

**Independent Auditor's Report****To The Members of  
Saraswati Sugar Mills Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Saraswati Sugar Mills Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

We conducted our audit of in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with Ind As and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its profit, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A", which forms a part of this Report a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
  - e) On the basis of the written representations received from the directors of the Company as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting and;



- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 37 to the Financial Statements;
  - ii. As there is not any material foreseeable losses, on long term contracts including derivative contract therefore the Company has not made any provision, required under the applicable law or Indian accounting standards;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place of Signature: Noida  
Date: 14.05.2018

For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089



(Sanjiv Mohan)  
Partner  
M. No. 086066

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

**(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Saraswati Sugar Mills Limited of even date)**

- i. In respect of the Company's fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, the fixed assets were physically verified by the management during the year. Discrepancies noticed on such physical verification were not material and have been properly dealt with in the books of account.
  - (c) The titles deeds of Immovable properties are held in name of the company based on available records. However the original are being placed with banks as security against borrowings from banks.
- ii. According to the information and explanations given to us, the inventories, other than in-transit, have been physically verified by the management during the year. In our opinion the frequency of verification is reasonable. The discrepancies noticed on such verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loan, secured or unsecured to Companies, firms, or other parties covered in the register maintained under section 189 of Companies Act, 2013. Therefore the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records, the Company has not granted any loan and has not made any investment in body corporate during the year and therefore provisions of section 186 of the Companies Act, 2013 are not applicable to the company. Further, the company has not granted loans to directors or to the person in whom directors are interested. Therefore the provisions of the section 185 of the Companies Act, 2013 are not applicable to the company.
- v. According to the information and explanations given to us, the Company has complied with the provisions of section 73 and 76 and any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules 2014 as amended from time to time with regard to the deposits accepted from the shareholders and public. According to the information and explanation given to us, no order under its aforesaid sections has been passed by the Company Law Board or the Reserve Bank of India or any Court or any other Tribunal on the Company.
- vi. We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company as specified by the Central Government of India under section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate and complete.



- vii. According to the information and explanations given to us, in respect of statutory dues:
- (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues in respect of provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of custom, duty of excise, value added tax, goods and service tax, cess and other statutory dues as applicable with the appropriate authorities. Further, there were no undisputed amounts outstanding at the year-end for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, duty of custom, wealth tax, duty of excise, value added tax, service tax and cess, which have not been deposited on account of any dispute, are as follows :-

S. No.	Name of the Statute	Nature of Dues	Amount (Rs. in Lacs)	Period to which the amount relates	Forum where the dispute is pending
1	Haryana General Sales Tax Act, 1973	Sales Tax	226.15	1971-72 to 1975-76	Haryana Tax Tribunal Chandigarh
2	The Sugarcane (Regulation of Purchase and Supply) Act, 1953	Cane Purchase Tax	32.98	1991-1996	Punjab & Haryana Court, Chandigarh
3	Central Excise Act, 1944	Excise Duty	88.06	2010-11, 2011-12 & 2012-13	CESAT Panchkula

- viii. According to the records of the Company examined by us and the information and explanations given to us, in our opinion, the Company has not defaulted in repayment of its dues to banks. The Company has not taken any loans from financial institutions or debenture holders.
- ix. As per the information and explanation given to us and on the basis of our examination of the records, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The term loans have been applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. As per the information and explanation given to us and on the basis of our examination of the records, Company has not paid or provided any managerial remuneration, hence provisions of section 197 read with Schedule V to the Companies Act, 2013 are not applicable.



- xii. According to the information and explanation given to us, the Company is not a Nidhi Company. Therefore the provisions of paragraph 3(xii) of the Order are 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 section 177 and 188 of the act, where applicable and the details of the transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Therefore the provisions of paragraph 3(xiv) of the Order are not applicable.
- xv. According to 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 director or person connected with him. Accordingly, provisions of paragraph 3 (xv) of the Order are not applicable.
- xvi. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place of Signature: Noida  
Date: 14.05.2018

**For SCV & Co. LLP**  
Chartered Accountants  
Firm Regn. No. 000235N/N500089



**(Sanjiv Mohan)**  
Partner  
M. No. 086066

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Saraswati Sugar Mills Limited 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")**

We have audited the internal financial controls over financial reporting of Saraswati Sugar Mills Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India 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 auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the 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 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 authorizations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place of Signature: Noida  
Date: 14.05.2018

For SCV & Co. LLP  
Chartered Accountants  
Firm Regn. No. 000235N/N500089



*(Signature)*  
**(Sanjiv Mohan)**  
Partner  
M. No. 086066




**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Balance Sheet as at March 31, 2018

(Rs in Lakhs)

	Particulars	Note No.	As at March 31, 2018	As at March 31, 2017
	<b>ASSETS</b>			
(1)	<b>Non - current assets</b>			
	(a) Property, Plant and Equipment	4	11,316.06	10,443.12
	(b) Capital work - in - progress	4	154.37	10.42
	(c) Goodwill	4	-	-
	(d) Other Intangible assets	4	3.07	4.87
	(e) Financial Assets			
	(i) Investments	5	522.45	825.34
	(ii) Loans	6	10.68	76.70
	(f) Deferred Tax Assets(Net)		-	-
	(g) Other Non-current assets	8	39.66	39.66
	<b>Total (Non current assets)</b>		<b>12,046.29</b>	<b>11,400.11</b>
(2)	<b>Current assets</b>			
	(a) Inventories	9	25,823.86	42,528.45
	(b) Financial assets			
	(i) Investments		-	-
	(ii) Trade receivables	10	185.16	237.08
	(iii) Loans	11	88.62	43.29
	(iv) Cash and cash equivalents	12	55.90	261.54
	(v) Bank Balances other than (iv) above	13	367.61	109.76
	(vi) Others financial assets	14	24.17	3.73
	(c) Current Tax Assets (Net)	26	640.91	-
	(d) Other current assets	15	605.28	604.49
	<b>Total (Current assets)</b>		<b>27,791.51</b>	<b>43,788.34</b>
	<b>Total Assets</b>		<b>39,837.80</b>	<b>55,188.45</b>
	<b>EQUITY AND LIABILITIES</b>			
(1)	<b>EQUITY</b>			
	(a) Equity Share capital	16	709.99	709.99
	(b) Other Equity	16.1	20,089.10	18,012.91
	<b>Total (Equity)</b>		<b>20,799.09</b>	<b>18,722.90</b>
(2)	<b>LIABILITIES</b>			
(i)	<b>Non - current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	17	-	3,191.87
	(ii) Others financial liabilities	18	-	207.14
	(b) Provisions	19	278.99	301.70
	(c) Deferred Tax Liabilities (Net)	7	662.60	471.19
	(d) Other Non-current liabilities	20	35.60	38.56
	<b>Total (Non current liabilities)</b>		<b>977.19</b>	<b>4,210.45</b>
(ii)	<b>Current Liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	21	5,740.78	18,519.20
	(ii) Trade payables	22	6,930.17	6,649.12
	(iii) Others financial liabilities	23	4,359.21	2,533.58
	(b) Other current liabilities	24	992.29	4,391.56
	(c) Provisions	25	39.07	39.59
	(d) Current Tax Liability (Net)	26	-	122.06
	<b>Total (Current liabilities)</b>		<b>18,061.52</b>	<b>32,255.10</b>
	<b>Total Equity and Liabilities</b>		<b>39,837.80</b>	<b>55,188.45</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089

  
(Sanjiv Mohan)  
Partner  
Membership No.086066



  
Sanjay Jain  
Dy. General Manager (Accounts)

  
Manish Gupta  
Sr. Manager (Internal Audit)

For & on behalf of the Board of Directors

Place: Noida  
Date: 14th May 2018

  
S.K. Khorana  
Company Secretary  
Membership No. 1872

  
Reva Khanna  
Director  
DIN:00413270

  
Aditya Puri  
Managing Director  
DIN:00052534

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
**Statement Of Profit and Loss For The Year Ended March 31, 2018**

(Rs in Lakhs)

	Particulars	Note No.	Year ended March 31, 2018	Year ended March 31, 2017
I	Revenue from operations	27	80,727.23	62,445.32
II	Other income	28	1,180.20	1,483.21
III	<b>Total income (I + II)</b>		<b>81,907.43</b>	<b>63,928.53</b>
IV	<b>Expenses</b>			
	Cost of materials consumed	29	49,211.47	40,535.82
	Changes in inventories of finished goods, stock - in - trade and work - in - progress	30	14,108.49	1,884.01
	Employee benefits expenses	31	3,027.07	3,048.73
	Finance costs	32	1,147.65	1,808.38
	Depreciation and amortization expenses	33	560.65	580.12
	Other expenses	34	6,742.52	6,991.09
	<b>Total expenses (IV)</b>		<b>74,797.85</b>	<b>54,848.15</b>
V	Profit before exceptional items and tax (III - IV)		7,109.58	9,080.38
VI	Exceptional items		-	-
VII	Profit before tax (V - VI)		7,109.58	9,080.38
VIII	Tax expense			
	Current Tax	35	2,431.03	1,640.04
	Deferred Tax	7	(119.78)	1,976.26
	MAT credit entitlement of earlier years		(196.43)	(327.89)
IX	Profit for the period (VII - VIII)		<b>4,994.76</b>	<b>5,791.97</b>
X	<b>Other comprehensive income</b>			
	A. (i) Items that will not be reclassified to profit or loss			
	-Remeasurement of defined benefit plans		38.54	33.34
	-Equity Instruments through other comprehensive income		(302.90)	502.84
	(ii) Income tax relating to above items		3.37	(11.54)
XI	Total comprehensive income for the period (IX + X)		<b>4,733.78</b>	<b>6,316.61</b>
XII	Earnings per equity share (Equity share of Rs.10/- each) Basic and Diluted	36	<b>70.35</b>	<b>81.58</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
Membership No.086066



*Sanjay Jain*  
Sanjay Jain  
Dy. General Manager (Accounts)

*Manish Gupta*  
Manish Gupta  
Sr. Manager (Internal Audit)

For & on behalf of the Board of Directors

Place: *Noida*  
Date: *14<sup>th</sup> May 2018*  
S.K. Khorana  
Company Secretary  
Membership No. 1872

*Reva Khanna*  
Reva Khanna  
Director  
DIN:00413270  
*Aditya Puri*  
Aditya Puri  
Managing Director  
DIN:00052534

SARASWATI SUGAR MILLS LIMITED  
CIN: U01115HR2000PLC034519

Statement of changes in equity for the year ended as on March 31, 2018


A. Equity Share Capital	(Rs in Lakhs)
As at 1 April 2016	709.99
Changes During the Year	-
As at 31 March 2017	709.99
Changes During the Year	-
As at 31 March 2018	709.99

B. Other Equity

Particulars	Reserves and Surplus			Equity Instruments through Other Comprehensive Income	Other items of Other Comprehensive Income (Defined benefit plan)	Total
	Securities premium account	General Reserve	Retained earnings			
Balance as at April 1, 2016	6,300.00	1,318.74	5,388.59	17.75	-	13,025.08
Profit for the year	-	-	5,791.97	-	-	5,791.97
Other Comprehensive Income	-	-	-	502.84	21.80	524.64
Total comprehensive income for the year	-	-	5,791.97	502.84	21.80	6,316.61
Dividend paid, including dividend distribution tax	-	-	(1,328.79)	-	-	(1,328.79)
Balance as at March 31, 2017	6,300.00	1,318.74	9,851.77	520.59	21.80	18,012.91
Profit for the year	-	-	4,994.76	-	-	4,994.76
Other Comprehensive Income	-	-	-	(286.19)	25.20	(260.98)
Total comprehensive income for the year	-	-	4,994.76	(286.19)	25.20	4,733.78
Dividend paid, including dividend distribution tax (Refer Note 43)	-	-	(2,657.58)	-	-	(2,657.58)
Balance as at March 31, 2018	6,300.00	1,318.74	12,188.95	234.41	47.00	20,089.10

The accompanying notes form an integral part of the financial statements

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089

  
(Sanjiv Mohan)  
Partner  
Membership No.086066



  
Sanjay Jain  
Dy. General Manager (Accounts)

  
Manish Gupta  
Sr. Manager (Internal Audit)

For & on behalf of the Board of Directors

Place: Noida  
Date: 16th May, 2018

  
S.K. Khorana  
Company Secretary  
Membership No. 1872

  
Reva Khanna  
Director  
DIN:00413270

  
Aditya Puri  
Managing Director  
DIN:00052534

**SARASWATI SUGAR MILLS LIMITED**  
CIN: U01115HR2000PLC034519  
Statement of cash flow for the year ended as on March 31, 2018

(Rs in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>A. Cash flow from Operating activities:</b>		
Net (loss)/profit before tax but after exceptional/extraordinary items	7,109.58	9,080.38
Adjustments for non operation and non cash transactions:		
Depreciation and amortization expenses	560.65	580.12
Interest Expense	881.98	1,763.20
Interest/Dividend Income	(74.95)	(8.76)
(Profit)/Loss on Property, Plant and Equipment sold (Net)	52.28	(3.64)
(Profit)/Loss on Sale of Investment	(402.37)	-
Loss on store inventory written off	7.55	-
Debits / Advances Written off	0.42	-
<b>Operating profit before working capital changes</b>	<b>8,135.13</b>	<b>11,411.30</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Trade Receivable	51.50	(215.44)
- (Increase)/Decrease in Other Receivables	66.60	(13.87)
- (Increase)/Decrease in Inventories	16,697.04	2,138.73
- Increase/(Decrease) in Trade and Other Payables	(2,714.65)	963.85
<b>Cash generated from operations</b>	<b>22,235.63</b>	<b>14,284.57</b>
- Taxes (Paid) / Received (Net of TDS)	(2,680.54)	(1,556.96)
<b>Net cash from operating activities ( A )</b>	<b>19,555.08</b>	<b>12,727.61</b>
<b>B. Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment	(1,733.96)	(303.82)
Proceeds from Sale of Property, Plant and Equipment	105.93	50.11
Investment in FDR/Mutual Funds	(257.85)	(109.76)
Purchase of Investments	(24,670.00)	-
Proceeds from Sale of Investments	25,072.37	-
Interest/Dividend Received	52.03	7.76
<b>Net cash used in investing activities ( B )</b>	<b>(1,431.48)</b>	<b>(355.71)</b>
<b>C. Cash flow from Financing activities:</b>		
Proceeds/(Repayment) of Secured loans	(2,690.58)	(23,804.13)
Proceeds/(Repayment) of unsecured loans	(12,091.61)	14,528.50
Interest Paid	(889.47)	(1,597.58)
Dividend Paid	(2,208.07)	(1,104.03)
Corporate Dividend Tax Paid	(449.51)	(224.76)
<b>Net cash used in financing activities ( C )</b>	<b>(18,329.24)</b>	<b>(12,202.00)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents ( A+B+C )</b>	<b>(205.64)</b>	<b>169.90</b>
Cash and cash equivalents at the beginning of the year	261.54	91.65
Cash and cash equivalents at the end of the year	55.90	261.54
<b>Cash and cash equivalents comprise</b>		
Cash, cheques & drafts (in hand) and remittances in transit	3.75	4.13
Balance with Banks	52.15	257.41
<b>Total</b>	<b>55.90</b>	<b>261.54</b>

The accompanying notes form an integral part of the financial statements

As per our report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500088

Sanjiv Mohan  
Partner  
Membership No.086066



Sanjay Jain  
Dy. General Manager (Accounts)

Manish Gupta  
Sr. Manager (Internal Audit)

For & on behalf of the Board of Directors

Place: Noida  
Date: 14th May 2018

S K. Khorana  
Company Secretary  
Membership No. 1872

Reva Khanna  
Director  
DIN:00413270

Aditya Puri  
Managing Director  
DIN:00052534

**Note 1: Corporate Information**

The Company's business started in 1933 as a division of Isgec Heavy Engineering Ltd. (formerly The Saraswati Industrial Syndicate Limited). The sugar division was demerged into a Wholly Owned Subsidiary Company of Isgec Heavy Engineering Limited and the company was named as Saraswati Sugar Mills Limited. The Regd. Office of the company is situated at Radaur Road, Yamunanagar (Haryana).

Its existing capacity is 10,000 Tonnes of cane crushing per day. The factory is certified for ISO 9001 for Quality Management System, ISO 14001 for Environment Management System, OHSAS 18001 for Safety and Health Management System and HACCP System for food safety management by Lloyd's Registers of Quality Assurance. About 35,000 farmers from 670 villages supply sugarcane to the Company.

The financial statements are approved for issue by the Company's Board of Director on 14<sup>th</sup> May 2018.

**Note 2: Summary of Significant Accounting Policies**

**2.1 Basis of Preparation of financial statements.**

The financial statements are prepared in accordance with Indian Accounting Standards ('Ind AS') prescribed under section 133 of the Act, read with Rule 3 of the Companies (Indian Accounting Standards) Rule 2015 and relevant amendments rules issued thereafter, the provisions of Companies Act, 2013 (The Act).

The financial statements are presented in Indian rupees (INR) and all values are rounded to the nearest lakhs and two decimals thereof, except if otherwise stated.

These financial statements are prepared under the historical cost convention on the accrual basis, except for certain financial instruments which are measured at fair value.

Effective April 1, 2016, the company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standard with April 1, 2015 as transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where in 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.

Amount for the year ended and as at March 31, 2017 were audited by previous auditor : S S Kothari Mehta & Co.

**2.2 Use of Estimates and Judgements**

The preparation of financial statements in conformity with Indian Accounting Standards (Ind AS) require management to make judgements, estimates and assumptions that affect the application of accounting



## SARASWATI SUGAR MILLS LIMITED

### Notes to Financial Statements as at March 31, 2018

policies and the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the date of the financial statement and reported amount of revenue and expense during the period.

Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amount of assets or liabilities in future period.

#### 2.3 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.

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

##### Sale of Goods

Revenue from the sale of goods is recognized on transfer of all significant risks and rewards of ownership and effective control of the goods to the buyer. The amount of revenues and costs associated with the transaction can be measured reliably and no significant uncertainty exists regarding the amount of consideration that will be derived from the sales of goods.

Revenue is recognized at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates.

- In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31st March 2017 and for the period 1st April to 30th June 2017 were reported gross of Excise Duty and net of Value Added Tax (VAT)/Sales Tax. Excise duty was reported as a separate expense line item. Consequent to the introduction of Goods and Service Tax (GST) with effect from 1st July 2017, VAT/Sales Tax, Excise Duty, etc. have been subsumed into GST and accordingly the same is not recognized as part of sales.

##### Other Income

- (i) Interest income is accounted on a time proportion basis taking into account the amount outstanding and the rate applicable using effective interest rate (EIR).
- (ii) Insurance Claims, export incentives and reimbursement of interest subvention under Government schemes are accounted for as and when the estimated amounts recoverable can be reasonably determined and being acceptable to the concerned authorities and there is no uncertainty in realization of the same.
- (iii) Other income like sale of scrap, profit on sale/write off of assets etc. are recognized as and when right to receive income arises, and there is no uncertainty in realization of the same.

##### Dividend

Dividend income is recognised when the right to receive payment is established.



## 2.4 Inventories

Inventories are valued at cost or net realizable value (NRV), whichever is lower (except by product i.e. molasses which is valued at NRV basis). The cost in respect of the various items of inventory is computed as under:

- (i) In case of raw materials on FIFO basis cost plus direct expenses incurred in bringing the inventories to their present location and condition.
- (ii) In case of stores and spares (includes consumable held for use in production) at weighted average cost plus direct expenses incurred in bringing the inventories to their present location and condition.
- (iii) In case of work in progress at raw material cost plus conversion costs depending upon the stage of completion.
- (iv) In case of finished goods at raw material cost plus conversion costs and other overheads incurred to bring the goods to their present location and condition.

## 2.5 Property, Plant and Equipment

### Recognition

Property, plant and equipment are stated at cost, net of accumulated depreciation and impairment, if any.

Cost includes its purchase price net of recoverable taxes. It includes other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management and the borrowing costs for qualifying assets and the initial estimate of restoration cost if the recognition criteria is met.

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. Repairs and maintenance costs are charged to the statement of profit and loss when incurred.

Advances paid towards the acquisition of Property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before each balance sheet date are disclosed under 'Capital work-in-progress'.

### Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or retirement of the assets. The cost and the related accumulated depreciation are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognized in the statement of Profit and Loss.



## **2.6 Intangible Assets**

### **Recognition:**

Intangible assets are recognized when it is probable that the expected future economic benefits that are attributable to the asset will flow; and the cost of the asset can be measured reliably.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible asset comprises of its purchase price, net of recoverable taxes and any directly attributable cost of preparing the asset for its intended use.

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and impairment losses, if any.

### **Derecognition**

An intangible asset is derecognised upon disposal or retirement of the asset. The cost and the related accumulated amortization are eliminated from the financial statements upon disposal or retirement of the asset and resultant gains or losses are recognised in the statement of Profit and Loss.

## **2.7 Depreciation and Amortization**

Depreciation is provided on Property, plant and equipment in the manner and useful life prescribed in Schedule II to the Companies Act, 2013 as per the written down value method except in respect of Plant and Machinery which are depreciated as per straight line method. However useful life of sugar rollers under the head of Plant and Machinery has been estimated at three years based on the technical estimates, which is different from the life specified in Part C of Schedule II of the Companies Act, 2013.

Capital spares directly attributable to the assets are depreciated with the cost of the assets.

Assets costing not more than Rs.5000 are fully depreciated in the year of their acquisition.  
Depreciation method, useful lives and residual values are reviewed at each financial year end.

Intangible assets are amortized on straight line method over the expected duration of benefits not exceeding ten years.

Amortization method and useful rules are reviewed at each financial year end.

## **2.8 Impairment of Non-Financial Assets**

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated





recoverable amount of the asset.

An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in the previous years.

## **2.9 Employee Benefits**

### **DEFINED CONTRIBUTION PLAN**

#### **Provident Fund:-**

The Company Contributions to provident fund a defined contribution plan through a trust 'The Saraswati Sugar Syndicate Ltd. Employee's Provident Fund Trust' and recognized the contribution as an expense when the employee renders the related services.

### **DEFINED BENEFIT PLANS**

#### **Gratuity:-**

The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The company fully contributes all ascertained liabilities to the "Saraswati Sugar Mills Employee's Group Gratuity Cum Life Insurance Scheme Trust" (The Trust). Trustees administer contributions made to the trust and the contributions are invested in a scheme with Life Insurance Corporation of India as permitted by Law.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability.

Remeasurements comprising of actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability) and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability) are recognized in Other Comprehensive Income which are not reclassified to profit or loss in subsequent periods.

### **Leave Encashment**

The expected cost of accumulated leaves is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

additional amount expected to be paid/ availed as a result of the unused entitlement that has accumulated at the balance sheet date.

Re-measurement as a result of past experience adjustments and changes in actuarial assumptions are recognised in statement of profit and loss.

Expenses on non-accumulated leaves are recognised in the period in which it occurs.

## **2.10 Income Taxes**

Income tax expense comprises current tax and deferred income tax. Income tax expense is recognised in statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

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

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purpose at the reporting date.

Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

A deferred income tax asset is recognized to the extent, it is probable that future taxable profit will be available against where the deductible temporary differences and tax losses can be utilized.

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

Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

### **.MAT**

Minimum Alternative tax (MAT) credit is recognised only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period and is grouped under deferred tax asset.

## **2.11 Borrowing Cost**



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

**2.12 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation or a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is disclosed when a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is disclosed, when possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent liabilities and assets are not recognized but are disclosed in notes.

**2.13 Earning Per Share**

Basic earnings per equity share is computed by dividing the net profit for the period attributable to the equity share holders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit for the period attributable to the equity share holders by the weighted average number of shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

**2.14 Government Grants**

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



## SARASWATI SUGAR MILLS LIMITED

### Notes to Financial Statements as at March 31, 2018

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to statement to profit or loss on a straight line basis over the expected useful life of 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 favorable interest is regarded as a government grant. The loan or assistance is initially recognized 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 instruments (refer 2.15).

#### 2.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

##### Initial recognition

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition except for trade receivable which is initially measured at trade price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to the fair value on initial recognition.

##### Subsequent measurement

For the purposes of subsequent measurement financial instruments are classified as follows:

##### Non derivative financial instruments:-

###### (i) Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### (ii) Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

###### (iii) Investments in Equity Instruments at fair value through other comprehensive income



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The company has elected to make an irrevocable election for its investments, which are classified as equity instruments and which are not held for trading, to present the subsequent changes in fair value in other comprehensive income.

**(iv) Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

**(v) Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

**Derecognition of financial instrument**

a) A financial asset (or, a part of a financial asset) is primarily derecognized when:

- (i) The contractual right to the cash flows from the financial asset expires, or
- (ii) The company transfers its right to receive cash flow from the financial assets and substantially all the risks and rewards of ownership of the asset to another party.

b) A financial liability (or a part of financial liability) is derecognized when obligation specified in the contract is discharged or cancelled or expires.

**2.16 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with a maturity of three months or less from balance sheet date, which are subject to an insignificant risk of changes in value. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**2.17 Impairment of Financial Assets**

The company recognizes loss allowances using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL.

For all other financial assets, expected credit losses are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognized as an impairment gain or loss in statement of profit or loss.

**2.18 Fair Value Measurement**

\* The Company measures financial instruments at fair value at each balance sheet date.



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

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

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

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

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

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

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

#### **2.19 Dividend**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividend are recorded as a liability on the date of declaration by the company's Board of Directors.

#### **2.20 Cash flow statement**

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS) - 7 "Statement of Cash flows" using the indirect method for operating activities.

#### **2.21 Leases**

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. When acquired, such assets are capitalized at fair value or present value of the minimum lease payments at the inception of the lease, whichever is lower.



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Lease under which the risks and rewards incidental to ownership are not transferred to lessee is classified as operating lease. Lease payments under operating leases are recognized as an expense on a straight line basis in net profit in the statement of profit and loss over the lease terms.

**Note 3: Critical accounting estimates and Judgements**

**i. Income taxes**

Management judgement is required for the calculation of provision for income taxes and deferred tax assets and liabilities. The company reviews at each balance sheet date the carrying amount of deferred tax assets. The factors used in estimates may differ from actual outcome which could lead to significant adjustment to the amounts reported in financial statement.

**ii. Defined Benefit Plans**

The cost of defined benefit plans and the present value of obligations 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, defined benefit obligations are sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

**iii. Contingencies**

Management judgement is required for estimating the possible outflow of resources, if any, in respect of contingencies/claims/litigations against the Company as it is not possible to predict the outcome of pending matters with accuracy.

**iv. Property, plant and equipment**

Property, plant and equipment represent a significant proportion of the asset base of the company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of property, plant and equipment are determined by the management based on technical assessment by internal team and external advisor. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. The Company believes that the useful life best represents the period over which the Company expects to use these assets.



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note 4 : Property, Plant and Equipment/Intangible Assets/Capital work in progress

Particulars	Property, Plant and Equipment										Total	Other Intangible Assets		Goodwill	Capital work in progress	
	Freehold land	Buildings and Roads	Plant and Machinery	Furniture and Fixtures	Vehicles	Office Equipment	Computer Software (acquired)		Total	Computer Software (acquired)						
<b>Gross carrying value</b>																
<b>At April 1, 2016</b>	2642.73	1551.8	18359.3	70.75	522.75	285.91	35.15	23,433.24	342.10	35.15	232.22					
Additions	3.38	0.79	237.37	3.63	6.65	38.51	3.86	289.54	-	3.86	221.80					
Disposals			235.49	2.43	0.02	12.11		250.84								
<b>At March 31, 2017</b>	2,642.73	1,554.39	18,361.18	71.95	529.38	312.31	39.01	23,471.94	342.10	39.01	10.42					
Adjustments		(5.45)	(1,177.80)	(50.29)	(195.00)	5.01		(1,423.53)								
Additions		86.92	1,466.13	3.79	16.58	16.59		1,590.01			2,377.61					
Disposals		0.29	621.09	1.05	56.69	36.41		715.53			2,233.66					
<b>At March 31, 2018</b>	2,642.73	1,635.57	18,028.42	24.40	294.27	297.50	39.01	22,922.89	342.10	39.01	154.37					
<b>Accumulated Depreciation</b>																
<b>At April 1, 2016</b>		1,070.67	10,800.52	62.39	455.43	265.88	32.33	12,654.89	342.10	32.33						
Depreciation charge for the year		61.77	481.69	2.96	20.70	11.18	1.81	578.30		1.81						
Disposals		0.75	189.51	2.38	0.02	11.71		204.37								
<b>At March 31, 2017</b>		1,131.69	11,092.70	62.97	476.11	265.35	34.14	13,028.82	342.10	34.14						
Adjustments		(5.42)	(1,171.94)	(42.89)	(195.00)	(8.28)		(1,423.53)								
Depreciation charge for the year		53.31	467.92	3.35	14.44	19.85	1.80	558.87		1.80						
Disposals		0.27	479.44	0.99	42.76	33.86		557.32								
<b>At March 31, 2018</b>		1,179.31	9,909.24	22.44	252.79	243.06	35.94	11,606.84	342.10	35.94						
<b>Net carrying value</b>																
<b>At March 31, 2018</b>	2,642.73	456.26	8,119.18	1.96	41.48	54.44	3.07	11,316.05	-	3.07	154.37					
<b>At March 31, 2017</b>	2,642.73	422.70	7,268.48	8.98	53.27	46.96	4.87	10,443.12	-	4.87	10.42					

- Note:
- Contractual Commitment towards purchase of Property, Plant and Equipment, Refer Note No. 38
  - Cost of software includes purchase price, duties and taxes (other than refundable from tax authorities)
  - Opening balances of Gross block and accumulated depreciation have been regrouped/ reclassified/rearranged wherever considered necessary.
  - Borrowing cost capitalised during the periods is nil.
  - For assets charged as security, please refer note No. 17 and 21





**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 5 : Non current Financial Assets-Investments**

( Rs.in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Investments carried at fair value through Other Comprehensive Income		
<b>Investments in equity instruments (Quoted)</b>		
- 2,65,000 (Previous year 2,65,000) Equity shares of Rs. 10 each of DCM Shriram Industries Ltd.	522.45	825.34
<b>Total</b>	522.45	825.34
i) Aggregate Acquisition Cost of Quoted Investments:	304.75	304.75
Aggregate Market Value of Quoted Investments:	522.45	825.34
ii) Aggregate of investment carried at fair value through: other comprehensive income	522.45	825.34

Also refer note 41(a) for classification of financial assets

**Note 6 : Non current Financial Assets-Loans**

( Rs.in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
i) <b>Secured, considered good</b>		
- Loans to employees (Loans to employees are secured by way of hypothecation of vehicles)	9.71	14.33
ii) <b>Unsecured, considered good</b>		
- Loan to Employees	0.97	2.37
- Security deposits	-	60.00
<b>Total</b>	10.68	76.70

Also refer note 41(a) for classification of financial assets



Note : 7 Deferred Tax

(Rs. in Lakhs)

7.1 The balance comprises temporary differences attributable to:

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Deferred Tax Assets/(Liabilities)		
Property, Plant and Equipment	(895.80)	(932.30)
Fair Valuation of Investment	-	-
Provision for Leave Encashment	43.60	38.40
Provision for Pension	66.48	70.17
Provision for bonus	-	0.16
Trade receivables (provision for doubtful debts)	27.42	24.48
Provision for Local Area Development Tax	79.00	-
Fair valuation loss on investments carried at fair value through Other comprehensive income	16.71	-
<b>Net deferred tax Assets/(Liabilities)</b>	<b>(662.60)</b>	<b>(799.08)</b>
(b) MAT credit Entitlement	-	327.89
<b>Total Deferred tax assets/(Liabilities)</b>	<b>(662.60)</b>	<b>(471.19)</b>

7.2 Movement in Deferred tax (Liabilities)/Assets

(Rs. in Lakhs)

Particulars	Property Plant and Equipment	Investment	Employee Benefit	Other items	Total
At April 1, 2017	(932.30)	-	108.73	24.48	(799.08)
(Charged)/credited:-					
-to profit & loss	36.50	-	1.34	81.94	119.78
-to other Comprehensive Income	-	16.71	-	-	16.71
At March 31, 2018	(895.80)	16.71	110.07	106.42	(662.60)

7.3 Movement in MAT credit entitlement

(Rs. in Lakhs)

Particulars	Amount
At April 1, 2017	327.89
(Charged)/credited:-	
-to profit & loss	196.43
-to other Comprehensive Income	-
Less: MAT credit utilized (regrouped in prepaid taxes- Refer Note:26)	(524.32)
At March 31, 2018	-



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note 8 : Other Non current Assets

(Rs. In Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good		
- Security Deposits	39.06	39.06
- Deposits with Post Office*	0.60	0.60
<b>Total</b>	<b>39.66</b>	<b>39.66</b>

\* Deposits with post office saving account have been pledged as security with cane Commissioner Haryana.



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 9 : Inventories**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Stores and Spare parts	631.71	541.67
(b) Raw Material-Sugar Cane	28.34	13.54
(c) Work-in-Progress: - Sugar	112.81	116.99
(d) Finished Stock: - Sugar	24,812.00	40,933.95
-Molasses	239.00	922.30
<b>Total</b>	<b>25,823.86</b>	<b>42,528.45</b>

**Note**

(i) The amount of inventories recognised as an expense during the period is Rs. 65,256.32 lakhs (Previous Year Rs. 43,884.74 lakhs)

(ii) Finished goods are written down from its cost to net realisable value by Rs.4417.42 lakhs (Previous year Rs. Nil)

(iii) For inventories pledged as security, please refer note No. 21

**Note 10 : Current Financial Assets-Trade Receivables**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Trade Receivables</b>		
- Unsecured, considered good	185.16	237.08
- Unsecured, considered doubtful	79.23	79.23
Less: Provision for Doubtful Debts	(79.23)	(79.23)
<b>Total</b>	<b>185.16</b>	<b>237.08</b>

a) includes dues from companies where directors are interested

b) includes dues from holding company

For trade receivables pledged as security, please refer note No. 21  
 Also refer note 41(a) for classification of financial assets



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 11 : Current Financial Assets-Loans**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(i) Secured considered good</b>		
- Loans to Employees	3.69	3.76
<b>(ii) Unsecured, considered good</b>		
- Loans to Employees	24.93	39.53
- Security deposits	60.00	-
<b>Total</b>	<b>88.62</b>	<b>43.29</b>

Also refer note 41(a) for classification of financial assets

**Note 12 : Current Financial Assets-Cash and Cash Equivalents**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>Cash and Cash Equivalents</b>		
(i) Balances with Banks	52.15	257.41
(ii) Cash in hand	3.75	4.13
<b>Total</b>	<b>55.90</b>	<b>261.54</b>

Also refer note 41(a) for classification of financial assets

**Note 13 : Current Financial Assets-Other Bank Balances**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Deposits with original maturity upto twelve months*	367.61	109.76
<b>Total</b>	<b>367.61</b>	<b>109.76</b>

\* Earmarked balances are against acceptance of deposits from public.

Also refer note 41(a) for classification of financial assets



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 14 :Current Financial Assets-Others**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Interest accrued but not due	24.17	3.73
<b>Total</b>	<b>24.17</b>	<b>3.73</b>

Also refer note 41(a) for classification of financial assets

**Note 15 : Other Current Assets**

( Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>(a) Unsecured, considered good</b>		
(i) Advances other than Capital Advances		
- Related Parties	25.00	25.04
- Others		
- Store Purchases	23.06	16.83
- Contractors/Others	40.13	58.56
- Cane Suppliers	102.59	94.33
(ii) Prepaid Gratuity ( Refer Note 31.1)	347.38	300.67
(iii ) Others		
- Prepaid Expenses	61.87	43.37
- Balances with Excise & Customs/GST Recoverable	5.25	65.68
<b>Total</b>	<b>605.28</b>	<b>604.49</b>



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 16 : Equity Share Capital**

**Equity Share Capital**

( Rs.in lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Authorized</b>		
71,00,000 (Previous year 71,00,000) equity shares of Rs.10/- each	710.00	710.00
<b>Issued, Subscribed and fully paid up</b>		
70,99,900 (Previous year 70,99,900) equity shares of Rs.10/- each fully paid up	709.99	709.99
<b>Total</b>	<b>709.99</b>	<b>709.99</b>

**Notes :**

i) The rights, preferences and restrictions attaching to each class of shares including restrictions on the distribution of dividends and the repayment of capital are as under:

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each share holder is entitled to one vote per share. The dividend if any proposed by the Board of Directors will be subject to approval of the share holders in the ensuing Annual General Meeting. In the event of the liquidation of the company, the holders of the equity shares will be entitled to receive the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion of number of equity shares held by each equity share holder.

ii) Reconciliation of the number of equity shares and amount outstanding at the beginning and at the end of the reporting Year:

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of shares	(Rs.in lakhs)	No. of shares	(Rs.in lakhs)
Equity shares outstanding at the beginning of the Year	70,99,900	709.99	70,99,900	709.99
Add : issued during the Year	-	-	-	-
Less : shares bought back	-	-	-	-
<b>Equity shares outstanding at the close of the Year</b>	<b>70,99,900</b>	<b>709.99</b>	<b>70,99,900</b>	<b>709.99</b>

iii) Shares held by holding company or ultimate holding company and shareholders holding more than 5% shares in the Company

Class of Shares / Names of Shareholder:	As at March 31, 2018		As at March 31, 2017	
	No. of shares	% holding	No. of shares	% holding
Equity Shares with voting rights - Isgec Heavy Engineering Limited and its nominees (600 shares)	70,99,900	100%	70,99,900	100%

iv) Aggregate number and class of shares allotted (a) as fully paid up pursuant to contract(s) without payment being received in cash, (b) as fully paid up by way of bonus shares and (c) aggregate number and class of shares bought back during the period of five years immediately preceding the balance sheet date:

Particulars	As at March		As at March 31,
	31, 2018		2017
	Number		Number
a) Equity shares allotted as fully paid up pursuant to contract(s) without payment being received in cash	-		-
b) Equity shares allotted as fully paid up by way of bonus shares	-		-
c) Equity shares bought back by the company.	-		-



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note 16.1 Other Equity

(Rs.in lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>A. Reserve and Surplus</b>		
<b>(i) Securities Premium Reserve</b>		
Balance outstanding at the beginning of the year	6,300.00	6,300.00
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of year	6,300.00	6,300.00
<b>(ii) General Reserve</b>		
Balance outstanding at the beginning of the year	1,318.74	1,318.74
Add: Additions during the year	-	-
Less: Utilised during the year	-	-
Balance outstanding at the end of year	1,318.74	1,318.74
<b>(iii) Retained Earnings</b>		
Balance outstanding at the beginning of the year	9,873.57	5,388.59
Add:		
Net Profit for the period	4,994.76	5,791.97
Remeasurement of post employment benefit obligation (See Note:16.2)	25.20	21.80
Less: Appropriations		
Final Dividend for the year ended 31st March, 2017 @15.55/- per share (p.y nil)	1,104.03	-
Interim Dividend for the year ended 31st March, 2018 @15.55/- per share (For the year ended 31st March, 2017 @Rs.15.55/-)	1,104.03	1,104.03
Dividend Tax	449.51	224.76
Balance outstanding at the close of the year	12,235.95	9,873.57
<b>Total (A) (i+ii+iii)</b>	<b>19,854.69</b>	<b>17,492.31</b>

Note 16.2: This is an item of Other Comprehensive Income, recognised directly in retained earnings

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>B. Other Reserves</b>		
<b>Equity Instruments through OCI</b>		
Balance outstanding at the beginning of the year	520.59	17.75
Add: Additions during the year	(286.19)	502.84
Less: Utilised during the year	-	-
Balance outstanding at the end of year (B)	234.40	520.59
<b>Grand Total (A+B)</b>	<b>20,089.10</b>	<b>18,012.91</b>

Note 16.3 : Nature and Purposes of Reserves

**Securities Premium Reserves**

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

**General Reserve**

This represents appropriation of profit by the company.

**Retained Earnings**

This comprise company's undistributed profit after taxes.

**FVOCI Equity Investment**

The company has elected to recognise changes in fair value of certain investments in equity securities through OCI as Other Reserves. The company transfers amount from this reserves to retained earnings when the relevant investment is sold and realised.





Note 17 : Non-Current Financial Liabilities - Borrowings

(Rs.in lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>(a) Secured ( Refer Note 17.1)</b>		
Term Loan From Bank		
- "Scheme For Extending Financial Assistance to Sugar Undertakings"( SEFASU), 2014 Scheme	-	886.97
- Term Loan from Banks (Under Scheme of Soft Loan to sugar mills to facilitate payment of cane dues during season 2014-15)	-	583.13
<b>Total</b>	<b>-</b>	<b>1,470.10</b>
<b>(b) Unsecured</b>		
Deposits - Refer Note 17.2		
- Public	-	1,721.77
- Directors	-	-
<b>Total</b>	<b>-</b>	<b>1,721.77</b>
<b>Total</b>	<b>-</b>	<b>3,191.87</b>

Also refer note 41(a) for classification of financial liabilities

Note 17.1 (a) : Terms of Repayment of Borrowings are as follows:

(Rs.in lakhs)

Title	Term Loan outstanding as on 31 March, 2018	Current maturity of Long Term Debts	Net	Rate of Interest and Terms of Repayment
Term Loan Under "Scheme for Extending Financial Assistance to Sugar Undertakings(SEFASU - 2014)"	878.08 P.Y. 2069.97	878.08 P.Y. 1183	- P.Y. 886.97	Rate of interest is 12% p.a. The loan is repayable in 12 equal quarterly instalments, after moratorium period of 2 years. Instalments of Rs.295.75 Lac each start from April, 2016 and end in January, 2019. The Government of India will give interest subvention of actual rate of interest upto 12% p.a during the tenure of the loan.
Loan From Banks ("Scheme of Soft Loan to sugar mills to facilitate payment of cane dues of the farmers for the sugar season 2014-15")	- P.Y. 816.36	- P.Y. 233.23	- P.Y. 583.13	The rate of interest is 11.70% p.a. The loan is repayable in 16 equal quarterly instalments, after moratorium period of one year. Instalments of Rs.58.31 Lakhs each is to be paid from August,2016 to May, 2020. The Government of India will give interest subvention upto 10% p.a for initial period of one year. Loan fully repaid in current year.
<b>Total</b>	<b>878.08</b> P.Y. 2886.33	<b>878.08</b> P.Y. 1416.23	<b>-</b> P.Y. 1470.10	

Note 17.1 (b): Term Loan Under SEFASU, 2014 Scheme is secured by way of extension of first pari passu charge on fixed & current assets of the Company.

Note 17.1 (c) Soft Loan from Banks was secured by way of pledge of Sugar stocks and Gunny bags on pari passu basis and 1st charge on fixed assets on pari passu basis.

Note 17.2 : Details of Deposits

(Rs.in lakhs)

Deposits	Deposit outstanding as on 31 March, 2018	Current maturity of long term debts	Current	Non Current	Period of Deposit : Rate of Interest (p.a.)	Term of repayment
Public	1,726.26 P.Y. 2450.69	1,726.26	- P.Y. 728.92	- P.Y. 1721.77	1 Year 8.00%	Repayment on maturity date
Directors	- -	-	-	-	2 Years 8.00%	
	-	-	-	-	3 Years 10.00%	
<b>Total</b>	<b>1,726.26</b> P.Y. 2450.69	<b>1,726.26</b>	<b>-</b> P.Y. 728.92	<b>-</b> P.Y. 1721.77	<b>*For Employees 10.25% for 3 years</b>	



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note 18 : Non-Current Financial Liabilities-Others

(Rs.in lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Interest accrued but not due on public deposits	-	207.14
<b>Total</b>	<b>0.00</b>	<b>207.14</b>

Also refer note 41(a) for classification of financial liabilities

Note 19 : Non-Current Liabilities-Provisions

(Rs.in lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
<b>Provision for Employees Benefits:</b>		
-Provision for Pension (Unfunded)	165.28	189.64
-Provision for Leave Encashment (Unfunded)	113.71	112.05
<b>Total</b>	<b>278.99</b>	<b>301.70</b>

Note 20 : Other Non Current Liabilities

(Rs.in lakhs)

Particulars	As at	As at
	March 31, 2018	March 31, 2017
- Deferred Government Grant (Refer Note: 20.1)	35.60	38.56
<b>Total</b>	<b>35.60</b>	<b>38.56</b>

Note : 20.1 "Moist Heat Air Treatment" (MHAT) plant and other agricultural implements for cane development worth Rs. 44.50 Lakhs received free of cost under a scheme of Haryana Government. There are no unfulfilled conditions or other contingencies attached to these grants.



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 21 : Current Financial Liabilities-Borrowings**

(Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
<b>i) Secured</b>		
(a) Loans repayable on demand		
- Cash credit - (Refer Note 21.1 (a), (b))	515.24	1,200.94
- Working Capital Demand Loan (WCDL) (Refer Note 21.1(c))	2,003.84	2,000.45
<b>ii) Unsecured</b>		
(a) Loans and Advances from Related Parties :		
- ISGEC Heavy Engineering Ltd. (Refer Note 21.2)	-	7,270.00
(b) Loan from Haryana Government ( Refer Note 21.3)	2,220.80	3,795.10
(c) Short Term Loan from Bank (Refer Note No. 21.4)	-	3,523.78
(d) Working Capital Demand Loan (WCDL) (Refer Note 21.5)	1,000.89	-
(e) Deposits:		
- Public (Refer note 17.2)	-	728.92
<b>Total</b>	<b>5,740.78</b>	<b>18,519.20</b>

Also refer note 41(a) for classification of financial liabilities

**Note 21.1**

a) Secured by pledge of sugar and gunny bags in the mill and hypothecation of inventories and by a charge on book debts, and first charge on fixed assets of the Company.

b) Cash Credit is repayable on demand

c) WCDL is taken as sub limit under Cash Credit limit for a period of 90 days from the date of disbursement. It bears interest @8.25% p.a.

**Note 21.2**

Loan was taken at interest rate of @8% p.a and was repayable on demand.

**Note 21.3**

a) Haryana Government gave financial assistance of Rs.4005 Lakhs in the form of interest free loan to clear the outstanding dues of cane growers pertaining to season 2015-16.

**Note 21.4**

Loan was taken at interest rate of @8% p.a from the Bank for tenor of 180 days.

**Note 21.5**

WCDL is taken at interest rate of @8.15% p.a from the Bank for tenor of 35 days.



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 22 : Current Financial Liabilities: Trade payables**

(Rs.in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) To Micro and Small Enterprises (Refer Note 22.1)	-	-
(b) To Other than Micro and Small Enterprises		
(i) To Store Suppliers	193.96	183.90
(ii) To Others (Including Cane Suppliers)	6,733.63	6,430.01
(iii) To Related Parties	2.57	35.21
<b>Total</b>	<b>6,930.17</b>	<b>6,649.12</b>

Also refer note 41(a) for classification of financial liabilities

**Note 22.1 : Trade Payables to Micro and Small Enterprises**

Particulars	As at March 31, 2018	As at March 31, 2017
a) Amount remaining unpaid to any supplier		
Principal Amount	-	-
Interest due thereon	-	-
b) Interest paid under Micro, Small and Medium Enterprises (Development) Act, 2006	-	-
c) Interest due (other than (b) above)	-	-
d) Interest accrued and unpaid	-	-
e) Interest due and payable till actual payment	-	-



**SARASWATI SUGAR MILLS LIMITED**  
Notes to Financial Statements as at March 31, 2018

**Note 23 : Current Financial Liabilities: Others**

Particulars	( Rs.in lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Current maturities of long term debts*	2,604.34	1,416.25
(b) Interest accrued but not due on borrowings	9.43	32.44
(c) Interest accrued but not due on Public Deposits	442.95	220.30
(d) Creditors for Capital Expenditure:		
-Related Parties	521.33	43.28
-Others	-	-
(e) Payable to employees	311.37	324.04
(f) Security deposits received	469.77	250.30
(g) Payable to Sugar Agents	0.02	246.98
<b>Total</b>	<b>4,359.21</b>	<b>2,533.58</b>

\*For detail of current maturities of long term debt please refer Note 17.1 & 17.2  
Also refer note 41(a) for classification of financial liabilities

**Note 24 : Other Current Liabilities**

Particulars	( Rs.in lakhs)	
	As at March 31, 2018	As at March 31, 2017
(a) Statutory Remittances:		
- Statutory Dues		
- Excise Duty on Closing Stock of Finished Goods (See Note 24.1)	-	2,700.95
- Excise Duty Payable	-	1.08
- Other statutory remittances	424.56	327.24
(b) Advances received from customers	307.15	915.17
(c) Deferred Government grants (Refer Note no. 20.1 & 21.3)	49.52	213.23
(d) Other Liabilities	211.06	233.89
<b>Total</b>	<b>992.29</b>	<b>4,391.56</b>

Note 24.1:-Goods & Service Tax(GST) was implemented w.e.f 1st July, 2017. GST unlike excise duty is not required to be added in the value of closing stock.

**Note 25 : Current Liabilities- Provisions**

Particulars	( Rs.in lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for Employees Benefits:</b>		
(i) Provision for Leave Encashment (Unfunded)	12.26	17.94
(ii) Provision for pension (Unfunded)	26.81	21.65
<b>Total</b>	<b>39.07</b>	<b>39.59</b>

**Note 26 : Current Tax Liability/(Asset)**

Particulars	( Rs.in lakhs)	
	As at March 31, 2018	As at March 31, 2017
<b>Provision for Income Tax</b>	4,116.43	1,672.06
Less: Prepaid Taxes	4,757.34	1,550.00
<b>Net Tax Liability/(Asset)</b>	<b>(640.91)</b>	<b>122.06</b>



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note 27 : Revenue from Operations

(Rs.in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>(a) Sale of Products*:</b>		
- Sugar	76,476.50	57,421.57
- Molasses	2,610.59	3,629.78
	<b>79,087.09</b>	<b>61,051.35</b>
<b>(b) Sale of by-products</b>		
- Press Mud and Bagasse	1,640.14	1,393.97
	<b>1,640.14</b>	<b>1,393.97</b>
<b>Grand Total</b>	<b>80,727.23</b>	<b>62,445.32</b>

\* including excise duty upto 30th June, 2017.



## SARASWATI SUGAR MILLS LIMITED

Notes to Financial Statements as at March 31, 2018

## Note 28 : Other Income

(Rs.in lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest income	40.50	8.76
(b) Dividend income on investments fair valued through other comprehensive income - from Trade Investment	34.45	-
(c) Net gain on sale of investments carried at fair value through profit and loss A/c	402.37	95.06
(d) Profit on sale of Property, Plant and Equipment	-	3.64
(e) Sale of scrap and waste	150.97	60.35
(f) Miscellaneous receipts	90.56	16.29
(g) Unclaimed balances written back	16.54	3.28
(h) Reimbursement of interest	222.39	479.05
(i) Rent received	-	0.63
(j) Refund of Cane Purchase Tax	-	3.35
(k) Production subsidy claim	-	314.56
(l) Government Grant	197.03	273.44
(m) Insurance claims	4.45	39.72
(n) Lease and rent receipts	1.78	0.79
(o) Excess provision written back	19.15	184.29
<b>Total</b>	<b>1,180.20</b>	<b>1,483.21</b>



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 29 : Raw Material Consumption**

(Rs.in lakhs)

Particulars	Year ended March	Year ended March
	31, 2018	31, 2017
(a) Cost of raw material consumed		
- Cane consumed	49,211.47	40,535.82
<b>Total</b>	<b>49,211.47</b>	<b>40,535.82</b>

**Detail of Raw Material Consumed**

Type of Material	Quantity (Quintal)	
	Year ended 31 March,2018	Year ended 31 March,2017
Sugar Cane*	1,48,37,007	1,25,02,391

\*There is no purchase of imported raw material.

**Note 30 : Changes in inventories of finished goods & work in progress**

(Rs.in lakhs)

Particulars	Year ended March	Year ended March
	31, 2018	31, 2017
Closing Stock: :		
Finished stock	25,050.99	41,856.26
Work-in-Progress	112.81	116.99
<b>Total</b>	<b>25,163.81</b>	<b>41,973.25</b>
Less: Opening Stock :		
Finished stock	41,856.26	44,020.01
Work-in-progress	116.99	108.01
<b>Total</b>	<b>41,973.25</b>	<b>44,128.02</b>
<b>(Increase)/Decrease</b>	<b>16,809.44</b>	<b>2,154.77</b>
Net Movement in excise duty on Finished Goods	(2,700.95)	(270.77)
<b>Net(Increase)/Decrease</b>	<b>14,108.49</b>	<b>1,884.01</b>





Note 31 : Employee benefit expenses

(Rs.in lakhs)

Particulars	Year ended March	Year ended March
	31, 2018	31, 2017
(a) Salary Wages and Bonus	2,679.65	2,675.29
(b) Contribution to Provident Fund and other funds	211.24	222.89
(c) Workmen and Staff welfare expenses	136.18	150.55
<b>Total</b>	<b>3,027.07</b>	<b>3,048.73</b>

Note 31.1: Detail of Employee Benefit Expenses

The disclosures required by Ind- AS-19 "Employee Benefits" are as under:

(a) Defined Contribution Plan

The employer contribution to Provident Fund is Rs90.82 Lakhs (Previous Year Rs.88.89 Lakhs). The fund is administered by Trust managed by the Group. Contribution to Regional Provident Fund Commissioner on account of Family Pension Scheme is Rs. 75.28 Lakhs (Previous Year Rs. 78.46 Lakhs). The contributions are charged to statement of profit and loss.

(b) Defined Benefit Plan

The liability for employee gratuity is determined on actuarial valuation using projected unit credit method. The obligations are as under:-

(Rs.in lakhs)

Particulars	Gratuity	
	2017-18	2016-17
<b>1. Change in Present Value of Obligation</b>		
Present value of obligation at the beginning of the period	1,124.81	1,157.16
Acquisition cost	-	-
Interest cost	84.81	92.57
Current service cost	46.14	48.59
Benefits paid	(173.29)	(139.73)
Actuarial (gain)/loss on obligation	(27.17)	(33.79)
Present value of obligation at end of period	1,055.29	1,124.81
<b>2. Change in Fair Value of Plan Assets</b>		
Fair value of plan assets at the beginning of the period	1,425.48	1,410.58
Acquisition adjustment	-	-
Actual return on plan assets	121.54	112.39
Contributions	28.94	42.24
Benefits paid	(173.29)	(139.73)
Actuarial gain/(loss) on plan assets	-	-
Fair value of plan assets at the end of the period	1,402.67	1,425.48
<b>3. Amount to be recognised in Balance Sheet</b>		
Present value of obligation as at end of the period	1,055.29	1,124.81
Fair value of plan assets as at the end of the period	1,402.67	1,425.48
Net Asset/(liability) recognised in	347.38	300.67

Note 31 cont...



<b>4. Expenses recognised in the statement of profit &amp; loss.</b>		
Current service cost	46.14	48.59
net Interest cost	(22.67)	(20.27)
Expected return on plan assets	-	-
Net actuarial (gain)/loss recognised in profit/loss	-	-
Expenses recognised in the statement of Profit & Loss	23.47	28.32
<b>5. Recognised in other comprehensive income for the year</b>		
a. Actuarial gain / (loss) for the year on PBO	27.18	33.79
b. Actuarial gain / (loss) for the year on Asset	11.37	(0.45)
c. Unrecognized actuarial gain/(loss) at the end of the year	38.55	33.34
<b>6. Bifurcation of Actuarial Gain/Loss on obligation.</b>		
a. Actuarial (Gain)/Loss on arising from change in Demographic Assumption.	-	-
b. Actuarial (Gain)/Loss on arising from change in Financial Assumption.	2.95	24.31
c. Actuarial (Gain)/Loss on arising from change in Experience Assumption.	24.22	58.10
<b>7. Maturity Profile of Defined Benefit</b>		
1. Within the next 12 months (next	145.06	153.71
2. Between 1 and 5 years	485.44	397.23
3. Between 6 and 10 years	424.78	573.87
<b>8. Quantitative sensitivity analysis for significant assumptions is as below</b>		
(i) Impact of the change in discount rate		
Present Value of Obligation at the end of the period	1,055.29	1,124.81
a. Increase/(Decrease) due to increase of 0.50 %	(24.05)	(26.42)
b. Increase/(Decrease) due to decrease of 0.50 %	25.11	27.60
(ii) Impact of the change in salary increase		
Present Value of Obligation at the end of the period	1,055.29	1,124.81
a. Increase/(Decrease) due to increase of 0.50 %	25.37	27.88
b. Increase/(Decrease) due to decrease of 0.50 %	(24.52)	(26.92)

Sensitivities due to mortality & withdrawals are not material & hence impact of change not calculated.

Sensitivities as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement & life expectancy are not applicable being a lump sum benefit on retirement.

The Company expects to contribute Rs. 23.44 Lacs to the gratuity trusts during the fiscal 2019.

(ii) Sensitivity Analysis Method

Sensitivity analysis is determined based on the expected movement in liability if the assumptions were not proved to be true on different count.

<b>9. Major categories of plan assets (as Insurer Managed Funds)</b>	100%	100%
<b>10. Actuarial assumptions</b>		
a) Economic Assumptions		
i. Discounting Rate	7.60	7.54
ii. Salary escalation	6	6
b) Demographic Assumption		
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of	100% of IALM (2006 - 08)	
iii) Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3
From 31 to 44 years	2	2
Above 44 years	1	1
<b>Mortality Rates for specimen ages</b>		
Age	Mortality Rate	Age
15	0.000614	45
20	0.000888	50
25	0.00984	55
30	0.001056	60
35	0.001282	65
40	0.001803	70
	0.002874	75
	0.004946	80
	0.007888	85
	0.011534	90
	0.017009	95
	0.025855	100
		Mortality Rate
		0.039637
		0.060558
		0.091982
		0.138895
		0.208585
		0.311628



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note 32 : Finance Cost

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) Interest expenses on Borrowings		
-From Banks	366.55	1,041.27
-From Others	737.82	721.93
(b) Other borrowing cost	43.28	45.19
<b>Total</b>	<b>1,147.65</b>	<b>1,808.38</b>

Note 33 : Depreciation and Amortisation expenses

Particulars	(Rs.in Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) Depreciation on property, plant and equipment	558.85	578.74
(b) Amortisation of intangible assets	1.80	1.38
<b>Total</b>	<b>560.65</b>	<b>580.12</b>



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

Note : 34 Other expenses

Particulars	(Rs. In Lakhs)	
	Year ended March 31, 2018	Year ended March 31, 2017
(a) Consumption of store and spare parts	1,642.39	1,245.72
(b) Chemical consumed	293.97	219.19
(c) Power and Fuel	217.50	247.65
(d) Rent	31.18	70.04
(e) Repairs to :		
- Machinery	471.15	323.59
- Building	277.76	110.38
- Others	22.41	25.93
(f) Insurance	86.00	75.90
(g) Rates and Taxes	13.80	243.80
(h) Excise Duty paid on sale of goods	1,172.64	3,482.16
(i) Auditors Remuneration		
Audit Fee	4.14	3.54
Reimbursement of expenses	0.61	0.70
(j) Miscellaneous Expenses		
- Packing, Forwarding and Transportation	1,755.79	369.51
- Office and Miscellaneous Expenses	440.60	422.05
- Commission to Selling Agents and Others	131.05	106.83
- Legal expenses	5.18	5.87
- Loss on Property, Plant and Equipment sold and/or written off	52.28	-
- Loss on sale /write off stores	7.55	6.32
- Rebate and Discount	90.94	31.14
- Director Sitting and Other Expenses	0.60	0.50
- Corporate Social Responsibility (CSR) Expenses (Refer Note 46)	24.55	-
- Bad Debts Written Off	0.42	0.27
<b>Total</b>	<b>6,742.52</b>	<b>6,991.09</b>



SARASWATI SUGAR MILLS LIMITED

Notes to Financial Statements as at March 31, 2018

Note 35 : Tax Expense

A. Income Tax Expenses

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
<b>(a) Current tax</b>		
Current tax on profit for the period	2,431.03	1,640.04
Adjustments for current tax of prior periods		
<b>Total Current tax expense</b>	<b>2,431.03</b>	<b>1,640.04</b>
<b>(b) Deferred tax</b>		
Decrease (increase) in deferred tax assets	(83.28)	1,888.10
(Decrease) increase in deferred tax Liabilities	(36.50)	88.16
<b>Total Deferred Tax Expenses</b>	<b>(119.78)</b>	<b>1,976.26</b>
<b>(c) MAT</b>		
Mat Credit Entitlement	(196.43)	(327.89)
<b>Total Income tax Expense</b>	<b>2,114.82</b>	<b>3,288.41</b>

(B) Reconciliation of tax expense and accounting profit multiplied by India's tax rate:

(Rs. in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Profit before tax	7,109.58	9,080.38
<b>Tax at Indian tax rate of 34.608% (F.Y. 2017-18: 34.608%)</b>	<b>2,460.48</b>	<b>3,142.54</b>
Add: Expenses disallowed for Tax Purposes		
-- CSR Expenses	8.50	-
-- Loss on Property Plant and Equipments Sold/Written off	18.09	-
Less: Non- Taxable Income and allowances		
--Profit on sale of Property Plant and Equipments	-	(1.26)
--Amortisation of Government Grant	(1.03)	(1.03)
--Dividend Income	(11.92)	-
--Local Area Development Tax	(79.00)	-
--Due to Change in Tax Rate	(29.96)	139.71
-- MAT Credit entitlement of earlier years	(196.43)	-
--Others	(53.90)	8.45
<b>Income Tax expenses Charged to P/L</b>	<b>2,114.82</b>	<b>3,288.41</b>



**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

**Note 36 : Earning Per Share**

In accordance with Ind-AS 33 on 'Earning Per Share', the following table reconciles the numerator and denominator used to calculate Basic and Diluted earning per Share:

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a) Profit/(Loss) available to Equity Shareholders (Rs. In lakhs)	4,994.76	5,791.97
(b) Weighted Average number of Equity Shares	70,99,900	70,99,900
(c) Nominal value of Equity Shares (in Rs.)	10	10
(d) Basic and Diluted Earnings Per Share [(a)/(b)]*	<b>70.35</b>	<b>81.58</b>

\* There are no potential equity shares.



SARASWATI SUGAR MILLS LIMITED  
Notes to Financial Statements as at March 31, 2018

**Note 37 : Contingent Liabilities and Assets**

Contingent Liabilities not provided for:

Particular	(Rs. In Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Claims against company not acknowledge as debt (including sales tax/excise duty under dispute)	1,309.26	182.13

Based on legal advice and discussions with the solicitors, the management believes that there is fair chance of decisions in the company's favor in respect of above contingent liabilities and hence no provision is considered necessary against the same. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the company's financial position and results of operations.

**Note 38 : Commitments**

Particular	(Rs. In Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	Rs. 12.55 Lakhs	Nil

**Note: 39 Operating Segments**

The Company operates in only one segment of manufacture of Sugar and its byproducts which comprises of production and sales of Sugar and its byproducts identified in accordance with principles enunciated in Indian Accounting Standard AS-108, Operating Segments. Hence, separate business segment information is not applicable.

No Customer individually accounted for more than 10% of the revenue in the year ended March 31,2018 and March 31, 2017.

The Managing Director of the company has been identified as The Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.



**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements as at March 31, 2018**

**Note: 40 Related party transactions**

**(A) List of related parties**

(a) Parent Entity

Name	Type	Ownership Interest	
		As at March 31, 2018	As at March 31, 2017
Isgec Heavy Engineering Limited	Holding Company	100%	100%

(b) Key Management Personnel

- Mr. Aditya Puri (Managing Director)
- Mr. S.K.Khorana (Executive Director & Company Secretary)
- Mrs. Reva Khanna (Independent Director)
- Mrs. Tahir Hasan (Independent Director)
- Mr. Ranjit Puri, (Director)

(c) Relatives of Key Management Personnel

- Mrs. Nina Puri (Mother of Mr. Aditya Puri, Managing Director)
- Mrs. Tanupriya Puri (Wife of Mr. Aditya Puri, Managing Director)

(d) Entities under common control of Holding company

- ISGEC Engineering and Projects Limited
- ISGEC Hitachi Zosen Limited
- ISGEC Foster wheeler Boilers Private Limited
- Free Look Software Private Limited
- ISGEC Titan Metal Fabricators Private Limited
- ISGEC Redecam Enviro Solutions Private Limited
- ISGEC Covema Ltd.
- ISGEC Exports Ltd.

(e) Entities over which Directors, their relatives and the holding company can exercise significant influence

- Yamuna Syndicate Ltd

(f) Trust under control for Post Employment Benefit Plan

- Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust
- Saraswati Sugar Syndicate Limited Employees Provident Fund Trust

**Notes to Financial Statements as at March 31, 2018**

**(B) Transactions with related parties**

(i) Related party transactions

(Rs. In Lakhs)

Nature of Transaction	Year ended	Parent Entity	Entities over which key management personnel can exercise significant influence	Key Management Personnel	Relative of Key Management Personnel	Total
Purchase of Goods	March 31, 2018	20.63	262.73	9.28	-	292.64
	March 31, 2017	17.64	221.21	7.31	-	246.16
Purchase of Capital Goods	March 31, 2018	807.20	-	-	-	807.20
	March 31, 2017	27.29	-	-	-	27.29
Services Received	March 31, 2018	26.47	11.72	0.6	-	38.79
	March 31, 2017	12.00	13.58	0.5	-	26.08
Loan Received	March 31, 2018	7480.00	-	-	-	7,480.00
	March 31, 2017	23070.00	-	-	-	23,070.00
Loan Repaid	March 31, 2018	14750.00	-	-	-	14,750.00
	March 31, 2017	15800.00	-	-	-	15,800.00
Interest paid/Payable	March 31, 2018	249.71	-	-	-	249.71
	March 31, 2017	174.55	-	-	-	174.55
Sale of Store Items	March 31, 2018	21.13	-	-	-	21.13
	March 31, 2017	-	-	-	-	-
Services Rendered	March 31, 2018	6.56	-	-	-	6.56
	March 31, 2017	-	-	-	-	-

Note: 40 Related party transactions....cont.





**SARASWATI SUGAR MILLS LIMITED**  
**Notes to Financial Statements as at March 31, 2018**

Note: 40 Related party transactions....cont.

(ii) Contribution to trust for post employment benefit

(Rs. In Lakhs)

Name of the Trust	Year ended March 31, 2018	Year ended March 31, 2017
Saraswati Sugar Mill Employees Group Gratuity cum Life Insurance Scheme Trust	28.94	42.24
Saraswati Sugar Syndicate Limited Employees Provident Fund Trust	90.82	89.28

(C) Detail of amount due to or due from related parties as on 2018 and 2017

(Rs. In Lakhs)

Particulars		Parent Entity	Entities over which key management personnel can exercise significant influence	Key Management Personnel	Relative of Key Management Personnel	Total
Amt. Receivable at year end	As at March 31, 2018	-	25.00	-	-	25.00
	As at March 31, 2017	0.25	25.00	-	-	25.25
Amt. Payable at year end	As at March 31, 2018	521.49	2.00	0.42	-	523.91
	As at March 31, 2017	7319.34	28.3	0.86	-	7348.50



Note 41 :

Note 41 (a):- Financial Instruments by category

(Rs. in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
Financial Asset						
Investments						
--Investments in equity instruments (Refer note 5)	-	-	522.45	-	-	825.34
Trade receivables (Refer note 10)	185.16	-	-	237.08	-	-
Loans (Refer note 6 & 11)	99.30	-	-	119.99	-	-
Cash and Cash Equivalent (Refer note 12 & 13)	423.51	-	-	371.30	-	-
Others financial assets (Refer Note 14)	24.17	-	-	3.73	-	-
<b>Total Financial Assets</b>	<b>732.14</b>	<b>0.00</b>	<b>522.45</b>	<b>732.09</b>	<b>0.00</b>	<b>825.34</b>
Financial Liabilities						
Borrowings (Refer note 21 & 23)	8345.12	-	-	23,596.71	-	-
Trade payables (Refer note 22)	6930.17	-	-	6,882.99	-	-
Other Financial Liabilities (Refer note 23)	1302.49	-	-	864.59	-	-
<b>Total Financial Liabilities</b>	<b>16,577.78</b>			<b>31,344.29</b>		

41(b) Fair Value Measurement

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the company has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table represents fair value hierarchy of assets and liabilities measured at fair value.

(Rs. in Lakhs)

Particulars	As on 31 March, 2018				As on 31 March, 2017			
	Carrying Value	Fair Value Measurement using			Carrying Value	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
(A) Financial assets at fair value								
Investments								
Investments in equity instruments (Refer note 5)	522.45	522.45	-	-	825.34	825.34	-	-
<b>Total</b>	<b>522.45</b>	<b>522.45</b>	<b>-</b>	<b>-</b>	<b>825.34</b>	<b>825.34</b>	<b>-</b>	<b>-</b>

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value due to their short term nature.

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowing rate. Risk of non-performance for the company is considered to be insignificant in valuation.

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income



Note 41 :

Note 41 (a):- Financial instruments by category

(Rs. in Lakhs)

Particulars	As at March 31, 2018			As at March 31, 2017		
	Amortised Cost	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI
<b>Financial Asset</b>						
Investments						
-Investments in equity instruments (Refer note 5)	-	-	522.45	-	-	825.34
Trade receivables (Refer note 10)	185.16	-	-	237.08	-	-
Loans (Refer note 6 & 11)	99.30	-	-	119.99	-	-
Cash and Cash Equivalent (Refer note 12 & 13)	423.51	-	-	371.30	-	-
Others financial assets (Refer Note 14)	24.17	-	-	3.73	-	-
<b>Total Financial Assets</b>	<b>732.14</b>	<b>0.00</b>	<b>522.45</b>	<b>732.09</b>	<b>0.00</b>	<b>825.34</b>
<b>Financial Liabilities</b>						
Borrowings (Refer note 21 & 23)	8345.12	-	-	23,596.71	-	-
Trade payables (Refer note 22)	6930.17	-	-	6,882.99	-	-
Other Financial Liabilities (Refer note 23)	1302.49	-	-	864.59	-	-
<b>Total Financial Liabilities</b>	<b>16,577.78</b>			<b>31,344.29</b>		

41(b) Fair Value Measurement

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (A) recognised and measured at fair value and (B) measured at amortised cost and for which fair values are disclosed in financial statements. To provide an indication about the reliability of inputs used in determining fair values, the company has classified its financial instruments into three levels prescribed under the accounting standards.

The following table provides the fair value measurement hierarchy of Company's asset and liabilities, grouped into Level 1 to Level 3 as described below :-

- Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.  
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).  
Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

(ii) The following table represents fair value hierarchy of assets and liabilities measured at fair value.

(Rs. in Lakhs)

Particulars	As on 31 March, 2018				As on 31 March, 2017			
	Carrying Value	Fair Value Measurement using			Carrying Value	Fair Value Measurement using		
		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)		Quoted price in Active Market (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
<b>(A) Financial assets at fair value</b>								
Investments								
Investments in equity instruments (Refer note 5)	522.45	522.45	-	-	825.34	825.34	-	-
<b>Total</b>	<b>522.45</b>	<b>522.45</b>	<b>-</b>	<b>-</b>	<b>825.34</b>	<b>825.34</b>	<b>-</b>	<b>-</b>

The following method and assumptions are used to estimate fair values:

The Carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, short term deposits etc. are considered to be their fair value due to their short term nature

Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, credit risk and other risk characteristics. For borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation.

FVTPL - Fair Value Through Profit and Loss

FVTOCI - Fair Value Through Other Comprehensive Income



## Note 42 : FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities, other than derivatives, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company's principal financial asset includes trade and other receivables, and cash and short-term deposits that arise directly from its operations.

The Company's activities are exposed to **market risk, credit risk and liquidity risk.**

## I. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risk include loans and borrowings, deposits, investments, and derivative financial instruments.

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks.

## (a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the Company's position with regard to interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of the fixed rate and floating rate financial instruments in its total portfolio.

(i) The exposure of borrowings to interest rate changes at the end of reporting period are as follows:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Variable rate borrowings	515.24	1,200.94
Fixed rate borrowings	7,829.88	22,395.77
<b>Total borrowings</b>	<b>8,345.12</b>	<b>23,596.71</b>

(ii) As at the end of reporting period, the company had the following variable rate borrowings and interest rate swap contracts outstanding:

Particulars	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Cash Credit Limit	10.67%	515.24	6.17%	10.93%	1,200.94	5.09%
<b>Net exposure to cash flow interest rate risk</b>		<b>515.24</b>			<b>1,200.94</b>	

(iii) Sensitivity

Profit/loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Particulars	Increase/ Decrease in Basis Points		Impact on Profit before Tax	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
INR	+50	+50	2.58	6.00
	-50	-50	(2.58)	(6.00)

## (b) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not operate internationally and as the Company has not obtained any foreign currency loans and also doesn't have any foreign currency trade payables and foreign receivables outstanding therefore, the company is not exposed to any foreign exchange risk.

## (c) Price Risk

The company exposure to equity securities price risk arises from the investments held by company and classified in the balance sheet at fair value through profit and loss. The company does not have any investments at the current year end and previous year which are held for trading. Therefore no sensitivity is provided.

## II. Credit risk

Credit risk arises from the possibility that the counterparty will default on its contractual obligations resulting in financial loss to the company. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial conditions, current economic trends, and analysis of historical bad debts and ageing of accounts receivable.

The Company considers the probability of default upon initial recognition of assets and whether there has been a significant increase in credit risk on an on going basis through each reporting period. To assess whether there is significant increase in credit risk, it considers reasonable and supportive forward looking information such as:

(i) Actual or expected significant adverse changes in business.

(ii) Actual or expected significant changes in the operating results of the counterparty.

(iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation

(iv) Significant increase in credit risk on other financial instruments of the same counterparty

(v) Significant changes in the value of collateral supporting the obligation or in the quality of third party guarantees or credit enhancements

The company major exposure is from trade receivables, which are unsecured and derived from external customers. Credit risk on cash and cash equivalents is limited as we generally invest in deposits with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units, quoted securities and certificates of deposit which are funds deposited at a bank for a specified time period.

Particulars	2017-18	2016-17
Percentage sale of top ten customers	52.53%	42.54%

Note 42 contd..



Note 42 contd..

Expected credit loss for trade receivable on simplified approach :

The ageing analysis of the trade receivables (gross of provision) has been considered from the date the invoice falls due:

Ageing	(Rs. In Lakhs)					
	Not Due	Less than 30 days	More than 30 days and Less than 180 days	More than 180 days and Less than 365 days	More than one year	Total
<b>As at March 31, 2017</b>						
Gross Carrying Amount	-	237.08	-	-	79.23	316.31
Expected Credit Loss	-	-	-	-	79.23	79.23
Carrying Amount (net of impairment)	-	237.08	-	-	-	237.08
<b>As at March 31, 2018</b>						
Gross Carrying Amount	-	185.16	-	-	79.23	264.39
Expected Credit Loss	-	-	-	-	79.23	79.23
Carrying Amount (net of impairment)	-	185.16	-	-	-	185.16

The Company uses a provision matrix to determine impairment loss on portfolio of its trade receivable. The provision matrix is based on its historically observed default data over the expected life of the trade receivable and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed. In case of probability of non collection, default rate is 100%

c) The following table summarises the change in the loss allowances measured using expected credit loss model (ECL):

(Rs. In Lakhs)	
Particulars	ECL for Trade Receivables
As at 31-03-2017	79.23
Provided/Reversal during the year	-
As at 31-03-2018	79.23

### III. Liquidity Risk

Liquidity risk is defined as the risk that company will not be able to settle or meet its obligation on time or at a reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The Company's management is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risk are overseen by senior management. Management monitors the company's net liquidity position through rolling, forecast on the basis of expected cash flows.

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments:

(Rs. In Lakhs)					
As at March 31, 2018	Carrying Amount	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	8,345.12	8,345.12	-	-	8,345.12
Trade payables	6,930.17	6,930.17	-	-	6,930.17
Other Liabilities	1,302.49	1,302.49	-	-	1,302.49
<b>Total</b>	<b>16,577.78</b>	<b>16,577.78</b>	<b>-</b>	<b>-</b>	<b>16,577.78</b>
As at March 31, 2017	Carrying Amount	Less than One Year	More than one year and less than three year	More than 3 Years	Total
Borrowings	23,596.71	20,398.61	3,408.53	-	23,807.15
Trade payables	6,882.99	6,882.99	-	-	6,882.99
Other Liabilities	864.59	864.59	-	-	864.59
<b>Total</b>	<b>31,344.29</b>	<b>28,146.19</b>	<b>3,408.53</b>	<b>-</b>	<b>31,554.73</b>

### Financing arrangements

The company had access to the following undrawn borrowing facilities at the end of reporting period:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Expiring within one year (Bank overdraft and other facilities)	20,030.02	16,964.06



**SARASWATI SUGAR MILLS LIMITED****Notes to Financial Statements as at March 31, 2018****Note 43 : Capital Management****(a) Risk Management**

The primary objective of the Company's Capital Management is to maximize the shareholder value and also maintain an optimal capital structure to reduce cost of capital. In order to manage the capital structure, the Company may adjust the amount of dividend paid to shareholders, return on capital to shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital on the basis of following gearing ratio, which is net debt divided by total capital plus debt.

(Rs in Lakhs)

Particulars	(Rs in Lakhs)	
	As at March 31, 2018	As at March 31, 2017
Debt	8,345.12	23,103.07
Cash & bank balances	(55.90)	(261.54)
Net Debt	8,289.22	22,841.53
Total Equity	20,799.09	18,722.90
Total Equity and Net Debt	29,088.32	41,564.43
<b>Net debt to debt and equity ratio (Gearing Ratio)</b>	0.28	0.55

**Notes-**

(i) Debt is defined as non current and current borrowings including current maturities (excluding derivatives) as described in notes 17 & 21.

(ii) Total equity (as shown in balance sheet) includes issued capital and all other equity reserves.

**(b) Loan Covenants**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to call loans and borrowings or charge some penal interest. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the current year and previous years.

**(c) Dividends**

The company has paid final dividend for FY 2016-17 on equity shares @Rs.15.55/- per share amounting to Rs.1104.03 lakhs and interim dividend for FY 2017-18 @Rs.15.55 per share amounting to Rs.1104.03 lakhs.



**SARASWATI SUGAR MILLS LIMITED**

**Notes to Financial Statements as at March 31, 2018**

**Note 44 : Impairment of Assets**

In accordance with Ind-AS 36 on Impairment of assets, the company has assessed as on the balance sheet date, whether there are any indications with regard to the impairment of any of the assets. Based on such assessment it has been ascertained that no potential loss is present and therefore, formal estimate of recoverable amount has not been made. Accordingly no impairment loss has been provided in the books of accounts.

**Note 45: Leases**

**(i) Company as a lessee**

The Company has leased facilities under cancellable operating leases arrangements with a lease term ranging from one to five years, which are subject to renewal at mutual consent thereafter. The cancellable arrangements can be terminated by either party after giving due notice. The lease rent expenses recognised during the year amounts to Rs. 31.18 Lakhs (previous year Rs. 70.04 Lakhs).

**(ii) Company as a lessor**

The Company has given on lease Building under operating lease. In accordance with Indian Accounting Standard (Ind AS-17) on 'Leases' disclosure of the future minimum lease income under non cancellable operating leases in the aggregate and for each of the following periods:

Particulars	(Rs. In Lakhs)	
	As at March 31, 2018	As at March 31, 2017
(i) Not later than one year	0.91	0.27
(ii) Later than one year and not later than five years	4.02	0.00
(iii) Later than five years	3.94	0.00
<b>Total</b>	<b>8.87</b>	<b>0.27</b>

**Note 46: Corporate Social Responsibility (CSR)**

In accordance with the provisions of Section 135 of the Companies Act, 2013 the company has paid a sum of Rs. 24.55 Lakhs (previous year Rs. Nil) towards approved CSR activities. The said amount stands debited to the "Corporate Social Responsibility Expenses" under the head "other expenses". The amount unspent at the close of year is Nil.

**Note 47**

In accordance with Ind AS 18 on "Revenue" and Schedule III to the Companies Act, 2013, Sales for the previous year ended 31 March 2017 and for the period 1 April to 30 June 2017 were reported gross of Excise Duty and net of VAT/ CST. Excise Duty was reported as a separate expense line item. Consequent to the introduction of Goods and Services Tax (GST) with effect from 1 July 2017, VAT/CST, Excise Duty etc. have been subsumed into GST and accordingly the same is not recognised as part of sales as per the requirements of Ind AS 18. This has resulted in lower reported sales in the current year in comparison to the sales reported under the pre-GST structure of indirect taxes.

**Note: 48 Revenue expenditure on Research & Development**

(Rs.in Lakhs)

Particulars	Year Ended	Year Ended
	March 31, 2018	March 31, 2017
Salary	3.03	2.90
Contribution to	0.23	0.17
<b>Total</b>	<b>3.26</b>	<b>3.12</b>

**Note: 49 Information on Cost Audit :**

As per General Circular no.15/2011 dated April 11, 2011 issued by Ministry of Corporate Affairs, Government of India, the required information is as under :-

Sl. No.	Particulars	Description	
(a)	Product covered for Cost Audit	Sugar	
(b)	Full Particulars of Cost Auditor	M/S Jugal K. Puri & Associates Cost Accountants, Plot No. 3, Sector-22, Gurgaon 122015, Haryana	
(c)	Filing of Cost Audit Report	<b>Year ended March 31, 2018</b>	<b>Year ended March 31, 2017</b>
	i) Date of filing of Cost Audit Report	Not Yet Due	01.09.2017
	ii) Due date of filing of Cost Audit Report	27.09.2018	27.09.2017



**SARASWATI SUGAR MILLS LIMITED**  
Notes to Financial Statements as at March 31, 2018

**Note : 50 Recent Accounting Pronouncements**

**Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, "Foreign Currency Transactions and Advance Consideration" which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income is the date on which an entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

The amendment is applicable for annual reporting periods beginning on or after April 1, 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material

**Ind AS 115 Revenue from Contracts with Customers**

On March 28, 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligation in contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**Note 51 Reconciliation of Cash flow from financing Activities**

In Pursuant to amendment in the Companies (Indian Accounting Standards) Rules, 2017 via MCA notification G.S.R 258(E) dated 17th March, 2017 Para 44A to Para 44E has been inserted after para 44 in Indian Accounting Standard -7 "Statement of Cash Flows", following reconciliation required from annual periods beginning on or after 1st April, 2017

Particulars	Amount (Rs in Lakhs)	
	Borrowings (Current)	Borrowings (Non-Current)
Opening Balance of Financial liabilities coming under the financing activities of Cash Flow Statement	18,519.20	4,608.11
<b>Changes during the year add/(less)</b>		
a) Changes from financing cash flow	(12,778.41)	(2,003.77)
b) Changes arising from obtaining or losing control of subsidiaries or other business	-	-
c) the effect of changes in foreign exchanges rates- (Gain)/Loss	-	-
d) Changes in fair value	-	-
e) Other Changes	-	-
<b>Closing Balance of Financial liabilities coming under the financing activities of Cash Flow Statement</b>	<b>5,740.78</b>	<b>2,604.34</b>

Note: 52 Previous year figures have been regrouped/ rearranged, wherever considered necessary to conform to current year's classification.

As per our report of even date  
For SCV & Co. LLP  
Chartered Accountants  
Firm Reg No. 000235N/N500089

(Sanjiv Mohan)  
Partner  
Membership No. 086066



*Sanjay Jain*

Sanjay Jain  
Dy. General Manager (Accounts)

*Manish Gupta*  
Sr. Manager (Internal Audit)

For & on behalf of the Board of Directors

*S.K. Khorana*  
S.K. Khorana  
Company Secretary  
Membership No. 1872

*Reva Khanna*  
Reva Khanna  
Director  
DIN:00413270

*Aditya Puri*  
Aditya Puri  
Managing Director  
DIN:00052534

Place: Noida  
Date: 14<sup>th</sup> May, 2018