63,057.16**	**10,221.37**	**48,797.31**	**15,654.08**	**(14,434.49)**	**-**	**123,295.44**
Other Non Operating Income							
Other Income	84.25	-	130.03	-	-	260.21	474.49
	84.25	-	130.03	-	-	260.21	474.49
Total revenue	**63,141.41**	**10,221.37**	**48,927.34**	**15,654.08**	**(14,434.49)**	**260.21**	**123,769.93**
Segment Result							
Operating Profit Before Interest Expense	(1,102.22)	377.94	1,387.85	5,387.62	-	(355.81)	5,695.38
Interest	-	-	-	-	-	8,752.62	8,752.62
Tax Expenses	-	-	-	-	-	(856.53)	(856.53)
Net Profit / (Loss)	**-**	**-**	**-**	**-**	**-**	**-**	**(2,200.71)**

Particulars	Sugar	Cogen	Chemicals	Distlliery	Interunit Transfer	Unallocated	Total
Segment Asset	54,106.08	2,503.65	24,370.88	6,169.38	-	3,198.08	90,348.07
Capital assets including CWIP	32,316.17	11,009.39	16,833.86	13,685.95	-	1,047.43	74,892.80
Total Segment Asset	**86,422.25**	**13,513.04**	**41,204.74**	**19,855.33**	**-**	**4,245.51**	**165,240.87**
Total Segment Liabilities	**98,959.83**	**1,936.29**	**26,645.36**	**2,832.37**	**-**		**130,373.85**
Other disclosures							
Capital expenditure	452.95	581.35	453.13	8,147.28	-	695.35	10,330.06
Segment Depreciation	2,098.90	906.27	686.17	1,073.43	-	103.67	4,868.44
Non cash expenses other than Depreciation	(0.98)	-	36.50	1.15	-	-	36.67

Adjustments and eliminations

Finance income and costs, and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property,plant and equipment and intangible assets.

B. Information about geographical areas

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

(₹ in Lakh)

	March 31, 2019	March 31, 2018
India	118,807.51	100,549.76
Outside India	35,419.32	22,745.68
	154,226.83	**123,295.44**

All non current assets of the Company are located in India.

Revenue from Major Customers

Revenue from customers exceeding 10% of total revenue for the year ended March 31, 2019 and March 31, 2018 were as follows:

(₹ in Lakh)

Segment	March 31, 2019		March 31, 2018	
	Number of Customers	Revenue	Number of Customers	Revenue
Sugar	2	23,806.68	2	15,028.27
Cogen	5	3,341.69	4	3,222.91
Chemical	1	7,300.27	1	5,053.10
Distillery	2	7,821.67	1	7,500.02
		42,270.31		**30,804.30**

36. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(₹ in Lakh)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	13,925.46	12,758.10	13,925.46	12,758.10
Loans	456.59	761.68	456.59	761.68
Cash and Cash Equivalents	87.35	267.87	87.35	267.87
Other Bank Balances	3,458.35	4,044.91	3,458.35	4,044.91
Security Deposits	374.73	343.66	374.73	343.66
Other Financial Assets	3,855.51	663.38	3,855.51	663.38

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FVTPL				
Investments in Preference Shares	0.01	0.01	0.01	0.01
Derivative financial assets	262.49	-	262.49	-
Total	**22,420.50**	**18,839.61**	**22,420.50**	**18,839.61**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	78,750.69	93,835.10	78,750.69	93,835.10
Trade Payables	42,760.69	28,522.29	42,760.69	28,522.29
Other financial liabilities	4,147.04	4,969.27	4,147.04	4,969.27
FVTPL				
Derivative financial liabilities	-	59.28	-	59.28
Total	**125,658.42**	**127,385.94**	**125,658.42**	**127,385.94**

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and non current security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement: (₹ in Lakh)

Particulars	March 31, 2019			Total	March 31, 2018			Total
	Fair value measurement using				Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)”		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)”	
Financial Assets								
Financial Investments at FVTPL								
Investments in Preference Shares	-	-	0.01	0.01	-	-	0.01	0.01
Indemnification assets								
Derivatives - Foreign Exchange forward contract	-	262.49	-	262.49	-	-	-	-
Total Financial Assets	**-**	**262.49**	**0.01**	**262.50**	**-**	**-**	**0.01**	**0.01**
Financial Liabilities								
Derivatives - Foreign Exchange forward contract	-	-	-	-	-	59.28	-	59.28
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**59.28**	**-**	**59.28**

iii. Fair value measurement

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments which are traded in the stock 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 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 are not based on observable market data, the instrument is included in level 3. This is the case for unquoted equity shares.

There have been no transfers among Level 1, Level 2 and Level 3 during the period

iv. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

37. FINANCIAL RISK MANAGEMENT

The company's activity expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the company, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i. Credit risk management

To manage the credit risk, Company periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the company for extension of credit to Customer. Company monitors the payment track record of the customers, restrict credit limited in SAP, credit rating etc. Concentrations of credit risk are limited as a result of the company's large and diverse customer base. Company has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which company has also availed borrowings.

ii. Provision for expected credit losses - Trade Receivables

The company follows 'simplified approach' for recognition of loss allowance on Trade receivables.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Exposure - Trade Receivables (₹ in Lakh)

Particulars	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31,2019	12,885.28	1,040.17	13,925.45
As at March 31,2018	12,318.83	439.27	12,758.10

iii. Reconciliation of loss allowance provision - Trade receivables (₹ in Lakh)

Particulars	
Loss allowance on April 1, 2017	**115.06**
Changes in loss allowance	29.62
Loss allowance on March 31, 2018	**144.68**
Changes in loss allowance	27.00
Loss allowance on March 31, 2019	**171.68**

iv. Provision for expected credit losses - Other financial assets

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 8,232.54 Lakh (March 31, 2018: ₹ 6,081.49 Lakh). The company does not expect credit loss on other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that a company may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities **(₹ in Lakh)**

Particulars	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2019				
Non-derivatives				
Borrowings	78,750.69	65,262.21	13,488.48	
Trade payables	42,760.69	42,760.69	-	-
Other financial liabilities	4,147.04	4,138.06	8.98	-
Total non derivative liabilities	**125,658.42**	**112,160.95**	**13,497.46**	**-**
March 31, 2018				
Non-derivatives				
Borrowings	93,835.10	80,012.29	13,032.00	790.80
Trade payables	28,522.28	28,522.28	-	-
Other financial liabilities	4,969.27	4,960.29	8.98	-
Total non derivative liabilities	**127,326.64**	**113,494.86**	**13,040.98**	**790.80**
Derivatives				
Foreign exchange forward contracts	59.28	59.28	-	-
Total derivative liabilities	**59.28**	**59.28**	**-**	**-**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

(i) Foreign currency risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not Company's functional currency (₹). The Company has natural hedge of exports against import and any excess in import if any, is cover by forward contract.

(a) Foreign currency risk exposure

(₹ in Lakh)

	USD	EURO	Total
March 31, 2019			
Trade Receivables	3,125.31	1,066.25	4,191.56
Trade Payables	(5,721.73)	(80.93)	(5,802.66)
Forward contracts for receivables	(738.06)	(1,006.26)	(1,744.33)
Forward contracts for payables	3,606.74	-	3,606.74
Net exposure to foreign currency risk	**272.25**	**(20.94)**	**251.31**
March 31, 2018			
Trade Receivables	3,662.56	1,664.94	5,327.49
Trade Payables	(9,198.32)	(19.46)	(9,217.78)
Forward contracts for receivables	(93.21)	(1,531.12)	(1,624.33)
Forward contracts for payables	4,075.08	-	4,075.08
Net exposure to foreign currency risk	**(1,553.89)**	**114.36**	**(1,439.54)**

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in Lakh)

	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	2.72	(2.72)	(15.54)	15.54
EURO	(0.21)	0.21	1.14	(1.14)
Net Increase/(decrease) in profit or loss	2.51	(2.51)	(14.40)	14.40

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Various variables are considered by the management in strucutring the Company's borrowings to achieve a reasonable and competitive cost of funding.

However during the periods presented in the financial statements, the Company has primarily borrowed funds under fixed interest rate arrangements with banks and financial institutions and therefore the Company is not significantly exposed to interest rate risk.

(iii) Inventory price risk

The company is exposed to the movement in price of principal finished product i.e sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Company monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant is given in table below:

(₹ in Lakh)

Rate sensitivity	Increase / Decrease In sale price (per Qtls)	Effect on Profit before tax	
For year ended March 31,2019	1	+ / (-)	13.06
For year ended March 31,2018	1	+ / (-)	15.17

38. CAPITAL MANAGEMENT

For the purpsoe of the company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and other bank balances.

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Borrowings	78,750.69	93,835.10
Trade payables	42,760.69	28,522.29
Other payables	4,147.04	5,028.55
Less: Cash and cash equivalents	(87.35)	(267.87)
Less: Other bank balance	(3,458.35)	(4,044.91)
Net Debt	**122,112.71**	**123,073.16**
Equity share capital	3,837.59	3,763.76
Other equity	32,874.44	31,103.26
Total Equity	**36,712.03**	**34,867.02**
Total Equity and Net Debt	**158,824.74**	**157,940.18**
Gearing ratio	**0.77**	**0.78**

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

39. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Principal amount due to suppliers under MSMED Act, 2006*	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

40. DISCLOSURES REQUIRED UNDER SECTION 186(4) OF THE COMPANIES ACT, 2013

(₹ in Lakh)

Name of the Party	Nature	Purpose	Rate of interest	March 31, 2019	March 31, 2018
Solar Magic Private Limited	Loan	Working Capital	8.00%	456.59	761.69
Solar Magic Private Limited	Corporate Gurantee, Comfort Letter	Working Capital	-	576.14	596.88

41. CANE SUBSIDY CLAIM

During the current financial year Central Government vide notification No. 1(14)/2018-S.P.-I. dated 5th October 2018, notified following Schemes for Assistance to Sugar Mills with a view to offset the costs incurred and facilitate timely payment of cane price dues of farmers for sugar season 2018-19 and cane price arrears of previous sugar seasons:

1. An assistance of ₹ 138.80/MT of cane crushed for cane season 18-19 for production of sugar.
2. An assistance of ₹ 2500/MT of sugar exported or actual transportation cost incurred for exporting sugar (lower of the two).

subject to fulfilment of following conditions:

1. Company should have supplied at least 80% of contracted indented quantity of ethanol to Oil Marketing Companies during the period December 18 to November 19, up to the preceding month during which the claim is submitted to DFPD on completion of other requisite parameters.
2. Company should have filed updated online return in Proforma-II as prescribed by DFPD under the provisions of Sugar (Control) Order, 1966.
3. Company should have fully complied with all the orders/directives of DFPD to the company for compliance during sugar season 2018-19 till the date of submission of the claim.
4. Complete export of allotted sugar quota of 28,846 MT upto 30th September 2019."

The company has upto 31/03/2019 achieved following figures.

Particulars	Ethanol	Sugar
Total Quota	3,57,10,670 Ltrs.	28,846 MT
Required Quota	2,85,68,536 Ltrs.*	28,846 MT
Completed Qty.	2,14,97,000 Ltrs.	14,034 MT
% Completion against the required quota	75.25%	48.65%

*80 % of 3,57,10,670 Ltrs.

The company has sufficient stock of Sugar, Ethanol and B Heavy Molasses to manufacture Ethanol to complete the total Required Quota. Also, the company has necessary export orders in hand to achieve the sugar export quota. The Company has achieved required quota of Ethanol and 100 % sugar Export as at 30th June 2019.

Based on quota achieved till 31/03/2019 and capability to achieve the balance quota, the assistance of ₹ 2397.46 Lakh as cane subsidy and ₹ 350.85 Lakh as export transportation cost subsidy has been accounted for during the year. The cane subsidy has been offset against the cost of cane purchased and considered for inventory valuations and transport subsidy has been offset against the cost of transportation incurred for exports made.

42. AGRICULTURAL LAND PROFIT

During the year the company has sold agricultural land admeasuring 50.03 acres. Total consideration received against the sale is ₹ 680.85 Lakh. The company has accounted ₹ 503.89 Lakh as gain on sale of land. The company has accounted the profit on basis of following revenue recognition policy:

1. All monies of the sale have been received on or before 31/03/2019.
2. Possession of the land has been handed over to the buyer as on 31/03/2019.
3. Sale agreement has been executed on or before 31/03/2019."

43. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. IndAS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements **1 to 43**

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July 2019

For and on behalf of the Board of Directors

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

Consolidated Financial Statement

Auditors’ Report

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF

Godavari Biorefineries Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Godavari Biorefineries Limited (hereinafter referred to as the 'Holding Company") and its subsidiaries [(the Holding Company, its subsidiaries (including a step down subsidiary) together referred to as "the Group")] which comprise the consolidated Balance Sheet as at March 31, 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records. (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and joint venture entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in subparagraph 15 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Other Information

4. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the [information included in the Board of Directors report, but does not include the consolidated financial statements and our auditor's report thereon.]

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

6. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 16 and 17 below), we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

7. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

8. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

9. The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

11. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: • Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. • Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation. • Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

15. The consolidated Ind AS financial statements include the financial statements of four subsidiaries, whose financial

statements reflect total assets of ₹ 31.49 crore as at March 31, 2019, total revenues of ₹ 21.82 crore and net cash inflows amounting to ₹ 3.06 crore for the year ended on that date, as considered in the consolidated Ind AS financial statements, which have not been audited by us.

These financial statements have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the financial statements of , one unaudited subsidiary located outside India and three audited subsidiaries of which one is located in India and two are located outside India which have been Audited by other Auditors whose reports have been furnished to us by the management .

Three subsidiaries are located outside India whose financial statements have been prepared in accordance with accounting principles generally accepted in their respective countries, under generally accepted auditing standards applicable in their respective countries. The Parent's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Parent's management. Our opinion in so far as it relates to the amounts and disclosures included in respect of said subsidiaries located outside India is based on the conversion adjustments prepared by the management of the parent and audited by us.

The comparative financial statements for the year ended March 31, 2019 in respect of four subsidiaries included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been furnished to us by the Management and have been relied upon by us.

The Parent's management has converted the financial statements of three subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. Our opinion in so far as it relates to the amounts and disclosures included in respect of said subsidiaries located outside India is based on the conversion adjustments prepared by the management of the parent and have been relied upon by us.

Our opinion on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of above matter with respect to our reliance on the work done and the reports of other Auditors of three subsidiaries and unaudited financial statements of one subsidiary furnished to us by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of other Auditors of three subsidiaries and unaudited financial statements of one subsidiary furnished to us by the Management as noted in the "Other Matters" paragraph

we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and unaudited financial statements of one subsidiary and Audited financials with Audit reports of the other Auditors of three subsidiaries submitted by the Management.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, and the Consolidated Cash Flow Statement and Consolidated Statement of Change in Equity dealt with by this report are in agreement with the relevant financial statements adopted and related working statements maintained for the purpose of preparation of the Consolidated Financial Statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2019 taken on record by the Board of Directors of the Parent and of its subsidiary company, incorporated in India, none of the directors of the respective companies, are disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls; refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Parent's internal financial controls over financial reporting.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the unaudited financial statements of one subsidiary located outside India and audited financial statements of three subsidiaries of which one is located in India and two are located outside India which have been Audited by other Auditors whose reports have been furnished to us by the management as noted in the 'Other Matter' paragraph to the extent applicable:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

ii. there are no material foreseeable losses arising out of any long-term contracts for which provision is required to be made under any law or accounting standards.

   The Holding Company has made provision in respect of derivative contracts as required under the applicable law or accounting standard;

iii. The holding company and subsidiary company do not have any unpaid dividend amount. Accordingly, there is no amount, required to be transferred, to the Investor Education and Protection Fund; and

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N.043599

Place: Mumbai
Date: 24th July, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph "f" under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Godavari Biorefineries Limited (hereinafter referred to as "Parent") and its subsidiary company (hereinafter referred to as the "Group"), which includes internal financial controls over financial reporting of companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Parent, which is a company incorporated in India, is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI").

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, which is a company incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note issued by ICAI and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary company, incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion to the best of our information and according to the explanations given to us the Parent, which is a company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note.

For Verma Mehta & Associates
Chartered Accountants
Firm's Registration No: 112118W

Vimlesh Mehta
Partner
M.N.043599

Place: Mumbai
Date: 24th July, 2019

(₹ in Lakh)

Particulars	Notes	March 31, 2019	March 31, 2018
ASSETS			
Non-Current Assets			
(a) Property, Plant and Equipment	4	69,424.83	74,521.93
(b) Capital Work-in-Progress	4	6,739.87	612.32
(c) Intangible Assets	5	36.96	10.76
(d) Investments in Associates	6	4.71	4.71
(e) Financial Assets			
(i) Investments	6A	0.01	0.01
(ii) Other Financial Assets	6B	374.73	330.66
(f) Deferred Tax Asset (Net)	12	1,484.07	1,538.60
(g) Other Non-Current Assets	11	1,108.30	1,128.73
		79,173.48	**78,147.72**
Current assets			
(a) Inventories	7	56,933.16	62,640.67
(b) Financial Assets			
(i) Trade Receivables	8	14,699.88	13,962.10
(ii) Cash and Cash Equivalents	9	524.91	399.49
(iii) Bank Balances Other than (ii) above	10	3,458.35	4,044.91
(iv) Other Financial Assets	6B	4,217.74	787.33
(c) Other Current Assets	11	5,120.20	5,062.22
		84,954.24	86,896.72
TOTAL		**164,127.72**	**165,044.44**
EQUITY AND LIABILITIES			
Equity			
(a) Equity Share capital	13	3,837.59	3,763.76
(b) Other Equity	14	32,047.51	29,975.74
		35,885.10	**33,739.50**
Liabilities			
Non Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	13,512.58	13,865.34
(ii) Other Financial Liabilities	16	8.98	8.99
(b) Provisions	19	199.94	120.50
(c) Other Non-Current Liabilities	18	625.16	837.86
		14,346.66	**14,832.69**
Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	64,343.40	75,612.34
(ii) Trade Payables	17		
Micro, Small and Medium Enterprises		-	-
Others		42,905.25	28,703.53
(iii) Other Financial Liabilities	16	5,648.51	10,004.22
(b) Other Current Liabilities	18	583.58	1,754.54
(c) Provisions	19	401.41	397.62
(d) Current Tax Liabilities (Net)	20	13.81	-
		113,895.96	**116,472.25**
TOTAL		**164,127.72**	**165,044.44**
Significant Accounting Policies and Notes on Account form an integral part of the financial statements.	1 to 43		

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

(₹ in Lakh)

Particulars	Notes	2018-19	2017-18
REVENUE			
Revenue from operations (net)	22	155,222.92	124,666.93
Other income	23	1,409.84	635.36
Total Revenue (I)		**156,632.76**	**125,302.29**
EXPENSES			
Cost of materials consumed	24	105,078.66	98,631.29
Purchases of stock-in-trade	25	1,269.66	1,478.81
Changes in inventories of finished goods, work-in-process and Stock-in-Trade	26	6,027.10	(12,810.61)
Excise duty		-	1,493.41
Employee benefits expense	27	8,139.72	7,545.56
Finance costs	28	8,987.55	8,834.17
Depreciation and amortization expense	29	4,983.00	4,887.05
Other expenses	30	21,508.97	17,947.79
Total Expenses (II)		**155,994.66**	**128,007.47**
Profit/(loss) before tax		**638.10**	**(2,705.18)**
Tax expense:			
Current tax		13.88	20.11
Deferred tax		69.93	(817.09)
Profit/(loss) for the period		**554.29**	**(1,908.20)**
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
Remeasurement of gains (losses) on defined benefit plans		(49.36)	(127.64)
Income tax effect		15.40	39.44
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:			
Exchange differences in translating the financial statements of a foreign operation		(35.85)	31.19
Other Comprehensive income for the year, net of tax		**(69.81)**	**(57.01)**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX		**484.48**	**(1,965.21)**
Earnings per share for profit attributable to equity shareholders	32		
Basic EPS and Diluted EPS		1.46	(5.16)
Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements	1 to 43		

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(DIN : 00300227)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

(₹ in Lakh)

Particulars	2018-19	2017-18
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit / (Loss) before income tax from:	**638.10**	**(2,705.18)**
Adjustments for:		
Depreciation and amortisation expense	4,983.00	4,887.05
Profit / (Loss) on Sale of Property,Plant and Equipment	(344.60)	36.67
Sundry Debit/(Credit) Balances Written Off/Back (Net)	(88.15)	17.02
Allowance for Doubtful Debts / Advances	27.00	219.22
Write down of inventories (stores)	20.00	40.00
Interest income classified as investing cash flows	(368.00)	(304.83)
Interest and finance charges	8,987.55	8,834.17
Profit on sales of Investment	-	(0.70)
Government grant income	(23.35)	(23.35)
Unrealised foreign currency (gain)/loss	(353.00)	31.04
Change in operating assets and liabilities:		
Trade payables	14,201.69	17,005.57
Other liabilities	(1,546.93)	694.14
Provisions	33.87	42.26
Trade receivables	(676.64)	(8,006.24)
Inventories	5,687.51	(12,608.42)
Other assets	(2,543.93)	(1,915.22)
Cash generated from operations	**28,634.12**	**6,243.20**
Less: Income taxes (paid) refund received	(66.04)	(21.70)
Net cash inflow from operating activities	**28,700.16**	**6,264.90**
CASH FLOWS FROM INVESTING ACTIVITIES:		
Payments for purchase of property, plant and equipment (net)	(6,867.81)	(3,096.19)
Proceed from sale of property, plant and equipment	1,031.34	25.41
Proceed from sale of investment	-	6.52
Interest received	378.96	242.64
Net cash outflow from investing activities	**(5,457.51)**	**(2,821.62)**
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from (Repayment of) non current borrowings	(3,836.21)	(3,342.38)
(Decrease) / Increase in current borrowings	(11,268.95)	7,063.53
Issue of share capital including share premium (net)	1,661.12	1,183.13
Interest and finance charges paid	(9,673.19)	(8,511.09)
Net cash inflow (outflow) from financing activities	**(23,117.23)**	**(3,606.81)**
Net increase (decrease) in cash and cash equivalents	125.42	(163.53)
Cash and Cash Equivalents at the beginning of the financial year	399.49	563.02
Cash and Cash Equivalents at end of the year	**524.91**	**399.49**
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks:		
- On current accounts	480.87	295.27
- Deposits with original maturity of less than three months	34.67	91.78
Cash on hand	9.37	12.44
Balances per statement of cash flows	**524.91**	**399.49**

Notes:
1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.
2. Previous years figures have been regrouped/rearranged/recast wherever necessary to conform to this year's classification.

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements 1 to 43

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

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Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

A Equity Share Capital

(₹ in Lakh)

Particulars	Balance at the Beginning of the period	Changes in Equity share capital during the year	Balance at the end of the period
March 31, 2018			
Numbers	3,69,52,347	6,85,286	3,76,37,633
Amount	3,695.23	68.53	37,63.76
March 31, 2019			
Numbers	3,76,37,633	7,38,275	3,83,75,908
Amount	3,763.76	73.83	3,837.59

B Other Equity

(₹ in Lakh)

Particulars	Reserves and Surplus					Total
	Securities Premium Reserve	General Reserve	Debenture Redemption Reserve	Retained Earnings	Exchange differences on translating the financial statements of a foreign operation	
As at March 31, 2017	**17,494.95**	**1,865.38**	**573.50**	**10,821.12**	**71.41**	**30,826.35**
Profit for the period	-	-	-	(1,908.20)	-	(1,908.20)
Other comprehensive income	-	-	-	(88.20)	31.19	(57.01)
Total comprehensive income for the year	**-**	**-**	**-**	**(1,996.40)**	**31.19**	**(1,965.20)**
Issue of equity shares	1,114.60	-	-	-	-	**1,114.60**
Prior period adjustment						-
As at March 31, 2018	**18,609.55**	**1,865.38**	**573.50**	**8,824.72**	**102.60**	**29,975.74**
Profit for the period	-	-	-	554.29	-	554.29
Other comprehensive income	-	-	-	(33.96)	(35.85)	(69.81)
Total comprehensive income for the year	**-**	**-**	**-**	**520.33**	**(35.85)**	**484.48**
Issue of equity shares	1,587.29	-	-	-	-	1,587.29
As at March 31, 2019	**20,196.84**	**1,865.38**	**573.50**	**9,345.04**	**66.75**	**32,047.51**

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

1 Corporate Information

These statements comprise financial statements of Godavari Biorefineries Limited (CIN: U67120MH1956PLC009707) (the Holding Company) and its subsidiaries (collectively, 'the Company' or ' the Group') for the year ended March 31, 2019. The holding company is a public company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. Its Equity share are unlisted and debentures (bonds) are listed on Bombay Stock Exchange in India. The registered office of the company is located at Somaiya Bhavan, 45/47, Mahatma Gandhi Road, Fort, Mumbai - 400 001.

The Group is principally engaged in the manufacturing of sugar, power generation, chemicals, distillery and other bio products. The financial statements were approved by the Board of Directors and authorised for issue on 24th July, 2019.

2 Significant Accounting Policies

2.1 Basis of preparation

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies(Indian Accounting Standards)(Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

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

The Consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value or revalued amount:

- Derivative financial instruments,
- Certain financial assets and liabilities measured at fair value or at amortised cost depending on the classification(refer accounting policy regarding financial instruments),
- Employee defined benefit assets/(obligations) are recognised as the net total of the fair value of plan assets, plus actuarial losses, less actuarial gains and the present value of the defined benefit obligations.

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

2.2 Summary of significant accounting policies

(a) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date that control ceases.

A change in the owenership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

The acquisition method of accounting is used to account for business combinations by the group.

The group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

Profit or loss and each component of other comprehensive income (the 'OCI') are attributed to the equity holders of the parent of the Group and to the non controlling interests, even if this results in the non controlling interest having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring there accounting policies into line with the Group's accounting policies.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(b) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

National Green Tribunal (NGT) has permitted Prof. C. R. Babu, CEMDE, University of Delhi, for Bio-remediation of contaminated soil and surface water bodies at Sakarwadi. The work order was released by Central Pollution Control Board (CPCB) on Prof Babu for Phytoremediation of distillery waste. The process of Bio-remediation is progressing and will continue till December 2019. Plants growth has been reported with detoxificaiton via bacterial assisted phytoremediation under progress. Hearing posted for 16th July 2019.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

An item of property, plant and equipment and any significant part initially recognized is de-recognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the income statement when the Property, plant and equipment is de-recognized.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated on straight line method using the useful lives estimated by the management, which are equal to those prescribed under Schedule II to the Companies Act, 2013.If the management's estimate of the useful life of a item of property, plant and equipment at the time of acquisition or the remaining useful life on a subsequent review is shorter than the envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/ remaining useful life.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term. Leashold land is amortised on a straight line basis over the balance period of lease.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The residual values are not more than 5% of the original cost of the asset.

(c) Intangible assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use and disposal.

Losses arising from retirement and gains or losses arising from disposal of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss.

Amortisation methods and periods

Intangible assets comprising of patents are amortized on a straight line basis over the useful life of five years which is estimated by the management.

The estimated useful lives of intangible assets and the amortisation period are reviewed at the end of each financial year and the amortisation method is revised to reflect the changed pattern, if any.

(d) Research and development

Revenue expenditure pertaining to research is charged to the Statement of Profit and Loss. Development costs of products are also charged to the Statement of Profit and Loss in the year it is incurred, unless a product's technological feasibility has been established, in which case such expenditure is capitalised. These costs are charged to the respective heads in the Statement of Profit and Loss in the year it is incurred. The Fixed Asset utlised for research and development are capitalised and depreciated in accordance with the policies stated for Tangible Fixed Assets and Intangible Assets.

(e) Impairment of non financial assets

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

Impairment losses are recognized in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the entities operates ('the functional currency'). The financial statements are presented in Indian rupee (₹), which is Group's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in statement of profit or loss. Non monetary assets and liabilities are carried at cost.

(iii) Group companies

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognised in other comprehensive income.

(g) Financial Instruments

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

Initial Recognition

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 and ancillary costs related to borrowings) 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 Statement of Profit and Loss.

Classification and Subsequent Measurement: Financial Assets

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”) on the basis of following:

- the entity’s business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset.

(i) Amortised Cost

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

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

(ii) Fair Value through other comprehensive income

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(iii) Fair Value through Profit or Loss

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

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

Classification and Subsequent Measurement: Financial liabilities

Financial liabilities are classified as either financial liabilities at FVTPL or ‘other financial liabilities’.

(i) Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

(ii) Other Financial Liabilities:

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.

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.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

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.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(h) Financial liabilities and equity instruments

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.

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 a Company are recognised at the proceeds received.

(i) Taxes

(i) Current income tax

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

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

(ii) Deferred tax

Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

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

(iii) Minimum Alternate Tax

MAT payable for a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available in the statement of profit and loss as deferred tax with a corresponding asset only to the extent that there is probability that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The said asset is shown as 'MAT Credit Entitlement' under Deferred Tax. The Company reviews the same at each reporting date and writes down the asset to the extent the Company does not have probable certainty that it will pay normal tax during the specified period.

(j) Inventories:

Raw Materials are valued at lower of moving average cost or net realisable value.

Stores and Spares are valued at moving average cost.

Work-in-Progress stocks is converted into equivalent units of finished stocks. Work-in-Progress valued at lower of cost or net realisable value.

Finished stocks are valued at cost or net realisable value whichever is lower.

Bagasse, Molasses (including B Heavy Molasses) **and waste/scrap** generated in the production process are valued at net realisable value.

The valuation of inventories includes taxes, duties of non refundable nature and direct expenses and other direct cost attributable to the cost of inventory, net of excise duty/Goods and Service Tax/ countervailing duty / education cess and value added tax.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

(k) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of third parties.

The Company collects taxes such as GST, sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

Effective April 1, 2018, the company adopted Ind AS 115 "Revenue from Contracts with customers".

The following specific recognition criteria must also be met before revenue is recognized:

(i) Sale of goods

Revenue from sale of manufactured and traded goods is recognised when the substantial risks and rewards of ownership are transferred to the buyer under the terms of the contract.

Power sales are accounted as per the rate mentioned in Contracts entered with state governments and other entities.

(ii) Interest income

Interest income, including income arising from other financial instruments measured at amortized cost, is recognized using the effective interest rate method.

(iii) Dividend income

Dividends are recognised when right to receive is established.

(iv) Other income

Export benefits are accounted on the basis of completion of Export Obligation, which are to be received with a reasonable certainty.

(l) Employee Benefit Obligations:

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The earned leave obligations are presented as current liabilities in the balance sheet as the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans viz gratuity,

(b) defined contribution plans viz state governed provident fund scheme and employee pension scheme.

Gratuity obligations

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The plan assets are administered by the approved gratuity fund trust.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Defined contribution plans

The contribution paid/payable under the schemes is recognised during the period in which the employee renders the related service. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(m) Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

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

(n) Leases

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

(i) As a lessee

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

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

(ii) As a lessor

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases.

(o) Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non -occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

(p) Borrowing Costs:

Borrowing costs are interest and other costs that the Company incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate (EIR) applicable to the respective borrowing.

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.

(q) Segment Reporting - Identification of Segments

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the company's chief operating decision maker to make decisions for which discrete financial information is available. Based on the management approach as defined in Ind AS 108, the chief operating decision maker evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by business segments and geographic segments.

(r) Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(s) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

(t) Current/non current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

The company classifies all other liabilities as non-current.

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

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

(u) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

3 Significant accounting judgements, estimates and assumptions

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Critical estimates and judgements

(i) Fair value measurement of Financial Instruments

When the fair values of financials assets and financial liabilities recorded in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques which involve various judgements and assumptions.

(ii) Estimation of net realizable value for inventories

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified.

(iii) Recoverability of trade receivables

In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

(iv) Useful lives of property, plant and equipment/intangible assets

The Company reviews the useful life of property, plant and equipment/intangible assets at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

(v) Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under Note above.

(vi) Defined benefit plans

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

4. PROPERTY, PLANT AND EQUIPMENT

(₹ in Lakh)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	During the period	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Free Hold Land	24,334.84		(176.96)	24,157.88	-			-	24,157.88	24,334.84
Building	5,216.13		(44.26)	5,171.87	454.20	228.01	(3.11)	679.10	4,492.77	4,761.93
Plant and Equipments	53,899.57	381.27	(649.76)	53,631.09	9,064.29	4,607.73	(181.30)	13,490.71	40,140.37	44,835.41
Furniture and Fixtures	173.76	44.03	-	217.79	27.28	22.29	-	49.57	168.22	146.47
Vehicles	376.10	60.27	-	436.37	118.87	60.64	-	179.51	256.86	257.23
Office Equipments	189.48	21.87	-	211.35	48.28	35.67	-	83.95	127.40	141.20
Computer Hardwares	90.33	62.06	(0.20)	152.19	45.48	25.41	(0.03)	70.86	81.33	44.85
	84,280.21	**569.49**	**(871.18)**	**83,978.52**	**9,758.41**	**4,979.73**	**(184.44)**	**14,553.71**	**69,424.83**	**74,521.93**
Capital Work in Progress	612.32	6,332.57	(205.02)	6,739.87	-	-	-	-	6,739.87	612.32
Total	**84,892.53**	**6,902.07**	**(1,076.20)**	**90,718.40**	**9,758.41**	**4,979.73**	**(184.44)**	**14,553.71**	**76,164.70**	**75,134.25**

* The company has elected to measure certain items of property, plant and equipment viz. Land at fair value at the date of transition to Ind AS. Hence at the date of transition to Ind AS, an increase of ₹ 23,727.24 Lakh was recognised in property, plant and equipment. The Valuation was carried out by registered approved valuer.

(₹ in Lakh)

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As at March 31, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Free Hold Land	24,334.84	-	-	24,334.84	-	-	-	-	24,334.84	24,334.84
Building	4,248.20	967.93	-	5,216.13	216.50	237.71	-	454.20	4,761.93	4,031.71
Plant and Equipments	45,052.22	9,016.97	(169.62)	53,899.57	4,661.19	4,514.05	(110.96)	9,064.29	44,835.45	40,391.08
Furniture and Fixtures	43.14	138.36	(7.75)	173.76	15.33	19.80	(7.84)	27.28	146.47	27.81
Vehicles	317.29	61.77	(2.97)	376.10	57.54	61.35	(0.02)	118.87	257.23	259.75
Office Equipments	68.38	121.10	-	189.48	19.89	28.40	-	48.28	141.20	48.49
Computer Hardwares	69.54	23.92	(3.13)	90.33	25.48	23.02	(3.01)	45.48	44.85	44.07
	74,133.62	**10,330.06**	**(183.47)**	**84,280.21**	**4,995.92**	**4,884.32**	**(121.83)**	**9,758.41**	**74,521.96**	**69,137.75**
Capital Work in Progress	7,859.59	2,377.82	(9,625.09)	612.32	-	-	-	-	612.32	7,859.59
Total	**81,993.22**	**12,707.88**	**(9,808.56)**	**84,892.53**	**4,995.92**	**4,884.32**	**(121.83)**	**9,758.41**	**75,134.28**	**76,997.34**

i. Property, Plant and Equipment pledged as security against borrowings by the group

None of the property, plant and equipment is pledged as security against borrowings by the group.

ii. Borrowing Cost Capitalised

The amount of borrowing cost capitalised during the year ended March 31, 2019 was ₹ Nil (March 31, 2018 ₹ 582 Lakh). The rate used to determine the amount of borrowing costs eligible for capitalisation was 10 %, which is effective interest rate of the specific borrowing.

5. INTANGIBLE ASSETS

(₹ in Lakh)

	Gross Block				Accumulated Amortisation				Net Block	
Particulars	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2018	Additions	Deductions/ Adjustments	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
Patents	0.83	29.46	-	30.29	0.40	0.68	-	1.08	29.21	0.43
Others	12.91	-	-	12.91	2.58	2.58	-	5.16	7.75	10.33
Total	**13.74**	**29.46**	**-**	**43.20**	**2.98**	**3.26**	**-**	**6.24**	**36.96**	**10.76**

(₹ in Lakh)

	Gross Block				Accumulated Amortisation				Net Block	
Particulars	As at March 31, 2017	Additions	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2017	During the period	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
Patents	0.83	-	-	0.83	0.20	0.20	-	0.40	0.43	0.63
Others	-	12.91	-	12.91	-	2.58	-	2.58	10.33	-
Total	**0.83**	**12.91**	**-**	**13.74**	**0.20**	**2.78**	**-**	**2.98**	**10.76**	**0.63**

6. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Investments in Associates		
Quoted		
25,000 Equity shars of ₹ 10/- each of Pentokey Organy (India) Limited (March 31, 2018: 25,000)	4.50	4.50
Unquoted		
210 Equity shares of ₹ 10/- each of The Book Centre Limited (March 31, 2018: 210)	0.21	0.21
	4.71	**4.71**

6A. FINANCIAL ASSETS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
(A) INVESTMENTS		
Non Current		
Investments carried at fair value through Profit and Loss		
Unquoted		
Investments in Preference Shares		
3,57,604 Nonassessable shares of $0.001 par value of e2e Material INC, USA in Series B preferred Stock (March 31, 2018: 3,57,604)	134.65	134.65
Less : Loss allowance	(134.64)	(134.64)
Total	**0.01**	**0.01**
Aggregate amount of quoted investments		
Market value of quoted investments		
Aggregate amount of unquoted investments	134.65	134.65
Aggregate amount of impairment in the value of investments	(134.64)	(134.64)
Investments carried at fair value through profit and loss	0.01	0.01
(B) OTHER FINANCIAL ASSETS		
Non Current		
Financial assets carried at amortised cost		
Security and other deposits	374.73	330.66
Total	**374.73**	**330.66**
Current		
(i) Financial assets carried at amortised cost		
Security Deposits	19.87	20.13
Interest accrued	92.86	103.82
Claim receivables	3,842.52	663.38
(ii) Financial assets carried at fair value through profit and loss		
Derivatives not designated as hedge - Foreign Exchange forward contracts	262.49	-
Total	**4,217.74**	**787.33**

7. INVENTORIES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
(Valued at lower of Cost and Net Realisable value)		
Raw materials		
In stock	8,585.39	8,692.05
Work-in-process	46.33	64.11
Finished goods		
In stock	45,394.12	51,324.60
In transit	230.08	338.73
Traded Goods	220.44	239.54
Stores, consumables and packing material	2,456.80	1,981.63
Total	**56,933.16**	**62,640.67**

8. TRADE RECEIVABLES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Receivables from customers	14,675.28	13,933.22
Receivables from other related parties	24.60	28.88
	14,699.88	**13,962.10**
Breakup of Security details		
Unsecured, considered good	14,699.88	13,962.10
Doubtful	171.68	144.68
	14,871.56	**14,106.77**
Impairment Allowance (allowance for bad and doubtful debts)		
Doubtful	171.68	144.68
	14,699.88	**13,962.10**

9. CASH AND CASH EQUIVALENTS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Balances with banks:		
- On current accounts	480.87	295.27
- Deposits with original maturity of less than three months	34.67	91.78
Cash on hand	9.37	12.44
	524.91	**399.49**

10. OTHER BANK BALANCES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Deposits with banks to the extent held as margin money	2,662.87	3,424.78
Other Deposits with banks	795.48	620.13
	3,458.35	**4,044.91**

11. OTHER ASSETS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Capital Advances	182.54	41.24
Advances other than Capital advances		
- Security Deposits	8.16	8.78
- Advances to Suppliers	215.56	328.06
Others		
- Payment of Taxes (Net of Provisions)	229.46	295.58
- Balances with Statutory, Government Authorities	472.58	455.07
Total	**1,108.30**	**1,128.73**
Current		
Advances other than Capital advances		
- Security Deposits	0.86	0.26
- Advances to suppliers	4,025.09	3,908.25
- Other Advances	2.67	-
Others		
- Prepaid expenses	217.48	259.30
- Balances with Statutory, Government Authorities*	536.20	565.81
- Export Incentive - Sugar cane	337.90	328.60
Total	**5,120.20**	**5,062.22**

*Includes Cenvat and VAT Credit receivables

12. INCOME TAX

Deferred Tax

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Deferred tax relates to the following:		
Impairment on financial assets at amortised cost	9.36	45.14
Temporary difference in the carrying amount of property, plant and equipment	(8,372.25)	(9,233.67)
Unabsorbed Depreciation and Business Losses	9,928.86	10,694.94
Others	(81.90)	32.19
Net Deferred Tax Assets / (Liabilities)	**1,484.07**	**1,538.60**

Movement in deferred tax liabilities/assets

Particulars	2018-19	2017-18
Opening balance as of April 1	**1,538.60**	**702.01**
Tax income/(expense) during the period recognised in profit or loss	(69.93)	797.16
Tax income/(expense) during the period recognised in OCI	15.40	39.44
Discontinued operations		
Deferred Taxes Acquired in business combination		
Closing balance as at March 31	**1,484.07**	**1,538.60**

Major Components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are as follows:

i. Income tax recognised in profit or loss

(₹ in Lakh)

	2018-19	2017-18
Current income tax charge	13.88	20.11
Adjustment in respect of current income tax of previous year	-	-
Deferred tax		
Relating to origination and reversal of temporary differences	69.93	(817.09)
Income tax expense recognised in profit or loss	**83.81**	**(796.98)**

ii. Income tax recognised in OCI

	2018-19	2017-18
Net loss/(gain) on remeasurements of defined benefit plans	15.40	39.44
Income tax expense recognised in OCI	**15.40**	**39.44**

Changes in tax rate

The increase in education cess from 3% to 4% was substantively enacted on February 1, 2018 and will be effective from April 1, 2018. As a result, the relevant deferred tax balance have been remeasured. The impact of the change in tax rate has been recognised in tax expense in profit or loss.

13. SHARE CAPITAL

i. Authorised Share Capital

(₹ in Lakh)

	Equity Share of ₹ 10 each		Preference Share of ₹ 100 each	
	Number	Amount	Number	Amount
At March 31, 2017	**42,000,000**	**4,200.00**	**1,800,000**	**1,800.00**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2018	**42,000,000**	**4,200.00**	**1,800,000**	**1,800.00**
Increase/(decrease) during the year	-	-	-	-
At March 31, 2019	**42,000,000**	**4,200.00**	**1,800,000**	**1,800.00**

Terms/rights attached to equity shares

The Company has one class of Equity shares having a par value of ₹ 10/- each. Each holder of Equity shares is entitled to one vote per share and are subject to the preferential rights as presecribed under law or those of preference shareholders,if any. The Equity share holders are also subject to restrictions as presribed under the Companies Act,2013. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing Annual General Meeting,except in the case of Interim Dividend.

In the event of the Liquidation of the Company, the holders of the Equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts and preferential shareholders.

ii. Issued Capital

(₹ in Lakh)

	Number	Amount
Equity shares of ₹ 10 each issued, subscribed and fully paid		
At March 31, 2017	**3,69,52,347**	**36,95.23**
Issued during the period	6,85,286	68.53
At March 31, 2018	**3,76,37,633**	**37,63.76**
Issued during the period	738,275	73.82
At March 31, 2019	**3,83,75,908**	**38,37.59**

iii. Details of shareholders holding more than 5% shares in the company

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	Number	% holding	Number	% holding
Equity shares of ₹ 10 each fully paid				
Somaiya Agencies Private Limited	8,549,965	22.28	8,549,965	23.14
Sakarwadi Trading Company Private Limited	5,485,552	14.29	5,485,552	14.84
Lakshmiwadi Mines and Minerals Private Limited	5,230,762	13.63	5,205,762	14.09
Mandala Capital AG Limited	4,926,983	12.84	4,926,983	13.09
Samir Shantilal Somaiya	4,576,865	11.93	4,443,865	12.03
Sindhur Construction Private Limited	2,681,120	6.99	2,605,120	6.95

iv. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

v. None of the above shares are reserved for issue under options/ contract/ commitments for sale of shares or disinvestment.

14. OTHER EQUITY

Reserves and Surplus (₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Securities Premium Reserve	20,196.84	18,609.55
General Reserve	1,865.38	1,865.38
Retained Earnings	9,345.04	8,824.71
Capital Redemption Reserve	573.50	573.50
	31,980.76	**29,873.15**

(a) Securities Premium Reserve (₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	18,609.55	17,494.95
Add/(Less):		
Premium on share issue (Net)	1,587.29	1,114.60
Closing balance	**20,196.84**	**18,609.55**

(b) General Reserve (₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	1,865.38	1,865.38
Add/(Less): changes during the year	-	-
Closing balance	**1,865.38**	**1,865.38**

(c) Retained Earnings

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	8,824.71	10,821.11
Net Profit/(Loss) for the period	554.29	(1,908.20)
Add/(Less):	-	-
Items of Other Comprehensive Income directly recognised in Retained Earnings		
Remeasurement of gains (losses) on defined benefit plans	(49.36)	(127.64)
Income tax effect	15.40	39.44
Closing balance	**9,345.04**	**8,824.71**

(d) Capital Redemption Reserve (CRR)

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Opening balance	573.50	573.50
Add/(Less):	-	-
Closing balance	**573.50**	**573.50**

ii. Components of Other Comprehensive Income

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Exchange differences on translating the financial statements of a foreign operation	66.75	102.60
Closing balance	**66.75**	**102.60**

15. BORROWINGS

(₹ in Lakh)

Particulars		March 31, 2019	March 31, 2018
Non Current Borrowings			
Secured			
(a) Debentures (Bonds)			
Principal outstanding		6,500.00	6,500.00
Interest accured		1,533.61	1,060.22
(b) Term Loans			
From Banks		330.64	3,713.09
From Others			
Sugar Development Fund		2,920.80	4,028.45
Others		104.16	148.55
Unsecured			
(c) Term Loans from Others			
Council of Scientific and Industrial Research		485.00	485.00
Deferred Cane Purchase Tax		775.80	775.85
(d) Term Loans from Bank		-	3.63
(e) Public deposits		2,333.40	2,104.84
(f) Loans from related parties		-	-
	(A)	**14,983.41**	**18,819.63**
Current Maturity of Non Current Borrowings			
Term Loans			
From Banks		335.00	3,525.89
From Others			
Sugar Development Fund		1,068.44	1,346.07
Others		67.39	82.33
	(B)	**1,470.83**	**4,954.29**
	Total (A)-(B)	**13,512.58**	**13,865.34**
Current Borrowings			
Secured			
(a) Loans repayable on demand From Banks		30,635.80	38,908.20
Unsecured			
(b) Loans repayable on demand from Banks		32,932.00	36,437.92
(c) Public deposits		775.60	266.22
	Total	**64,343.40**	**75,612.34**

Non Current Borrowings

Details of Terms of repayment for Long Term Secured Borrowings (₹ in Lakh)

Sr. No.	Particulars	March 31, 2019		March 31, 2018	
		Current	Non - Current	Current	Non - Current
1	**Andhra Bank**			51.50	
2	**Union Bank of India**			432.00	
3	**Union Bank of India**			108.00	
4	**Bank of India**	335.00	-	2,010.00	335.00
	(Repayable in 2 equal Monthly installments, last Installment falling due on May 2019.)				
5	**Bank of India**	-		209.00	
6	**Corporation Bank**	-		511.01	
7	**Punjab National Bank**	-		204.39	
8	**Sugar Development Fund**	790.80	2,372.42	790.80	3,163.22
	(Repayable in 5 equal yearly installments, last Installment falling due on March 2023.)				
9	**Sugar Development Fund**	277.63		555.27	277.63
10	**Hire Purchase Finance**	18.48	12.66	22.77	27.61
11	**IDBI Trusteeship Services Limited**	-	8,033.61	-	7,560.22
	(Bullet payment on June 2021)				
	Call Option after three years (June 2018)				
12	**Sustainable Agro Commercial Finance Limited**	48.92	24.11	50.38	-
	(Repayable in 1 Annual Installments)				
	Total	**1,470.83**	**10,442.80**	**4,945.12**	**11,363.68**

Nature of Securities:

Loan covered in Sr. No. 1 to 5, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Subservient First Ranking Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and First Pari Passu Charge and Corporate Guarantee on certain Assets of Somaiya Properties and Investments Pvt Ltd.(SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd). Second Pari Passu charge on Current Asset of Sugar Division at Sameerwadi, Karnataka. #

Loan covered in Sr.No. 6, First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karnataka, Second Pari Passu Charge on Curent Assets of Sugar & Cogen Division. #

Loan covered in Sr.no. 7 First Pari Passu Charge on Property, Plant & Equipment of Sameerwadi, Karantaka and second Pari Pasu Charge on Property, Plant & Equipment of Sakarwadi, Maharashtra and second pari passu charge on current Asset of Sugar Division. #

Loan covered in Sr.No. 8 & 9, All Immoveable & Moveable Properties at Sameerwadi Factory , Karnataka on First Pari Passu Charge basis.

Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above ie 1 to 9 are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.

Loan covered in Sr.No. 10, Exclusive Charge on Assets purchased under Hire purchase arrangements.

Debenture (Bonds) covered in Sr.No. 11 , Exclusive Charge on the Property, Plant & Equipment Of Capital Investment Programme as per the agreement dated 09th July, 2015 and thereafter amended agreement dated 2 nd Nov 2017 and First Pari Passu Charge on Property, Plant & Equipment at Sakarwadi upto June 2015 @ ₹ 10% p.a (with effect from 01st July, 2017 at the rate 16% p.a.) inclusive of Withholding tax.

National Green Tribunal (NGT) has permitted Prof. C. R. Babu, CEMDE, University of Delhi, for Bio-remediation of contaminated soil and surface water bodies at Sakarwadi. The work order was released by Central Pollution Control Board (CPCB) on Prof Babu for Phytoremediation of distillery waste. The process of Bio-remediation is progressing and will continue till December 2019. Plants growth has been reported with detoxificaiton via bacterial assisted phytoremediation under progress. Hearing posted for 16th July 2019

Loan Covered in Sr.no.12 Secured by Corporate Guarantee of Godavari Biorefineries Limited.

Interest for above loans varies from 4% to 14.75% (Previous Year 4% to 15%).

Current Borrowings

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Secured		
(a) From Banks		
Cash Credit / Packing Credit	30,635.80	38,908.20
Unsecured		
(b) Loans repayable on demand from Banks	32,932.00	36,437.92

Nature of Security:

Secured by First Pari Passu charge over current assets of the company (respective division), both present and future and second Pari Passu charge on Property, Plant & Equipment; and Second charge on certain Assets of Somaiya Properties and Investments Pvt Ltd. (SPIPL) (Formerly known as The Godavari Sugar Mills Pvt Ltd) as a Corporate Guranatee of SPIPL. #

Note : Charges on Property, Plant & Equipment at Sameerwadi, Karnataka and Sakarwadi, Maharashtra as mentioned above ie 1 to 9 are excluding, exclusive Property, Plant & Equipment, charged to IDBI Trusteeship Services Ltd.

Interest for above Cash credit Rupee loans varies from 12.20% to 13.30% (Previous Year 12.60% to 13.30%)

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

(₹ in Lakh)

Particulars	Liabilities from financing activities		
	Non Current Borrowings	Current Borrowings	Total Borrowings
Net Debt as at April 1, 2017	**15,660.94**	**77,621.71**	**93,446.71**
Cash Inflows	48.41	47,574.73	47,623.13
Cash Outflows	(6,053.24)	(38,984.87)	(45,038.11)
	9,656.11	86,211.57	96,031.73
Interest Expense			8,831.11
Interest Paid			(8,100.33)
Other non cash adjustments	727.87	-	727.87
Net Debt as at March 31, 2018	**10,383.98**	**86,211.57**	**97,490.38**
Cash Inflows	21.36	49,218.58	49,239.94
Cash Outflows	(4,937.70)	(60,320.49)	(65,258.19)
	5,467.64	**75,109.66**	**81,472.13**
Interest Expense	-	-	9,061.11
Interest Paid	-	-	(9,197.10)
Other non cash adjustments	363.46	-	363.46
Net Debt as at March 31, 2019	**5,831.10**	**75,109.66**	**81,699.60**

16. OTHER FINANCIAL LIABILITIES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Financial Liabilities at amortised cost		
Other payable	8.98	8.99
Total	**8.98**	**8.99**
Current		
(i) Financial Liabilities at amortised cost		
Current maturities of long term debts	1,470.83	4,954.29
Interest accrued but not due on borrowings	2,372.78	3,058.41
Security Deposits	228.19	136.72
Other payable	1,576.71	1,795.52
	5,648.51	**9,944.94**
(ii) Financial Liabilities carried at fair value through profit and loss		
Derivatives not designated as hedge - Foreign Exchange forward contracts	-	59.28
	-	59.28
Total	**5,648.51**	**10,004.22**

17. TRADE PAYABLES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Current		
Trade Payables to Micro, Small and Medium Enterprises	-	-
Trade Payables to Related Parties	62.34	5.55
Trade Payables to Others	42,842.91	28,697.98
Total	**42,905.25**	**28,703.53**

18. OTHER LIABILITIES

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Government Grants		
- Deferred Cane Purchase Tax	113.31	158.37
- Sugar Development Fund	365.43	505.43
- BOI SEFASU	-	4.36
- Depreciable assets	146.42	169.70
	625.16	**837.86**
Current		
Advance received from Customers	92.79	1,092.18
Other	1.52	-
Government Grants		
- Deferred Cane Purchase Tax	125.60	80.49
- Sugar Development Fund	154.62	253.04
- BOI SEFASU	4.36	143.44
- Depreciable assets	23.28	23.35
Statutory Liabilities	181.41	162.04
Total	**583.58**	**1,754.54**

19. PROVISIONS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Non Current		
Provision for employee benefits		
Leave encashment	199.94	120.50
Total	**199.94**	**120.50**
Current		
Provision for employee benefits (Refer Note 32)		
Gratuity	184.52	135.93
Leave encashment	216.89	261.69
Total	**401.41**	**397.62**

20. CURRENT TAX LIABILITY(NET)

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Current tax payable for the year	13.81	-
Closing Balance	**13.81**	**-**

21. GOVERNMENT GRANTS

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Opening balance	1,338.18	2,089.41
Grants received during the year	-	-
Released to statement of profit and loss	(405.15)	(751.23)
Closing Balance	**933.03**	**1,338.18**

22. REVENUE FROM OPERATIONS

(₹ in Lakh)

Particulars	2018-19	2017-18
Sale of products (inclusive of excise duty)	154,547.20	124,666.93
Other Operating Revenues		
Sugar Washout Charges	675.72	-
	155,222.92	**124,666.93**

Sale of goods includes excise duty collected from customers of ₹ Nil Lakh (March 31, 2018: ₹ 1,493.41 Lakh).

23. OTHER INCOME

(₹ in Lakh)

Particulars	2018-19	2017-18
Interest income on		
Bank fixed deposit and others	260.28	159.26
Loans to others	107.72	145.57
Other Non Operating Income		
Fair value gain on financial instruments at fair value through profit and loss	321.76	87.99
Net gain on disposal of property, plant and equipment	344.60	-
Government Grants	23.35	23.35
Foreign Exchange Fluctuation Gain	1.92	-
Sundry balances written back	-	42.07
Miscellaneous Income	350.21	177.12
	1,409.84	**635.36**

24. COST OF MATERIALS CONSUMED

(₹ in Lakh)

Particulars	2018-19	2017-18
* Cost of Material Consumed (Refer 41)	105,078.66	98,631.29
	105,078.66	**98,631.29**

'* The Cost of Raw material consumed includes cane price of ₹ 3674.15 Lakh for FY 16-17 and ₹ 3517.59 Lakh for FY 17-18 (Previous year ₹893.81 Lakh for FY 14-15) accounted in the current year. The cost so incurred has not been considered for valaution of the sugar inventory.

25. PURCHASES OF STOCK-IN-TRADE

(₹ in Lakh)

Particulars	2018-19	2017-18
Purchase of Stock-In-Trade	1,269.66	1,478.81
	1,269.66	**1,478.81**

26. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

(₹ in Lakh)

Particulars	2018-19	2017-18
Inventories as at the beginning of the year		
Work - in - process	64.11	31.68
Finished goods	51,663.35	38,901.20
Stock-in-trade	166.99	150.96
Total	**51,894.45**	**39,083.84**
Less : Inventories as at the end of the year		
Work - in - process	46.33	64.11
Finished goods	45,624.20	51,663.35
Stock-in-trade	196.82	166.99
Total	**45,867.35**	**51,894.45**
Net decrease / (increase) in inventories	**6,027.10**	**(12,810.61)**

27. EMPLOYEE BENEFITS EXPENSE

(₹ in Lakh)

Particulars	2018-19	2017-18
Salaries, wages and bonus	6,737.12	6,083.11
Contribution to provident and other funds	619.08	560.71
Director's Remuneration	496.55	451.50
Staff welfare expenses	286.97	450.24
	8,139.72	**7,545.56**

28. FINANCE COST

(₹ in Lakh)

Particulars	2018-19	2017-18
Interest Expense on:		
Term Loan	1,487.93	1,175.93
Cash Credit	2,688.82	2,873.71
Others	4,808.25	4,781.48
Bank Charges	2.55	3.05
	8,987.55	**8,834.17**

29. DEPRECIATION AND AMORTISATION EXPENSE

(₹ in Lakh)

Particulars	2018-19	2017-18
Depreciation on tangible assets	4,979.74	4,884.27
Amortisation on intangible assets	3.26	2.78
	4,983.00	**4,887.05**

30. OTHER EXPENSES

(₹ in Lakh)

Particulars		2018-19	2017-18
Manufacturing Expenses			
Import clearing charges		8.15	7.57
Labour charges		14.04	12.62
Power and Fuel		8,263.75	6,161.63
Repairs and maintenance			
Building		114.40	104.92
Plant and Machinery		2,262.67	2,083.26
Others		556.96	549.04
Stores, consumables and packing material		4,718.71	3,915.73
Godown Rent		28.52	26.88
Conveyance expenses		0.24	0.49
Other Charges		0.82	1.48
	A)	**15,968.26**	**12,863.61**
Selling and Distribution Expenses			
Selling Expense	**B)**	1,861.71	1,480.15
Administration and Other Expenses			
Payments to auditors (Refer note below)		44.21	33.38
Loading & Unloading Expenses		2.91	3.02
Postage and Telephone		1.17	1.14
Insurance		152.74	172.40
Legal and professional fees		508.80	526.46
Net loss on disposal of property, plant and equipment		-	36.67
Rates and taxes		405.30	356.03
Software expenses		0.40	0.35
Travelling & conveyance expenses		32.78	24.06
Printing & Stationery		0.33	0.69
Bank charges		3.49	5.75
Foreign exchange fluctuation loss		-	202.01
Contribution to Scientific Research Institution		100.00	95.00
Director Fees		11.35	10.46
Recognition of loss in inventory		-	29.24
Loss Allowance on receivables		30.00	62.50
General Expenses (Including travelling,telephone, etc.)		2,385.52	2,044.87
	C)	**3,679.00**	**3,604.03**
Total	**(A+B+C)**	**21,508.97**	**17,947.79**

Details of Payments to Auditors (₹ in Lakh)

	2018-19	2017-18
As auditor		
Audit Fee	36.21	33.38
Tax Audit Fee	8.00	-
	44.21	**33.38**

31. RESEARCH AND DEVELOPMENT COSTS

The Company during the period has incurred cost on research and development activities which are not eligible for capitalisation in terms of Ind AS 38 and therefore they are recognised in other expenses under statement of profit and loss. Amount charged to profit or loss during the period ended March 31, 2019 ₹ 1,229.37 Lakh (March 31, 2018: ₹ 1,016.47 Lakh) details of which are as follows:

(₹ in Lakh)

Particulars	2018-19	2017-18
i. On Revenue Account :		
Manufacturing Expenses		
Stores, Spares and Tools consumed	90.35	138.55
Payments to and provision for employees		
- Salaries, Wages, Bonus, Allowances, contribution to provident and other funds etc.	478.66	376.77
Other Expenses		
- Legal and Professional charges	116.84	102.04
- Other Expenses	543.52	399.11
Total	**1,229.37**	**1,016.48**
ii. On Capital Account	32.11	681.16
Total Research & Development Expenditure (i + ii)	**1,261.48**	**1,697.64**

32. EARNINGS PER SHARE

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
(a) Basic earnings per share (₹)	1.46	(5.16)
(b) Diluted earnings per share (₹)	1.46	(5.16)
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to the equity holders of the group used in calculating basic earnings per share	554.29	(1,908.20)
Diluted earnings per share		
Profit attributable to the equity holders of the group used in calculating basic earnings per share	554.29	(1,908.20)
Adjustments for calculation of Diluted earnings per share:	-	-
Profit attributable to the equity holders of the group used in calculating diluted earnings per share	**554.29**	**(1,908.20)**
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	3,79,96,236	3,69,54,224
Adjustments for calculation of Diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating Diluted earnings per share	**3,79,96,236**	**3,69,54,224**

There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

33. EMPLOYEE BENEFIT OBLIGATIONS

(₹ in Lakh)

	March 31, 2019			March 31, 2018		
	Current	Non Current	Total	Current	Non Current	Total
Leave Encashment	216.89	199.94	416.83	261.69	120.50	382.19
Gratuity	184.52	-	184.52	135.93	-	135.93
Total Employee Benefit Obligation	**401.41**	**199.94**	**601.35**	**397.62**	**120.50**	**518.12**

(i) Leave Enacashment

The leave obligations cover the group's liability for sick and earned leave.

The amount of the provision of ₹ 273.79 Lakh (March 31, 2018: ₹ 261.69 Lakh) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations.

(ii) Post Employement obligations

a) Defined benefit plans - Gratuity

The group provides for gratuity for employees in india as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

The gratuity plan is a **funded** plan and the group makes contributions to recognised funds in India. The group does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows :

(₹ in Lakh)

Particulars	Present value of obligation	Fair value of plan assets	Net amount
As at March 31, 2017	1,411.02	1,390.88	20.14
Current service cost	136.37	-	136.37
Past Service Cost -(vested benefits)	45.05	-	45.05
Interest expense/(income)	95.43	100.04	(4.61)
Adjustment to Opening Fair Value of Plan Asset	-	44.16	(44.16)
Total amount recognised in profit or loss	**276.85**	**144.20**	**132.65**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)	-	2.23	(2.23)
(Gain)/Loss from change in financial assumptions	(58.07)	-	(58.07)
Experience (gains)/losses	187.93	-	187.93
Total amount recognised in other comprehensive income	**129.86**	**2.23**	**127.64**
Employer contributions	-	80.48	(80.48)
Benefit payments	(160.17)	(160.17)	-
As at March 31, 2018	**1,657.56**	**1,457.62**	**199.94**
Current service cost	127.48		127.48
Past Service Cost -(vested benefits)			-
Interest expense/(income)	119.92	112.19	7.73
Adjustment to Opening Fair Value of Plan Asset			-
Total amount recognised in profit or loss	**247.40**	**112.19**	**135.21**
Remeasurements			
Return of plan assets, excluding amount included in interest (income)		(6.34)	6.34
(Gain)/Loss from change in financial assumptions	8.48		8.48
Experience (gains)/losses	34.53		34.53
Total amount recognised in other comprehensive income	**43.01**	**(6.34)**	**49.35**
Employer contributions		198.20	(198.20)
Benefit payments	(187.97)	(187.97)	-
As at March 31, 2019	**1,760.00**	**1,573.70**	**186.30**

The net liability disclosed above relates to funded and unfunded plans are as follows:

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Present value of funded obligations	1,760.00	1,657.56
Fair value of plan assets	1,573.70	1,457.62
Deficit of funded plan	**186.30**	**199.94**
Unfunded plans	-	-
Deficit of gratuity plan	**186.30**	**199.94**

The major categories of plan assets of the fair value of the total plan assets are as follows :

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Other Insurance contracts (LIC of India)	1,573.70	1,457.62

The significant actuarial assumptions were as follows:

	March 31, 2019	March 31, 2018
Mortality	IALM (2006-08) Ult.	IALM (2006-08) Ult.
Interest/ Discount Rate	7.60%	7.67%
Rate of Increase in Compensation	4.00%	4.00%
Expected average remaining service	14.16	14.08
Retirement age	60 Years	60 Years
Emplyoee Attrition Rate	Upto Age 45: 2% 46 and above: 1%	Upto Age 45: 2% 46 and above: 1%

A quantitative sensitivity analysis for significant assumption as at March 31, 2019 is shown below:

(₹ in Lakh)

Assumptions	Discount rate		Salary escalation rate	
Sensitivity Level	1% increase	1% decrease	1% increase	1% decrease
March 31, 2019				
Impact on defined benefit obligation	(113.94)	130.59	129.67	(114.66)
% Impact	-6.47%	7.42%	7.37%	-6.51%
March 31, 2018				
Impact on defined benefit obligation	(105.06)	120.29	119.73	(106.71)
% Impact	-6.34%	7.26%	7.22%	-6.44%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined beenfit obligation as a result of reasonable changes in key assumptions occuring at the end of the reporting period.

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

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Expected Outgo First	232.24	276.22
Expected Outgo Second	158.39	182.24
Expected Outgo Third	165.53	144.92
Expected Outgo Fourth	173.95	194.96
Expected Outgo Fifth	123.59	166.88
Expected Outgo Six to Ten years	767.19	1,055.90
Total expected payments	**1,620.89**	**2,021.12**

The average duration of the defined benefit plan obligation at the end of the reporting period is 14.16 years (March 31, 2018: 14.08 years)

iii) Defined contribution plans

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any contructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 368.15 Lakh (March 31, 2018: ₹ 360.77 Lakh)

34. COMMITMENTS AND CONTINGENCIES

A. Commitments

Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Property, plant and equipment	4,016.81	1,347.86

B. Contingent Liabilities

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Excise duty and Service Tax (Excluding Interest and Penalty)	791.00	786.52
Bank Guarantee	1,844.92	1524.76
Letter of Credits	2,640.46	4394.34

Council of Scientific and Industrial Research (CSIR)

The Company has taken financial assistance from Council of Scientific & Industrial Research (CSIR) of ₹ 485 Lakh to develop technology for manufacture of Polymer grade Lactic Acid. Before start of the project, assurance was given about the successful bench scale development and scalability of the process/technology by CSIR.

The project was not successful, and National Chemical Laboratory (NCL) / CSIR could not demonstrate the technology to make polymer grade Lactic Acid and accepted by NCL and also third party engineering firm appointed by CSIR.

CSIR is demanding repayment of the financial assistance and the matter was under Arbitration as GBL had given the consent for arbitration during 2014 and have been constantly following up with CSIR and did not receive any response. During March 2019 an Arbitration petition was filed by CSIR at Delhi High Court under section 11 (6)to which company's advocate has filed a reply stating that The Application under Section 11 (6) of the Act is barred by time.

National Green Tribunal

National Green Tribunal (NGT) has permitted Prof. C. R. Babu, CEMDE, University of Delhi, for Bio-remediation of contaminated soil and surface water bodies at Sakarwadi. The work order was released by Central Pollution Control Board (CPCB) on Prof Babu for Phytoremediation of distillery waste. The process of Bio-remediation is progressing and will continue till December 2019. Plants growth has been reported with detoxificaiton via bacterial assisted phytoremediation under progress. Hearing posted for 09th August 2019

III. Sale of Extra Neutral Alcohol (ENA) to Bottling Plant

The Company has sold ENA (Qty 11,410 KL Value ₹ 5163.80 Lakh in the year 2018-19 and Qty 19,650 KL Value ₹ 9055.95 Lakh n the period July 2017- March 18) to various customer of IFL (potable industry) without GST. As per law , ENA is chargeable under GST. The Customers have interpreted that GST is not applicable to IFL (potable industry) and customers have voluntered and have given undertaking for reimbursement of tax plus interest whenever department of taxes may raise notices for the same. The matter was referred to GST Council by Indian Sugar Mills Association and followed by reminders. However in view of difference of opinion, GST Council has referred the matter to Advocate General of India for his opinion. GST Council is yet to communicate its decision on the matter as on date.

1. The Company does not expect any reimbursements in respect of the above contingent liabilities.
2. It is not practicable to estimate the timing of cash flows except Letter of Credits , in respect of matters stated above. Letter of Credits are due within three to six months"

35. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Nature of Relationship	Name of Related Party	Country of Incorporation
List of Related parties :		
Associates	Pentokey Organy (India) Limited	India
	The Book Centre Limited	India
Enterprises over which Key management personnel are able to exercise significant influence	Somaiya Properties and Investments Private Limited	India
	Somaiya Agencies Private Limited	India
	Jasmine Trading Co. Private Limited	India
	K. J. Somaiya & Sons Private Limited	India
	Lakshmiwadi Mines & Minerals Private Limited	India
	Somaiya Chemical Industries Private Limited	India
	Sakarwadi Trading Company Limited	India
	Arpit Limited	India
	Filmedia Communication System Private Limited	India
	Zenith Commercial Agency Private Limited	India
	Amrita Travels Private Limited	India
	Somaiya Vidyavihar	India
	K. J. Somaiya Medical Trust	India
	K. J. Somaiya Institute of Applied Agricultural Research	India
Key Management Personnel	Samir S. Somaiya (Chairman and Managing Director)	
	Vinay V.Joshi (Executive Director)	
	Shrinivas N. Bableshwar (Director - Works up to 14th August, 2018)	
	Bhalachandra R. Bakshi (Director - Works w.e.f. 01st June, 2018)	
	Mohan Somanathan (Director - Works)	
	Werner Wutscher (Non Executive Director)	
	Preeti Singh Rawat (Non Executive Women Director)	
	Kailash Pershad (Independent Director)	
	Jayendra Shah (Independent Director)	
	Uday Garg (Nominee Director, Mandala Capital Ag Limited)	
	K V Raghavan (Independent Director - till 12th October, 2017)	
	Lakshmikantam Mannpalli (Additional Director - w.e.f. 28th November, 2017)	
	N. S. Khetan (Chief Financial Officer)	
	Swarna S Gunware (Company Secretary - w.e.f. 18th October, 2017)	
	Nishi Vijayvargia (Company Secretary - till 13th October, 2017)	
	Coen Faber (Director)	
	Prajesh Mistry (Director)	
Relatives of Key Management Personnel	Maya S. Somaiya	
	Harinakshi Somaiya	

(ii) Transactions with related parties

The following transactions occurred with related parties (₹ in Lakh)

Name	Nature of Transaction	2018-19	2017-18
The Book Centre Limited	Purchases	41.51	31.85
Pentokey Organy (India) Limited	Purchases	624.21	215.28
	Sales	-	194.68
K.J, Somaiya Institute of Applied Agricultural Research	Purchases	28.51	27.81
	Donation paid	100.00	95.00
Amrita Travel Private Limited	Purchases	83.32	24.06
Zenith Commercial Agency Private Limited	Purchases	8.07	7.85

(₹ in Lakh)

Name	Nature of Transaction	2018-19	2017-18
Arpit Limited	Purchases	4.42	6.25
	Rent paid	1.42	1.41
	Sales	191.52	288.66
Somaiya Agency Private Limited	Purchases	1.83	1.31
Jasmine Trading Co. Private Limited	Rent paid	110.45	109.75
Somaiya Properties & Investments Private Limited	Rent paid	66.17	68.14
Somaiya Chemicals Industries Private Limited	Rent paid	2.44	2.09
	Advance Given	-	35.00
K. J.Somaiya & Sons Private Limited	Rent paid	25.58	16.55
	Royalty paid	164.18	137.64
Filmedia Communications System Private Limited	Service Charges paid	9.59	7.22
Somaiya Vidyavihar	Donation paid	66.92	31.90
	Mobile application Development	17.70	-
	Training Expenses paid	5.29	7.04
	Sponsorship	2.79	-
Samir S. Somaiya	Remuneration paid	237.64	203.65
	Purchases	10.37	15.47
Vinay V. Joshi	Remuneration paid	78.76	75.23
Shrinivas N. Bableshwar	Remuneration paid	14.72	47.25
Bhalchandra R. Bakshi	Remuneration paid	26.35	-
Mohan Somanathan	Remuneration paid	45.33	35.18
Shri N S Khetan	Remuneration paid	69.53	61.07
Swarna S Gunware	Remuneration paid	8.77	3.50
Nishi Vijayavargia	Remuneration paid	-	8.64
R Rangarajan	Remuneration paid	-	21.82
Prajesh Mistry	Remuneration paid	103.53	79.62
Coen Faber	Management Fees	7.92	
Harinakshi Somaiya	Salary paid	5.01	5.01
	Purchases	2.17	0.89
Maya S. Somaiya	Purchases	1.22	2.60
Shri Jayendra Shah	Director’s fees paid	2.00	1.81
Shri K V Raghavan	Director’s fees paid	-	0.81
Shri Kailash Pershad	Director’s fees paid	3.00	2.81
Shri Lakshmikantam Mannpalli	Director’s fees paid	2.40	1.40
Dr. Preeti Rawat	Director’s fees paid	0.75	1.00
Mandala Capital Ag Limited	Director’s fees paid	2.65	2.61
Shri Werner Wutscher	Director’s fees paid	0.55	0.03

(iii) Outstanding balances arising from sales/purchases of goods and services (₹ in Lakh)

Name	March 31, 2019	March 31, 2018
Trade Receivables		
Somaiya Properties & Investments Private Limited		0.03
Arpit Limited	24.61	28.85
Trade Payables		
The Book Centre Limited	2.82	0.08
Pentokey Organy (India) Limited	57.43	-
Arpit Limited	0.39	
K.J.Somaiya & Sons Private Limited	0.50	4.21
Somaiya Vidyavihar	0.75	1.26

(iv) Other balances with related parties

(₹ in Lakh)

Name	March 31, 2019	March 31, 2018
Samir S. Somaiya	(1.36)	(1.36)
Somaiya Chemicals Industries Pvt. Ltd.	35.00	35.00
Amrita Travel Private Limited	-	22.50

(vi) Key management personnel compensation

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Director's sitting fees	11.35	10.46
Short term employee benefits	575.86	535.95
Post-employment benefits*	-	-
Other Long term employee benefits*	-	-
	587.21	**546.41**

*The amount of post employment benefits and long term employee benefits cannot be separately identified from the composit figure advised by the actuary/valuer.

(vii) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest free and settlement occurs in cash. The Company has given guarantee/security to the lenders of subsidiary company amounting to ₹ 576.13 Lakh (March 31, 2018: ₹ 596.88 Lakh). For the year ended March 31, 2019, the Company has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2018: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

36. SEGMENT REPORTING

A. For management purposes, the Group is organized into following four business units based on the risks and rates of returns of the products offered by these unit as per Ind AS 108 on 'Operating Segment' :

Sugar

Cogen

Chemicals

Distillery

No operating segments have been agrregated to form the above reportable operating segment.

The Managing Director (MD) monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the standalone financial statements. Also, the Company's financing (including finance costs and finance income) and income taxes are managed on a Group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Year ended March 31, 2019 (₹ in Lakh)

Particulars	Sugar	Cogen	Chemicals	Distlliery	Interunit Transfer	Unallocated	Total
Revenue							
External Revenue / Operating Revenue	63,784.30	3,355.60	60,933.24	26,070.62		1,079.16	155,222.92
Inter-segment	12,147.60	5,765.62	-	6.37	(17,919.59)		-
Total revenue	**75,931.90**	**9,121.22**	**60,933.24**	**26,076.99**	**(17,919.59)**	**1,079.16**	**155,222.92**
Other Non Operating Income							
Other Income	1029.39	29.38	-98.09	10.7		438.47	1,409.85
Total revenue	**76,961.29**	**9,150.60**	**60,835.15**	**26,087.69**	**(17,919.59)**	**1,517.63**	**156,632.77**
Segment Result							
Operating Profit Before Interest	(973.97)	1,593.91	3,050.22	6,648.91		(693.40)	9,625.67
Interest						8987.55	8,987.55
Tax Expenses						83.82	83.82
Net Profit / (Loss)							554.30
Segment Asset	52801.49	2858.75	20723.65	7115.61		4654.02	88,153.52
Capital assets including CWIP	30134.44	10234.48	16831.59	17622.57		1151.12	75,974.20
Total Segment assets	**82935.93**	**13093.23**	**37555.24**	**24738.18**	**0**	**5805.14**	**164127.72**
Total Segment liabilities	96,040.65	782.89	24,949.22	4,604.59		1,865.26	128,242.62
Other disclosures							
Capital expenditure	36.47	138.24	208.58	100.45		115.21	598.95
Segment Depreciation	2,109.41	934.65	673.03	1,133.84		132.07	4,983.00
Non cash expenses other than Depreciation	-	-	-	-		-	-

Year ended March 31, 2018 (₹ in Lakh)

Particulars	Sugar	Cogen	Chemicals	Distlliery	Interunit Transfer	Unallocated	Total
Revenue							
External customers	56,533.47	3,646.51	48,810.41	15,654.09	-	22.46	124,666.93
Inter-segment	7,852.48	6,574.86	7.14	-	(14,434.49)	-	-
Total revenue	**64,385.95**	**10,221.37**	**48,817.55**	**15,654.09**	**(14,434.49)**	**22.46**	**124,666.93**
Other Non Operating Income							
Other Income	203.06	-	172.10	-	-	260.20	635.36
	203.06		172.10	-	-	260.20	635.36
Total revenue	**64,589.01**	**10,221.37**	**48,989.65**	**15,654.09**	**(14,434.49)**		**125,302.29**
Segment Result							
Operating Profit Before Interest Expense	(936.80)	377.94	1,565.23	5,387.62	-	(265.00)	6,128.99
Interest Expense	-	-	-	-	-	8,834.17	8,834.17
Tax Expenses	-	-	-	-	-	(796.98)	(796.98)
Net Loss	**-**	**-**	**-**	**-**	**-**	**-**	**(1,908.20)**
Segment Asset	54,527.35	2,503.65	23,500.96	6,169.38	-	3,198.08	89,899.42
Capital assets including CWIP	32,565.57	11,009.39	16,833.86	13,685.95	-	1,050.25	75,145.02
Total Segment assets	**87,092.92**	**13,513.04**	**40,334.82**	**19,855.33**	**-**	**4,248.33**	**165,044.44**
Total Segment liabilities	99,910.71	1,936.30	26,625.58	2,832.35	-		131,304.94
Other disclosures							
Capital expenditure	465.86	581.35	453.13	8,147.28	-	695.34	10,342.96
Segment Depreciation	2,116.85	906.27	686.82	1,073.44	-	103.67	4,887.05
Non cash expenses other than Depreciation	(0.98)		36.50	1.15	-	-	36.67

Adjustments and eliminations

Inter-segment revenues are eliminated upon consolidated and reflected in the 'adjustments and eliminations' column. All other adjustments and eliminations are part of detailed reconciliaitons presented further below.

Current taxes, deferred taxes and certain financial assets and liabilities are not allocated to those segments as they are also managed on a group basis.

Capital expenditure consists of additions of property,plant and equipment and intangible assets.

B. Information about geographical areas

The Company is domiciled in India. The Company's revenue from operations from external customers primarily relate to operations in India and all the non current assets of the Company are located in India.

Revenue from external customers

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

(₹ in Lakh)

	March 31, 2019	March 31, 2018
India	120,250.79	102,095.47
Outside India	34,972.13	22,571.46
	155,222.92	**124,666.93**

Revenue from Major Customers

Revenue from customers exceeding 10% of total revenue for the year ended March 31, 2019 and March 31, 2018 were as follows:

(₹ in Lakh)

Segment	March 31, 2019		March 31, 2018	
	Number of Customers	Revenue	Number of Customers	Revenue
Sugar	2	23,806.68	2	15,028.27
Cogen	5	3,341.69	4	3,222.91
Chemicals	1	7,300.27	1	5,053.10
Distillery	2	7,821.67	1	7,500.02
		42,270.31		**30,804.30**

37. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category (₹ in Lakh)

Particulars	Carrying Amount		Fair Value	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
FINANCIAL ASSETS				
Amortised cost				
Trade Receivables	14,699.88	13,962.10	14,699.88	13,962.10
Cash and Cash Equivalents	524.91	399.49	524.91	399.49
Other Bank Balances	3,458.35	4,044.91	3,458.35	4,044.91
Security Deposits	394.60	350.79	394.60	350.79
Other Financial Assets	3,935.39	767.20	3,935.39	767.20
FVTPL				
Investments in Preference Shares	0.01	0.01	0.01	0.01
Investments in Mutual Funds	-	-	-	-
Derivative financial assets	262.49	-	262.49	-
Total	**23,275.63**	**19,524.48**	**23,275.62**	**19,524.48**
FINANCIAL LIABILITIES				
Amortised cost				
Borrowings	79,326.81	94,431.97	79,326.81	94,431.97
Trade Payables	42,905.25	28,703.53	42,905.25	28,703.53
Other financial liabilities	4,186.66	4,999.64	4,186.66	4,999.64
FVTPL				
Derivative financial liabilities	-	59.28	-	59.28
Total	126,418.72	128,194.42	126,418.72	128,194.42

The management assessed that the fair value of cash and cash equivalent, trade receivables, security deposits, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values for loans and non current security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the Fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

ii. Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measure at fair value. To provide an indication about the reliability of the inputs used in determing fair value, the group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows underneath the table:

Assets and liabilities measured at fair value - recurring fair value measurement: (₹ in Lakh)

Particulars	March 31, 2019				March 31, 2018			
	Fair value measurement using			Total	Fair value measurement using			Total
	Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)"		Quoted prices in active markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)"	
Financial Assets								
Financial Investments at FVTPL								
Mutual Funds	-	-	-	-	-	-	-	-
Investments in Preference Shares	-	-	0.01	0.01	-	-	0.01	0.01
Derivatives - Foreign Exchange forward contract	-	262.49	-	262.49	-	-	-	-
Total Financial Assets	**-**	**262.49**	**0.01**	**262.49**	**-**	**-**	**0.01**	**0.01**
Financial Liabilities								
Derivatives - Foreign Exchange forward contract	-	-	-	-	-	59.28	-	59.28
Total Financial Liabilities	**-**	**-**	**-**	**-**	**-**	**59.28**	**-**	**59.28**

Level 1 - Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock 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 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 are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

iii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

The fair value of unquoted equity instruments is not significantly different from their carrying value and hence the management has considered their carrying amount as fair value.

38. FINANCIAL RISK MANAGEMENT

The group's activity expose it to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the group, derivative financial instruments, such as foreign exchange forward contracts, foreign currency option contracts are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements.

(A) Credit risk

Credit risk is the risk that the counterparty will not meet its obligations leading to a financial loss. Credit risk arises from cash and cash equivalents, financial assets carried at amortised cost and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

i. Credit risk management

To manage the credit risk, Group periodically assesses the financial reliability of customers; taking into account factors such as credit track record in the market and past dealings with the group for extension of credit to Customer. Group monitors the payment track record of the customers, restrict credit limited in SAP, credit rating etc. Concentrations of credit risk are limited as a result of the group's large and diverse customer base. Group has also taken advances and security deposits from its customers / agents, which mitigate the credit risk to an extent. Generally, term deposits are maintained with banks with which group has also availed borrowings.

ii. Provision for expected credit losses - Trade Receivables

The group follows 'simplified approach' for recognition of loss allowance on Trade receivables.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates.

Exposure - Trade Receivables (₹ in Lakh)

Particulars	Past Due		Total
	Up to 6 Months	More than 6 Months	
As at March 31,2019	13,659.71	1,040.17	14,699.88
As at March 31,2018	13,499.41	462.69	13,962.10

iii. Reconciliation of loss allowance provision - Trade receivables

(₹ in Lakh)

Particulars	
Loss allowance on March 31, 2017	**115.06**
Changes in loss allowance	29.62
Loss allowance on March 31, 2018	**144.68**
Changes in loss allowance	27.00
Loss allowance on March 31, 2019	**171.68**

iv. Provision for expected credit losses - Other financial assets

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is ₹ 8,313.24 Lakh (March 31, 2018: ₹ 5,562.39 Lakh). The group does not expect credit loss on other financial assets.

(B) Liquidity risk

Liquidity risk is the risk that a group may encounter difficulties in meeting its obligations associated with financial liabilities that are settled by delivering cash or other financial assets. The table below provides undiscounted cash flows towards financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date.

Contractual maturities of financial liabilities (₹ in Lakh)

Particulars	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2019				
Non-derivatives				
Borrowings	79,326.81	65,814.23	13,512.58	
Trade payables	42,905.25	42,905.25	-	-
Other financial liabilities	4,186.66	4,186.66		-

Total non derivative liabilities	**126,418.72**	**112,906.14**	**13,512.58**	**-**
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**
March 31, 2018				
Non-derivatives				
Borrowings	94,431.97	80,566.63	13,074.53	790.80
Trade payables	28,703.53	28,703.53	-	-
Other financial liabilities	4,999.64	4,028.75	970.88	-
Total non derivative liabilities	**128,135.14**	**113,298.91**	**14,045.41**	**790.80**
Derivatives				
Foreign exchange forward contracts	59.28	59.28	-	-
Total derivative liabilities	**59.28**	**59.28**	**-**	**-**

(C) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as commodity price risk.

(i) Foreign currency risk

Foreign currency risk arises commercial transactions that recognised assets and liabilities denominated in a currency that is not Group's functional currency (₹). The Group has natural hedge of exports against import and any excess in import if any, is cover by forward contract.

(a) Foreign currency risk exposure

(₹ in Lakh)

	USD	EURO	Total
March 31, 2019			
Trade Receivables	3,125.31	1,087.06	4,212.37
Trade Payables	(5,722.85)	(89.60)	(5,812.45)
Forward contracts for receivables	(738.06)	(1,006.26)	(1,744.32)
Forward contracts for payables	3,606.73	-	3,606.73
Net exposure to foreign currency risk	**271.13**	**(8.80)**	**262.33**
March 31, 2018			
Trade Receivables	3,662.56	1,664.94	5,327.49
Trade Payables	(9,199.11)	(19.46)	(9,218.57)
Forward contracts for receivables	(93.21)	(1,531.12)	(1,624.33)
Forward contracts for payables	4,075.08	-	4,075.08
Net exposure to foreign currency risk	**(1,554.68)**	**114.36**	**(1,440.32)**

(b) Foreign currency sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on profit before tax:

(₹ in Lakh)

	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	2.71	(2.71)	(15.55)	15.55
EURO	(0.09)	0.09	1.14	(1.14)
Net Increase/(decrease) in profit or loss	2.62	(2.62)	(14.40)	14.40

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. Various variables are considered by the management in strucutring the Group's borrowings to achieve a reasonable and competitive cost of funding.

However during the periods presented in the financial statements, the Group has primarily borrowed funds under fixed interest rate arrangements with banks and financial institutions and therefore the Group is not significantly exposed to interest rate risk.

(iii) Inventory price risk

The group is exposed to the movement in price of principal finished product i.e sugar. Prices of the sugar cane is fixed by government. Generally, sugar production is carried out during sugar cane harvesting period from November to April. Sugar is sold throughout the year which exposes the sugar inventory to the movement in the price. Group monitors the sugar prices on daily basis and formulates the sales strategy to achieve maximum realisation. The sensitivity analysis of the change in sugar price on the inventory as at year end, other factors remaining constant is given in table below:

(₹ in Lakh)

Rate sensitivity	Increase / Decrease In sale price (per Qtls)	Effect on Profit before tax	
For year ended March 31,2019	1	+ / (-)	13.06
For year ended March 31,2018	1	+ / (-)	15.17

39. CAPITAL MANAGEMENT

For the purpsoe of the group's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The group includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and other bank balances.

(₹ in Lakh)

	March 31, 2019	March 31, 2018
Borrowings	79,326.81	94,431.97
Trade payables	42,905.25	28,703.53
Other payables	4,186.66	4,999.64
Less: Cash and cash equivalents	(524.91)	(399.49)
Less: Other bank balance	(3,458.35)	(4,044.91)
Net Debt	**122,435.46**	**123,690.75**
Equity share capital	3,837.59	3,763.76
Other Equity	32,047.51	29,975.74
Total Equity	**35,885.10**	**33,739.50**
Total Equity and Net Debt	**158,320.56**	**157,430.25**
Gearing ratio	**0.77**	**0.79**

In order to achieve the objective of maximize shareholders value, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.

40. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)

(₹ in Lakh)

Particulars	March 31, 2019	March 31, 2018
Principal amount due to suppliers under MSMED Act, 2006*	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	-	-
Interest paid to suppliers under MSMED Act, (other than Section 16)	-	-
Interest paid to suppliers under MSMED Act, (Section 16)	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-

41. CANE SUBSIDY CLAIM

During the current financial year Central Government vide notification No. 1(14)/2018-S.P.-I. dated 5th October 2018, notified following Schemes for Assistance to Sugar Mills with a view to offset the costs incurred and facilitate timely payment of cane price dues of farmers for sugar season 2018-19 and cane price arrears of previous sugar seasons:

1. An assistance of ₹ 138.80/MT of cane crushed for cane season 18-19 for production of sugar.
2. An assistance of ₹ 2500/MT of sugar exported or actual transportation cost incurred for exporting sugar (lower of the two).

subject to fulfilment of following conditions:

1. Company should have supplied at least 80% of contracted indented quantity of ethanol to Oil Marketing Companies during the period December 18 to November 19, up to the preceding month during which the claim is submitted to DFPD on completion of other requisite parameters.
2. Company should have filed updated online return in Proforma-II as prescribed by DFPD under the provisions of Sugar (Control) Order, 1966.
3. Company should have fully complied with all the orders/directives of DFPD to the company for compliance during sugar season 2018-19 till the date of submission of the claim.
4. Complete export of allotted sugar quota of 28,846 MT upto 30th September 2019." The company has upto 31/03/2019 achieved following figures.

The company has upto 31/03/2019 achieved following figures.

Particulars	Ethanol	Sugar
Total Quota	3,57,10,670 Ltrs.	28,846 MT
Required Quota	2,85,68,536 Ltrs.*	28,846 MT
Completed Qty.	2,14,97,000 Ltrs.	14,034 MT
% Completion against the required quota	75.25%	48.65%

*80 % of 3,57,10,670 Ltrs.

The company has sufficient stock of Sugar, Ethanol and B Heavy Molasses to manufacture Ethanol to complete the total Required Quota. Also, the company has necessary export orders in hand to achieve the sugar export quota. The Company has achieved required quota of Ethanol and 100 % sugar Export as at 30th June, 2019.

Based on quota achieved till 31/03/2019 and capability to achieve the balance quota, the assistance of ₹ 2397.46 Lakh as cane subsidy and ₹ 350.85 Lakh as export transportation cost subsidy has been accounted for during the year. The cane subsidy has been offset against the cost of cane purchased and considered for inventory valuations and transport subsidy has been offset against the cost of transportation incurred for exports made.

42. AGRICULTURAL LAND PROFIT

During the year the company has sold agricultural land admeasuring 50.03 acres. Total consideration received against the sale is ₹ 680.85 Lakh. The company has accounted ₹ 503.89 Lakh as gain on sale of land. The company has accounted the profit on basis of following revenue recognition policy:

1. All monies of the sale have been received on or before 31/03/2019.
2. Possession of the land has been handed over to the buyer as on 31/03/2019.
3. Sale agreement has been executed on or before 31/03/2019."

43. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Ind AS 116 - Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. IndAS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

Significant Accounting Policies and Notes on Accounts form an integral part of the financial statements 1 to 43

As per our report of even date attached

For Verma Mehta & Associates
Chartered Accountants
Firm Registration Number 112118W

Vimlesh Mehta
Partner
Membership No. 043599

Place : Mumbai
Date : 24th July, 2019

For and on behalf of the Board of Directors

Samir S. Somaiya
Chairman and Managing Director
(DIN : 00295458)

Vinay V. Joshi
Executive Director
(DIN : 00300227)

Swarna S. Gunware
Company Secretary
(Membership No : 32787)

Naresh S. Khetan
Chief Financial Officer
(Membership No : F037264)

Place : Mumbai
Date : 24th July, 2019

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES PURSUANT TO SECTION 129(3) READ WITH RULE 5 OF COMPANIES (ACCOUNTS) RULES, 2014.

Particulars	Solar Magic Pvt Ltd (WOS)		Cayuga Investments B.V (WOS)		Godavari Biorefineries B.V. **		Godavari Biorefineries Inc **	
Reporting period	**31/03/2019**	**31/03/2018**	**31/03/2019**	**31/03/2018**	**31/03/2019**	**31/03/2018**	**31/03/2019**	**31/03/2018**
Reporting Currency	₹	₹	EURO	EURO	EURO	EURO	USD	USD
Share Capital	34,500,000	34,500,000	100,192,250	100,192,450	90,205,616	98,178,571	10,267,665	10,267,665
Reserves & Surplus	(23,551,882)	(25,325,405)	9,423,488	11,655,072	(69,656,599)	(87,017,915)	3,550,061	(7,947,750)
Total Assets	144,856,517	180,432,726	109,746,921	112,325,027	44,838,810	10,802,630	15411427	7,655,752
Total Liabilities	144,856,517	180,432,726	109,746,921	112,325,027	44,838,810	10,802,630	15411427	7,655,752
Investments (included inTotal Assets)	-	-		-	-	-	-	-
Total Income (incl. Other income)	116,059,354.35	154,330,120	124,605	29,276,549	81,042,018	50,187,346	21002432	15,946,388
Profit/ (Loss)BeforeTax	909,526	4,475,452	(1,813,074)	25,979,434	16,559,511	8,939,235	13,769,868	9,639,761
Provision for Tax	-	-		-	-	-	2,757,992	2,010,849
Profit (Loss) after Tax	909,525.83	4,475,452	(1,813,074)	26,243,430	16,559,511	8,939,235	11,011,876	7,628,911
Proposed Dividend (incl.DividendTax)	-	-	-	-	-	-	-	-
Percentage of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

WOS - Wholly Owned Subsidiary

** Step Down Subsidiary being Subsidiary of Cayuga Investment B.V.

MPO Plant at Sakarwadi, Maharashtra

Bolier at Sakarwadi, Maharashtra

Godavari Biorefineries Ltd

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