

December 3, 2020

National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block-G,
Bandra Kurla Complex, Bandra (East)
Mumbai-400 051.

BSE Limited
P.J.Towers
Dalal Street
Mumbai – 400 001

Sirs

Sub: Notice of Annual General Meeting (AGM) and copy of Annual Report for the year ended 31st March 2020 – reg.

This is to inform you that the 34th Annual General Meeting (AGM) of the members of the Company is scheduled to be held on Monday, the 28th December 2020 at 4 PM. through Video Conferencing (VC) or Other Audio Visual Means (OAVM).

As required under Regulation 34 of SEBI (LODR) Regulations, 2015, we are enclosing herewith the Notice of AGM and the Annual report for the financial year ended 31st March 2020.

Kindly take the same on record.

Thanking you

For and on behalf of
RAJSHREE SUGARS & CHEMICALS LIMITED


M PONRAJ
Company Secretary

Enc: As above



Rajshree Sugars & Chemicals Limited

The Uffizi, 338/8, Avanashi Road, Peelamedu, Coimbatore - 641004, TN, India.

T: +91 - 422 4226222, 2580981-82 F: +91 - 422 2577929 E: rscl@rajshreesugars.com W: www.rajshreesugars.com

CIN: L01542TZ1985PLC001706



ANNUAL
REPORT
2019-20

- SUGAR
- CO-GENERATION OF POWER
- ALCOHOL
- RESEARCH & DEVELOPMENT
- BIO PRODUCTS

RAJSHREE SUGARS & CHEMICALS LIMITED

Regd Office : 'The Uffizi', 338/8, Avanashi Road, Peelamedu, Coimbatore 641 004.
Tel. : (0422) 4226222, Fax (0422) 2577929, CIN : L01542TZ1985PLC001706
E-Mail : rscl@rajshreesugars.com; Website : www.rajshreesugars.com

NOTICE TO THE MEMBERS

Notice is hereby given that the 34th Annual General Meeting (AGM) of the Members of Rajshree Sugars & Chemicals Limited will be held on Monday, 28th December 2020 at 4 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. Deemed venue of the meeting will be the Registered office of the Company at 'The Uffizi', 338/8, Avanashi Road, Peelamedu Coimbatore 641 004.

ORDINARY BUSINESS

1) Adoption of the audited financial statements of the Company

To consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

"RESOLVED that the audited financial statements of the Company for the financial year ended 31st March 2020 including Audited Balance Sheet as on that date, Statement of Profit and Loss and Cash Flow & Changes in Equity for the year ended on that date, together with the Board's Report and the Auditors' Report thereon as circulated to the members and presented to the meeting, be and are hereby adopted."

2) Reappointment of Director retiring by rotation

To consider and if thought fit, to pass the following resolution as **Special Resolution**:

"RESOLVED that Dr.P.Surularayanasami (DIN 01468527), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

SPECIAL BUSINESS:

3) Reappointment of Mr.R.Varadarajan as Wholetime Director

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203, Schedule V and other applicable provisions of the Companies Act, 2013 and the rules made thereunder, and as per the recommendation of the Nomination & Remuneration Committee, and as per the approval of the Audit Committee and the Board of Directors, the approval of the shareholders be and is hereby accorded to the re-appointment of Mr.R.Varadarajan (holding DIN 00001738), as a whole time key managerial personnel in the position of Wholetime Director of the Company for a period of three years effective from 5th June 2020".

"RESOLVED FURTHER that the Board of Directors be and is hereby authorized to take all such steps as may be necessary to give effect to this resolution."

4) Remuneration for Cost Auditor

To consider and if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

"RESOLVED that the Company do hereby confirm and ratify in terms of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the remuneration approved by the Board of Directors on the recommendation of the Audit Committee, for M/s.S.Mahadevan & Co., Cost Accountants (Firm Registration No.000007) for conducting the audit of the cost records for the products sugar, cogeneration of power and industrial alcohol of the Company for the financial year ending March 31, 2021, as set out below exclusive of applicable taxes and out of pocket expenses:

<u>Product</u>	<u>Amount ₹</u>
Sugar	80,000/-
Co-generation of power	45,000/-
Industrial Alcohol	25,000/-

5) Sale of Non-core assets

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

“**RESOLVED** that pursuant to the provisions of Section 181(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant rules, circulars, notifications, if any, made thereunder (including statutory modification(s), enactment(s) or re-enactment(s) thereof for the time being in force), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other applicable Regulations, if any, the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (or Committee thereof) to sell any of the non-core assets of the Company, as per the requirements of the lenders of the company in the process of restructuring of the debts of the Company.”

“**RESOLVED FURTHER** that, the Board or any Committee thereof, be and are hereby authorized to do all such things, deeds, matters and acts as may be required to give effect to this resolution and to do all things incidental and ancillary thereto.”

By Order of the Board

Place : Coimbatore
Date : 30th November 2020

M.PONRAJ
Company Secretary

NOTE:

- a) **The Register of Members of the Company will remain closed from 22nd December 2020 to 28th December 2020 (both days inclusive).**
- b) Members, holding shares in physical form, are requested to intimate the change in bank mandate/address, if any, immediately to the Registrars and Transfer Agents of the Company, M/s.S.K.D.C. Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. (E-mail: info@skdc-consultants.com).
- c) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- d) The Company's equity shares are listed in the following stock exchanges at present.
 - a. National Stock Exchange of India Limited, Mumbai
 - b. BSE Limited, Mumbai
- e) No dividend is pending for transfer to the Investor Education and Protection Fund (IEPF) except unpaid dividend of Rs.39,729/- for the financial year 2009-10, which are kept pending transfer due to prohibition as per Court orders.
- f) Members who are holding shares in physical form and have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, notices, circulars etc., from the Company. The e-mail may be registered with the Registrar and Share Transfer Agents of the Company.

The members who are holding the shares in demat form are requested to update their email address with their depository participant.

The Annual Report is available for inspection at the Registered Office of the Company during office hours. Shareholders may also request to visit the website of the Company www.rajshreesugars.com or the website of the Registrar and Transfer Agent www.skdc-consultants.com for downloading the Annual Report and Notice of the e-AGM.

Members are requested to support this Green Initiative by registering / updating their e-mail addresses for receiving electronic communications.

- g) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Registered office of the Company.
- h) The Statement of material facts pursuant to section 102(1) of the Companies Act, 2013, in respect of special business is annexed hereunder.
- i) A shareholder who is desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so only after the shares are dematerialized as per SEBI Circular dated 20th April 2018 and 16th July 2018. However, transmission or transpositions of securities are allowed in physical mode.
- j) Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, we request the shareholders who are holding shares in physical mode and who have not furnished the PAN and Bank account details, to furnish the following:
- Self-attested copy of PAN card(s) of sole/joint holder(s) of shares; and
 - Bank details along with original cancelled cheque leaf with the name of the sole/first holder printed on cheque leaf or copy of Bank Passbook attested by your Bank Manager.
- k) For smooth conduct of AGM proceedings, Members who wish to receive information with respect to Company's Annual Report for financial year 2019-20 or have questions with regard to the financial statements and the matters to be placed at the 34th AGM, can send their request by providing their name, demat account number/folio number from their registered e-mail ID to investor@rajshreesugars.com at least 10 days in advance before the start of meeting i.e. by 18th December 2020.
- l) e-AGM: Company has appointed M/s SKDC Consultants Limited, Registrars and Transfer Agents & National Securities Depositories Ltd (NSDL) to provide Video Conferencing facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
- m) Members may note that since the meeting is being held through VC facility, attendance slip is not annexed to the Notice convening the 34th AGM.
- n) Members who would like to express their views or ask questions during the AGM may register themselves **as a speaker** by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@rajshreesugars.com on or before 5.00 PM (IST) on Monday, 23rd December, 2020. Those Members who have registered themselves **as a speaker will only be allowed to express their views/ask questions during the AGM**. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- o) Voting through electronic means:
- In compliance with the provisions of Regulation 44 of the Listing Regulations read with section 108 of the Companies Act 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 34th Annual General Meeting scheduled to be held on Monday, 28th December 2020 at 4 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and the business may be transacted through e-voting. The Company has engaged the services of NSDL (National Securities Depositories Limited) as the authorized agency to provide the e-voting facilities as per instructions below.

Details of persons to be contacted for issues relating to e-voting:

S.K.D.C. Consultants Ltd, Kanapathy Towers, 3rd Floor,
1391/A-1, Sathy Road, Ganapathy, Coimbatore - 641 006
Telephone No.91-422-4958995, 2539835, 2539836 Fax : +91-422-2539837
Email ID : info@skdc-consultants.com
Website : www.skdc-consultants.com

The e-voting module shall be disabled for voting on 27th December 2020 at 5 PM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 21st December 2020 (cut-off date for determining the eligibility to vote through electronic mode).

Mr.B.Krishnamoorthi, FCA, Practicing Chartered Accountant has been appointed as the Scrutinizer to ensure that the e-voting process is conducted in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the voting at the 34th Annual General meeting, first count the votes cast at the meeting, and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any within two days of conclusion of the meeting, to the Chairperson of the meeting. The Chairperson or such other Director / person authorized by the Chairperson, shall declare the results of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., www.rajshreesugars.com, Company's notice Board at the Registered office of the Company, website of NSDL viz., www.evoting.nsdl.com and communicated to the Stock Exchanges namely NSE & BSE, where the shares of the Company are listed immediately, after the Chairperson declares the result.

E-VOTING INSTRUCTIONS FOR ANNUAL GENERAL MEETING (AGM) TO BE CONDUCTED THROUGH VIDEO CONFERENCING (VC) OR OTHER AUDIO VISUAL MEANS (OAVM):

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs (MCA) followed by Circular No. 20/2020 dated May 05, 2020, physical attendance of the Members to the Annual General Meeting (AGM) venue is not required and AGM be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by MCA, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the MCA Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.rajshreesugars.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.

7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AREAS UNDER:-

The remote e-voting period begins on Friday, December 25, 2020 at 09:00 A.M. and ends on Sunday, December 27, 2020 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

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

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

4. Your User ID details are given below :

S.No.	Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c)	For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

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

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bk.scrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to Ms.M.Pallavi, Manager at evoting@nsdl.co.in

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

In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to investor@rajshreesugars.com.

In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to investor@rajshreesugars.com.

The instructions for members for e-voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@rajshreesugars.com. The same will be replied by the company suitably.

STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 (“the Act”)

Item No.2: Reappointment of Dr.P.Surulinarayanasami as Director

As per notification dated 9th May 2018 of Securities and Exchange Board of India (SEBI) “no listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person”.

Accordingly, the approval of the shareholders is sought for the reappointment of Dr.Surulinarayanasami (Age:82 years), as Director of the Company liable to retire by rotation.

He has been on the Board for more than 3 decades and is having extensive knowledge in the field of management, and he has shared his technical expertise and experience for the growth of the company and hence he can be reappointed as a Non-Independent Non-Executive Director.

The Nomination and Remuneration Committee and the Board of Directors have recommended the said reappointment.

The following details are furnished as required under the SEBI (LODR) Regulations, 2015:

The brief resume of Dr.Surulinarayanasami, the proposed appointee is furnished below:

Dr.Surulinarayanasami (DIN 01468527; Date of Birth: 15.1.1938) has completed his doctorate in Engineering (Ph. D) from Michigan State University, USA. He is a civil and structural engineer with interests in software development and fund management and Automotive Industry. He worked for Ford Motor Company in USA for 36 years in various management positions.

Other Directorships

L.S.Property Developers Private Limited
Essram Holdings Private Limited

Membership in Committees

Nil
Nil

He holds 11,31,107 equity shares in the Company.

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

The Board recommends the Resolution furnished in agenda for approval by the shareholders.

Item No.3: Reappointment of Mr.R.Varadarajan as Wholetime Director

The term of office of Mr.R.Varadarajan (DIN:00001738 ; Date of Birth:22-04-1958), Wholetime Director expired on 4th June 2020.

The Board of Directors, at its meeting held on 27th May 2020, based on the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee, approved the re-appointment of Mr.R.Varadarajan as Wholetime Director for a further period of 3 years from 5th June 2020 and payment of remuneration for the said periods.

In terms of Section 197 read with Schedule V to the Companies Act, 2013, the said re-appointment and the remuneration will be subject to the approval of the shareholders.

In terms of Section 197, approval in respect of said remuneration can be considered by the shareholders only after it is approved by the secured lenders. While secured lenders in respect of 90% of the financial debt as on 30th September 2020, namely, State Bank of India, Bank of India, UCO Bank, ICICI Bank Limited, Axis Bank Limited and Federal Bank Limited, have duly accorded their approval. The request for approval by the Company is yet under consideration by the Sugar Development Fund (SDF), a Central Government body.

Hence, the approval of the shareholders is presently being sought only for the re-appointment and their approval for the remuneration will be sought separately after receipt of the approval from SDF.

The proposed resolution in the agenda and this explanatory statement may be treated as an abstract of the terms and conditions of reappointment of Mr. Varadarajan, Wholetime Director pursuant to applicable provisions of the Companies Act, 2013.

The Memorandum and Articles of Association, relevant resolutions passed by the Nomination and Remuneration Committee, the Board and the Audit Committee and the written memorandum setting out the terms of appointment of Wholetime Director vide Section 190(1) (b) and such other documents mentioned above are available for inspection by members at the registered office of the company during business hours on any working day.

The following details are furnished as required under the SEBI (LODR) Regulations, 2015:

The brief resume of Mr. Varadarajan, the proposed appointee is furnished below:

Mr. Varadarajan has been associated with the Company since its inception in 1987. With a Master's Degree in Business Management and a Master's Degree in English Literature, he has spearheaded the project team in Rajshree Sugars & Chemicals Limited progressing from sugar to alcohol, from organic fertilizer to cogeneration of power and bio-products.

He has vast experience in coordinating and managing diverse activities to execute Greenfield projects, from strategic and financial planning to technical and commercial operations. He has played a key role in the acquisition of sugar factories and integrating management cultures and operations. Under his dynamic leadership, the company became the first integrated sugar complex in India to be certified as an ISO 9001: 2000 company for all its products ranging from sugar, alcohol, power, organic manure and bio-products and the first sugar company in India to register a co-generation power plant as a Clean Development Mechanism with the UNFCCC and trade in Carbon Credits.

He has extensive global experience in conducting ground studies to assess economic and commercial potential of agro-businesses.

He is an active member of industry associations both at the state and national levels.

Other Directorships

Sri Krishna Potable Products Private Limited
COCCA Art & Design Institute Private Limited
Lakshmi Automatic Loom Works Limited

Membership in Committees

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He holds membership in the following committees of the Company.

Share Transfer Committee	Chairman
Audit Committee	Member
Stakeholders' Relationship Committee	Member
Corporate Social Responsibility Committee	Member

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution, except the appointee.

The Board recommends the Resolution furnished in the agenda for approval by the shareholders.

Item No.4: Remuneration for Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s S. Mahadevan & Co. Cost Auditors to conduct the audit of the cost records of the Company in respect of the products sugar, cogeneration of power and industrial alcohol, for the financial year ending March 31, 2021 as set out below excluding applicable taxes and out of pocket expenses:

<u>Product</u>	<u>Amount (₹)</u>
Sugar	80,000/-
Co-generation of power	45,000/-
Industrial Alcohol	25,000/-

Pursuant to Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors, as determined by the Board on recommendation of Audit Committee, has to be ratified by the shareholders of the Company at the following general meeting.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Resolution furnished in agenda for approval by the shareholders.

Item No.5: Sale of Non-core Assets

The loan accounts of the Company have become Non-Performing Assets from June 2018. The Company is in discussion with the lenders for debt restructuring which is under active consideration.

As part of the restructuring process, the lenders have directed the company to demonetize some of the non-core assets, which are not connected with core business of the Company viz., sugar, cogeneration of power and industrial alcohol.

Accordingly, the Board has, at its meeting held on 20th May 2019, approved the sale of some of the non-core assets of the Company, subject to statutory compliances and approvals. Sale of some more non-core assets may be considered from time to time.

The shareholders may note that the sale of non-core assets will not adversely affect the business activities of the Company and at the same time would reduce the company's debt.

As per Section 180(1)(a) of the Companies Act, 2013, the approval of the shareholders is required by way of special resolution to sell or otherwise dispose of the whole or substantially the whole of the undertaking of the company or where the company owns more than one undertaking, of the whole or substantially the whole of any of such undertaking.

In view of the losses incurred, 20% of the Company's networth as on 31st March 2020 amounts only to Rs.790.70 lakhs.

Since the sale of non-core assets is likely to exceed the said amount, approval of the shareholders is being sought.

None of the Directors / Key Managerial Personnel of the Company / their relatives is in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Resolution furnished in the agenda for approval by the shareholders.

By Order of the Board

Place : Coimbatore
Date : 30th November 2020

M.PONRAJ
Company Secretary

BOARD OF DIRECTORS

- Ms. RAJSHREE PATHY (DIN 00001614)
Chairperson
- Dr. P SURULINARAYANASAMI (DIN 01468527)
- Mr. S VASUDEVAN (DIN 01567080) #
- Mr. S.KRISHNASWAMI (DIN 08530320) #
- Mr. SHEILENDRA BHANSALI (DIN 00595312)
- Mr. K. ILANGO (DIN 00124115) #
- Mr. RAJA M.J.ABDEEN (DIN 00905319)
- Mr. R.VARADARAJAN (DIN 00001738)
Wholetime Director
- Mr. G.R.KARTHIKEYAN (DIN 01587747) *
- Mr. G.S.V.SUBBA RAO (DIN 00001697) *
- Mr. R.C.H.REDDY (DIN 00006184) *
- Dr. K.MOHAN NAIDU (DIN 01774192) *
- * Completed their term of office on 30.9.2019.
Appointed as Independent Directors on 30.9.2019.

Auditors

M/s.S.Krishnamoorthy & Co.,
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road
Ganapathy
Coimbatore 641 006

Chief Financial Officer

Mr.V.B.Gopal Krishnan (Relieved on 16.5.2020)

Associate Vice President (Finance)

Mr.C.S.Sathiyarayanan (Appointed on 7.5.2020)

Company Secretary

Mr. M. Ponraj

Registrars & Share Transfer Agents

M/s SKDC Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore 641 006.

Registered Office

'The Uffizi'
338/8 Avanashi Road
Peelamedu
Coimbatore 641 004

Factory Unit I Sugar, Cogeneration & Distillery

Varadarajnagar P.O.
PIN 625 562
Periyakulam Taluk
Theni District

Factory Unit II Sugar & Cogeneration

Mundiyampakkam PO
PIN 605 601
Vikravandi Taluk
Villupuram District

Factory Unit III Sugar, Cogeneration & Distillery

Semmedu Village
Gingee Taluk, PIN 604 153
Villupuram District

Bankers

State Bank of India
UCO Bank
Bank of India
ICICI Bank Limited
Axis Bank Limited
Federal Bank Limited

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BOARD'S REPORT

Your Directors have pleasure in presenting the 34th Annual Report on the business and operations of the company and the audited financial statements for the year ended 31st March 2020.

	2019-20	2018-19
₹ in lakhs		
1) Financial Highlights		
Total Income	33,091.96	40,245.20
Profit before Finance Costs, Depreciation and exceptional items	1,219.90	1,737.01
Less: Finance Costs	5,778.83	5,796.23
Depreciation	2,483.91	2,469.53
Profit / (Loss) from ordinary activities before Tax	(7,042.84)	(6,528.75)
Tax Expenses	(2,107.60)	(2,344.49)
Profit / (Loss) after Tax	(4,935.24)	(4,184.26)
Other comprehensive income, net of income tax	(91.76)	1.14
Total comprehensive income for the period	(5,027.00)	(4,183.12)
Basic / Diluted earnings per share of ₹10/- each, before / after extraordinary items	(17.52)	(14.85)

2) Dividend

In view of the stressed financial position, your Directors have not recommended payment of dividend for the year 2019-20. Also no amount has been transferred to reserves.

3) Financial Performance

Your Company earned an income of ₹ 33,091.96 lakhs in the year 2019-20 as against ₹ 40,245.20 lakhs during the previous year. The Company has incurred a net loss of ₹ 5,027.00 lakhs as against the net loss of ₹ 4,183.12 lakhs incurred during the previous year.

4) Operational Performance

a) Sugar Division

The key operational data of our sugar division for the year 2019-20 are as follows:

Particulars	2019-20	2018-19
Sugarcane crushed (Tons)	6,21,039	9,21,726
Recovery %	8.54	8.48
Sugar Produced (Tons)	53,063	78,183
Sugar Sold (Tons) - Domestic	69,240	86,987

The sugarcane crushing had decreased by 33% due to low availability of sugarcane in the command area.

b) Cogeneration Division

During the year under review, the total power generated by all our Units was 760 lakh units as against 1,113 lakh units in the previous year. The company exported 462 lakh units during the year as against 662 lakh units in the previous year.

The Company has not received carbon credits during the year. The Company has received 1,18,077 units of carbon credits and has been accounted during the previous financial year.

c) Distillery Division

Both Unit I and Unit III have together produced 137.42 lakh litres of Alcohol during the year as against 186.20 lakh litres of Alcohol in the previous year and sold 145.51 lakh litres of alcohol as against 211.59 lakh litres of alcohol in the previous year.

5) Default in the payment to the lenders

You are aware that the Company has become Non-Performing Asset (NPA) in the month of June 2018.

The company is in discussion with the lenders for debt restructuring and the process has been delayed due to COVID-19 lockdown and the consequent restricted operations of the Banks.

The company is in default of SDF loans since the Financial Year 2016. The Ministry of Consumer Affairs, Food and Public Distribution has allowed restructuring of SDF loans on occurrence of a natural calamity in a particular State vide notification dated 17th September 2018. The industry is waiting for notification of the guidelines to restructure the outstanding loans.

6) Future Outlook

The COVID-19 lockdown had caused abrupt suspension in the factory operations of the Company. The Company has recommenced sugar production in the second week of April 2020, as per the Government order permitting operation of factories which produces essential commodities. The Company has also obtained licence from The Director of Drugs Control, Tamilnadu, for manufacturing of Hand Sanitizers and the production started in the first week of April 2020.

The management believes that no material uncertainty exists about the company's ability to continue as a going concern and accordingly the management has prepared these financial statements on a going concern basis.

The impact assessment of COVID 19 is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to future economic conditions.

Also, the monsoon in the current year and the Government policy on sugar would continue to have a significant bearing on the prospects of the industry in the coming years.

7) Fixed Deposits

Your Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

8) Auditors

Statutory Auditors : As approved by the shareholders, M/s.S.Krishnamoorthy & Co., Chartered Accountants, Coimbatore are holding office as Statutory Auditors for the five financial years from 2016-17 to 2020-21 and holding office up to the conclusion of the 35th AGM to be held in the year 2021.

Cost Auditors: In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audits) Rules, 2014, the products manufactured by the company viz. Sugar, Industrial Alcohol and Cogeneration of Power are covered under the ambit of mandatory cost audits. Accordingly, the Company has made and maintained the accounts and cost records as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.

As per the recommendation of the Audit Committee, the Board of Directors had been appointed M/s.S.Mahadevan & Co., Cost Accountants, as the Cost Auditor of the Company, to carry out the cost audit for the financial year 2020-21 and fixed their remuneration. The necessary resolutions will be placed before the ensuing Annual General Meeting for ratification of remuneration as per Section 148(3) of the Companies Act, 2013.

9) Conservation of energy, technology absorption, foreign exchange earnings and outgo

Annexed herewith as Annexure 1.

10) Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by SEBI. The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance (Annexure 2) as stipulated under the SEBI (LODR) Regulations, 2015, forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is attached to the report on Corporate Governance.

11) Details of Directors or Key Managerial Personnel Appointed / Resigned

Key Managerial Personnel appointed / resigned during the year is furnished below:

Name	Designation	Appointment / reappointment / Resignation	Effective from
Mr.R.Varadarajan	Wholetime Director	Retired by rotation and reappointed	30th September 2019, liable to retire by rotation
Mr.G.R.Karthikeyan	Independent Directors	Terms of office completed	The closing hours of 30th September 2019
Mr.G.S.V. Subba Rao			
Mr.R.C.H.Reddy			
Dr.K.Mohan Naidu			
Mr.S.Krishnaswami	Independent Directors	Appointment	30th September 2019
Mr.K.Ilango			
Mr.S.Vasudevan			

12) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The newly appointed Directors have not participated in the evaluation process considering the lesser number of meetings attended by them. The performance evaluation has been carried out as per the policy laid down by the Nomination and Remuneration Committee.

13) Number of Board meetings

During the year, 4 Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

14) Declaration given by Independent Directors

The Independent Directors of the Company have furnished declarations as required under Section 149(6) of the Companies Act 2013 & SEBI (LODR) Regulations, 2015.

15) Whistle Blower Policy ('Vigil Mechanism')

The Board has established a Vigil Mechanism, as required under the SEBI (LODR) Regulations, 2015, for directors and employees to report concerns about unethical behaviour, actual or suspected fraud and violation of the company's code of conduct or ethics policy.

This mechanism also provides for adequate safeguard against victimization of director(s) / employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee.

The said Policy is available on the website of the Company www.rajshreesugars.com/policies

16) Particulars of Loans, Guarantees or Investments under Section 186

The Company has not made any loan, given any guarantee or made any investment as per Section 186 of the Companies Act 2013 during the year under review.

17) Anti-Sexual Harassment Policy

The company has a policy on prohibition, prevention and redressal of Sexual Harassment of women at workplace and matters connected therewith or incidental thereto covering all the aspects as contained under "The Sexual Harassment of women at workplace (Prohibition, Prevention and Redressal) Act, 2013".

During the calendar year ended 31st December 2019, no complaint was received under the policy.

The company has complied with the provisions relating to the constitution of Internal Complaints Committee under the said Act.

18) Related Party Transactions

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. There were no material contracts / arrangements / transactions with related parties during the year.

19) Material Changes & Commitments between end of financial year and this Report

There have been no material changes & commitments between end of financial year and this report.

20) Managerial Remuneration

The details of disclosures relating to Managerial Remuneration as required pursuant to Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed (Annexure 3).

21) Remuneration Policy

The Board has, on the recommendation of Nomination and Remuneration Committee framed a policy for selection and appointment of Directors, Key Managerial Personnel (KMP), Senior Management to fix their remuneration. The salient features of the policy are furnished hereunder:

The Nomination & Remuneration Policy (NR Policy) of the Company was formed in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 for nomination and remuneration of Directors, Key Managerial Personnel and Senior Management. The objective and purpose of this policy are (1) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully (2) relationship of remuneration to performance is clear and meets appropriate performance benchmarks and (3) remuneration to directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

The policy empowers and regulates the Nomination & Remuneration Committee by providing detailed roles. The policy also provides detailed regulation for appointment and remuneration of Wholetime / Managing Director, KMP, and Senior Management Personnel.

The said policy is available in the Company's website www.rajshreesugars.com/policies

22) Industrial Relations

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

23) Internal control systems and their adequacy

The Company has internal control systems which is commensurate with its size, nature and volume of operations.

24) Rajshree Sugars & Chemicals Limited (RSCL) Employees Stock Option Plan 2012

The details of Stock Options granted during the financial year ended as on 31st March 2020 and other particulars under the "RSCL Employees Stock Option Plan 2012" forms part of this report, as Annexure 4.

25) Secretarial Audit

The Board has appointed Mr.G.Soundararajan (Membership No.13993 CP No.4993), a Company Secretary in Practice, to undertake the Secretarial Audit of the Company as required under Section 204 of the Companies Act 2013. The Secretarial Audit report is annexed herewith as Annexure 5. The report does not contain any qualification, reservation or adverse remarks.

26) Extract of Annual Return

The extract of the Annual Return in the prescribed Form MGT 9 is annexed herewith as Annexure- 6.

27) Transfer of Amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, relevant amounts which remained unpaid or unclaimed for a period of 7 years have been transferred by the Company to the IEPF. No dividend is pending as on date for transfer to the IEPF except unpaid dividend of ₹39,729/- for the financial year 2009-10, which are kept pending transfer due to prohibition as per court orders.

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28th August 2017 on the website of the Company (www.rajshreesugars.com), and also on the website of the Ministry of Corporate Affairs.

The company has also transferred the equity shares of the shareholders who have not claimed dividend for the 7 years continuously, to the credit of IEPF in Form IEPF-4 on 18th December 2017. The shareholder may claim the said shares and dividend by following the procedures laid down in the website of IEPF Authority, viz. <http://www.iepf.gov.in/IEPF/Refund.html>

28) Directors' Responsibility Statement

In terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Directors state that:

- i) In the preparation of the annual accounts / financial statements, the applicable accounting standards had been followed along with the proper explanation relating to material departures; if any;
- ii) Accounting policies as selected have been applied consistently and the judgments made and estimates were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit / loss, if any, of the Company for the year under review.
- iii) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv) the annual accounts / financial statements have been prepared on a going concern basis.
- v) internal financial controls have been laid down to be followed by the company and that such internal financial controls are adequate and operating effectively.
- vi) a proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

29) Code of Conduct

Directors, Key Managerial Personnel and Senior Management of the Company have confirmed compliance with the Code of Conduct applicable to the Directors and employees of the Company and the declaration in this regard made by Wholtime Director, as required under SEBI (LODR) Regulations 2015 forms part of Corporate Governance Report.

The code is available in the website of the company www.rajshreesugars.com/Code-of-conduct-fair-disclosure.

30) Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company, as per SEBI (Prohibition of Insider Trading) Regulations, 2015.

The code is available in the website of the Company www.rajshreesugars.com/Code-of-conduct-fair-disclosure

31) Risk Management Policy

The Company has formulated a Risk Management Policy as required under SEBI (LODR) Regulations 2015. The Company has also formulated a specific policy viz., 'Forex and Interest Rate Risk Management Policy for Currency and Interest Rate Risk Management'.

The Board perceives the risk of recurring deficit monsoons which may erode the operational viability of the business. While there are a slew of measures from the Government of India to address the pan-India surplus of sugar, there is currently lack of a special package of support measures specifically targeted to revive the Tamilnadu Sugar industry which is in distress because of very low capacity utilization.

The details about the risks being faced by the Company are furnished in the 'Management Discussion & Analysis Report' (Annexure 7).

32) Significant & material orders passed by regulator or courts or tribunals impacting going concern status and companies operations in future

There have been no significant & material orders passed by regulator / courts / tribunals impacting going concern status and companies operations in future.

33) Compliance with Secretarial Standards

The company has complied with all applicable mandatory Secretarial Standards issued by the Institute of Company Secretaries of India and approved as such by the Central Government, as per the provisions of Companies Act, 2013.

34) Acknowledgement

Your Directors thank the Banks and Financial Institutions for their valuable and timely financial assistance and support provided by them to the Company. Your Directors also thank the cane growers, suppliers, Government Institutions and others for the cooperation extended to the Company. The Board also places on record its appreciation of the dedicated services rendered by the employees of the Company.

May **Goddess Lakshmi** shower Her blessings for the continued prosperity of the Company.

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

ANNEXURE 1
BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2020

A. CONSERVATION OF ENERGY

i) The steps taken or impact on conservation of energy;

At Unit-I, Varadarajnagar:

1. 218 numbers of fluorescent tube lamps and 31 numbers of Sodium Vapour (SV) lamps were replaced by LED lamps, which resulted in saving of 151 units of power per day & 55,115 units of power per annum.
2. 35 HP service water pump operation changed to automatic mode from manual mode during plant operation, which resulted in saving of 360 units of power per day and 46,800 units of power per annum of 130 operating days.
3. Distillery plant is not in operation now and the Re-boiler Plate heat exchanger was idle. At sugar plant, if the clear juice inlet temperature to evaporator is 110 or 115 degree centigrade, the steam required for evaporator will be reduced.

Hence, the re-boiler was shifted to sugar plant for clear juice heating temporarily. Earlier clear Juice inlet temperature to evaporator was 90 to 95 degree centigrade. After installing the plate heat exchanger, the clear juice inlet temperature to the evaporator is 115 degree centigrade. The temperature increase of clear juice has resulted in saving of 36 Metric Tonne (MT) of steam per day and 4,680 MT of steam per annum of 130 operating days.

At Unit-II, Mundiampakkam

1. 120 numbers of fluorescent tube lamps and 10 numbers of SV lamps were replaced by LED lamps which resulted in saving of 43 units of power per day and 15,695 units of power per annum.
2. Off-season power consumption is reduced by planned equipment trials in controlled manner, which resulted in savings of 700 units of power per day and 1,06,400 units of power per annum (152 days of off-season).
3. Installation of Plate type heat exchanger (using low pressure 3 ATA (Average Atmospheric Pressure)) for Centrifugal wash water system instead of tubular heat exchanger (using 9 ATA), which resulted in saving of 4.4 MT of steam per day and 365.2 MT of steam per annum of 83 operating days.

At Unit-III, Semmedu

1. Standby Variable Frequency Drive (VFD) of Induced Draught (ID) Fan is utilized for 200 KW instrument compressors with changeover option in 3 MW Distillery Cogen plant, which was operated with Star / Delta starter earlier. This resulted in saving of 500 units of power per day and 92,000 units per annum of 184 operating days.
2. VFD of 20.5MW Cogen Condensate Extraction Pump (CEP) during non-operation is utilized instead of 37 KW vacuum pump of Distillery Evaporator, which was operated with Star / Delta starter earlier. This resulted in saving of 240 units of power per day and 31,920 units per annum of 133 operating days.
3. Additional 3.7 KW Distillery Water Treatment Plant (WTP) reject water pump motor connected to Biogas engine from May 2019, which was earlier operating on supply from 3 MW TG set. Thereby resulting in power saving of 75 units per day and 5,700 units per annum of 76 operating days.

ii) The steps taken by the company for utilizing alternate sources of energy:

The Company has fully integrated sugar factories where biomass (bagasse) based co-generation is designed into the system making it an inherent renewable energy based manufacturing process and facility.

iii) The capital investment on energy conservation equipment (₹ in lakhs).

- 1) At Unit-I – 3.84
- 2) At Unit-II – 2.22
- 3) At Unit-III – Nil

B. TECHNOLOGY ABSORPTION

i) The efforts made towards technology absorption;

- 1) New high yielding, high sugar and short duration variety viz., Co 11015 was selected from collaborative project between SISMA and ICAR Sugarcane Breeding Institute, Coimbatore based on the field studies conducted during financial year 2017-18 and 2018-19. Considering its good growth, yield and consistent higher juice quality, this variety was propagated to larger area for assessing its quality at Big Mill Test (BMT) level during the financial year 2019-20.
- 2) The BMT conducted at Unit I during September 2019 recorded 0.76% higher recovery than the ruling variety Co 86032. The recent BMTs conducted at Unit II during crushing season 2019-20 (October-September) also recorded better juice quality at 10 months age. The crop stand and acceptance by the farmers are also good. Hence, this variety is being used to replace the medium and low sugar varieties in our cane command area. The present coverage of Co 11015 at Mundiampakkam during this 2019-20 crushing season is 25% of the total plant crop area. Considering its better performance, this variety is now being multiplied at Gingee factory area also.
- 3) New set of 18 project Sweet Bloom clones obtained from Sugarcane Breeding Institute were tested at Unit II and identified 2 promising clones. 2nd year plant crop study and 1st ratoon crop study is under progress.
- 4) Evaluation of 44 new sugarcane clones obtained from ICAR Sugarcane Breeding Institute, Coimbatore (2013, 2014 and 2015 series clones) is under various stages of trial both at Mundiampakkam and Varadarajnar cane farm for yield and juice quality assessment.
- 5) New set of 17 clones under All India Co-ordinated Research Project on Sugarcane were obtained from ICAR Sugarcane Breeding Institute, Coimbatore and are being multiplied at Varadarajnar for further evaluation during February 2021.
- 6) New varietal evaluation study with Tamil Nadu Agricultural University (TNAU) has been initiated under Adaptive Research Trial programme and the study has commenced both at Varadarajnar and Mundiampakkam with 5 new clones and 3 standard varieties.
- 7) Produced and supplied 0.38 lakhs Tissue Culture (TC) sugarcane seedlings for the breeder seed nursery programme. This TC seed material was planted in Unit I cane farm and supplied to all our units as breeder seed material. Only very few Indian sugar industries are having such system to produce disease free quality seed material for nursery system and Rajshree Sugars is one amongst them.
- 8) Varietal purity for higher sugar recovery is being ensured through an exclusive R&D breeder seed nursery farm operational at Varadarajnar and Mundiampakkam thus catering to the nursery seed requirement of farmers of all our Units.
- 9) 99.19 tonnes of rejuvenated Co 86032 and new promising variety Co 11015 breeder seed material were obtained from Sugarcane Breeding Institute, Coimbatore covering all our three mills for production of quality seed material to meet the nursery and bulk planting so as to facilitate for higher cane yield to the farmers and higher sugar recovery for the mill.
- 10) Large scale testing of Samartha G with bio products (BioA, P, K, VAM & Humic) recorded the cane yield increase of 1.10 tonnes / acre and 0.18 % higher recovery at BMT level than the current practice. Considering its earlier field studies results and present large scale evaluation results, application of Samartha G @ 10 kg/acre is included in our package and we have started supplying to our farmers for application to the sugarcane crop.

- 11) A collaborative study with Rivulis Drip Irrigation Company to study the suitability of drip system for wetland soils revealed that the sub surface drip system recorded higher cane yield and it was 10 tonnes / acre higher than the conventional method. 2nd year field study is under progress.
 - 12) Integrated control measures combining sound, smell and physical barriers were tested against wild boar incidence. Finally identified that used “fish net fencing” is the best method in managing the wild boar incidence. Promoted this technology in more than 75 acres across all our units.
 - 13) Periodical monitoring of cane area through regular and mass pest and disease survey is being carried through the cane team and Sugarcane Breeding Institute (SBI) Scientists. Forecast of the potential problem that may arise with recommendations of solutions is being given to farmers through cane team to manage the pest and disease problems.
 - 14) Trained the cane team and farmers through series of field demonstrations for installation of sticky trap for Early Shoot Borer (ESB) and Inter Node Borer (INB) pest management, Integrated method of Wild boar management, chip bud seedling production, vermi compost production technologies so as to improve the average cane yield and net income of the farmers.
 - 15) Presented the status report of all Rajshree Group units on Strategies for cane yield improvement, mechanization, varietal performance and nursery in the 50th R&D Workshop held at Chennai on 23rd and 24th October 2019.
 - 16) The paper presented on “Current varietal position and Performance of new sugarcane varieties” at 50th workshop of Sugarcane Research and Development workers of Tamil Nadu & Puducherry held at Chennai and bagged Best Presentation Award by our Breeder, Mr.C.G.Balaji.
 - 17) Sugar beet planting was taken up at Unit I and Unit II cane farms with two varieties for its suitability study. Seed material was obtained from a Belgium based company (SESVanderhave) and TNAU is organizing sugar beet evaluation studies in Tamil Nadu.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- 1) Self-nursery concept was promoted with high sugar and high yield variety seed material among the farmers which resulted in the increased High Sugar Variety (HSV) % in the plant crop area.
 - 2) Pocket manuring was promoted for easy placements of fertilizers near the root zone through a novel pocket manuring stick. This tool was designed locally and given to farmers for large scale adoption and increased fertilizer use efficiency.
 - 3) The company is continuing its efforts in promotion of drip irrigation, trash shredding and trash mulching to improve the crop yield and save the crop from drought effect.
 - 4) Large scale adoption of a specific drought management practice of potash and micronutrient foliar spray through entrepreneurs resulted in mitigating crop moisture stress and preventing crop perishals.
 - 5) Continual technology up-gradation of in-house R&D biological control agent production facilities and farmer-entrepreneur units resulted in coverage of 25 % of cane area across all units with eco-friendly biological control agents and significant reduction in pest incidence and better cost benefit to farmers.
 - 6) A new green label chemical “Chlorantraniliprole 18.5% of suspension concentrate was tested for its efficacy on early shoot borer management. Both the pilot scale study and large scale testing under farmer's field condition gave very good pest control with additional benefit of improved crop growth. There was 95% of ESB control, 26% of higher tiller production and around 50% of lesser INB incidence over earlier practice. Hence this chemical has been recommended for large scale adoption in the command area for controlling the ESB incidence and also for increasing the cane yield.

- 7) Pilot scale production of Entomo Pathogenic Nematode was carried out Mundiampakkam entomology lab and the production technology has been standardized
- 8) Power tiller and mini tractor usage has been enhanced among sugarcane farmers through entrepreneur concept for easy and cost-effective inter cultivation.
- 9) Conducted 2 days Technical training to all units Cane Team during off season on advanced cane cultivation technologies and emphasis was given on 4½ feet wider row planting and field requirements for mechanical harvesting. Invited mechanical harvester company persons and one entrepreneur to give a special focus on the requirement of mechanical harvesters and its promotion.

iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); NotApplicable.

C. The expenditure incurred on Research and Development: ₹ 114.06 lakhs (₹103.98 lakhs).

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows (₹ in lakhs)

		2019-20	2018-19
Foreign exchange earned	:	Nil	21.18
Foreign exchange outgo	:	Nil	0.90

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

ANNEXURE 2

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2020 CORPORATE GOVERNANCE REPORT

1. Company's philosophy on code of Governance

The Company believes that good corporate governance is essential to achieve long term corporate goals and enhance shareholder value. The company is committed to produce sugar and value added by-products of good quality and strive for continuous improvement in all spheres of its activities to create value that can be sustained over a long term for all its shareholders, employees, customers, government and lenders. The Company endeavours to ensure that high standards of ethical conduct are maintained throughout the organization.

2. Board of Directors

a) The Board of Directors of the Company is comprised of;

- 1 Promoter Non-Executive Director Ms.Rajshree Pathy
- 1 Non promoter Executive Director Mr. R.Varadarajan
- 2 Non-Independent Non-Executive Directors Mr. Raja M.J.Abdeen
Dr. P. Surulinarayanasami
- 8 Independent Directors Mr. Sheilendra Bhansali
Mr. S.Vasudevan*
Mr. K.Ilango*
Mr. S.Krishnaswami*
Mr.G.R.Karthikeyan**
Mr.G.S.V.Subba Rao**
Mr.R.C.H. Reddy**
Dr.K.Mohan Naidu**

* Appointed on 30th September 2019 ** Term of office completed on 30th September 2019

b) During the year, 4 Board meetings were held respectively on 20th May 2019, 14th August 2019, 14th November 2019 and 14th February 2020.

c) The details relating to attendance, directorships, memberships and chairmanships are furnished below:

Name of Director	No. of Board Meetings attended	Last AGM attended	In Board of other Companies		In Committee of other Companies	
			Membership	Chairmanship	Membership	Chairmanship
Ms.Rajshree Pathy	4	Yes	8	–	–	–
Mr.R.Varadarajan	4	Yes	4	–	1	–
Dr.P.Surulinarayanasami	2	Yes	2	–	–	–
Mr.Raja M.J.Abdeen	4	Yes	10	–	–	–
Mr.Sheilendra Bhansali	2	Yes	3	–	–	–
Mr.S.Vasudevan *	2	NA	1	–	–	–
Mr.K.Ilango *	2	NA	5	–	1	–
Mr.S.Krishnaswami *	2	NA	–	–	–	–
Mr.G.R.Karthikeyan **	2	Yes	8	–	1	–
Mr.R.C.H. Reddy **	2	Yes	6	–	8	3
Mr.G.S.V.Subba Rao **	2	Yes	–	–	–	–
Dr.K.Mohan Naidu **	2	Yes	1	–	–	–

* Appointed on 30th September 2019 ** Term of office completed on 30th September 2019

There is no inter-se relationship among the directors.

d) Names of the listed entities where the person is a director and the category of directorship:

Name of the Director	Name/s of the listed entities	Category of Directorship
Mr.R.Varadarajan	Lakshmi Automatic Loom Works Limited	Independent Director

e) **List of Core skills / expertise / competencies identified by the Board of Directors:** As required under Clause 'C' of Schedule V of the SEBI (LODR) Regulations, 2015, a chart is furnished below containing core skills / expertise / competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board, along with the names of directors who have such skills / expertise / competence:

Note: In the absence of mark against a Director does not necessarily mean that such Director does not possess the said qualification or skill.

	Ms. Rajshree Pathy	Mr.R.Varadarajan	Mr.Raja MJ Abdeen	Dr. P. Surulinarayanasami	Mr.Sheilendra Bhansali	Mr.S.Vasudevan	Mr.K.Ilango	Mr.S.Krishnaswami
Skills attributable to the Industry / Sector, in which the Company operates	Yes	Yes	Yes	Yes		Yes		
Financial Management Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administrative Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leadership Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills in relation to Company's Business Operations	Yes	Yes		Yes		Yes	Yes	
Business Strategy & Sales & Marketing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication Skills and public relations	Yes	Yes		Yes	Yes	Yes	Yes	Yes
Decision making skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members and during the year, four meetings were held respectively on 20th May 2019, 14th August 2019, 14th November 2019 and 14th February 2020.

Name of Member	Category	No. of meetings attended
Mr.Sheilendra Bhansali, Chairman *	Independent Directors	2
Mr.S.Vasudevan **		2
Mr.K.Ilango **		2
Mr.R.Varadarajan	Non Promoter Executive Director	2
Mr.G.S.V.Subba Rao, Chairman ***	Independent Directors	2
Mr.G.R.Karthikeyan ***		2
Mr.R.C.H.Reddy ***		2
Mr.Raja M.J.Abdeen ***	Non-Executive and Non-Independent Director	2

* Nominated as Chairman from 30th October 2019 ** From 30th October 2019 *** Upto 30th September 2019

Mr.M.Ponraj, Company Secretary is the Secretary of the Audit Committee.

The terms of reference of Audit Committee includes matters specified in Section 147 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015.

The brief description of terms of reference is as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company
3. Approval of payment to statutory auditors for any other services rendered
4. Review of accounting and financial policies and practices
5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
6. Evaluation of internal financial controls and risk management systems
7. Reviewing with the management, the quarterly / annual financial statements and Auditors' Report before submission to the Board for approval
8. Approval or any subsequent modification of related party transactions
9. To review compliance with the provisions of SEBI (Prohibition of Insider Trading-PIT) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively
10. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision effectively.
11. Other terms of reference included from time to time based on provisions of SEBI (LODR) Regulations, 2015

4. Nomination and Remuneration Committee (NR Committee)

The NR Committee consists of the following Directors as members:

Name of Member	Category	No. of meetings attended
Mr.G.R.Karthikeyan, Chairman*	Independent Directors	2
Mr.R.C.H.Reddy*		2
Mr.Raja M.J.Abdeen*	Non-Executive and Non-Independent Director	2
Mr.S.Vasudevan, Chairman**	Independent Directors	1
Mr.Sheilendra Bhansali**		1
Ms.Rajshree Pathy **	Promoter Non-Executive Chairperson	-

* Upto 30th September 2019 ** From 30th October 2019

The brief description of terms of reference is as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
2. To carry out evaluation of every Director's performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
4. To formulate the criteria for evaluation of Independent Directors and the Board.

5. To devise a policy on Board diversity.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

During the year, three meetings of the NR Committee were held on 20th May 2019, 14th August 2019 and 14th February 2020.

The performance evaluation criteria for Independent Directors are (1) Awareness on general and business environment (2) Awareness on sector specific environment (3) Contribution to the discussions at the meeting (4) Awareness of the roles, duties and responsibilities of a Director (5) Contribution to strategic thinking and direction for the future growth of the Company (6) Whether the Director is independent from the entity and the other Directors and if there is no conflict of interest (7) Whether the Director exercises his own judgment and voices opinion freely. The grading scale has been fixed as 1 = Average, 2 = Good and 3 = Excellent.

5. Stakeholders Relationship Committee (SR Committee)

During the year, two meetings of the Committee were held respectively on 20th May 2019 and 14th February 2020.

The SR Committee consists of the following Directors as members:

Name of Member	Category	No. of meetings attended
Mr.Raja M.J.Abdeen, Chairman*	Non-Executive and Non-Independent Director	1
Mr.Sheilendra Bhansali, Chairman**	Independent Directors	1
Mr.S.Krishnaswami***		1
Mr.R.Varadarajan***	Non Promoter Executive Director	2

* Upto 30th September 2019 ** Nominated as Chairman from 30th October 2019 *** From 30th October 2019

Mr.M.Ponraj, Company Secretary is the Compliance Officer. No complaints were received from the shareholders during the year under review. As of 31st March 2020, there are no complaints/ queries/ pending reply. An exclusive email ID for addressing shareholders grievances, viz., investor@rajshreesugars.com is already available.

The brief description of terms of reference is as follows:

- (1) Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- (2) Review of measures taken for effective exercise of voting rights by shareholders.
- (3) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- (4) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

6. Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee consists of the following Directors as members:

Name of Member	Category
Dr.K.Mohan Naidu, Chairman*	Independent Director
Mr.Raja M.J.Abdeen*	Non-Executive and Non-Independent Director
Mr.S.Krishnaswami, Chairman**	Independent Director
Mr.K.Ilango**	Independent Director
Mr.R.Varadarajan**	Non Promoter Executive Director

* Upto 30th September 2019 ** From 30th October 2019

The broad terms of reference of the CSR Committee is furnished hereunder:

- To formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as per the Companies Act, 2013;
- To review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the company;
- To monitor the CSR policy of the company from time to time.

The Company was not required to incur any expenditure during the year on CSR in terms of Section 135 of the Act. No meeting was held during the year.

7. Share Transfer Committee

The Share Transfer Committee consists of the following officials as members:

Name of Member	Category
Mr.R.Varadarajan, Chairman	Non Promoter Executive Director
Mr.Raja M.J.Abdeen *	Non-Executive and Non-Independent Director
Mr.R.C.H.Reddy *	Independent Director
Dr.K.Mohan Naidu *	Independent Director
Mr.Sheilendra Bhansali	Independent Director
Mr.S.Krishnaswami **	Independent Director
Mr.K.Ilango **	Independent Director
Mr.M.Ponraj	Company Secretary
Mr.K.Narendra	Representatives of SKDC Consultants Limited, The Registrars and Share Transfer Agents
Mrs.Vijayalakshmi Narendra	

* Upto 30th September 2019 ** From 30th October 2019

The broad terms of reference of the Share Transfer Committee are to transfer / transmission / sub-division / consolidation etc., of shares of the Company.

During the year, 11 meetings were held respectively on 6.4.2019, 20.4.2019, 27.4.2019, 22.6.2019, 27.7.2019, 22.8.2019, 23.11.2019, 10.12.2019, 31.12.2019, 13.1.2020 and 19.2.2020.

8. Compensation Committee

The Compensation Committee consists of the following Directors as members:

Name of Member	Category
Dr.K.Mohan Naidu, Chairman*	Independent Director
Mr.G.R.Karthikeyan*	Independent Director
Mr.R.C.H.Reddy*	Independent Director
Mr.Raja M.J.Abdeen*	Non-Executive and Non-Independent Director
Mr.S.Vasudevan, Chairman**	Independent Director
Mr.S.Krishnaswami**	Independent Director
Mr.K.Ilango**	Independent Director
Ms.Rajshree Pathy**	Promoter Non-Executive Chairperson

* Upto 30th September 2019 ** From 30th October 2019

The Committee was formed to administer and superintendence of the Employee Stock Option Plan (ESOP) of the company. No meeting was held during the year.

9. Independent Directors' meeting

During the year, one meeting of the Independent Directors was held on 14th February 2020 without the attendance of non-independent directors and members of management. All the independent directors attended the meeting. The evaluation has not been done for the newly appointed Independent Directors, considering the lesser number of meetings attended by them.

The Independent Directors, at the meeting,

- reviewed the performance of non-independent directors and the board of directors as a whole;
- reviewed the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
- assessed the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

10. Remuneration of Directors

The remuneration paid to Directors for the year 2019-20 is furnished below: (₹ in lakhs)

Managerial Remuneration	Executive Director	Non-Executive Directors										
	Mr.R.Varadarajan	Ms.Rajshree Pathy	Dr.P.Suruli narayana swami	Mr.GR Karthikeyan	Mr.RCH Reddy	Mr.GSV Subba Rao	Mr.Raja MJ Abdeen	Dr.K.Mohan Naidu	Mr.Sheilendra Bhansali	Mr.S.Vasudevan	Mr.K.Ilango	Mr.S.Krishnaswami
Salary	62.40	-	-	-	-	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-	-	-	-	-
Perquisites	8.26	-	-	-	-	-	-	-	-	-	-	-
Sitting Fees	2.40	2.00	1.00	1.40	1.40	1.40	2.40	1.00	1.40	1.40	1.40	1.00
Total	73.06	2.00	1.00	1.40	1.40	1.40	2.40	1.00	1.40	1.40	1.40	1.00
Details of performance linked incentive	-	-	-	-	-	-	-	-	-	-	-	-
Service Contracts	3 years	-	-	-	-	-	-	-	-	-	-	-
Notice period	3 months	-	-	-	-	-	-	-	-	-	-	-
Severance fees	-	-	-	-	-	-	-	-	-	-	-	-

Mr.R.Varadarajan has been granted 1,01,088 Stock Options under the Company's Employee Stock Option Plan 2012 (ESOP 2012) at an exercise price of ₹55.40 per stock option, in the year 2012. The stock options were not issued at discount. The exercise period would be a maximum of 4 years from the date of vesting of options. Out of 1,01,088 stock options granted, 79,607 options were lapsed without exercising. No other Directors have been granted stock options.

There are no pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis, the Company, except payment of sitting fees for attending the meetings of the Board / Committees.

The number of shares held by the non-executive Directors is as follows:

Name of the Director	No. of Shares held	% to the total share capital of the company
Ms.Rajshree Pathy	1,13,17,313	40.18
Dr.P.Surulinarayanasami	1,131,107	4.02
Mr.Raja M.J.Abdeen	1,010,000	3.59
Mr.G.R.Karthikeyan *	1,040	0.00
Mr.R.C.H.Reddy *	832	0.00
Dr.K.Mohan Naidu *	1,000	0.00
Mr.G.S.V.Subba Rao *	—	—
Mr.Sheilendra Bhansali	—	—
Mr.S.Krishnaswami **	500	0.00
Mr.K.Ilango **	—	—
Mr.S.Vasudevan **	—	—

* Term of office completed on 30th September 2019 ** Appointed on 30th September 2019

11. A Statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Director

Nomination and Remuneration Committee of the Board had prepared and sent through its Chairman draft paramaterialized feed-back forms for evaluation of the Board, Independent Directors, various Committees and Chairperson.

Independent Directors at a meeting without attendance of non-independent directors and anyone from the management, considered/evaluated the Board's performance, performance of the Chairperson and individual Director.

The Board subsequently evaluated performance of the Board, the Committees and Independent Directors (without participation of the relevant director).

The newly appointed Directors have not participated in the evaluation process considering the lesser number of meetings attended by them.

12. General Body meetings

Location and time for the last three Annual General Meetings / Postal Ballot.

Year	Location	Date	Time	No. of special resolutions passed
2017	Chamber Hall, Indian Chamber of Commerce & Industry Coimbatore - 641018	28.08.2017	10.00 AM	7
2018		31.08.2018	10.00 AM	5
2019		30.09.2019	10.00 AM	1

No Postal ballot process has been conducted during the year under review.

13. Means of Communication

The company is publishing audited financial results / quarterly unaudited financial results and notice advertisements in Business Standard (in English) and Dinamani (in Tamil), normally. The company has also posted the corporate governance report, quarterly/annual results, shareholding pattern, and such other details as required under the SEBI (LODR) Regulations 2015 / Companies Act, 2013, in the Company's Website www.rajshreesugars.com and in the website of stock exchanges viz., www.nseindia.com and www.bseindia.com.

The Company has not made any presentations to institutional investors or to the analysts, during the financial year. There were no official news releases during the financial year.

14. General shareholder information

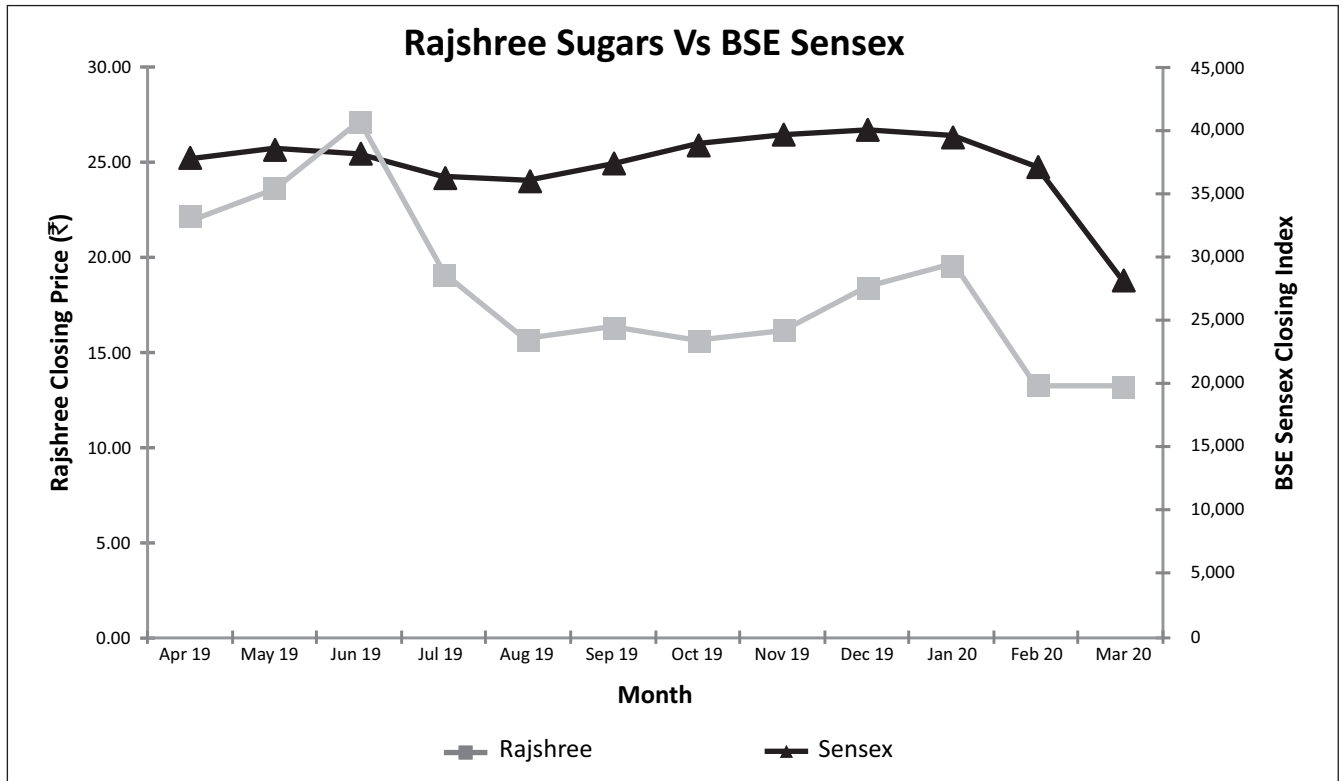
i.	AGM - Date, time and venue	28 th December, 2020 at 4.00 PM At The Uffizi, 338/8, Avinashi Road, Peelamedu Coimbatore - 641 004. As a precautionary measure against Covid-19, the meeting will be held through Video Conferencing (VC).
ii.	Financial year	12 Months ending 31st March
iii.	Financial calendar 2020-21 First quarterly results Second quarterly results Third quarterly results Fourth quarterly and Audited yearly results	Before 14th August 2020 Before 14th November 2020 Before 14th February 2021 Before 30th May 2021
iv.	Book Closure Date for AGM	22 nd December 2020 to 28 th December 2020
v.	Dividend	In view of the stressed financial position, your Directors have not recommended payment of dividend for the year 2019-20.
vi.	Name and address of stock exchanges.	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai- 400001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051 The company has paid listing fees to the above Stock Exchanges for the financial year 2020-21.
vii.	Stock Code	500354 (BSE) RAJSREESUG (NSE)

viii. Market Price Data - High/Low during each month of the Financial Year 2019-20:

Amount in ₹

Month	BSE		NSE	
	High	Low	High	Low
April 2019	26.40	20.60	25.70	20.75
May	29.60	20.50	29.65	21.00
June	29.55	20.10	29.50	19.35
July	30.85	18.30	30.90	18.35
August	20.75	16.10	19.85	15.85
September	19.60	17.10	19.50	16.45
October	17.90	14.25	17.50	14.60
November	18.80	15.70	18.50	16.00
December	19.80	15.00	19.80	15.75
January 2020	24.80	19.15	23.90	18.85
February	22.10	13.05	21.90	13.85
March	15.75	7.61	15.45	8.50

ix.



x.

Registrars and Share Transfer Agents
(for physical & demat shares)
1391/A-1, Sathy Road, Ganapathy
Coimbatore 641 006.

M/s SKDC Consultants Limited
Kanapathy Towers, 3rd Floor
1391/A-1, Sathy Road, Ganapathy
Coimbatore - 641 006.

xi.

Share transfer system

Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects, by the Committee which meets regularly.

As per SEBI Circulars dated 20th April 2018 and 16th July 2018, no transfer was executed in physical mode during the year except the processing of the application/s received on or before 31st March 2019.

xii. Distribution of shareholding as on 31st March 2020:

Range (No. of shares)	No. of Folios	No. of shares held	% of shareholding
Upto 5000	17,549	54,42,914	19.32
5001 to 10000	93	7,09,771	2.52
10001 to 20000	45	6,77,469	2.41
20001 to 30000	17	4,16,512	1.48
30001 to 40000	8	2,78,436	0.99
40001 to 50000	4	1,67,550	0.59
50001 to 100000	5	3,58,532	1.27
100001 and above	23	2,01,16,496	71.42
Total	17,744	2,81,67,680	100.00

xiii. Shareholding pattern as on 31st March 2020

Category	No. of Folios	No. of shares held	% of shareholding
Promoters and Promoters Group *	4	1,34,73,621	47.83
Directors & Relatives **	3	3,45,461	1.23
Mutual funds and UTI	4	4,900	0.02
Banks, Financial institutions and insurance companies	5	1,600	0.01
Bodies corporate	216	14,70,238	5.22
Indian public	17,385	1,00,71,994	35.76
NRIs and OCBs **	125	23,08,076	8.19
IEPF Authority	1	4,88,608	1.73
Unclaimed Share Suspense Account	1	3,182	0.01
GDRs	-	-	-
Total	17,744	2,81,67,680	100.00

* Pledge has been created in respect of the entire holdings of 1,34,73,621 equity shares with voting rights of Promoter and Promoter Group in favour of M/s. SBICAP Trustee Company Ltd, who is holding the pledge on behalf of lenders of RAJSHREE SUGARS & CHEMICALS LIMITED, as per the final letter of approval dated 24th March 2014 from Corporate Debt Restructuring Cell, Mumbai.

** Includes 21,71,107 shares of NRI Directors and their relatives, and accordingly the said shares are excluded from the category "Directors & Relatives".

xiv.	Dematerialization of shareholding and liquidity	92.56% of total equity share capital is held in dematerialized form with NSDL and CDSL.
xv.	Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion date and impact on equity	NIL
xvi.	Plant locations	Unit I - Sugar, Cogeneration & Distillery Varadaraj Nagar PO, PIN 625 562. Periakulam Taluk, Theni District Unit II - Sugar & Cogeneration Mundiampakkam PO, PIN 605 601. Vikravandi Taluk, Villupuram District Unit III - Sugar, Cogeneration & Distillery Semmedu Village, Gingee Taluk, PIN 604 153, Villupuram District
xvii.	Address for correspondence	"The Uffizi", 338/8 Avanashi Road Peelamedu, Coimbatore 641 004. Phone : 0422-4226222 Email ID : investor@rajshreesugars.com

xviii. No dividend is pending as on date for transfer to the Investor Education and Protection Fund (IEPF) except unpaid dividend of ₹39,729/- for the financial year 2009-10 consequent to stay orders issued by the Courts.

xix. Commodity Price Risk or foreign exchanges risk and hedging activities:

Sugar being a commodity is exposed to cycles and price risk. To mitigate commodity risks, the company enters into forward sales contract with the reputed institutional buyers for a reasonable quantity.

Government in June 2018 has fixed a minimum selling price of sugar at ₹29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar. Later the price was increased to ₹31/kg in February 2019. The Government also re-introduced the release order mechanism for controlling the sugar that can be sold in the market. This has helped in arresting the free fall of sugar price.

15. Various Policies of the Company

The policies viz., (a) Policy on Related Party Transaction (b) Whistle Blower Policy (c) Nomination and Remuneration Policy (d) Policy on disclosure of material events (e) CSR Policy and (f) Policy on Archival of Documents are available in the Company website www.rajshreesugars.com vide link <http://rajshreesugars.com/the-company/policies>.

16. Payment to Auditors

Total Fees for all services (excluding out of pocket expenses) paid by the Company to the Statutory Auditors and all entities in the network firm/network, for the year ended 31st March 2020: ₹8.06 lakhs (₹7.55 lakhs).

17. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a) Number of complaints filed during the financial year : Nil
- b) Number of complaints disposed-off during the financial year : Nil
- c) Number of complaints pending as on end of the financial year : Nil

18. Familiarization Program for Independent Directors

The Company has formulated a Familiarization Program for its Independent directors to familiarize them with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc.,

The details of such familiarization programmes are disclosed on the company's website vide web link http://www.rajshreesugars.com/images/stories/Familiarisation_Program_for_Independent_Directors.pdf

19. Related party transactions

The transactions with the related party are disclosed in Note No.39 of the financial statements that includes transactions with Ms.Rajshree Pathy, Promoter (holding more than 10% shareholding in the company), in accordance with relevant accounting standards.

20. Other Disclosures

- a) There are no material related party transactions that may have potential conflict with the interests of the Company at large.
- b) The company has complied with all requirements and no penalty or strictures have been imposed / made on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of the various Regulations of SEBI (LODR) Regulations, 2015.
- d) Investor complaints of non-receipt of dividends, non-receipt of annual reports, etc. forwarded by SEBI are periodically resolved and uploaded into SCORES (SEBI Complaints Redressal System) website and no complaints were pending during the year under review.
- e) The Company has fulfilled non-mandatory requirement, namely, the Financial Statements are unqualified.
- f) The Board hereby confirm that all the Independent Directors have fulfilled the conditions specified under SEBI (LODR) regulations, 2015; and they are totally independent of the management.
- g) Disclosure with respect to demat suspense account / unclaimed suspense account.

The following are the details of unclaimed shares pertaining to Public Issue / Rights Issue of the company.

Particulars	Number of shareholders	Number of shares
(i) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	23	3,182
(ii) Number of shareholders who approached issuer for transfer of shares from suspense account during the year	NIL	NIL
(iii) Number of shareholders to whom shares were transferred from suspense account during the year	NIL	NIL
(iv) Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	23	3,182

The voting rights on these shares as on 31.3.2020 shall remain frozen till the rightful owner of such shares claims the shares.

21. Prevention of Insider Trading

The Company has adopted a Code of Conduct for Prevention of Insider Trading with a view to regulate trading in securities by the Directors and designated persons of the Company as required under the SEBI (Prohibition of Insider Trading) Regulations 2015.

22. CEO/CFO Certification

The certification as per Regulation 17(8) of the SEBI (LODR) Regulations 2015 has been submitted by the CEO and CFO of the Company to the Board of Directors.

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

APPENDIX – 1

Declaration under Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations by the Wholetime Director

The Shareholders,

I, R.Varadarajan, Wholetime Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Board of Directors and Senior Management personnel of Rajshree Sugars & Chemicals Limited, for the financial year ended 31st March 2020.

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

APPENDIX – 2

CEO / CFO CERTIFICATION

We the undersigned, in our respective capacities as Wholetime Director and Associate Vice President (Finance) of Rajshree Sugars & Chemicals Limited (“the Company”) to the best of our knowledge and belief certify that:

- a. We have reviewed the financial statements of the company for the financial year ended 31st March 2020, and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

R VARADARAJAN
Wholetime Director
DIN 00001738

C.S. SATHIYANARAYANAN
Associate Vice President (Finance)

Place : Coimbatore
Date : 26th June 2020

APPENDIX – 3

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of M/s. RAJSHREE SUGARS & CHEMICALS LIMITED

We have examined the compliance of conditions of Corporate Governance by Rajshree Sugars & Chemicals Limited ('the Company'), for the year ended 31st March 2020, as stipulated in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement of the said Company with National Stock Exchange of (India) Limited and BSE Limited.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the provisions as specified in Chapter IV of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement entered into by the Company with National Stock Exchange of India Limited and BSE Limited.

We further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For S. KRISHNAMOORTHY & CO.
Chartered Accountants
Regn.No.001496S

K. RAGHU
Membership No.011178
Partner, Auditor
UDIN 20011178AAAACN5655

Place : Coimbatore
Date : 26th June 2020

APPENDIX – 4

Certificate from a Company Secretary in Practice

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **M/s RAJSHREE SUGARS & CHEMICALS LIMITED** (CIN:L01542TZ1985PLC001706), "The Uffizi", 338/8 Avanashi Road, Peelamedu, Coimbatore-641004 and also the information provided by the Company, its officers, agents and authorized representatives, I hereby report that during the Financial Year ended on March 31, 2020, in my opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by SEBI / Ministry of Corporate Affairs or any such Statutory authority.

Place : Coimbatore
Date : 23rd June 2020

G. SOUNDARRAJAN
Practicing Company Secretary
ACS - 13993 - C.P.No.4993
UDIN A013993B000390600

ANNEXURE 3

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

Statement under Section 197 (12) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- 1) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year;

Sl.No.	Name of Director	Ratio
1.	Mr.R.Varadarajan, Wholetime Director	28.74

Note: For this purpose, Sitting fees paid to the Directors have not been considered as remuneration.

- 2) The percentage increase / decrease (-) in remuneration of each Director, Chief Financial Officer, Wholetime Director and Company Secretary in the financial year;

Sl.No.	Name of Director / Official	% increase / decrease (-)
1.	Mr.R.Varadarajan, Wholetime Director	-6.86
2.	Mr.V.B.Gopal Krishnan, Chief Financial Officer (Relieved on 16.5.2020)	-
3.	Mr.M.Ponraj, Company Secretary	4.82

- 3) The percentage increase in the median remuneration of employees in the financial year : 6.56%
- 4) The number of permanent employees on the rolls of Company as on 31st March 2020 : 786
- 5) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The previous long term settlement entered by The South Indian Sugar Mills Association (SISMA) with Joint Action Council of Trade Unions has expired at the close of 30.9.2018. The Trade Unions have submitted a Charter of Demands to SISMA and asked for negotiations. However, due to adverse business scenario the discussion has been deferred.

- 6) If remuneration is as per the remuneration policy of the Company; Yes

7) Information as per Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.

Name / (Age)	Designation of the Employee	Remuneration ₹ in lakhs	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr. Varadarajan R 62 Years	Wholetime Director	70.66	Master's Degree in Business Management and English Literature - 40 Years	05-Jun-2003	PSG Institutions
Mr. Sathiyamoorthi G 57 Years	President	43.18	B.Sc., ADSI - 35 Years	05-Nov-1990	Sirugappa Sugars & Chemicals Limited
Mr. Gopal Krishnan V B 44 Years	Chief Financial Officer (Relieved on 16.5.2020)	42.17	B.Com (Hons), ACA Dip IFRS (ACCA-UK) - 23 Years	22-Jan-2010	Uttam Sucrotech International Limited
Mr. Narayan R K 51 Years	Sr. Vice President - Sales & Marketing	38.85	B.Com., PGDBA - 26 Years	26-May-2010	EID Parry (India) Limited
Mr. Mathiyalagan D 59 Years	Sr. Vice President - Operations (Relieved on 30.9.2020)	22.21	BE Mechanical - 33 Years	14-Dec-2011	EID Parry (India) Limited
Mr. Ramesh S M 50 Years	Vice President	34.26	BE Mechanical, BOE - 23 Years	11-Dec-2009	GMR Industries
Mr. Subramanian K 48 Years	Vice President - Finance & Taxation (Relieved on 15.4.2020)	33.97	B.Sc., ACA - 24 Years	21-Jan-2010	Perfetti Vanmalle India Private Limited
Mr. Karthikeyan M 52 Years	Vice President - Semmedu	30.49	BE (Mechanical), ANSI, BOE - 30 Years	09-Oct-2000	South India Sugars Limited
Mr. Sudhakar V K 60 Years	General Manager - Finance	20.90	B.Com, CA Intermediate 31 Years	22-Feb-1996	C.P.R.M.Steel Limited
Mr. Kathiravan V 58 Years	General Manager - Cane	20.75	BSc Agriculture - 34 Years	01-Apr-2002	South India Sugars Limited

Notes:

- 1) The nature of employment of Mr.R.Varadarajan, Wholetime Director is contractual. Other employees are not related to any Director of the Company.
- 2) The employment of all others is non-contractual and terminable by notice on either side.
- 3) None of the employees are covered under Rule 5(2)(ii) and 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

ANNEXURE 4

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

Statement as at March 31, 2020, pursuant to (Disclosure in the Directors' Report) SEBI (Share Based Employee Benefits) Regulations, 2014

A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

S.No.	Particulars	RSCL Employee Stock Option Plan 2012
1	Date of Shareholder's Approval	10th October 2012
2	Total Number of Options approved under ESOPs	11,89,585
3	Vesting requirement	50% of options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on date of vesting; and 50% of options due for vesting on each vesting date shall vest on the basis of achievement of individual key result areas set at the beginning of each financial year preceding the financial year in which the individual vesting date falls.
4	Exercise Price or Pricing Formula	-
5	Maximum term of Options granted	8 years
6	Source of shares	Primary
7	Variation in terms of ESOP	No Variation
8	Method used to account for ESOP	Intrinsic Value Method

B. Option Movement during the year 2019-20

S.No.	Particulars	Numbers	Weighted Average Exercise price
1	Options Outstanding at the Beginning of the Year	2,18,562	55.40
2	Number of Options Granted during the Year	-	-
3	Options Forfeited/Surrendered during the Year	-	-
4	Options Vested during the Year	-	-
5	Options Exercised during the Year	-	-
6	Options Lapsed during the Year	93,548	55.40
7	Total Number of Shares arising as a result of Exercise of Options	-	-
8	Money Realised by Exercise of Options (₹ in Lakhs)	-	55.40
9	Options Outstanding at the End of the year	1,25,014	55.40
10	Options Exercisable at the End of the year	1,25,014	55.40

C. Employee-wise details of options granted during the financial year 2019-20 :

No options granted during the year.

D. Diluted Earnings Per Share pursuant to issue of shares on exercise of options calculated in accordance with Accounting Standard (AS) 20 : (17.52)

E. Weighted average exercise price/fair value of Options granted during the year whose

(a) Exercise price equals market price	N/A
(b) Exercise price is greater than market price	N/A
(c) Exercise price is less than market price	N/A

Weighted average fair value of options granted during the year whose

(a) Exercise price equals market price	N/A
(b) Exercise price is greater than market price	N/A
(c) Exercise price is less than market price	N/A

F. The weighted average market price of options exercised during the year : Nil

H. Weighted average remaining contractual life

Exercise Price Range (₹)	Years
0-100	1.53
100-200	Nil
200-300	Nil

H. Net Income

Net Income as reported	(5,027.00)
Less: Fair Value Compensation Cost	-
Net Income	(5,027.00)

I. Method and Assumptions used to estimate the fair value of options granted during the year:

No option granted during the year

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

ANNEXURE 5

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2020

SECRETARIAL AUDIT REPORT
(Form No.MR-3)
FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2020

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

To

The Members,
M/s. RAJSHREE SUGARS & CHEMICALS LIMITED
Coimbatore.

I have conducted the SECRETARIAL AUDIT of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s. RAJSHREE SUGARS & CHEMICALS LIMITED (CIN: L01542TZ1985PLC001706) (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2020 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder;
- v) The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (wherever applicable) viz. :-
 - 1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 2) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 3) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - 4) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - 5) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended up-to-date)
- vi) and the following Acts and Rules specifically applicable to a Sugar Industry viz.,
 - 1) Agricultural and Processed Food Products Act, 1985
 - 2) Acts and Rules prescribed under prevention and control of pollution, environmental protection and energy conservation.
 - 3) Essential Commodities Act, 1955,
 - 4) Export (Quality Control and Inspection) Act, 1963,
 - 5) Food Safety and Standards Act, 2006 and Rules, 2011
 - 6) Indian Electricity Act, 2003

- 7) The Indian Boilers Act, 1923
- 8) Levy Sugar Price Equalization Fund Act, 1976
- 9) Sugar Development Fund Act, 1982
- 10) Sugar Cess Act, 1982
- 11) Sugarcane (Control) Order, 1966
- 12) The Sugar (Control) Order, 1966
- 13) The Sugar (Packing & Marking) Order, 1970
- 14) The Tamil Nadu Molasses Control and Regulation Rules, 1958
- 15) The Tamil Nadu Distillery Rules, 1981
- 16) Other local laws as applicable to various plants and offices

The company was not required to comply with the following laws/regulations/ guidelines as these were not applicable during the financial year:

- 1) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended up-to-date)
- 2) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- 3) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- 4) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013

I have also examined compliance with the applicable clauses of the following:

- The Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended up-to-date)

During the period under review the Company has complied with all the applicable Acts, Rules, Regulations, Guidelines, Standards, etc. including the laws mentioned above.

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

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

Majority decision is carried through unanimously and recorded in the minutes.

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

I further report that during the audit period there were no specific instances in respect of :

- a) Public/Rights/Debentures/Sweat Equity
- b) Redemption/Buy Back of Securities
- c) Foreign Technical Collaboration
- d) Major decisions taken by measures in pursuance of section 180 of the Companies Act, 2013

Place : Coimbatore
Date : 26th June 2020

Name : **G. SOUNDARRAJAN**
Designation : Practicing Company Secretary
ACS-13993-C.P. No. 4993
UDIN : A013993B000479326

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

To
The Members
M/s. RAJSHREE SUGARS & CHEMICALS LIMITED
Coimbatore

My report of even date is to be read along with this letter.

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

Place : Coimbatore
Date : 26th June 2020

G. SOUNDARRAJAN
Practicing Company Secretary
ACS-13993-C.P. No. 4993
UDIN : A013993B000479326

ANNEXURE 6

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2020

Form No.MGT-9

EXTRACT OF ANNUAL RETURN As on the financial year ended on 31st March 2020

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

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	L01542TZ1985PLC001706
ii)	Registration Date	13.12.1985
iii)	Name of the Company	RAJSHREE SUGARS & CHEMICALS LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by Shares
v)	Address of the Registered Office and contact details	"The Uffizi", 338/8 Avanashi Road, Peelamedu, Coimbatore 641 004. Phone : +91 422 4226222 Fax : +91 422 2577929 E-Mail : rscl@rajshreesugars.com
vi)	Whether listed company	YES
vii)	Name, Address and contact details of Registrar and Transfer Agents	M/s SKDC Consultants Limited Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road, Ganapathy Coimbatore 641 006. Phone : 0422-4958995,2539835-36 Fax : 0422-2539837 E Mail : info@skdc-consultants.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company is furnished hereunder:

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the company
1.	White Crystal Sugar	1072	69
2.	Co-generation of Power	35106	7
3.	Industrial Alcohol	1101	24

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

NIL

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

(i). Category-wise Shareholding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. PROMOTERS									
(1) Indian									
a. Individual/HUF	7,06,977	Nil	7,06,977	2.510	7,06,977	Nil	7,06,977	2.510	Nil
b. Bodies Corporates	14,49,331	Nil	14,49,331	5.145	14,49,331	Nil	14,49,331	5.145	Nil
Sub-Total (A)(1)	21,56,308	Nil	21,56,308	7.655	21,56,308	Nil	21,56,308	7.655	Nil
(2) Foreign (A)(2)									
Individuals (Non-Resident Individuals / Foreign Individuals)	1,13,17,313	Nil	1,13,17,313	40.178	1,13,17,313	Nil	1,13,17,313	40.178	Nil
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	1,34,73,621	Nil	1,34,73,621	47.833	1,34,73,621	Nil	1,34,73,621	47.833	Nil
B. Public Shareholding									
a. Mutual Funds / UTI	100	4,800	4,900	0.017	100	4,800	4,900	0.017	Nil
b. Financial Institutions / Banks	426	1,200	1,626	0.006	400	1,200	1,600	0.006	Nil
Sub-Total (B) (1)	526	6,000	6,526	0.023	500	6,000	6,500	0.023	Nil
2. Non-Institutions									
a. Bodies Corporates- Indian	13,81,050	1,13,197	14,94,247	5.305	12,47,349	1,13,197	13,60,546	4.830	(0.475)
b. Individual shareholders holding nominal share capital upto ₹ 1 lakh	46,82,134	9,53,339	56,35,473	20.008	46,77,776	9,01,712	55,79,488	19.808	(0.200)
c. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	38,24,250	30,000	38,54,250	13.683	42,05,388	30,000	42,35,388	15.038	1.355
d. Others									
i) Directors & relatives	5,08,018	2,040	5,10,058	1.811	3,44,461	1,000	3,45,461	1.226	(0.585)
ii) Non Resident Indians	12,69,291	10,46,163	23,15,454	8.220	12,63,913	10,44,163	23,08,076	8.194	(0.026)
iii) Clearing Members	1,13,006	Nil	1,13,006	0.401	1,09,692	Nil	1,09,692	0.389	(0.012)
iv) Hindu Undivided families	2,72,955	Nil	2,72,955	0.969	2,57,118	Nil	2,57,118	0.913	(0.056)
v) IEPF Authority	4,88,908	Nil	4,88,908	1.736	4,88,608	Nil	4,88,608	1.735	(0.001)
vi) Unclaimed Share Suspense Account	3,182	Nil	3,182	0.011	3,182	Nil	3,182	0.011	Nil
Sub-Total (B) (2)	1,25,42,974	21,44,739	1,46,87,533	52.144	1,25,97,487	20,90,072	1,46,87,559	52.144	Nil
Total Public Shareholding (B) = (B)(1)+(B)(2)	1,25,43,320	21,50,739	1,46,94,059	52.167	1,25,97,987	20,96,072	1,46,94,059	52.167	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	2,60,16,941	21,50,739	2,81,67,680	100.000	2,60,71,608	20,96,072	2,81,67,680	100.000	Nil

Note 1 : Pledge has been created in respect of 1,34,73,621 equity shares with voting rights of Promoter & Group in favour of SBICAP Trustee Company Limited, who is holding the pledge on behalf of CDR lenders (State Bank of India, UCO Bank, Bank of India, ICICI Bank Limited, Axis Bank Limited and Federal Bank Limited) of the Company, as per the final letter of approval dated 24.3.2014 from Corporate Debt Restructuring Cell, Mumbai.

Note 2 : The Company has received a letter dated 6.4.2018 from Smt Rajshree Pathy, belonging to the Promoter and Promoter Group of the Company (holding 1,13,17,313 shares), intimating that she had become Non Resident Indian from the Financial Year 2017-18, as per Section 6 of the Income Tax Act, 1961 and Section 2(w) read with Section 2(v) of the Foreign Exchange Management Act, 1999. Out of 1,13,17,313 shares, 28,48,976 shares held by her in dematerialized form are yet to be classified under NRI Category by the Depositories. However, for the purpose of this shareholding pattern, we have classified the entire shareholding under NRI category, as at the year end.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			Shares of % change in shareholding during the year
		No. of shares	% of total shares of company	% of shares pledged / encumbered to total shares **	No. of shares	% of total shares of company	% of shares pledged / encumbered to total shares **	
1.	Ms. Rajshree Pathy	1,13,17,313	40.178	100.000	1,13,17,313	40.178	100.000	–
2.	Ms. Aishwarya Pathy	2,18,674	0.776	100.000	2,18,674	0.776	100.000	–
3.	Mr. Aditya Krishna Pathy	4,88,303	1.734	100.000	4,88,303	1.734	100.000	–
4.	M/s. RSCL Properties Private Limited	14,49,331	5.145	100.000	14,49,331	5.145	100.000	–
	Total	1,34,73,621	47.833	100.000	1,34,73,621	47.833	100.000	–

** Please refer the note on pledge given in the previous page.

(iii) Change in Promoters' shareholding

There is no change in Promoters' shareholding during the year under review.

(iv) Shareholding Pattern for top ten shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total shares of company	No. of shares	% of total shares of company	No. of shares	% of total shares of company
1.	Mr. K.Mohan	7,00,613	2.487	7,00,613	2.487	–	–
2.	Ms. Jaishree Varadaraj	4,93,961	1.754	3,43,961	1.221	(1,50,000)	(0.533)
3.	M/s. Investor Education and Protection Fund (IEPF)	4,88,908	1.736	4,88,608	1.735	(300)	(0.001)
4.	Mr. Hitesh Ramji Javeri	2,80,000	0.994	2,80,000	0.994	–	–
5.	Ms. Harsha Hitesh Javeri	2,80,000	0.994	2,80,000	0.994	–	–
6.	Mr. Anvar Jay Varadaraj	2,37,700	0.844	2,87,700	1.021	50,000	0.177
7.	Ms. Maya Jay Varadaraj	2,31,700	0.823	2,81,700	1.000	50,000	0.177
8.	Mr. Varun Jay Varadaraj	2,31,500	0.822	2,81,500	0.999	50,000	0.177
9.	Mr. G Nagarajan	2,29,979	0.816	2,29,979	0.816	–	–
10.	M/s. Elgi Equipments Limited	2,29,000	0.813	2,29,000	0.813	–	–

Note: Since the shares are traded on a daily basis, date wise increase / (decrease) is not indicated.

(v) Shareholding of Directors and Key Managerial Personnel (KMP)

Sl. No.	Name	Shareholding at the beginning of the year		Shareholding at the end of the year		Increase / (Decrease) during the year	
		No. of Shares	% of total shares of company	No. of shares	% of total shares of company	No. of shares	% of total shares of company
1	Ms.Rajshree Pathy	1,13,17,313	40.178	1,13,17,313	40.178	-	-
2	Dr.K.Mohan Naidu (Term ended on 30.9.2019)	1,000	0.004	1,000	0.004	-	-
3	Mr.G.R.Karthikeyan (Term ended on 30.9.2019)	1,040	0.004	1,040	0.004	-	-
4	Dr.P.Surulinarayanamsami	11,31,107	4.016	11,31,107	4.016	-	-
5	Mr.Raja M.J.Abdeen	10,10,000	3.586	10,10,000	3.586	-	-
6	Mr.R.C.H.Reddy (Term ended on 30.9.2019)	832	0.003	832	0.003	-	-
7	Mr.S.Krishnaswami (Appointed on 30.9.2019)	NA	NA	500	0.001	-	-
8	Mr.V.B.Gopal Krishnan (Relieved on 16.5.2020)	2,390	0.008	2,390	0.008	-	-

Note: Mr.G.S.V.Subba Rao, Mr.K.IIango & Mr.S.Vasudevan, Mr.R.Varadarajan and Mr.Sheilendra Bhansali, Directors and Mr.M.Ponraj, Company Secretary are not holding any shares at the beginning and end of the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lakhs)

	Secured Loans	Unsecured Loans	Total
Indebtedness at the beginning of the financial year			
i) Principal Amount	38,990.51	1,300.93	40,291.44
ii) Interest due but not paid	5,891.93	-	5,891.93
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	44,882.44	1,300.93	46,183.37
Change in Indebtedness during the financial year			
Addition	-	-	-
Reduction	3,496.68	1,045.42	4,542.10
Net change Indebtedness	(3,496.68)	(1,045.42)	(4,542.10)
At the end of the financial year			
i) Principal Amount	35,493.82	255.51	35,749.33
ii) Interest due but not paid	11,925.73	-	11,925.73
iii) Interest accrued but not due	-	-	-
Total (i+ii+iii)	47,419.55	255.51	47,675.06

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNAL

A. Remuneration to Managing Director, Whole Time Director and / or Manager

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager
		Mr.R.Varadarajan Wholetime Director
1.	Gross Salary	
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	62.40
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	8.26
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	–
2.	Fee for attending Board / Committee meetings	2.40
3.	Others, if any	
	Total	73.06
	Ceiling as per the Act	₹ 240 lakhs per annum

B. Remuneration to other Directors

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors											Total Amount
		Ms.Rajshree Pathy	Dr.P.Suruli narayana sami	Mr.G.R. Karthikeyan	Mr.R.C.H Reddy	Mr.G.S.V. Subba Rao	Mr.Raja MJ Abdeen	Dr.K.Mohan Naidu	Mr.Sheellendra Bhansali	Mr.S.Krishna swami	Mr.S.Vasudevan	Mr.K.Ilango	
1.	Independent Directors - Fee for attending Board / Committee Meetings	NA	NA	1.40	1.40	1.40	NA	1.00	1.40	1.00	1.40	1.40	10.40
	Others	NA	NA	Nil	Nil	Nil	NA	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	NA	NA	1.40	1.40	1.40	NA	1.00	1.40	1.00	1.40	1.40	10.40
	Other Non-Executive Directors - Fee for attending Board / Committee Meetings	2.00	1.00	NA	NA	NA	2.40	NA	NA	NA	NA	NA	5.40
	Others	Nil	Nil	NA	NA	NA	Nil	NA	NA	NA	NA	NA	Nil
	Total (2)	2.00	1.00	NA	NA	NA	2.40	NA	NA	NA	NA	NA	5.40
	Total (1+2)	2.00	1.00	1.40	1.40	1.40	2.40	1.00	1.40	1.00	1.40	1.40	15.80
	Overall Ceiling as per the Act	11% on the net profits of the Company as per the provisions of Section 197 of the Companies Act, 2013. The Company may pay sitting fees to the Directors for attending Board / Committee meetings as may be decided by the Board of Directors, subject to a maximum of ₹1 lakh per meeting.											

C. Remuneration to Key Managerial Personnel other than MD / Manager / WTD, etc.

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		Mr.V.B.Gopal Krishnan CFO (Relieved on 16.5.2020)	Mr.M.Ponraj Company Secretary	
1.	Gross Salary			
	a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	41.95	8.69	50.64
	b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	0.22	--	0.22
	c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	--	--	--
2.	Others	--	--	--
	Total	42.17	8.69	50.86

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES: NIL

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

ANNEXURE 7

BOARD'S REPORT FOR THE YEAR ENDED 31.3.2020

MANAGEMENT DISCUSSION AND ANALYSIS

Industry Scenario and Development

Global Sugar Outlook

According to International Sugar Organization (ISO), global sugar production in 2019-20 (October to September) is estimated to be at 166.798 million tons down 7.742 million tons from the previous season while the consumption that was expected to grow by 2.176 million tons from the previous season (in line with changes in consumption in previous years) is now pegged at 176.096 million tons with every possibility of it going down by up to 3 to 4 million due to the side effects of Covid-19 pandemic. However, there is a global deficit (the difference between global consumption and production) of 9.298 million tons which in itself is a good thing for the industry.

Sugar Sector in India

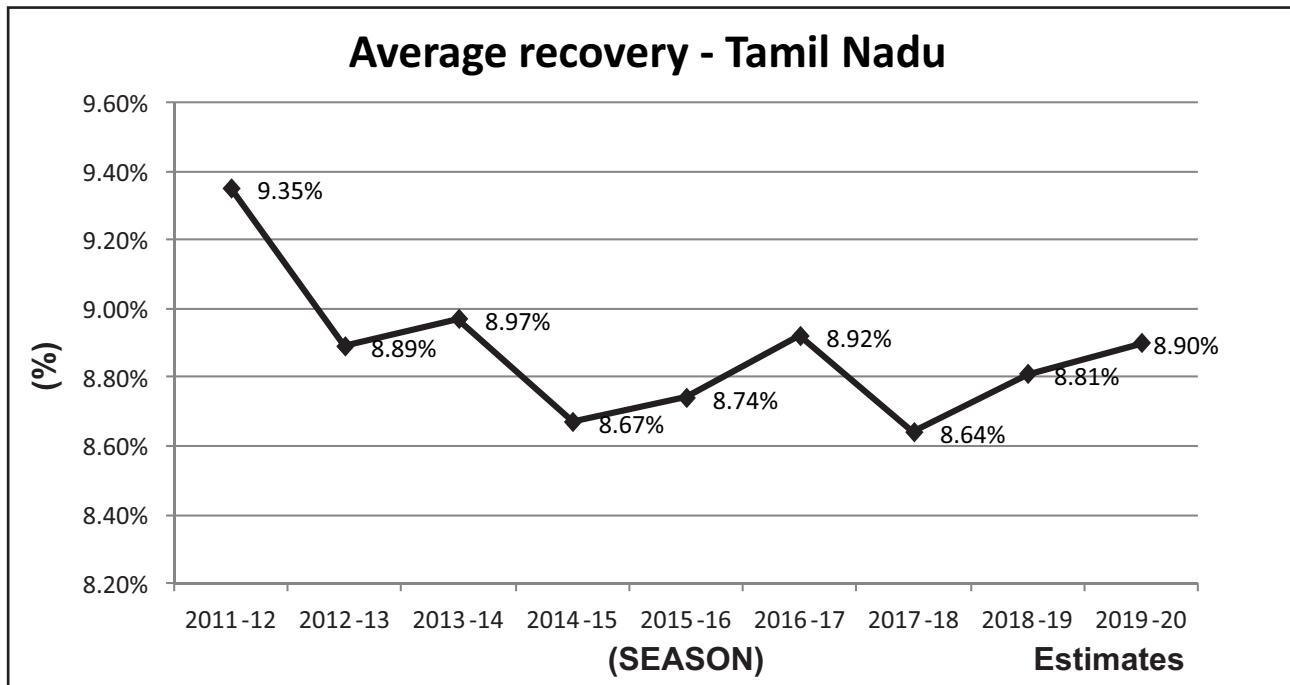
It is estimated that the sugar production for the sugar season 2019-20 is 27 million tons down by 6.16 million tons from the previous year. With the consumption estimate at around 26 million tons and with the exports of around 5.2 million tons the closing stock is expected to be in around 10.38 million tons as compared to the opening stock of 14.5 million tons. However, it remains to be seen how much is actually exported considering the after effects of Covid-19 and the quantum of the bounce back of domestic consumption.

Sugar Sector in Tamil Nadu

Tamilnadu (TN) sugar industry is now passing through a traumatic period for the past 6 years due to continuous failure of monsoon and lowered water table. TN Government has issued Gazette notifications that the State has been affected by drought and acute water stress in 2016 and 2018. Though the rain fall in TN during 2019 is almost close to average rainfall, it has benefited only a few districts of TN and an increase in ground water recharge is observed only in those districts. Failure of northeast monsoon in TN for the past few years has resulted in low water flow through the rivers resulting in low flow into water tanks located in villages, which is the main source of ground water recharge.

This has severely impacted the cane availability from 2013-14 season onwards and capacity utilization has been less than 40% during the past two seasons and the current season will be no exception. In short, TN Capacity utilization would be less than 40% for three seasons in a row. Season wise cane crushed by Tamil Nadu sugar mills is given below:

Sugar season	Cane Crushed	Sugar Production	Capacity Utilisation %
2011-12	254.55	23.79	99
2012-13	214.57	19.07	84
2013-14	157.60	14.13	61
2014-15	140.50	12.18	55
2015-16	155.86	13.61	61
2016-17	119.04	10.65	46
2017-18	81.42	7.00	31
2018-19	108.54	9.55	39
2019-20 (E)	80.00	6.75	31



- The continuous five years of monsoon failure has led to a massive shrinkage in cane area and thereby a reduction in cane availability.
- Gross under-utilisation of capacities has resulted in sub-optimal production of sugar, power and alcohol.
- Associated high incidence of fixed cost has spiked our cost of production of sugar higher by ₹10/kg compared to other states.
- Inadequate revenue generation is challenging our long term sustainability of this core industry in the State.
- Low cane availability has an adverse effect on the by-product value addition also.
- Capacities added in ethanol production established at a massive investment is remaining idle for want of basic raw material.

Due to the deficit rainfall over past six years and more particularly after the droughts in 2016 and 2018, the cane crushing in your company has dropped to 6.21 Lakh tons in Financial year 2019-20 from 28.4 lakh tons in financial year 2012-13. Your company could not generate adequate revenue and cash flows to pay cane price to the farmers and simultaneously service and repay the loans taken from Banks. As a result the company defaulted to the banks and was categorized as a Non-performing Asset (NPA) in the month of June 2018.

The company has submitted a proposal and is in discussion with the banks for restructuring of bank loans and it is under serious consideration of the banks.

Government of India Sugar Policies

The Government had announced slew of measures to revive the sugar industry.

(A) Minimum sale price of sugar and Release order mechanism:

Government which had fixed the minimum price at which the sugar mill could sell sugar at ₹31 per kg in February'2019 was extended for this financial year also. So also was the release order mechanism put in place last financial year.

Though this move may not ensure cost recovery, this has certainly helped the company as this measure ensured a slightly more level playing field to compete with mills from the other states that were dumping cheap sugar to our markets.

(B) Creation of Buffer Stock:

With a view to improve the liquidity position of the sugar mills, enabling them to clear cane price arrears of farmers and to stabilize domestic sugar price, the Central Government had created a buffer stock of 4 million tons of sugar in July 2019 for which the Government would reimburse carrying cost of ₹1,674 crores towards maintenance of buffer stock.

For a company with low sugar production, participation in this scheme would further aggravate the already abysmal liquidity crunch and further delay the payments to the farmer having negative impact for years to come.

(C) Maximum Admissible Export Quantity (MAEQ):

The lump sum export subsidy would be provided for expenses including handling, upgrading and other processing, costs of international and internal transport freight charges on export of upto 6 million metric tons. The same would be limited to MAEQ allocated to sugar mills for sugar season 2019-20.

The export subsidy accruable would be ₹ 10,448 per ton of sugar exported by mills. A total of around ₹ 6,268 crores thus accrued will be transferred directly to the farmers or directly to the factories, which have cleared the cane dues.

- Delay in the settlement of claims by Central Government would make it untenable for the company already hard pressed for liquidity.
- With a limited production of sugar, the same could be sold in the domestic market on a cash and carry basis which meant immediate liquidity for the company.

(D) Ethanol

Environment ministry by notification S.O.236 (E) dated 16.1.2020 waived green clearance requirements for distilleries planning to produce upto 50% more ethanol than their nameplate capacity without increasing pollution load.

Although an excellent initiative by the Ministry, this would not be any use particularly to the state of Tamil Nadu where the sugarcane production is a challenge due to elongated drought periods.

(E) Soft Loan

The Centre had announced the loan package in two tranches, first in June 2018 amounting to ₹ 4,440 crore and the other in March 2019 of ₹ 10,540 crore. The objective was to help millers in clearing cane arrears and divert surplus sugar for ethanol manufacturing. As the disbursement of ₹ 14,980 crore soft loan scheme for sugar mills is moving at a snail's pace, the government has extended the moratorium period for repayments by six more months.

Since the Company is under NPA, for availing this soft loan it needed a sovereign guarantee from the State Government which was also not forthcoming and also since the Company did not want to add burden of further debts this was not opted for by the company.

(F) Tamil Nadu state sugarcane policy

During the year, the Tamil Nadu (TN) Government paid a transitional production incentive of ₹137.5 per ton of sugarcane, directly to the bank account of farmers of Varadarajnagar, Mundiampakkam, and Semmedu, who had supplied sugarcane during 2018-19 sugar season, to bridge the difference between FRP and the higher SAP announced earlier by the State Government.

The government also has come out with a notification of transport subsidy of ₹ 100 per ton of cane for transport from the field to the factory for the sugar season 2018-19.

Impact of Covid-19

The Covid - 19 pandemic has had a black swan effect of monstrous proportion and the lockdown announced on 25th March 2020 came at the time when Tamil Nadu was at the peak of its main season crushing which usually witnesses a higher sugar recovery. Though the sugar industry was exempt from the lockdown as an essential industry, fear psychosis and family pressure drove most of the employees and farm harvest labor out from work. That perforce shut down operating mills and some were able to limp back to operation only after three/four weeks' time.

With the closure of all TASMAL outlets during the lockdown period, all the alcohol distillery units were also shut down with no sale of alcohol.

Complete lockdown of all business - restaurants, malls, hostels attached to educational institutions, entertainment and hospitality establishments and with absence of marriage and other public celebrations, sugar off-take has also been very low during this period.

The company had stopped operations of both the integrated sugar plants at Unit 1 and Unit 2 on 25.3.2020 and our distillery plant at unit 3 on 26.3.2020.

Unlike in the normal course where the company would have stopped its crushing in the month of April it had to be extended well into the month of May due to the lockdown. Due to this there was a recovery loss of 1.43% in sugar which resulted in increased operational cost. This was aggravated by the fact that production of alcohol was lost for a month and sale of alcohol by over 40 days leading to a high inventory of sugar, molasses and alcohol.

Opportunities & Threats

Sugar business is cyclical and is highly dependent upon the monsoon. Pricing of sugarcane is beyond the control of the sugar mill and is announced by Central Government. The sugar price realizations are also subject to market sentiments inconsistent with the fundamentals of actual demand and supply.

Delay in payment of cogeneration dues by the TANGEDCO, poses a challenge in the cash flows of the company.

Sugarcane Price

The Central Government has retained the 2018-19 season's FRP of ₹ 275/- per quintal for a basic recovery rate of 10% providing a premium of ₹ 2.75 per quintal for each 0.1 % increase in recovery over and above 10% for the season 2019-20. Also allowed a discount of ₹ 2.75 per quintal for every 0.1 % decrease in recovery from 10% to 9.5%. However, in case of the mill with a recovery of lower than 9.5%, the price has been fixed at ₹ 261.25 per quintal for the 2019-20 season. This policy of differentiating the price based on the recovery would help the Tamil Nadu mills as most of the mills normally operate at less than 9.5% recovery.

In the state of Tamil Nadu, the revenue sharing model of sugarcane price fixation under "Tamil Nadu Sugarcane (Regulation of Purchase Price) Act 2018" continues.

A welcome step for the company, could help in eliminating the mismatch of sugar price and cane price and thus stabilize the long term viability of the company.

Ethanol

The Central Government after having amended on July 26, 2018, the Sugarcane (Control) Order, 1966 vide Sugarcane (Control) Amendment Order, 2018 further notified the following:

1. The price of ethanol from C heavy molasses route increased from ₹ 43.46 per liter to ₹ 43.75 per liter,
2. The price of ethanol from B heavy molasses route increased from ₹ 52.43 per liter to ₹ 54.27 per liter,
3. The price of ethanol from sugarcane juice/sugar/sugar syrup route be fixed at ₹ 59.48 per liter,
4. Additionally, GST and transportation charges will also be payable.

- No major impact for the company for three reasons
 - The raw material sugar cane is in severe short supply.
 - Average realization of ENA converted from C heavy molasses is higher than the ethanol realization.
 - At the present market prices it would still make economic sense to produce sugar as we have natural markets for us.

Outlook

While Tamil Nadu has had a dismal sugar production of 0.95 million tons because of low sugarcane availability, the country as a whole had produced 33.16 million tons in the season 2018-19, leaving a large surplus of 14.58 million tons, and the country is set to produce 27 million tons in the current season 2019-20. With a strong export possibility of 5.2 million tons and a consumption figure of 26 million tons (normal year consumption in line with a YoY growth) would leave the country with a closing stock 10.38 million tons. Therefore, sugar prices would be anchored around the Minimum Support Price fixed by the Government of India. Nonetheless, monsoon and Government policy on sugar would continue to have a significant bearing on the prospects of the industry in the coming years.

Risks and concerns

Your company continues to review and manage the risks emanating from such a dynamic environment at periodic intervals.

The major risks faced by the industry include sugarcane availability, price realization and regulatory control by Government and financial liquidity amongst others.

Sugarcane availability

Sugarcane is the main raw material in sugar mills. Sugarcane cultivation is monsoon dependent. Hence it becomes unpredictable in adverse climatic conditions. Similarly other factors like scarcity of harvest labor, sugarcane price, and availability of attractive competitive / alternate crops will have a direct impact on cane availability and affect our business.

Risk mitigation:

- Micro level continuous yield improvement activities (village level) to obtain a higher yield per acre.
- Promoting high sucrose yielding varieties for better sugar recovery.
- Close monitoring of cane development activities, which includes supply of good quality seeds, fertilizers and manure, among others.
- Focusing on areas with better ground water availability.
- Implementation of good agronomical practices and pest management practices.
- Promoting drip irrigation with support of State subsidy.
- Testing new improved varieties of cane with support of Sugarcane Breeding Institute.
- Careful monitoring of cane planting and harvesting schedule.
- Retention of ratoon crop and implementation of ratoon management practices.
- Introduction of mechanical harvesters.
- Maintaining good relationship with farmers.

Sugar price realization risk

Sugar being a commodity, the sugar price remains volatile and realizations get adversely affected during a downturn. Coupled with this, higher cane price too affects profitability.

Risk mitigation: To de-risk the challenges of cyclicity in the sugar business, the Company has installed downstream industries of producing alcohol and cogeneration of power by using byproducts of sugar industry viz., molasses and bagasse. The Power and Alcohol business enhances the profitability of the company and de-risks the business from the adverse movements of sugar price and therefore the company to augment its own availability of molasses is importing the same from other states and also procuring it from other factories in TN to maximize the distillery capacity utilization.

TN government has increased the subsidy amount for drip installation and has also included all the components like filter units etc., for subsidy eligibility. Enhanced subsidy to the drip irrigation has resulted in almost zero investment for marginal farmers and reduced investment for farmers with large holdings of land. The company is utilizing this opportunity to promote drip irrigation to conserve water and maximize the yield.

The Company is also focusing on selling regularly on every price point thereby improving the average realization for sugar.

The sugar industry continues to be regulated by State Governments by other controls viz., reservation of cane area and fixation of sugarcane price.

In order to stabilize the domestic sugar prices, due to glut in the sugar production in the country, and to enable the sugar mills across the country to clear the cane price arrears, the government had taken the following measures during the year:

- a) The Government of India had allowed 6 million tons of export under Maximum Admissible Export Quantity (MAEQ) scheme for the 2019-20 sugar year with each Mill being allocated a certain fixed quantity.
- b) The Government of India had announced an export subsidy of ₹ 10,448/- per ton of sugar exported during the 2019-20 sugar season.
- c) The Government of India has also continued the monthly sugar release mechanism to control sugar supply to the domestic market for the 2019-20 season.
- d) The Government of India had created a buffer stock of 4 million tons of sugar.
- e) The Government of India had announced Minimum Selling Price (MSP) of ₹ 31/- per kg, below which the mills cannot sell sugar.

Since, the Company is working at 25% of its production capacity due to continuous drought for the last 5 years, it is not possible to meet some or all of the regulatory measures taken by the Government.

Risk mitigation:

Indian Sugar Mills Association (ISMA) and South Indian Sugar Mills Association (SISMA) of which the Company is a member are in the process of presenting recommendation for appropriate policy changes to reduce governmental influence in the sugar sector and work toward complete decontrol of the sugar industry.

The Company had challenged the monthly sugar release mechanism, before the court of law and got an interim order in favour of the Company.

The State Government had also sent representations to the PMO, Ministry of Consumer Affairs, Food & Public Distribution seeking exemption from MIEQ, monthly release mechanism and buffer stock.

After shocks of Covid-19 on the company:

Consequences of the outbreak of the Pandemic were felt on both the streams of Sugar, Alcohol production:

On the production side crushing during peak summer cost the company a recovery loss of 1.43% which directly affected the operational cost on sugar. There was also production loss for a month in alcohol due to the lockdown.

Consumption:

Complete lockdown in the country of all business - restaurants, malls, hostels attached to educational institutions, entertainment and hospitality establishments lead to a drastic drop in the demand from the industrial buyers who constitute almost 62% of the total consumption that too in peak summer season sales. This could potentially lead to fall in the consumption due to this demand destruction. This can lead to a increase of the national closing stock to 12.38 million tons thereby depressing the prices.

Financial liquidity risk

Sugar industry is highly working capital intensive. Raising adequate and rightly-priced working capital or arranging funds for payment of the interest and principal with respect to loans availed might pose a challenge. The other associated risk is soaring interest rates.

The sugarcane availability and sugar price risk continue to have significant impact on the financial liquidity of the Company.

Since the Company has been declared NPA in June 2018, it is operating without working capital facilities.

Risk mitigation:

The Company has been granted holding-on-operations by the lenders, with certain conditions including cut-back from cashflows, enabling the Company to continue its operations.

The Company has also obtained an interim stay on the application of release mechanism from the High Court of Judicature at Chennai enabling sale of sugar as needed.

Further, the Company is also under discussions with the Banks for debt restructuring and the which has been delayed due to Covid-19 lockdown restrictions is now under active consideration.

Internal control systems and their adequacy

The Company has well-established internal control systems in the form of well-documented policies, authorization guidelines commensurate with the level of responsibility and standard operating procedures, to ensure proper functioning of operations. Moreover there exists an effective internal audit system, commensurate with the requirements of the company.

The Board, Audit Committee and the Management review the findings and recommendations of the Internal Auditors and take corrective action, wherever necessary. Moreover the Audit Committee periodically interacts with Statutory Auditors and makes continuous assessments of the adequacy and effectiveness of the internal control systems.

Human Resources

The Management Staff Strength as on 31st March 2020 is 192. The Non-Management Staff strength as on 31st March 2020 is 594. Industrial Relations are cordial and there is no significant development.

Financial performance with respect to operational performance

Operational Performance

Particulars	Year ended		% Increase (Decrease)
	31.3.2020	31.3.2019	
Cane Crushed (Tons)	6,21,039	9,21,726	(32.62)
Recovery %	8.54	8.48	0.06*
Sugar Production (Tons)	53,063	78,183	(32.13)
Sugar Sales (Tons)	69,240	86,987	(20.40)
Power Production (Lakh Kwh)	760	1,113	(31.72)
Power Export to Grid (Lakh Kwh)	462	662	(30.21)
Alcohol Production (Lakh Litres)	137.42	186.20	(26.20)

* Absolute change

Financial Performance- Segment Wise

The company is engaged in three segments, namely Sugar, Cogeneration and Distillery

(₹ in Lakhs)

Particulars	31.3.2020	31.3.2019
Sales Turnover		
Sugar	24,635.17	28,380.16
Co-generation	2,679.16	4,683.06
Distillery	8,461.60	10,212.13
Less: Inter Segment revenue	3,027.97	3,329.99
Net Sales / Income from Operations	32,748.26	39,945.36
Profit / (Loss) before tax		
Sugar	(3,237.24)	(5,980.53)
Co-generation	562.20	2,158.64
Distillery	2,511.43	4,472.18
Less: i. Interest	5,778.83	5,796.23
ii. Other un-allocable expenditure	1,100.40	1,382.81
Add : Exceptional Income	-	-
Profit /(Loss) before tax	(7,042.85)	(6,528.75)

Ratio's where there has been significant change from the Financial Year (FY) 2018-19 to Financial Year 2019-20:

Sl. No.	Key Profitability Ratios	FY 2019-20	FY 2018-19	Remarks
1.	EBITDA/Sales % (Operating Profit Margin)	3.73%	4.4%	Operating EBITDA for the year 2019-20 stood at ₹12.20 crores as against ₹17.38 crores for the year 2018-19. Owing to drought, low capacity utilization recorded a significant fall on an annualised basis and coupled with mismatch between the Cost of production and Selling price of sugar resulted in fall in the EBITDA.
2.	Net Profit Margin (%)	-21.51%	-16.3%	Interest cost for the year 2019-20 stood at ₹57.79 crores as against ₹57.96 crores for the year 2018-19. Insufficient operating EBITDA resulted in negative net profit margins.
3.	Return on Net Worth	-127.93	-46.6%	As explained in point no. 1 and 2 above

SI. No.	Key Liquidity Ratios	FY 2019-20	FY 2018-19	Remarks
1.	Current Ratio	0.27	0.44	Negative net profit margin resulted in the tightness of working capital and mounting current liabilities.
2.	Debtors Turnover Ratio	7.65	6.35	The reduction in Debtors during the year 2019-20 is by 32% as compared to the position of the same as on 31.03.2019. The reduction in sales during the year 2019-20 is only by 20% as compared to the same during the year 2018-19. Moreover, the cogeneration dues for export of power to TANGEDCO has fallen from ₹49.80 crores as on 31.03.2019 to ₹34 crores as on 31.03.2020. These factors have led to an improvement in the Debtors turnover ratio.
3.	Inventory Turnover	4.51	3.52	Quick sales with lower stocks has led to the higher ratio in the current year as compared to the previous year.

SI. No.	Key Capital Structure Ratios	FY 2019-20	FY 2018-19	Remarks
1.	Debt Equity Ratio	11.93	5.10	Loss after tax resulted in the erosion of the reserves and surplus and thus resulted in inflated Debt equity ratio.
2.	Interest Coverage Ratio	0.21	0.30	Dismal operating margin resulted in EBITDA being insufficient to service debt. The interest charge remained at identical levels because of the default on term loan. This led to the drop of interest coverage ratio.

Cautionary statement

Statements in this Report describing the Company's objectives, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.

For and on behalf of the Board

Place : Coimbatore
Date : 26th June 2020

R VARADARAJAN
Wholetime Director
DIN 00001738

SHEILENDRA BHANSALI
Director
DIN 00595312

INDEPENDENT AUDITOR'S REPORT

To the Members of Rajshree Sugars & Chemicals Limited

Report on the Financial Statements

Opinion

We have audited the Financial Statements of Rajshree Sugars and Chemicals Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Loss), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S.No.	Key Audit Matter	Auditor's Response
1	<p>Accounting for Interest on loans from Banks consequent to loan accounts being treated as NPA :</p> <p>As stated in Note No.39(1), the company's loan accounts with banks have become NPA and the consortium of bankers other than ICICI Bank Limited and Federal Bank Limited have not debited interest with effect from 28.06.2018.</p> <p>However, the Company has recognized the liability towards accrued interest, as per terms of sanction read with CDR concessions, aggregating to ₹9,899.37 lakhs and shown it under interest accrued and due .</p>	<p>The accounting for interest accrued and due as stated has given rise to the carrying amount of outstanding loan and interest at variance compared to statement of account from the respective bankers.</p> <p>At the request of the Company, bankers have allowed operation of the accounts as before under certain restrictions.</p> <p>The company is engaged with the lenders for a resolution by restructuring bank debt under RBI Guidelines</p> <p>We have reviewed the relevant documents and have no alternate view on the accounting of interest on loans in the circumstances.</p>

S.No.	Key Audit Matter	Auditor's Response
2	<p>Secured Loan from Sugar Development Fund (SDF) : The Company has defaulted in repayment of dues towards Principal and Interest on account of stressed Financial position and have represented for rescheduling of the terms of repayment.</p> <p>In this background, the Company has accounted for Interest payable at the rates as per terms of sanction aggregating to ₹ 2,026.35 lakhs and shown it under interest accrued and due .</p>	<p>The method of accounting of interest due/overdue has resulted in the carrying amount of outstanding loan and interest at variance from the demand received from SDF on the specified due dates.</p> <p>On representation from the Industry Association, the SDF Act has been amended to permit rescheduling of loans for sugar mills affected by natural calamity. On the recommendation of the State Government the GOI issued the notification of amendment on 17.9.2018 but the guidelines for rescheduling loans are yet to be released by the Ministry of Food & Public distribution.</p> <p>The State Government has issued GO No.6 dated 10.1.2017 and GO No. 91 dated 7.3.2019 declaring drought in Tamil Nadu in 2016 and 2018. The Chief Secretary has vide letter No. 5603/MIC1/208-3 dated 27.2.2019 to Secretary, Dept of Food, GOI recommended rescheduling / restructuring of the SDF loans availed by Tamil Nadu sugar mills.</p> <p>We have reviewed the relevant documents and have no alternate view on the accounting of interest in the circumstances.</p>

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

The Company's Management and the Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Annual Report, but does not include the Financial Statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's and Board of Directors Responsibility for the Financial Statements

The Company's Management and the Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, state of affairs, the comprehensive loss, changes in equity and cash flows of the Company in accordance with the Ind AS 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.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- Conclude on the appropriateness of management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Loss, 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the Directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

The remuneration paid by the Company to its Directors by way of fee for attending meetings of the Board or Committee thereof, is in accordance with the provisions of Section 197(5) of the Act

The Remuneration paid to the Whole Time Director, is in accordance with the provisions of Section 197 of the Companies Act and that the same is not in excess of the limit laid down under the said section .The same has been approved by the Consortium of Bankers from whom the Company has availed loan facilities. Approval from Sugar Development Fund, the only other Secured Creditors has not been received till date as detailed in No.39(14).
 - (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies

(Audit and Auditors) Rules, 2014, 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.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except unpaid dividend of ₹ 39,729/- for the Financial Year 2009-10 as per the stay orders issued by the Court.

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner
UDIN 20011178AAAACM4372

Place : Coimbatore
Date : 26th June 2020

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in Paragraph 1 of Report on Other Legal and Regulatory Requirements)

According to the information and explanations sought by us and given by the Company and the books and records examined by us during the course of our Audit and to the best of our knowledge and belief we report the following:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
- (b) The fixed assets have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
- (c) The title deeds of all the immovable properties of land and building which are freehold are held in the name of the Company as at the Balance Sheet date. In respect of building that has been taken on lease and disclosed as fixed assets in the Ind AS financial statements, the Lease Agreements are in the name of the Company.
- (ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- (iv) The Company has not advanced any loans to its directors or any other person in whom the Directors are interested or given any guarantee or provided any security in connection with any loan taken by the Directors or such other person as contemplated under section 185 of the Act.
- (v) The Company has not accepted any deposits from the public. Therefore the provisions of clause (v) of para 3 of the order are not applicable to the company.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of manufacture of sugar and alcohol as well as generation and transmission of electricity by the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employee's state insurance, income-tax, goods and service tax, duty of customs, duty of excise, cess and other material statutory dues with the appropriate authorities. There are no undisputed arrears of statutory dues which were outstanding as at 31 March 2020 for a period of more than six months from the date they became payable.
- (b) The details of disputed statutory dues which have not been deposited by the Company are as given below:

Name of the Statute	Nature of Demand	Amount (₹ in Lakhs)	Period to which the Amount Relates	Forum where dispute is pending
Central Excise	Excise Duty	550.50	April 2013-March 2014	CESTAT
TNVAT	Tax	56.89	2011-12 & 2012-13	Asst. Commissioner Appeals
Income Tax	Tax	16.16	Assessment Year 2017-18	Commissioner of Income Tax Appeals

- (viii) The Company has not borrowed from any financial institution and has not issued any debentures till date. In respect of borrowings from Banks and Sugar development fund, the details of default in repayment is as given in Note No. 39(1) of notes to financial statements.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The Company has not availed any new term loans during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) In our opinion the managerial remuneration has been paid in accordance with the requisite approval mandated by the provisions of section 197, read with schedule V of the Act, excepting that the approval from the only other secured creditor is awaited as detailed in Note No. 39 (14)
- (xii) The Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) In our opinion the transactions with the related parties are in compliance with sections 177 and 188 of the Act and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3 clause (xiv) of the Order is not applicable to the Company.
- (xv) The Company has not entered into non-cash transactions with Directors or persons connected with the Directors and hence provisions of section 192 of the Act are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

Place : Coimbatore
Date : 26th June 2020

K Raghu
Membership No:011178
Auditor, Partner
UDIN 20011178AAAACM4372

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in Paragraph 2(f) of Report on Other Legal and Regulatory Requirements)

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 Rajshree Sugars and Chemicals Limited ("the Company") as of March 31, 2020 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 Board of Directors of the Company 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, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

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, 2020, 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.

For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
Auditor, Partner
UDIN 20011178AAAACM4372

Place : Coimbatore
Date : 26th June 2020

BALANCE SHEET AS AT 31ST MARCH 2020

(₹ in Lakhs)

PARTICULARS	Note	31.3.2020	31.3.2019
Non-current assets			
Property, plant and equipment	2	48,081.11	50,423.00
Right of use	3	158.50	–
Capital work in progress		102.23	214.37
Investment properties	4	11.50	11.89
Other intangible assets	2	24.17	24.17
Financial assets:			
Other financial assets	5	151.12	142.19
Deferred Tax Assets (Net)	6	5,594.29	3,445.07
Other non-current assets	7	474.37	486.52
Total non-current assets		54,597.29	54,747.21
Current assets			
Inventories	8	7,267.39	11,349.55
Financial assets			
i. Trade receivables	9	4,283.29	6,285.89
ii. Cash and cash equivalents	10	506.66	246.85
iii. Bank balances other than cash and cash equivalents	11	19.39	116.24
iv. Other financial assets	12	195.22	482.88
Current tax asset - Net	13	201.81	208.47
Other current assets	14	896.22	871.39
Total current assets		13,369.98	19,561.27
Total Assets		67,967.27	74,308.48

Significant Accounting Policies Note No. 1
 See accompanying notes to the financial statements

(Continued...)

As per our report of even date
For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

K Raghu
 Membership No:011178
 Auditor, Partner
 UDIN 20011178AAAACM4372

Sheilendra Bhansali
 Director
 DIN 00595312

R Varadarajan
 Wholetime Director
 DIN 00001738

Place : Coimbatore
 Date : 26th June 2020

C S Sathiyarayanan
 Associate Vice President (Finance)

M Ponraj
 Company Secretary

BALANCE SHEET AS AT 31ST MARCH 2020 (Continued)

(₹ in Lakhs)

PARTICULARS	Note	31.3.2020	31.3.2019
Equity and liabilities			
Equity			
Equity share capital	15	2,816.77	2,816.77
Other Equity	16	1,136.75	6,163.75
Total equity		3,953.52	8,980.52
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	17 & 3	13,680.81	21,210.04
ii. Lease Liabilities	3 & 17	140.31	–
Provisions	18	212.20	57.18
Total non-current liabilities		14,033.32	21,267.22
Current liabilities			
Financial liabilities			
i. Borrowings	19	6,698.26	6,964.79
ii. Trade payables	20		
a. Total outstanding dues of micro enterprises and small enterprises		151.15	112.53
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		14,566.87	17,134.60
iii. Other financial liabilities	21	27,124.56	18,008.95
iv. Lease Liabilities	3 & 17	31.52	–
Other current liabilities	22	1,219.18	1,654.57
Provisions	18	188.89	185.30
Total current liabilities		49,980.43	44,060.74
Total liabilities		64,013.75	65,327.96
Total equity and liabilities		67,967.27	74,308.48

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date

For S. Krishnamoorthy & Co.

Chartered Accountants

Registration No.001496S

K Raghu

Membership No:011178

Auditor, Partner

UDIN 20011178AAAACM4372

Sheilendra Bhansali

Director

DIN 00595312

R Varadarajan

Wholetime Director

DIN 00001738

Place : Coimbatore

 Date : 26th June 2020

C S Sathiyarayanan

Associate Vice President (Finance)

M Ponraj

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2020

(₹ in Lakhs)

PARTICULARS	Note	31.3.2020	31.3.2019
Income			
Revenue from operations	23	32,748.27	39,945.36
Other income	24	343.69	299.84
Total income		33,091.96	40,245.20
Expenses			
Cost of materials consumed	25	18,833.61	26,415.22
Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	26	4,555.79	2,434.75
Employee benefit expenses	27	3,344.60	3,441.18
Finance costs	28	5,778.83	5,796.21
Depreciation and amortisation expense	29	2,483.91	2,469.53
Other expenses	30	5,138.06	6,217.06
Total expenses		40,134.80	46,773.95
Profit/(loss) before exceptional items and tax		(7,042.84)	(6,528.75)
Exceptional items		-	-
Profit/(loss) before tax		(7,042.84)	(6,528.75)
Income tax expense/(benefit)	31		
Current tax		-	(24.20)
Deferred tax		(2,107.60)	(2,320.29)
Income tax expense/(benefit)		(2,107.60)	(2,344.49)
Profit/(Loss) for the year		(4,935.24)	(4,184.26)
Other comprehensive income			
<i>Items that will not be reclassified to profit or (loss)</i>			
Remeasurement of post employment benefit obligations		(133.37)	1.66
Income tax relating to these items	31	41.61	(0.52)
Other comprehensive income/(loss) net of tax		(91.76)	1.14
Total comprehensive income/(loss) for the period		(5,027.00)	(4,183.12)
Earnings/(Loss) per equity share of ₹10/- each (Amount in ₹)			
Basic	38	(17.52)	(14.85)
Diluted	38	(17.52)	(14.85)

Significant Accounting Policies Note No. 1
 See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

K Raghu
 Membership No:011178
 Auditor, Partner
 UDIN 20011178AAAACM4372

Sheilendra Bhansali
 Director
 DIN 00595312

R Varadarajan
 Wholetime Director
 DIN 00001738

Place : Coimbatore
 Date : 26th June 2020

C S Sathiyarayanan
 Associate Vice President (Finance)

M Ponraj
 Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2020

₹ in Lakhs

PARTICULARS	31.3.2020	31.3.2019
Profit / (Loss) before income tax	(7,042.84)	(6,528.75)
Adjustments for:		
Depreciation and amortisation expense	2,483.91	2,469.53
(Gain)/loss on disposal of property, plant and equipment	6.41	(1.64)
Derecognition of Finance Lease	(192.18)	
Finance costs	5,778.83	5,796.23
Finance cost on right of use asset	24.08	-
Change in operating assets and liabilities		
(Increase)/Decrease in trade receivables	2,002.60	(1,527.60)
(Increase)/Decrease in inventories	4,082.16	2,640.86
Increase/(Decrease) in trade payables	(2,529.11)	4,416.23
Increase/(Decrease) in other financial assets	384.50	58.55
(Increase)/Decrease in other non-current assets	12.15	3.08
(Increase)/Decrease in other current assets	(45.43)	589.94
Increase/(Decrease) in provisions	25.24	(10.54)
Increase/(Decrease) in security deposits	15.19	(29.97)
Increase/(Decrease) in other current liabilities	(435.39)	(779.16)
Cash generated from operations	4,570.12	7,096.76
Income taxes paid	6.66	(19.89)
Net cash inflow from operating activities	4,576.78	7,076.87
Cash flows from investing activities		
Payments for property, plant and equipment	(761.63)	(178.41)
Proceeds from sale of property, plant and equipment	5.51	2.09
Net cash outflow from investing activities	(756.11)	(176.32)
Cash flows from financing activities		
Proceeds from Borrowings	(3,768.52)	(5,537.11)
Interest paid	254.96	(1,393.58)
Payment of Lease liabilities	(47.30)	-
Net cash inflow / (outflow) from financing activities	(3,560.86)	(6,930.69)
Net increase / (decrease) in cash and cash equivalents	259.81	(30.14)
Cash and cash equivalents at the beginning of the financial year	246.85	276.99
Cash and cash equivalents at the end of the year	506.66	246.85

Significant Accounting Policies Note No. 1
 See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

K Raghu
 Membership No:011178
 Auditor, Partner
 UDIN 20011178AAAACM4372

Sheilendra Bhansali
 Director
 DIN 00595312

R Varadarajan
 Wholetime Director
 DIN 00001738

Place : Coimbatore
 Date : 26th June 2020

C S Sathiyarayanan
 Associate Vice President (Finance)

M Ponraj
 Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2020 (₹ in Lakhs)

i) Equity Share Capital

Particulars	Notes	₹ in Laksh
Balance as at March 31, 2018		2,816.77
Changes in equity share capital during the year	15	–
Balance as at March 31, 2019		2,816.77
Changes in equity share capital during the year	15	–
Balance as at March 31, 2020		2,816.77

ii) Other Equity

Particulars	Notes	Reserves and Surplus			Other Reserves		Total
		Securities Premium Account	General Reserve	Capital Reserve	Retained Earnings	Share Option Outstanding Reserve	
Balance as at March 31, 2018		1,359.94	7,575.90	158.70	1,220.02	32.31	10,346.87
Profit for the period	16	–	–	–	(4,184.26)	–	(4,184.26)
Other comprehensive income	16	–	–	–	1.14	–	1.14
Share option outstanding reserve to retained earnings	16	–	–	–	16.60	(16.60)	–
Balance as at March 31, 2019		1,359.94	7,575.90	158.70	(2,946.50)	15.71	6,163.75
Profit for the period	16	–	–	–	(4,935.24)	–	(4,935.24)
Share option outstanding reserve to retained earnings		–	–	–	8.98	(8.98)	–
Other comprehensive income	16	–	–	–	(91.76)	–	(91.76)
Balance as at March 31, 2020		1,359.94	7,575.90	158.70	(7,964.52)	6.72	1,136.75

Significant Accounting Policies Note No. 1
See accompanying notes to the financial statements

As per our report of even date
For S. Krishnamoorthy & Co.
Chartered Accountants
Registration No.001496S

K Raghu
Membership No:011178
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Sheilendra Bhansali
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DIN 00001738

Place : Coimbatore
Date : 26th June 2020

C S Sathiyarayanan
Associate Vice President (Finance)

M Ponraj
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Company overview

RAJSHREE SUGARS AND CHEMICALS LIMITED ('the Company') is a public limited company incorporated in India. The company's equity shares are listed on BSE and NSE. The registered office is located at "The Uffizi", 338/8, Avinashi Road, Peelamedu, Coimbatore - 641 004, Tamilnadu, India.

1. Significant accounting policies

1.1 Statement of compliance

The financial statements have been prepared as a going concern in accordance with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 ("the Act") read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other relevant provisions of the Act.

1.2 Basis of preparation and presentation

The financial statements have been prepared on the historical cost convention on accrual basis except for certain financial instruments which are measured at fair value at the end of each reporting period, as explained in the accounting policies mentioned below. Historical cost is generally based on the fair value of the consideration given in exchange of goods or services.

The principal accounting policies are set out below:

All assets and liabilities have been classified as current or non-current according to the Company's operating cycle and other criteria set out in the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities.

1.3 Going concern

The Board of Directors have considered the financial position of the Company at 31 March 2020 and projected cash flows and financial performance of the Company for at least twelve months from the date of approval of these financial statements as well as planned cost and cash improvement actions, and believe that the plan for sustained profitability remains on course.

The Board of Directors are engaged with the lenders to ensure that appropriate long-term cash resources are in place to fund the Company's operations.

1.4 Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amount of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amount of revenues and expenses for the years presented. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods affected.

1.5 Revenue recognition

The company derives revenue primarily from the sale of Sugar, Alcohol and Power.

Revenue from contract with customers is recognized when the Company satisfies performance obligation by transferring promised goods and services to the customer. Performance obligations are satisfied at the point of time when the customer obtains controls of the asset.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and Service Tax. Transaction price is recognized based on the price specified in the contract, net of the estimated sales incentives/ discounts. Accumulated experience is used to estimate and provide for the discounts/ right of return, using the expected value method.

Ind AS 115 provides a single model of accounting for revenue arising from contracts with customers based on the identification and satisfaction of performance obligations.

1.6 Foreign currencies

1.6.1. Functional and presentation currency

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

1.6.2. Transactions and balances

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

1.7 Employee Benefits

1.7.1. Short term obligations

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

1.7.2. Other long term employee benefit

The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of the expected future payments to be made in respect of services provided by employee up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Measurements as a result of experience adjustments and changes in actuarial assumptions are recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur. Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

1.7.3. Post-employment obligation

The Company operates the following post-employment schemes:

- a) Defined benefit plans such as gratuity for its eligible employees and
- b) Defined contribution plans such as provident fund.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Defined benefit plan:

The Company has a gratuity defined benefit plans for its employees. The costs of providing benefits under these plans are determined on the basis of actuarial valuation at each year-end. Separate actuarial valuation is carried out for each plan using the projected unit credit method. Re-measurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and the balance sheet. The Company has funded this with Life Insurance Corporation of India ('LIC') and HDFC Standard Life Insurance Company. The contributions made are treated as plan assets. The defined benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as reduced by the fair value of plan assets.

Defined contribution plan:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme and pension scheme as expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

1.7.4. Bonus plans

The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

1.8 Taxation

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

1.8.1 Current tax

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

1.8.2 Deferred tax

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

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

1.8.3 Current and deferred tax for the year

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the income taxes are also recognized in other comprehensive income or directly in equity respectively.

1.9. Property, plant and equipment

Property, plant and equipment except land are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any. On transition to IND AS, the company had selected to adopt fair value of land as at 1st April 2016, as its deemed cost.

Such assets are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. The other repairs and maintenance of revenue nature are charged to profit or loss during the reporting period in which they are incurred.

Depreciation on Property, Plant and Equipment (other than freehold land) has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

The estimated useful life of the tangible assets are reviewed at the end of the each financial year and the depreciation period is revised to reflect the changed pattern, if any.

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

1.9.1. Investment Property

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from disposal. Any gain or loss on disposal or retirement of property is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognized in the statement of profit and loss.

Depreciation on investment property has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.10. Intangible assets

Intangible assets are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

1.11. Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

1.12. Inventories

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

The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and appropriate proportion of variable and fixed overhead expenditure. Overhead expenditures are being allocated on the basis of normal operating capacity. Raw materials are valued at first in first out. Cost of inventories also includes all other costs incurred in bringing the inventories to their present location and condition. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Non-production inventory (other than those supplied along with main plant and machinery, which are capitalized and depreciated accordingly) are charged to profit or loss on consumption.

1.13 Provisions and contingencies

Provisions: Provisions are recognized when there is a present obligation or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the liability.

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

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

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

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

1.15 Financial assets

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

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

1.15.1. Classification of financial assets

Classification of financial assets depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

A financial asset that meets the following two conditions is measured at amortized cost unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term 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.

A financial asset that meets the following two conditions is measured at fair value through other comprehensive income unless the asset is designated at fair value through profit or loss under the fair value option:

- Business model test : the financial asset is held within a business model whose objective is achieved by both collecting cash flows and selling financial assets.
- Cash flow characteristic test : the contractual term of the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value through profit or loss.

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

Investment in equity instrument are classified at fair value through profit or loss, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Financial assets that do not meet the amortized cost criteria or fair value through other comprehensive income criteria are measured at fair value through profit or loss. A financial asset that meets the amortized cost criteria or fair value through other comprehensive income criteria may be designated as at fair value through profit or loss upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets and liabilities or recognizing the gains or losses on them on different bases.

Investments in debt based mutual funds are measured at fair value through profit and loss.

Financial assets which are fair valued through profit or loss are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognized in profit or loss.

1.15.3. Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost less provision for impairment.

1.15.4. Cash and cash equivalents

In the cash flow statement, cash and cash equivalents includes cash in hand, cheques and drafts in hand, balances with bank and deposits held at call with financial institutions, short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement.

1.15.5. Impairment of financial assets

The Company assesses impairment based on expected credit losses (ECL) model to the following :

- financial assets measured at amortized cost
- financial assets measured at fair value through other comprehensive income

Expected credit loss are measured through a loss allowance at an amount equal to :

- the twelve month expected credit losses (expected credit losses that result from those default events on the financial instruments that are possible within twelve months after the reporting date); or
- full life time expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument).

For trade receivables or any contractual right to receive cash or another financial asset the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

1.15.6. Income recognition

Interest Income: Interest income from debt instruments is recognized using the effective interest rate method.

1.16 Financial liabilities

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method or at fair value through profit or loss.

1.16.1. Trade and other payables

Trade and other payables represent liabilities for goods or services provided to the Company prior to the end of financial year which are unpaid.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

1.16.2. Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest rate method.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

1.16.3. Foreign exchange gains or losses

For financial liabilities that are denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in profit or loss.

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

1.17. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

1.18. Leases

The Company as a lessee

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

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets 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.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related ROU asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

Effective April 1, 2019, the Company has adopted Ind AS 116 'Leases' and applied the standard to its existing lease contracts using the modified retrospective approach under which the ROU Asset is measured based on the remaining lease payments.

1.19 Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

1.20. Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

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

1.21. Earnings per Share

Basic earnings per share have been computed by dividing the net income by the weighted average number of shares outstanding during the year. Diluted earnings per share has been computed using the weighted average number of shares and diluted potential shares, except where the result would be anti-dilutive.

1.22. Dividends

In view of the stressed financial position, the Directors have not recommended payment of dividend for the year 2019-20.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Land	Buildings	Plant & Equipment	Furniture and fixtures	Vehicles	Office Equipment	Electrical Equipment	Tools & Equipment	Lab Equipment	Total	SAP Software	Total of PPE and Intangible Assets
Year ended March 31, 2019												
Gross carrying amount												
Cost as at April 1, 2018	9,185.37	14,542.97	60,457.71	195.76	703.40	176.34	514.47	97.63	137.08	86,010.74	483.34	86,494.08
Additions	–	41.09	83.23	0.08	22.02	–	–	1.76	2.80	150.99	–	150.99
Disposal	–	–	–	–	5.02	–	9.18	–	–	14.21	–	14.21
Closing gross carrying amount	9,185.37	14,584.06	60,540.95	195.85	720.39	176.34	505.28	99.39	139.89	86,147.52	483.34	86,630.86
Accumulated depreciation												
Opening accumulated depreciation	–	4,906.79	26,928.74	137.53	495.42	151.87	468.41	83.85	96.52	33,269.14	459.17	33,728.31
Depreciation charged during the year	–	441.03	1,945.15	14.71	39.63	6.02	7.72	3.46	11.41	2,469.14	–	2,469.14
Disposals	–	–	–	–	5.02	–	8.72	–	–	13.75	–	13.75
Closing Accumulated Depreciation	–	5,347.82	28,873.89	152.25	530.03	157.89	467.41	87.31	107.93	35,724.53	459.17	36,183.70
Net carrying amount - 31.03.2019	9,185.37	9,236.25	31,667.06	43.60	190.36	18.45	37.88	12.08	31.95	50,423.00	24.17	50,447.16
Year ended March 31, 2020												
Gross carrying amount												
Cost as at April 1, 2019	9,185.37	14,584.06	60,540.95	195.85	720.39	176.34	505.28	99.39	139.89	86,147.52	483.34	86,630.86
Additions	–	800.56	67.88	0.49	–	1.62	2.20	1.01	–	873.77	–	873.77
Disposal	–	849.86	1.37	–	15.73	0.20	–	–	0.15	867.31	–	867.31
Closing gross carrying amount	9,185.37	14,534.77	60,607.45	196.34	704.66	177.76	507.49	100.41	139.74	86,153.98	483.34	86,637.32
Accumulated depreciation												
Opening accumulated depreciation	–	5,347.82	28,873.89	152.25	530.03	157.89	467.41	87.31	107.93	35,724.53	459.17	36,183.70
Depreciation charged during the year	–	439.15	1,940.80	11.26	33.78	4.13	5.46	2.40	9.98	2,446.96	–	2,446.96
Disposals	–	93.09	0.41	–	4.82	0.19	–	–	0.10	98.62	–	98.62
Closing Accumulated depreciation	–	5,693.88	30,814.28	163.51	558.99	161.83	472.87	89.71	117.81	38,072.87	459.17	38,532.04
Net carrying amount - 31.03.2020	9,185.37	8,840.89	29,793.18	32.82	145.67	15.93	34.62	10.70	21.93	48,081.11	24.17	48,105.28

Refer Note No.39(1) for Securities provided for borrowings

Refer Note No.39(3) for capital commitments

Refer Note No.32 for details on termination of finance lease.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

3 Right of use (ROU)

Carrying value of ROU Assets for the year ended 31.03.2020

Particulars	Land & Building	Plant	Total
Balance as at 1.4.2019	156.64	38.42	195.06
Less: Depreciation	28.60	7.96	36.56
Balance as at 31.3.2020	128.04	30.46	158.50

The aggregate depreciation expense on ROU assets is included under depreciation and amortization expense in the Statement of Profit and Loss.

The movement in lease liabilities during the year ended 31.03.2020 is as follows:

Particulars	Amount
Balance as at 1.4.2019	195.06
Less: Reduction in lease liability	23.22
Balance as at 31.3.2020	171.83

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2019 is 13%. ₹ 24,08,071/- has been recognized as expense in the Profit and Loss A/c.

4. Investment Properties

Particulars	31.3.2020	31.3.2019
LAND - Cost		
Balance at the beginning of the year	5.28	5.28
Additions / (Disposal)	–	–
Balance at the close of the year	5.28	5.28
BUILDING		
Cost		
Balance at the beginning of the year	10.25	10.25
Additions / (Disposal)	–	–
Balance at the close of the year	10.25	10.25
Accumulated depreciation		
Balance at the beginning of the year	3.64	3.25
Additions / (Disposal)	0.39	0.39
Balance at the close of the year	4.03	3.64
Net Block (B)	6.22	6.61
Net Block (A) + (B)	11.50	11.89

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

(I) Amounts recognised in profit or loss for investment properties

Particulars	31.3.2020	31.3.2019
Rental income	33.00	33.00
Profit from investment properties before depreciation	33.00	33.00
Depreciation	0.39	–
Profit from investment property	32.61	33.00

(ii) Leasing arrangements

Certain investment properties are leased to tenants under long-term operating leases with rentals payable monthly. Minimum lease payments receivable under non-cancellable operating leases of investment properties are as follows:

Particulars	31.3.2020	31.3.2019
Within one year	16.50	33.00
Later than one year but not later than 5 years	49.50	152.46
Total	66.00	185.46

(iii) Fair Value

Particulars	31.3.2020	31.3.2019
Investment property	6.22	6.61

Estimation of fair value

The fair values of investment properties have been determined with reference to the guideline value as determined by the Government for the location at which the property is located adjusted for the depreciated value of buildings.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
5 Other financial assets (non-current)		
Deposit - maturity more than 12 months	0.18	–
Security Deposits	150.94	142.19
Total Other financial assets (non-current)	151.12	142.19
6 Deferred tax assets / (liabilities)		
The balance comprises temporary differences attributable to:		
Depreciation	(8,645.76)	(9,082.60)
Total deferred tax liabilities	(8,645.76)	(9,082.60)
Set-off of deferred tax assets pursuant to set-off provisions		
Unabsorbed Depreciation and losses	7,916.62	7,744.45
Others including Disallowance u/s 43B	3,286.68	1,746.47
Minimum Alternate Tax credit - (MAT) entitlement	3,036.75	3,036.75
Total deferred tax assets	14,240.04	12,527.67
Net deferred tax assets / (liabilities)	5,594.29	3,445.07

Particulars	Depreciation	Unabsorbed Depreciation and Losses	Others including Disallowance u/s 43B	Minimum Alternate tax credit - (MAT) #	Total
Balance as at March 31, 2018	(9,488.87)	7,237.34	340.08	3,036.75	1,125.30
Charged/(credited):					
- to profit or loss	(406.27)	(507.11)	(1,406.91)	–	(2,320.29)
- to other comprehensive income	–	–	0.52	–	0.52
Balance as at March 31, 2019	(9,082.60)	7,744.45	1,746.47	3,036.75	3,445.07
Charged/(credited):					
- to profit or loss	(436.84)	(172.17)	(1,498.59)	–	(2,107.60)
- to other comprehensive income	–	–	(41.61)	–	(41.61)
Balance as at March 31, 2020	(8,645.76)	7,916.62	3,286.68	3,036.75	5,594.29

MAT credit has been regrouped

Deferred tax asset as shown above has been created by credit to Statement of Profit & Loss, as the Board of Directors of the Company are of the view that the Company would be able to generate adequate profits in the immediate future as soon as the cane availability position improves and reaches normal levels.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
7 Other non-current assets		
Capital advances	—	—
Land Purchase Advance - paid to Director	465.00	465.00
Prepaid Rent	9.37	21.52
Total other non-current assets	474.37	486.52
8 Inventories		
Raw material at cost	636.14	—
Work-in-progress at cost	205.51	559.93
Finished Goods-at Cost / Net Realisable Value	4,790.57	8,991.94
Stock In Trade - Properties at Cost	540.89	540.89
Stock In Trade - Others at Cost	133.39	159.73
Stores & Spares at cost	960.89	1,097.06
Total Inventories	7,267.39	11,349.55
9 Trade receivables		
Unsecured and considered good	4,283.29	6,285.89
Less : Allowance for credit losses	—	—
Total trade receivables	4,283.29	6,285.89
Includes due from companies / firms where directors are interested	7.49	117.91
10 Cash and cash equivalents		
Balances with banks		
- in current accounts	479.94	208.34
- in deposit with banks	5.00	5.00
Cash on hand	21.71	33.51
Total cash and cash equivalents	506.66	246.85
11 Bank Balances other than cash & cash equivalents		
Unpaid Dividend accounts	0.40	0.40
Deposits with maturity of more than 3 months but less than 12 months	0.28	0.44
Guarantee Margin Account	18.71	115.40
Total bank balances other than cash & cash equivalents	19.39	116.24
12 Other financial assets (current)		
Unsecured, considered good		
Income receivable	168.05	296.17
Interest receivable on Excise Duty Loan	27.17	186.71
Total Other financial assets (current)	195.22	482.88

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
13 Current Tax Assets (Net)		
Income tax refund due / TDS	201.81	208.47
Total Current Tax Assets	<u>201.81</u>	<u>208.47</u>
14 Other current assets		
Staff and other advance	28.34	22.74
Advance to suppliers	290.48	407.05
Advance Sales Tax	20.17	20.17
Balance with indirect tax authorities	247.51	134.62
Prepaid Expenses	309.72	286.82
Total other current assets	<u>896.22</u>	<u>871.39</u>
15 Equity share capital		
Authorised equity share capital		
	Number of shares	Amount
Balance as at March 31, 2018	3,00,00,000	3,000.00
Increase during the year	-	-
Balance as at March 31, 2019	3,00,00,000	3,000.00
Increase during the year	-	-
Balance as at March 31, 2020	<u>3,00,00,000</u>	<u>3,000.00</u>
(i) Movements in equity share capital		
	Number of shares	Equity share capital (par value)
Balance as at March 31, 2018	2,81,67,680	2,816.77
Increase during the year	-	-
Balance as at March 31, 2019	2,81,67,680	2,816.77
Increase during the year	-	-
Balance as at March 31, 2020	<u>2,81,67,680</u>	<u>2,816.77</u>

Terms and rights attached to equity shares : The Company has only one class of equity shares having a par value of ₹10 per share. Each shareholder is eligible for one vote per share held. The shareholders have rights in proportion to their shareholding for dividend as well as for assets, in case of liquidation.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
<i>(ii) Details of shareholders holding more than 5% shares in the company</i>		
	March 31, 2020	
	Number of shares	% holding
Ms. Rajshree Pathy	1,13,17,313	40.18
M/s RSCL Properties Private Limited	14,49,331	5.15
	1,27,66,644	45.33
	March 31, 2019	
	Number of shares	% holding
Ms. Rajshree Pathy	1,13,17,313	40.18
M/s RSCL Properties Private Limited	14,49,331	5.15
	1,27,66,644	45.33
16 Other Equity		
1) Reserves and Surplus		
Securities premium reserves	1,359.94	1,359.94
General reserve	7,575.90	7,575.90
Capital reserve	158.70	158.70
Retained earnings	(7,964.52)	(2,946.50)
Total reserves and surplus	1,130.02	6,148.04
a) Securities premium reserves		
Opening balance	1,359.94	1,359.94
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	1,359.94	1,359.94
b) General reserve		
Opening balance	7,575.90	7,575.90
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	7,575.90	7,575.90
c) Capital reserves		
Opening balance	158.70	158.70
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	158.70	158.70

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
d) Retained earnings		
Opening balance	(2,946.50)	1,220.02
Net profit/(loss) for the year	(4,935.24)	(4,184.26)
Items of other comprehensive income/(loss) recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(91.76)	1.14
Appropriations / Adjustments	8.98	16.60
Closing balance	(7,964.52)	(2,946.50)
2) Other Reserve		
Share option outstanding reserve		
Opening Balance as at March 31, 2019	15.71	32.31
Less : Transfer to retained earnings	8.98	16.60
Balance as at March 31, 2020	6.73	15.71
Total other equity 16(1) + 16(2)	1,136.75	6,163.75
i) General reserve: Part of retained earnings was earlier utilised for declaration of dividends as per the erst while Companies Act, 1956. This is available for distribution to share holders.		
ii) Retained earnings : Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve		
iii) Securities Premium: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.		
iv) Capital Reserve: Comprises of amount forfeited on lapse of share warrents, the same is not available for distribution		
v) Share option outstanding: The share options outstanding account is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.		

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
17 Borrowings (non-current)		
Secured		
Term Loans		
From Banks	13,425.30	19,909.11
From Other parties :		
Sugar Development Fund	-	-
Refer Note No.39(1) for terms of the borrowing		
Unsecured		
Effective interest rate measurement and lease payable	255.51	1,300.93
Total borrowings (non-current)	<u>13,680.81</u>	<u>21,210.04</u>
18 Provisions		
Provision for employee benefits		
Current		
Leave Encashment	62.93	58.79
Gratuity Contribution	125.96	126.50
Total Current Provisions	<u>188.89</u>	<u>185.29</u>
Non-current		
Gratuity Contribution	212.20	57.18
Total Non-current Provisions	<u>212.20</u>	<u>57.18</u>
Refer note no.33		
19 Borrowings (current)		
Loans repayable on demand		
Secured		
From Banks		
Cash Credit Account	6,698.26	6,964.79
Refer Note No: 39(1) for terms of the borrowing		
Total borrowings (current)	<u>6,698.26</u>	<u>6,964.79</u>
20 Trade payables		
Current		
Total outstanding due of Micro Enterprises and Small Enterprises - Refer Note No.39(2)	151.15	112.53
Total outstanding due of creditors other than Micro Enterprises and Small Enterprises	14,566.87	17,134.60
Total trade payables	<u>14,718.02</u>	<u>17,247.13</u>
21 Other financial liabilities (current)		
Current maturities of long term debt	15,198.43	12,116.61
Interest Accrued & Due on Loans	11,925.73	5,891.94
Unpaid Dividend	0.40	0.40
Total other financial liabilities (current)	<u>27,124.56</u>	<u>18,008.95</u>

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
22 Other current liabilities		
Advance received from Customers	461.06	969.13
Statutory dues payables	758.12	685.44
Total other current liabilities	1,219.18	1,654.57
23 Revenue from operations		
Sale of products	32,699.79	39,909.09
Other operating revenue	48.47	36.27
Total revenue from operations	32,748.27	39,945.36
24 Other income		
Rental Income	44.71	49.34
Interest income	51.13	176.21
Profit on Sale of Assets	0.10	1.63
Profit on termination of finance lease	192.18	–
Miscellaneous income	55.57	72.66
Total other income	343.69	299.84
25 Cost of Materials Consumed		
Raw Materials at the beginning of the year	–	–
Add: Purchases	19,469.75	26,415.22
Less: Raw Materials at the end of the year	636.14	–
Total Cost of Materials Consumed	18,833.61	26,415.22
26 Changes in inventories of work-in-progress, Stock-in -Trade and finished goods		
Opening Balance		
Work-In-Progress	559.93	259.65
Finished Goods	8,991.94	11,726.98
Traded Goods	540.89	540.89
Total Opening Balance	10,092.76	12,527.52
Closing Balance		
Work-In-Progress	205.51	559.93
Finished Goods	4,790.57	8,991.94
Traded Goods	540.89	540.89
Total Closing Balance	5,536.97	10,092.76
Total Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	4,555.79	2,434.75

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
27 Employee benefit expense		
Salaries, wages and bonus	2,872.76	2,955.61
Contribution to provident and other funds	246.50	247.24
Staff welfare expenses	225.34	238.33
Total employee benefit expense	3,344.60	3,441.18
28 Finance Cost		
Interest expense	5,727.24	5,711.61
Other borrowing costs	51.59	84.60
Total Finance cost	5,778.83	5,796.21
29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment and Amortisation of intangible assets	2,446.96	2,469.14
Depreciation on right of use assets	36.56	–
Depreciation on Investment property	0.39	0.39
Total depreciation and amortisation expense	2,483.91	2,469.53
30 Other expenses		
Consumption of Stores and Spares	346.07	586.81
Consumption of Packing Materials	252.57	366.96
Power & Fuel	1,088.29	1,675.41
Building rent	14.09	61.11
Repairs		
Building	24.63	42.31
Machinery	523.51	790.34
Insurance Premium	168.25	148.19
Licence Fees & Tax	257.08	256.34
Cartage & Freight	1,106.02	688.75
Payment to Auditor's	8.06	7.55
Cost Audit fees	1.77	1.55
Contribution to Chief Minister's Relief Fund	–	12.75
Managerial Remuneration	77.58	120.57
Miscellaneous Expenses	1,270.14	1,458.43
Total other expenses	5,138.06	6,217.06
Details of payment to auditors		
Payment to auditors		
As auditor:		
Audit fee	7.00	7.00
In other capacities		
Taxation & other matters	0.25	0.25
Company law matters	–	–
Certification fees	0.81	0.30
Total payment to auditors	8.06	7.55

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
31 Income tax expense		
(a) Income tax expense		
Current tax		
Current tax on profits for the year	–	–
Adjustments for current tax of prior periods	–	(24.20)
Total current tax expense	<u>–</u>	<u>(24.20)</u>
Deferred tax		
Decrease / (increase) in deferred tax assets	(1,670.76)	(1,914.02)
(Decrease) / increase in deferred tax liabilities	(436.84)	(406.27)
Total deferred tax expense/(benefit)	<u>(2,107.60)</u>	<u>(2,320.29)</u>
Income tax expense	<u>(2,107.60)</u>	<u>(2,344.49)</u>
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	(7,042.84)	(6,528.75)
Tax at the Indian tax rate of 31.20%	(2,197.37)	(2,036.97)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments for current tax of prior periods"	–	(24.20)
Long term capital gain tax at lesser rate	–	–
Other items	89.76	(283.32)
Adjustments for current tax of prior periods		
Tax losses for which no deferred income tax was recognised		
Income tax expense	<u>(2,107.60)</u>	<u>(2,344.49)</u>

32 On termination of subsisting finance lease in respect of property used as sugar godown, the same has been acquired by the Company for a consideration of ₹ 6.95 Crores. As a consequence thereof the following adjustments have taken place in the financial statements:

Adjustments	Amount (₹ in lakhs)
Withdrawal of Net Carrying Amount of Building	756.77
Reversal of lease liability	945.43
Reversal of Present Value adjustment to Security Deposit Paid	3.53
Recognition of profit	192.18

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
33 Employee benefit obligations		
	Current	March 31, 2020 Non-current
		Total
Leave Encashment	62.93	–
Gratuity Contribution	125.96	212.20
Total employee benefit obligations	188.89	401.09
		March 31, 2019
Leave Encashment	58.79	–
Gratuity Contribution	126.50	57.18
Total employee benefit obligations	185.30	242.48

(i) Gratuity

The company extends defined benefit plans in the form of gratuity to employees. The Company has formed "RSCL Gratuity Trust" with Life Insurance Corporation of India (LIC) and HDFC Life Insurance Company Ltd. Contribution to gratuity is made to LIC in accordance with the scheme framed by the corporation. The Company has made contribution towards Gratuity based on the actuarial valuation.

(ii) Defined contribution plans

Contribution to provident fund is in the nature of defined contribution plan and are made to provident fund account maintained by the Government on its account.

(iii) Defined Benefit Plan :

TYPE OF PLAN	GRATUITY (FUNDED)	
A. Expense recognised in Income Statement		
1. Current Service cost	45.42	45.09
2. Interest expense	67.62	64.91
3. Interest (Income on plan asset)	(53.35)	(49.11)
4. Net interest	14.27	15.80
5. Immediate recognition of (gain) / losses	–	–
6. Defined Benefits cost included in Statement of Profit & Loss	59.69	60.89
B. Expense recognised in Other Comprehensive Income (OCI)		
1. Actuarial (gain) / Losses on Defined Benefit Obligations		
(a) Due to Experience	6.81	(1.25)
(b) Due to Change in Financial Assumptions	56.02	(2.25)
(c) Due to Change in demographic assumptions	(3.16)	–
2. Return on plan assets (Greater) / Less than Discount rate	73.71	1.84
3. Total actuarial (gain) / loss included in OCI	133.37	(1.66)

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
C. Net Asset / (Liability) recognised in the Balance Sheet		
1. Present value of benefit obligation	995.22	870.30
2. Fair value of plan assets	659.47	686.62
3. Funded Status (Surplus / Deficit)	(335.75)	(183.68)
4. Net Asset / (Liability) recognised in Balance Sheet	(335.75)	(183.68)
D. Change in Present value of the obligation during the year		
1. Present value of the obligation at the beginning of the year	870.30	839.75
2. Current service cost	45.42	45.09
3. Interest cost	67.62	64.91
4. Benefits paid	(47.79)	(75.95)
5. Actuarial (gain) / loss on obligation		
(a) Due to Experience	6.81	(1.25)
(b) Due to Change in Financial Assumptions	56.02	(2.25)
(c) Due to Change in demographic assumptions	(3.16)	—
6. Present value of obligation at end of the year	995.22	870.30
E. Reconciliation of opening & closing values of Plan Assets		
1. Fair value of plan assets at the beginning of the year	686.62	635.30
2. Interest Income	53.35	49.11
3. Contributions made	41.00	80.00
4. Benefits paid	(47.79)	(75.95)
5. Actuarial (gain) / loss on plan assets	(73.71)	(1.84)
6. Fair value of plan assets at the end of the year	659.47	686.62
F. Actuarial Assumptions		
1. Discount rate	6.83%	7.77%
2. Salary escalation	4%	4%
3. Attrition rate	For service 4 years and below, 18% per annum; For service 5 years and above, 2% per annum	2%
4. Expected rate of return on plan assets	6.83%	7.77%
5. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult	
(iv) Sensitivity analysis		
Projected Benefit Obligation on Current Assumptions	995.22	870.30
Delta Effect of +1% Change in Rate of Discounting	(59.39)	(52.93)
Delta Effect of -1% Change in Rate of Discounting	67.12	59.74
Delta Effect of +1% Change in Rate of Salary Increase	68.37	61.42
Delta Effect of -1% Change in Rate of Salary Increase	(61.46)	(55.23)
Delta Effect of +1% Change in Rate of Employee Turnover	13.19	16.44
Delta Effect of -1% Change in Rate of Employee Turnover	(14.59)	(18.17)

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

(v) Brief description of the Plans & risks

Interest rate risk :

A fall in the discount rate which is linked to the Government Securities. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.

Salary Risk : The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability.

Investment Risk : The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.

Asset Liability Matching Risk (ALM) : The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.

Mortality risk : Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.

Concentration Risk : Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.

34 Fair value measurements

Financial instruments by category

	Amortised Cost	
Financial assets		
Loans - Deposits of more than 12 months	0.18	—
Trade Receivables	4,283.29	6,285.89
Cash and cash equivalents and other bank balances	526.05	363.09
Other financial assets	346.35	625.07
Total financial assets	5,155.87	7,274.05
Financial liabilities		
	Amortised Cost	
Borrowings	47,675.06	46,183.38
Trade payables	14,718.02	17,247.13
Other financial liabilities	0.40	0.40
Lease liabilities	171.83	—
Total financial liabilities	62,565.31	63,430.91

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

(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 the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

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

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

There are no transfers between levels 1 and 2 during the year. The company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Fair value of assets carried at amortised cost

The carrying amounts of trade receivables, trade payables, loans, deposits, advances, borrowings, cash and cash equivalents and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

35 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk

(A) Credit risk

Credit risk on deposit is mitigated by depositing the funds in reputed private sector bank.

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at 31st March 2019 and 31st March 2020 company had no significant credit risk.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)
(B) Liquidity risk

Objective of liquidity risk management is to maintain sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. The company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal requirements.

Maturities of financial liabilities

The tables below analyse the company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities:

	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
March 31, 2020						
Non-derivatives						
Long term loans	26,372.46	3,752.25	7,562.49	8,049.81	–	45,737.01
Short term Borrowings	6,698.26	–	–	–	–	6,698.26
Trade payables	14,718.02	–	–	–	–	14,718.02
Other financial liabilities	0.40	–	–	–	–	0.40
Lease liabilities	15.08	16.45	37.80	102.50	–	171.83
Total non-derivative liabilities	47,804.22	3,768.70	7,600.29	8,152.31	–	67,325.52
March 31, 2019						
Non-derivatives						
Long term loans	16,697.72	4,243.02	8,179.69	16,170.50	–	45,290.93
Short term Borrowings	6,964.79	–	–	–	–	6,964.79
Trade payables	17,247.13	–	–	–	–	17,247.13
Other financial liabilities	0.40	–	–	–	–	0.40
Total non-derivative liabilities	40,910.04	4,243.02	8,179.69	16,170.50	–	69,503.25
March 31, 2018						
Non-derivatives						
Long term loans	10,905.02	6,599.25	13,135.53	28,870.43	15,731.11	75,241.33
Total non-derivative liabilities	10,905.02	6,599.25	13,135.53	28,870.43	15,731.11	75,241.33

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

36 Capital management

(a) Risk management

The company's objectives when managing capital are to;

- safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents)

divided by

Total 'equity' (as shown in the balance sheet).

The company's strategy is to maintain an optimal gearing ratio. The gearing ratios were as follows:

	March 31, 2020	March 31, 2019
Net debt	47,149.01	45,820.30
Total equity	3,953.52	8,980.52
Net debt to equity ratio	11.93	5.10

(b) Dividends

The company has not declared any dividends during the current year and the previous year.

Debt service coverage ratio **(0.047)**

Interest service coverage ratio **(0.219)**

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

37 Share based payments

(a) Employee Stock Option Plan

- i) 50% of options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on date of vesting; and(ii) 50% of options due for vesting on each vesting date shall vest on the basis of achievement of individual key result areas set at the beginning of each financial year preceding the financial year in which the individual vesting date falls.

- ii) Summary of options granted under plan :

	March 31, 2020		March 31, 2019	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	55.40	2,18,562	55.40	4,25,314
Granted during the year	-	-	-	-
Exercised during the year	-	-	-	-
Forfeited during the year	55.40	(93,548)	55.40	(2,06,752)
		1,25,014		2,18,562

- iii) Share options outstanding at the end of the year have following expiry date and exercise prices

Share Options					
Plan	Grant Date	Expiry Date	Exercise Price	March 31, 2020	March 31 2019
RSCL Employees Stock Option Plan 2012	10th October 2012	10th October 2017 to 10th October 2020	55.40	1,25,014	2,18,562
				1,25,014	2,18,562

(b) Expense arising from share based payment transaction

	March 31, 2020	March 31, 2019
RSCL Employees Stock Option Plan 2012	-	-
Total expense recorded as part of employee cost	-	-

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2020	31.3.2019
38 Earnings per share		
(a) Basic earnings per share		
Basic earnings/(loss) per share attributable to the equity holders of the Company	(17.52)	(14.85)
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	(4,935.24)	(4,184.26)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	2,81,67,680	2,81,67,680
(b) Diluted earnings per share		
Diluted earnings/(loss) per share attributable to the equity holders of the Company	(17.52)	(14.85)
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	(4,935.24)	(4,184.26)
Adjustments		
Used in calculating diluted earnings per share	-	-
Profit attributable to equity holders of the company used in calculating diluted earnings per share	(4,935.24)	(4,184.26)
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	2,81,67,680	2,81,67,680

39 OTHER ADDITIONAL INFORMATION

- 1) Rate of Interest and Maturity Profile of long term/short term borrowings:

(Forming part of note for Long-term borrowings & Short term borrowings)

The consortium of bankers have declared the Company's loans as NPA with effect from 28.06.2018, consequent to default in payment of interest accrued on due dates and has not charged interest on the loans from such date. However ICICI Bank limited has sent the interest debit details as per their bank policy and Federal Bank limited has debited interest on the loans as per their bank policy. The interest for other accounts has been accounted on accrual basis as per the terms of sanction of the loans.

	Loans under CDR Scheme		Total
	SOFT Loan	Restructured Loan	
	12% /12.5%	11% /12% /12.5%	
2020-21	573.30	4,957.97	5,531.27
Total	573.30	4,957.97	5,531.27
2021-22	590.60	5,591.29	6,181.89
2022-23	295.28	4,470.30	4,765.58
2023-24	-	2,477.83	2,477.83
Total	885.88	12,539.42	13,425.30

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Interest Rate for Restructured Loans	
Financial Year	Rate of Interest
April 2014 - March 2016	11.00%
April 2016 - March 2017	12.00%
April 2017 onwards	12.50%

Security details for long term borrowings:

- i) The term loans aggregating to ₹ 23,277.35 lakhs as on 31.03.2020 (01.4.2019 ₹ 26,166.22 lakhs) under Corporate Debt Restructuring Scheme (CDR) are secured as detailed below:
 - a) First pari-passu charge on the fixed assets of the company except the following:
 - i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to State Bank of India (SBI) and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to Sugar Development Fund (SDF) and State Bank of India (SBI).
 - ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
 - iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
 - iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
 - b) Second pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from SDF.
 - c) First pari-passu charge over the cogeneration receivables of the Unit-II & III.
 - d) Second pari-passu charge over the remaining current assets of the company.
 - e) First Paripassu charge on the additional securities, as briefed below, provided by the company for CDR package.
 - i. Vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation measuring 80 cents.
 - ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Gullapuram Panchayat.
 - iii. Residential Flat No 2 at Door No 9 Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.
 - f) The term loans outstanding in Funded Interest Term Loan (FITL) and Scheme For Extending Financial Assistance Sugar Industries (SEFASU) as on 31.3.2019 of ₹ 100.63 lakhs has been fully settled during the year.
 - g) The Cogeneration receivables of Unit- II & III, will be pooled into the Trust and Retention Account for all lenders under CDR Package.
 - h) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.
 - i) The mortgages, charges and pledges referred to above shall rank pari passu with the mortgages, charges and pledges created and/or to be created in favour of the Acceding Lenders.
 - j) At the instance of the consortium bankers, creation of charge on all the remaining immovable properties owned by the company and not previously mortgaged, is in progress.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

- ii) Term loans (SDF) aggregating to ₹ 2,661.17 lakhs as on 31.03.2020 (01.4.2019 ₹2,661.17 lakhs) are secured by 1st pari passu charge on the fixed/immovable assets of Unit-III (Sugar, Cogeneration & Distillery).
- iii) The soft loans aggregating to ₹ 2,685.21 lakhs as on 31.03.2020 (01.4.2019 ₹3,198.33 lakhs) is secured by (a) First charge over the current assets of the Borrower on pari passu basis with other WC Lenders (b) First pari passu charge on the fixed assets of the Borrower except the exclusively charged assets. (c) First pari passu charge on the additional securities provided by the Borrower for CDR package (d) Second pari passu charge on the entire fixed assets of the Unit-III at Gingee subject to approval for sharing the security for SDF. Bank of India needs to modify hypothecation charge to align to this security structure.
- iv) The loans aggregating to ₹ 25,962.56 lakhs as on 31.03.2020 (01.4.2019 ₹ 29,364.55 lakhs) has been personally guaranteed by the Chairperson.
- v) Term loans Guaranteed by others is Nil.
- vi) Period and amount of continuing default in respect of the aforesaid loans is as detailed below:

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund - Cogen	211.00	From June 2016	The Company has requested for restructuring of the loan.
-do-	211.00	From December 2016	-do-
-do-	211.00	From June 2017	-do-
Sugar Development Fund - Distillery	405.64	From March 2016	-do-
-do-	405.64	From September 2016	-do-
-do-	405.64	From March 2017	-do-
-do-	405.64	From September 2017	-do-
-do-	405.64	From March 2018	-do-
TOTAL	2,661.20		
Axis Bank Limited	376.62	Overdue term loan dues as on 31.3.2020	The company is in discussion with the banks for the restructuring of debt
State Bank of India	3882.90		
Federal Bank Limited	418.22		
ICICI Bank Limited	1252.14		
State Bank of Hyderabad (SBI)	456.09		
Bank of India	595.41		
UCO Bank	24.60		
TOTAL	7005.99		

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Name of the Lender	Amount of Default (Interest)		Period of default	Remarks
Sugar Development Fund	2,026.35		Overdue interest as on 31.03.2020	The Company has requested for restructuring of the loan.
Total (a)	2,026.35			
	Term loan	Cash credit		
Axis Bank Limited	542.24		Accrued upto 31.3.2020	The Company is in discussions with the banks for restructuring of the loan
Federal Bank Limited	599.93			
ICICI Bank Limited	1899.69			
State Bank of India	3773.26	638.80		
State Bank of Hyderabad (SBI)	427.38	342.08		
Bank of India	646.22	228.39		
UCO Bank	126.48	44.73		
State Bank of Mysore (SBI)	223.97	406.21		
Total (b)	8,239.16	1660.21		
Grand Total (a+b)	9,899.37			

Security Details for short term borrowings:

- i) The Working Capital facilities aggregating to ₹ 6,698.26 lakhs as on 31.03.2020 (01.4.2019 ₹ 6,964.79 lakhs) under the CDR are secured as detailed below:
 - a) First pari-passu charge over the current assets of the company.
 - b) Second pari-passu charge on the fixed assets of the company except the following:
 - i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
 - ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank.
 - iii. Land at Pallipuram Village, Alleppey District, Kerala belonging to Company exclusively charged to ICICI Bank.
 - iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
 - c) Second pari-passu charge on the additional securities, as briefed below, provided by the company for CDR package.
 - i. Vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation measuring 80 cents.
 - ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk Theni District, Gullapuram Panchayat.
 - iii. Residential Flat No 2 at Door No 9, Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028
 - d) First pari-passu charge over the cogeneration receivables of Unit-II & III.
 - e) Third pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from Sugar Development Fund.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

- f) The Cogeneration receivables of Unit- II & III, will be pooled into the Trust and Retention Account for all lenders under CDR Package.
- g) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.
- h) The mortgages/charges and pledges referred to above shall rank pari passu with the mortgages/charges and pledges created and/or to be created in favour of the Acceding Lenders.
- ii. Working Capital facilities aggregating to ₹ 6,698.26 lakhs as on 31.03.2020 (01.4.2019 ₹ 6,964.70 lakhs) guaranteed by the Chairperson.
- iii. Short term loans Guaranteed by others is Nil.
- iv. Period and amount of default in respect of the aforesaid loans is Nil.

	31.3.2020	₹ in lakhs 31.3.2019
2) The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:		
Principal amount due and remaining unpaid	151.15	112.53
Interest due on above and the unpaid interest	-	-
Interest paid	21.12	2.57
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
3) Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	-	-
4) The future minimum lease payments for properties held on lease for operating purpose are		
a) Not later than one year	46.07	7.57
b) Later than 1 year and not later than 5 years	147.08	-
c) Later than 5 years	-	-
d) Lease payments recognized in the Statement of Profit & Loss (excluding rent payments for sugarcane divisional offices taken on temporary basis)	44.04	36.59
5) The company held one machinery on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	12.00	12.00
b) Later than 1 year and not later than 5 years	31.00	43.00
c) Later than 5 years	-	-
d) Lease payments recognized in the Statement of Profit & Loss.	9.00	12.00

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

	31.3.2020	₹ in lakhs 31.3.2019
6) Future minimum lease rentals receivables with respect to leased out properties are as under:		
a) Not later than one year	23.67 *	47.76
b) Later than 1 year and not later than 5 years	53.06 *	190.82
c) Later than 5 years	—	—
d) Lease receipts recognized in the Statement of Profit & Loss	43.92 *	47.31
*Above figures are based on the renewed lease agreement with Rajshree Biosolutions LLP with effect from 1.4.2020		
7) Borrowing costs capitalized	5.44	4.11
8) Borrowing costs included in Capital Work in progress	—	8.15
9) Provision towards Gratuity and superannuation schemes has been made upto date as per the demands received from Life Insurance Corporation of India and HDFC Standard Life Insurance Company Limited based on actuarial valuation. Provision for leave encashment benefit has been made for the entire amount due and payable as at the close of the year.		
10) Contingent Liabilities not provided for		
a) Claims against the company not acknowledged as debt:		
i) CESTAT had set aside the central excise demand of ₹ 397.78 Lakhs with interest and penalty for the period April 2012 to March 2013 and passed orders in favour of the Company in the matter of eligibility of exemption on molasses captively consumed and eligibility of cenvat credit availed on molasses procured from other Units in case of Unit III. The department has filed an appeal against this order in the Supreme Court of India and the decision is awaited. On the same issue for the period from April 2013 to March 2014, the Commissioner of Central Excise, Pondicherry has confirmed demand of ₹ 550.40 Lakhs with interest and penalty of ₹ 10.00 Lakhs against which the company has preferred an appeal before CESTAT. The department has further issued notices for demand of ₹1197.71 Lakhs (April 2014 to March 2016), ₹ 80.38 Lakhs (April 2012 to June 2012) and ₹ 896.83 Lakhs (April 2016 to June 2017) which are yet to be adjudicated by the department. The department has also issued a notice for demand of ₹ 456.45 Lakhs towards Cenvat credit availed on Distillery capital goods on the same grounds as the other notices. This notice is also pending for adjudication before the Commissioner of Central Excise, Pondicherry.		
ii) VAT (Assessment year 2011-12 & 2012-13) Appeal is pending before the Assistant Commissioner Commercial Taxes, in respect of a demand raised by the department, due to wrong classification of the product code. The total demand raised is ₹ 75.85 lakhs and the amount paid is ₹ 18.96 lakhs, towards initial payment for the appeal. Appeal has closed in favour of the Company and the order is awaited from the Assessment Circle.		
iii) The South India Sugar Mills Association, of which the company is a member, had filed W.P. No.7872/2015 before the Hon'ble Madras High Court against Union of India and Director of Sugar, Tamil Nadu challenging the very jurisdictional basis of fixing additional cane price for the Sugar years 2004-05 to 2008-09 in the absence of any statutory power to do so. In the said writ on 19.3.2015 there is a direction to respondents that they shall not initiate any coercive proceedings to recover any amount pursuant to impugned order. No provision was made by the company to the alleged cane dues pursuant to the above direction of the Court.		

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The Hon'ble Justice T S Sivagnanam by order dated 13th February 2019 has dismissed the said Writ Petition. The judgment further directs Sugar mills to furnish the details called for by the Director of Sugar by his communication dated 11th Mar'15 and 13th Mar'15 (ie particulars which forms the basis for fixation of clause 5A price) within a period of 7 days from the date of receipt of certified copy of judgment. SISMA has decided to challenge the said judgment by way of Appeal before Madras High Court. The principal ground of attack by Sugar Mills is that "L" factor has to be determined on All India basis once and for all and there is no scope or legal permissibility to fix "provisional L factor" for Tamil Nadu and Pondicherry Zone alone. There are other grounds also in favour of Sugar Mills to dispute the said liability.

On reopening of Madras High Court after May 2019 summer recess, SISMA filed a writ appeal bearing No. 1850/2019. The Company on 29.7.2019 the court granted stay of the Judgment of the Single Judge dated 13.2.2019 passed and directed to post the matter after four weeks. The appeal is pending.

Hence the amount is indeterminate at this juncture.

- iv) Superintending Engineer (Theni) had issued demand letters to Unit 1 dated 23.5.2019 and 3.8.2019 for ₹ 186.93 lakhs claiming parallel operation charges for the period from May 2014 to May 2019.

The company filed an appeal for all three units ie. Appeal No. 328/2019 before Appellate Tribunal for Electricity, Delhi against any claim of parallel operation charges. On 23.9.2019 the Tribunal by way of interim order directed Tangedco not to precipitate the matter any further and posted the matter to 11.11.2019.

The matter was listed before Registrar, Appeal on 20.1.2020 and at the request of respondents for filing their replies got adjourned to 20.3.2020. The interim order is in force. Because of Covid 19 pandemic only urgent matters are taken up and so the matter is posted to 19.8.2020.

The Company got two demand notices dated 14.2.2020 levying parallel operation charges for its Unit 2 (Mundiampakkam Village, Villupuram) & Unit 3 (Semmedu Village, Villupuram) of ₹ 134.62 lakhs and ₹ 176.61 lakhs respectively. As in the aforesaid appeal before APTEL interim order is in force, the Company moved applications in the said appeal bringing to the knowledge of the Tribunal the precipitative actions being contemplated by the TANGEDCO. The applications are pending.

- v) As the company has defaulted in loan repayments, ICICI Bank took over symbolic possession of the said properties vide notices dated 30.7.2019.

So, the company has filed on 27.8.2019 an appeal before Debt Recovery Tribunal (DRT), Coimbatore. The same is pending with the Registry.

- vi) ICICI has also filed an application before Debt Recovery Tribunal (DRT)-2, Chennai against the company and its promoters claiming ₹ 70.64 lakhs. The written statement for the Company was filed and the same was adopted by its promoters. The case is posted to 17.7.2020 due to pandemic Covid-19.

- vii) IFCI Limited, nodal agency of Sugar Development Fund (SDF) has files an application before Debt Recovery Tribunal (DRT)-1, Chennai against the company claiming ₹ 40.80 lakhs being the loan granted by SDF.

The Company filed an application stating the IFCI has no locus standi to file the said application and also that DRT lacks jurisdiction to entertain the said application as the Loan was granted by Government of India and not by any Bank / Financial Institution. The same is pending.

- viii) Recompense amount payable as per Corporate Debt Restructuring (CDR) scheme as at close of the year ending 31.03.2018 is ₹ 4,767 lakhs

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The company's loan accounts have been treated as Non-performing assets by the consortium banks as a result of default in payment of interest and loan instalments with effect from 28th June 2018. The company is engaged with the lenders for a resolution by restructuring bank debt under RBI Guidelines.

- b) The Government of Tamilnadu notified the State Advised Price (SAP) of ₹ 2,650/ per MT of sugarcane for the sugar seasons 2013-14 and 2014-15 and ₹ 2,850/- for sugar season 2015-16 & 2016-17. The company has accounted the cane purchase at the rate of ₹ 2,350/- per MT (for the cane procured during April 2014 to September 2014) and at the rate of ₹ 2,400/- per MT (for the cane procured during the period October 2014 - September 2016) For the sugar season 2016-17, the company has paid ₹ 2,425/- per MT. All the private mills in Tamilnadu are disputing the SAP, and the case is pending before the High Court of Madras. The total disputed price involved is ₹ 17,790 Lakhs (₹ 17,130.90 lakhs).
- 11) Income Tax assessments have been completed up to Assessment year 2017-18. Disallowances made in the order of assessment in some of the years, purely technical in nature, have been disputed in appeal before the appellate authorities.
- A Demand of ₹ 20.20 lakhs has been raised for the AY 2017-18
- Appeal Deposit paid ₹ 4.05 lakhs
- The Company is advised that the cases are likely to be disposed off in favour of the Company and hence no provision is considered necessary therefor.
- 12) In terms of Ind AS-36, the company had carried out an exercise to ascertain the impairment, if any, in the carrying values of its Fixed assets. The exercise has not revealed any impairment of assets save and except the following:
- The Tamil Nadu Government has issued a G.O. dated 31.8.2010 as directed by the Hon'ble Madras High Court, notifying the elephant corridor in the Nilgris District, which includes company's land of 7.83 acres in Masinagudi Village Nilgris District. The GO has now been disputed before the Hon'ble Supreme Court by the Company in SLP (C) 16898/2011 and interim stay has been granted and the petition is still pending.
- The Supreme Court directed to bunch all the Elephant corridor cases pending before it and the final hearing commenced from 6th April 2018. On 22.1.2020 the batch of cases were listed and the hearing concluded. Judgment reserved.
- The carrying value of the said land in the books is ₹ 35.57 lakhs 31.3.2019 ₹ 35.57 lakhs.
- 13) CSR activities
- Gross amount required to be spent by the company during the year - NIL
- Amount spent by the company during the year NIL
- 14) As required u/s 197 of the Act, the payment of remuneration to the Wholetime Director, Mr.R.Varadarajan, is as approved by Board of Directors of the Company, Nomination and Remuneration Committee of the Board is in terms of Resolution passed at the 31st AGM held on 28.8.2017. Approval has been obtained from the Consortium of bankers who have extended loan to the company. Approval from Sugar Development Fund, the only other secured creditor, has not been received till date. In this regard, the Company has been legally advised that in the absence of specific denial of permission by the lenders, it is to be considered as deemed to have been approved.

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

15) Transactions with Related Parties

Particulars	Key Management Personnel	Relatives of Key Management personnel	Other Related Parties
Purchase of Goods			
Mr.Aditya Krishna Pathy		21.73 (9.67)	
RSCL Properties Private Limited			18.36(20.53)
Greenplus Manures LLP			6.43(8.47)
Sri Krishna Potable Products Private Limited			0.67(19.23)
Rajshree Biosolutions LLP			22.69 (7.08)
Ms.Aishwarya Pathy		12.96 (-)	
Rajshree Spinning Mills Limited			7.60 (-)
Sale of goods			
Lavik Foodworks LLP			690.25(1323.11)
Rajshree Biosolutions LLP			6.73(2.35)
Purchase of Assets / Accessories			
CAI Industries Private Limited			-(0.06)
Lavik Estates Limited			695.00(-)
Sale of asset			
Srivalli Varadaraj Matriculation School			-(0.30)
Remuneration paid *			
Mr.Aditya Krishna Pathy (upto 25.6.2018)	- (43.44)		
Mr.R.Varadarajan	70.87(75.86)		
Mr.V.B.Gopal Krishnan	42.39(42.17)		
Mr.M.Ponraj	8.91(8.29)		
Ms.Aishwarya Pathy		17.07(30.11)	
Sitting fee paid			
Mr.Aditya Krishna Pathy	-(0.50)		
Mr.R.Varadarajan	2.40(2.00)		
Ms.Rajshree Pathy	2.00(2.00)		
Mr.Raja M.J Abdeen	2.40(2.80)		
Dr.P.Surulinarayanasami	1.00(2.00)		
Mr.Sheilendra Bhansali	1.40(2.80)		
Mr.G.S.V.Subba Rao	1.40(2.80)		
Mr.G.R.Karthikeyan	1.40(2.10)		
Mr.R.C.H.Reddy	1.40(2.80)		
Dr.K.Mohan Naidu	1.00(2.00)		
Mr.K.Ilango	1.40(-)		
Mr.S.Vasudevan	1.40(-)		
Mr.S.Krishnaswami	1.00(-)		
Receiving of Services			
CAI Industries Private Limited			-(0.06)
Aloha Tours & Travels (India) Private Limited			0.47(0.72)
Major Corporate Services (India) LLP			259.12 (282.94)

* Calculated as per the provision of Section 17(1) of the Income Tax Act, 1961

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Transactions with Related Parties (Contd...)

Particulars	Key Management Personnel	Relatives of Key Management personnel	Other Related Parties
Services rendered			
The Lakshmi Mills Company Limited			-(1.04)
Rajshree Biosolutions LLP			1.92(-)
Lease rent received			
Rajshree Biosolutions LLP			40.24(46.73)
Major Corporate Services India LLP			0.81(0.68)
Rajshree Spinning Mills Limited			0.23(0.21)
Lavik Foodworks LLP			0.75(0.72)
Lavik Estates Limited			1.15(1.94)
COCCA Art & Design Institute Private Limited			0.23(0.21)
Argead Enterprises Private Limited			0.23(0.21)
Lavik Holdings Private Limited			1.84(0.82)
Petal Home LLP			0.22(0.21)
Raj Fabrics & Accessories Cbe Limited			0.22(0.21)
G.V.Memorial Trust			0.13(0.05)
Lease rent paid			
Lavik Estates Limited			65.74 (136.91)
Bio-fertiliser received for supply to farmers of the company (less returns)			
Rajshree Biosolutions LLP			64.07 (69.31)
Purchase of uniform cloth materials			
The Lakshmi Mills Company Limited			7.63(-)
Security deposit refund received			
Lavik Estates Limited			26.25(-)
Outstanding as at 31st March 2020			
Payable	- (-)	16.56 (9.07)	179.87 (181.78)
Receivable	465.00 (465.00)	- (-)	16.04 (151.06)

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Notes:

Names of Related parties and description of relationship

- a) Holding Companies: None
- b) Subsidiaries: None
- c) Fellow Subsidiaries: None
- d) Associates: None
- e) Key Management Personnel
 - 1) Ms.Rajshree Pathy, Chairperson
 - 2) Mr.R.Varadarajan, Wholetime Director
 - 3) Mr.Raja M.J Abdeen, Director
 - 4) Dr.P.Surularayanasami, Director
 - 5) Mr.Sheilendra Bhansali, Director
 - 6) Mr.G.S.V.Subba Rao, Director (Terms of office completed on 30th September 2019)
 - 7) Mr.G.R.Karthikeyan, Director (Terms of office completed on 30th September 2019)
 - 8) Mr.R.C.H.Reddy, Director (Terms of office completed on 30th September 2019)
 - 9) Dr.K.Mohan Naidu, Director (Terms of office completed on 30th September 2019)
 - 10) Mr.K.Ilango, Director (appointed on 30th September 2019)
 - 11) Mr.S.Vasudevan, Director (appointed on 30th September 2019)
 - 12) Mr.S.Krishnaswami, Director (appointed on 30th September 2019)
 - 13) Mr.V.B.Gopal Krishnan, Chief Financial Officer (relieved on 16th May 2020)
 - 14) Mr.M.Ponraj, Company Secretary
- f) Relatives of Key Management Personnel :
 - a) Ms.Aishwarya Pathy (Daughter of the Chairperson)
 - b) Mr.Aditya Krishna Pathy, (Son of the Chairperson; and also Managing Director of the Company till 25.6.2018)
- g) Enterprises over which key management personnel or their relatives are able to exercise significant influence:
 - 1) RSCL Properties Private Limited
 - 2) Lavik Holdings Private Limited
 - 3) Argead Enterprises Private Limited
 - 4) CAI Industries Private Limited
 - 5) COCCA Art & Design Institute Private Limited
 - 6) Aloha Tours & Travels (India) Private Limited
 - 7) Rajshree Spinning Mills Limited
 - 8) Raj Fabrics and Accessories (Cbe) Limited
 - 9) Greenplus Manures LLP
 - 10) Major Corporate Services (India) LLP
 - 11) Lavik Foodworks LLP
 - 12) Rajshree Biosolutions LLP
 - 13) The Lakshmi Mills Company Limited
 - 14) Lavik Estates Limited
 - 15) Sri Krishna Potable Products Private Limited
 - 16) Petal Home LLP
 - 17) Srivalli Varadaraj Matriculation School
 - 18) G.V.Memorial Trust

NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

16) Information about segment: Primary segment – Business segments.

Particulars	31.3.2020				31.3.2019			
	Sugar	Cogen	Distillery	Total	Sugar	Cogen	Distillery	Total
REVENUE								
External Sales	21,607.50	2,679.16	8,461.60	32,748.26	26,926.85	2,806.38	10,212.13	39,945.36
Inter-segment Sales	1,948.38	1,079.59	–	3,027.97	1,453.31	1,876.68	–	3,329.99
Total Revenue	23,555.88	3,758.75	8,461.60	35,776.23	28,380.16	4,683.06	10,212.13	43,275.35
RESULT								
Segment result	(3,237.24)	562.20	2,511.43	(163.61)	(5,980.53)	2,158.64	4,472.18	650.29
Unallocated corporate expenses	–	–	–	1,233.77	–	–	–	1,381.15
Operating Profit	–	–	–	(1,397.38)	–	–	–	(730.86)
Interest Expenses	–	–	–	5,778.83	–	–	–	5,796.23
Interest Income	–	–	–	–	–	–	–	–
Income Taxes / Deferred tax	–	–	–	(2,149.21)	–	–	–	(2,343.97)
Profit from ordinary activities	–	–	–	(5,027.00)	–	–	–	(4,183.12)
Extraordinary loss / profit - Net	–	–	–	–	–	–	–	–
Net Profit	–	–	–	(5,027.00)	–	–	–	(4,183.12)
OTHER INFORMATION								
Segment assets	40,080.76	15,296.23	12,049.28	67,426.27	44,196.48	17,695.79	11,875.21	73,767.48
Unallocated corporate assets	–	–	–	541.00	–	–	–	541.00
Total Assets	–	–	–	67,967.27	–	–	–	74,308.48
Segment liabilities	53,187.77	3,439.75	7,386.23	64,013.75	53,828.55	3,302.09	8,197.32	65,327.96
Unallocated corporate liabilities	–	–	–	–	–	–	–	–
Total Liabilities	–	–	–	64,013.75	–	–	–	65,327.96
Capital Expenditure	–	–	–	–	–	–	–	–
Depreciation	1,146.91	776.52	560.48	2,483.91	1,138.26	782.40	548.87	2,469.53

The Company operates wholly within the geographical limits of India. Revenue from sales to customers outside India is / was nil in the current and previous years. Hence, disclosures on geographical segments are not applicable.

17) Previous year figures have been regrouped wherever necessary to conform to current year's classification.

As per our report of even date
For S. Krishnamoorthy & Co.
 Chartered Accountants
 Registration No.001496S

K Raghu
 Membership No:011178
 Auditor, Partner
 UDIN 20011178AAAACM4372

Sheilendra Bhansali
 Director
 DIN 00595312

R Varadarajan
 Wholetime Director
 DIN 00001738

Place : Coimbatore
 Date : 26th June 2020

C S Sathiyarayanan
 Associate Vice President (Finance)

M Ponraj
 Company Secretary



Rajshree Sugars & Chemicals Limited, The Uffizi, 338/8, Avanashi Road, Peelamedu, Coimbatore 641 004, TN,India.

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