



# BANNARI AMMAN SUGARS LIMITED

Regd. Office : 1212, Trichy Road Coimbatore - 641 018 Tamilnadu India  
Phone : 91 - 422 - 2204100 Fax : 2309999 (Sales) 2204222 (Purchase) 2204233 (Accounts)  
E-Mail : bascbe@bannari.com Website : www.bannari.com CIN : L15421TZ1983PLC001358

SEC/MAIL/2021

06.08.2021

National Stock Exchange of India Ltd Exchange Plaza C-1, Block G Bundera-Kurla Complex, Bandra (E) Mumbai 400051	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400 001
NSE CODE : BANARISUG ISIN No. : INE459A01010	BSE CODE : 500041 ISIN No. : INE459A01010

Sub: Notice of AGM and Annual Report for the Financial Year 2020-21

With reference to the above, we wish to submit the 37<sup>th</sup> Annual Report containing Notice of AGM, Audited financial statements, Directors' Report, Management Discussion & Analysis Report and other disclosures as specified under the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015.

Please note that:

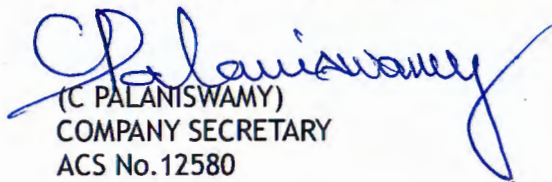
1. The 37<sup>th</sup> Annual General Meeting (AGM) of the company will be held on Thursday, the 9<sup>th</sup> September, 2021 at 3.30 P.M through Video Conferencing (VC)/Other Audio Visual Means (OAVM);
2. The Register of Members and Share Transfer Books of the company will remain closed from Friday, the 3<sup>rd</sup> September, 2021 to Thursday, the 9<sup>th</sup> September, 2021 (both days inclusive);
3. The cut-off date for reckoning voting of the members is 02.09.2021 and remote e-voting will be available from 05.09.2021 (9.00 am) to 08.09.2021 (5.00 pm). Voting at the AGM also available through e-voting;
4. The company has engaged Central Depository Services (India) Limited (CDSL) for providing remote e-voting facility.

Please note that the soft copies of the Notice and Annual Report 2020-21 is being dispatched to the members of the company through e-mail.

Kindly take this on your record.

Thanking you,

Yours faithfully,  
For BANNARI AMMAN SUGARS LIMITED

  
(C PALANISWAMY)  
COMPANY SECRETARY  
ACS No.12580

Encl:



# BANNARI AMMAN SUGARS LIMITED



Annual Report  
2020 - 2021



## Motto

Strive to perform best at all times

## Objectives

Our endeavour is to

- ❖ Identify and improve the processes to have a continuous upgradation of the quality of the end products
- ❖ Serve in the best interest of cane growers and shareholders
- ❖ Maximise productivity by optimising all inputs
- ❖ Expand and diversify utilising by-products in a planned manner

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## CORPORATE INFORMATION

### BOARD OF DIRECTORS

<b>Sri S V Balasubramaniam</b> (DIN : 00002405)	<b>Chairman</b>
<b>Sri B Saravanan</b> (DIN : 00002927)	<b>Managing Director</b>
Sri M P Vijayakumar (DIN : 05103089)	Independent Non-Executive Director
Sri E P Muthukumar (DIN : 00003740)	Independent Non-Executive Director
Sri A K Perumalsamy (DIN : 00313769)	Independent Non-Executive Director
Sri T Gundan (DIN : 00624804)	Independent Non-Executive Director
Dr Radha Ramani (DIN : 07083381)	Independent Non-Executive Woman Director

### COMPANY SECRETARY

Sri C Palaniswamy

### CHIEF FINANCIAL OFFICER

Sri M Ramprabhu

### BOARD COMMITTEES

#### AUDIT COMMITTEE

Sri M P Vijayakumar	Chairman
Sri T Gundan	Member
Sri E P Muthukumar	Member

#### NOMINATION AND REMUNERATION COMMITTEE

Sri M P Vijayakumar	Chairman
Sri T Gundan	Member
Sri E P Muthukumar	Member

#### STAKEHOLDERS' COMMITTEE

Sri T Gundan	Chairman
Sri S V Balasubramaniam	Member
Sri M P Vijayakumar	Member
Sri A K Perumalsamy	Member

#### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Sri M P Vijayakumar	Chairman
Sri S V Balasubramaniam	Member
Sri T Gundan	Member
Dr Radha Ramani	Member

#### RISK MANAGEMENT COMMITTEE

Sri M P Vijayakumar	Chairman
Sri S V Balasubramaniam	Member
Sri B Saravanan	Member
Sri T Gundan	Member

### AUDITORS

M/s P K Nagarajan & Co Chartered Accountants

### INTERNAL AUDITORS

M/s B M & Associates Chartered Accountants  
M/s Subbachar & Srinivasan Chartered Accountants

### COST AUDITORS

Sri M Nagarajan Cost Accountant

### SECRETARIAL AUDITORS

M/s C Thirumurthy & Associates Company Secretaries

### BANKERS

Punjab National Bank  
Canara Bank  
The Federal Bank Limited  
The Karur Vysya Bank Limited  
Indian Overseas Bank  
State Bank of India  
Bank of India  
AXIS Bank Limited  
ICICI Bank Limited  
HDFC Bank Limited

### REGISTERED OFFICE

1212 Trichy Road E-mail: shares@bannari.com  
Coimbatore - 641 018 Website: www.bannari.com  
Tel: 0422: 2204100 CIN: L15421TZ1983PLC001358  
Fax: 0422 - 2309999

### REGISTRAR AND SHARE TRANSFER AGENT

M/s Cameo Corporate Services Limited  
"Subramanian Building" Tel: 044 - 28460395  
Club House Road Fax: 044 - 28460129  
Chennai - 600 002 E-mail: investor@cameoindia.com  
CIN: U67120TN1998PLC041613

### LISTING OF EQUITY SHARES

#### BSE Limited

Phiroze Jeejeebhay Towers, Dalal Street, Mumbai - 400 001  
Stock Code: 500041 ISIN : INE459A01010

#### National Stock Exchange of India Limited

"Exchange Plaza", Bandra - Kurla Complex, Bandra (E),  
Mumbai - 400 051  
Stock Code: BANARISUG ISIN : INE459A01010

### 37<sup>th</sup> ANNUAL GENERAL MEETING (AGM)

**Thursday 9<sup>th</sup> September, 2021 at 3.30 p.m.**  
**AGM through Video Conferencing / Other**  
**Audio Visual Means (VC/OAVM)**



## Notice to Shareholders

NOTICE is hereby given that the THIRTY SEVENTH (37<sup>TH</sup>) ANNUAL GENERAL MEETING of the Members of BANNARI AMMAN SUGARS LIMITED ("the Company") will be held on Thursday the 9<sup>th</sup> day of September 2021 at 3.30 PM through Video Conferencing (VC)/Other Audio Visual Means (OAVM) to transact the following businesses

### Ordinary Business

#### 1. Adoption of Audited Financial Statements, Reports of the Board of Directors and Auditors thereon

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 March 31, 2021 and the reports of the Board of Directors and Auditors thereon as circulated to the members be and are hereby adopted.

#### 2. Declaration of Dividend

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

RESOLVED that a dividend at the rate of Rs.10/- (Rupees ten only) per equity share on 1,25,39,700 equity shares of Rs.10/- each as recommended by the Board of Directors be and is hereby declared for the financial year ended March 31, 2021 and that the same be paid out of profits of the company.

#### 3. Appointment of Director who retires by rotation

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

RESOLVED that in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Sri S V Balasubramaniam (DIN:00002405) who retires by rotation at this meeting be and is hereby re-appointed as a Director of the Company.

### Special Business

#### 4. Ratification of Remuneration payable to Cost Auditor

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

RESOLVED that pursuant to Section 148 and other applicable provisions if any of the Companies Act 2013 and the Rules made there under the remuneration of Rs.2,00,000/- (Rupees two lakhs only) (plus applicable GST and out of pocket expenses if any for purpose of audit) payable to Sri M Nagarajan (Membership No.F-6384) Cost Accountant as approved by the Board of Directors on recommendations of the Audit Committee for conducting the audit of Cost Accounting Records of the company for the financial year ending 31<sup>st</sup> March 2022 be and is hereby ratified and confirmed.

Coimbatore  
24.05.2021

By order of the Board  
**C PALANISWAMY**  
Company Secretary

## NOTES

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of Item No. 4 to be transacted at the Annual General Meeting as set out in the notice is annexed hereto. Additional information pursuant to applicable Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial standards on General Meetings issued by the Institute of Company Secretaries of India in respect of Director seeking re-appointment at this Annual General Meeting is furnished as Annexure to the Notice.
2. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies are being conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular Nos. 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020 read with Circular No. 20/2020 dated May 05, 2020 and Circular No.02/2021 dated January 13, 2021 (collectively referred to as "MCA Circulars") without physical presence of members at common venue. The forthcoming AGM will thus be held on Thursday, the 9<sup>th</sup> day of September, 2021 at 3.30 P.M (IST) through video conferencing (VC) or Other Audio Visual Means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of 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 to atleast 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 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 ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Since this AGM is being held through VC/OAVM, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. Hence attendance slip and proxy forms are not attached to the notice. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Circulars issued by Ministry of Corporate Affairs (MCA) / SEBI notice of AGM along with the 37<sup>th</sup> Annual Report is being sent only through electronic mode to those members whose e-mail addresses are registered with the company/depositories. The Notice calling the AGM has been uploaded on the website of the Company at [www.bannari.com](http://www.bannari.com). The Notice can also be accessed from the web sites of BSE Limited ([www.bseindia.com](http://www.bseindia.com)) and National Stock Exchange of India Limited ([www.nseindia.com](http://www.nseindia.com)). The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com). Members who have not registered their e-mail addresses so far are requested to register the same to enable the company to send all communications including Annual Report, Notices, Circular etc. in electronic mode.
7. 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 and Disclosure Requirements)



Regulations 2015 (as amended) and MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.

**8. The Register of Members and Share Transfer Books of the Company will remain closed from Friday the 3<sup>rd</sup> September, 2021 to Thursday the 9<sup>th</sup> September, 2021 (both days inclusive).**

9. Dividend recommended by the Board of Directors, if approved by the Members at the ensuing Annual General Meeting, will be credited / dispatched between 11<sup>th</sup> September, 2021 and 25<sup>th</sup> September, 2021 to those members whose names appear on the Register of Members as on 9<sup>th</sup> September, 2021. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership furnished by the National Securities Depository Limited (NSDL)/Central Depository Services (India) Limited (CDSL) as at the close of business hours on 2<sup>nd</sup> September, 2021.
10. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants (DPs). The address/ bank mandate as furnished to the Company by the respective Depositories Viz., NSDL and CDSL will be printed on the dividend warrants. Members holding shares in physical form are requested to inform the changes in address/mandate/bank details directly to the Registrar and Share Transfer Agent. Members who have not furnished the details of bank accounts so far are requested to furnish the details to their respective DPs or to the Registrar and Transfer Agent as the case may be to enable the company to make dividend payments.

11. Corporate Members are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Annual General Meeting to the Company Secretary.
12. The Company has transferred the unpaid or unclaimed dividends for the financial year 2012-2013 to the Investor Education and Protection Fund (the IEPF) established by the Central Government. The Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 31<sup>st</sup> March 2020 on the website of the Company ([www.bannari.com](http://www.bannari.com)) and also on the website of the Ministry of Corporate Affairs [www.iepf.gov.in](http://www.iepf.gov.in).
13. As required under section 124(6) read with IEPF Rules as amended, all the shares in respect of which dividend remains unpaid / unclaimed for seven consecutive years have been transferred to IEPF Authority.
14. The notice of AGM and Annual Report 2020-21 will be available on the Company's website at the link:<https://www.bannari.com/investorinformation.html>.

**THE INSTRUCTIONS FOR SHAREHOLDERS FOR REMOTE E-VOTING ARE AS UNDER**

- 1) The voting period begins on 5<sup>th</sup> September, 2021 at 9.00 A.M and ends on 8<sup>th</sup> September 2021 at 5.00 P.M. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 2<sup>nd</sup> September 2021, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 2) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting.
- 3) **LOGIN DETAILS FOR REMOTE e-voting/ joining the meeting:**
- i) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 9<sup>th</sup> December,

2020, individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories/Depository Participants. Shareholders are advised to update their mobile number and email Id in their demate accounts in order to access e-voting facility.

ii) E-voting is enabled to all the demat account holders by way of single login credential through their demat accounts/websites of Depositories / Depository Participants. Demate account Holders can cast their vote without having to register again with e-voting service providers (ESPs)

iii) Pursuant to the above SEBI Circular, **Login method for e-voting and joining virtual meetings for individual shareholders holding securities in Demat mode** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<ol style="list-style-type: none"> <li>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</li> <li>2) After successful login the Easi / Easiest user will be able to see the e-voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-voting page of the e-voting service provider for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-voting service providers' website directly.</li> <li>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN No. from a e-voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and also able to directly access the system of all e-voting Service Providers.</li> </ol>
Individual Shareholders holding securities in demat mode with <b>NSDL</b>	<ol style="list-style-type: none"> <li>1) If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on</li> </ol>





Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>“Access to e-Voting” under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nSDL.com">https://eservices.nSDL.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nSDL.com/SecureWeb/Ideas Direct Reg.jsp">https://eservices.nSDL.com/SecureWeb/Ideas Direct Reg.jsp</a></p> <p>3) Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nSDL.com/">https://www.evoting.nSDL.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the icon “Login” which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>
Individual Shareholders (holding securities in demat mode) login through their <b>Depository Participants</b>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting &amp; voting during the meeting.</p>

**4) Login method for e-voting and joining virtual meeting for physical shareholders and non-individual shareholders holding shares in demat form**

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on “Shareholders” module.
- iii) Now Enter your User ID
  - a) For CDSL: 16 digits beneficiary ID

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID

c) Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

iv) Next enter the Image Verification as displayed and Click on Login.

v) If you are holding shares in Demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.

vi) If you are a first time user follow the steps given below:

<b>For Physical Shareholders and non-individual shareholders holding shares in Demat Form</b>	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id/folio number in the Dividend Bank details field as mentioned in instruction.</li> </ul>

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the Electronic Voting Sequence Number (EVSN) relevant for "BANNARI AMMAN SUGARS LIMITED" on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Note for Non - Individual Shareholders and Custodians:
  - ❖ Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.



- ❖ A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cDSLindia.com.
- ❖ After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- ❖ The list of accounts linked in the login should be mailed to helpdesk.evoting@cDSLindia.com and on approval of the accounts they would be able to cast their vote.
- ❖ A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- ❖ Alternatively non-individual shareholders are required to send the relevant Board Resolution / Authority Letter etc., together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the company at the email address viz. secretary@bannari.com if they have voted from individual tab & not uploaded same in the CDSL e-voting system to the scrutinizer to verify the same.

## **PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE**

1. For Physical shareholders, please provide necessary details like 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 Company/RTA email id.
2. For Demat shareholders, Please update your email Id & mobile no. with your respective Depository Participant (DP)
3. For individual demat shareholders – Please update

your email Id and mobile no. with your respective (DP) which is mandatory while e-voting & joining virtual meetings through Depository.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to helpdesk.evoting@cDSLindia.com or contact at 022-23058738 / 022-23058542/43

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

1. The procedure for attending meeting & e-voting on the day of the of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders 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. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. 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.
7. **Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number through company email id shares@ bannari. com. The shareholders who**



**do not wish to speak during the AGM but have queries may send their queries in advance 3 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number through shares@bannari.com. These queries will be replied to by the company suitably by email.**

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are 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 available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility , then the votes cast by such shareholders shall be considered invalid as the

facility of e-voting during the meeting is available only to the shareholders attending the meeting.

#### **SCRUTINIZER AND RESULTS**

- 1) M/s C Thirumurthy & Associates, Company Secretaries, have been appointed as the Scrutinizer to Scrutinize the e-voting process in a fair and transparent manner.
- 2) The Scrutinizer shall immediately after the conclusion of AGM unblock the votes cast during AGM and votes cast through remote e-voting and make (not later than 48 hours) a consolidated Scrutinizer's Report forthwith to the Chairman of the Company.
- 3) The Results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.bannari.com](http://www.bannari.com) and on the website of CDSL [www.cdslindia.com](http://www.cdslindia.com) immediately after the result is declared by the company and communicated to the Stock Exchanges viz. BSE Limited and National Stock Exchange of India Limited.





## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### Item No.4

The Board of Directors on the recommendation of the Audit Committee has approved the appointment of Sri M Nagarajan Cost Accountant as Cost Auditor to conduct audit of cost records of the company for the financial year ending March 31, 2022 and fixed his remuneration at Rs.2,00,000/- (Rupees two lakhs only) plus reimbursement of actual out of pocket expenses.

In accordance with the provisions of Section 148 of the Companies Act 2013 read with the Companies (Audit and Auditors) Rules 2014 the remuneration payable to the cost

auditor has to be ratified by the members of the company.

Accordingly, consent of the shareholders is sought for passing an ordinary resolution as set out at Item No. 4 of the notice. The Board recommends the Ordinary Resolution set out in Item No.4 of the notice for the approval of the shareholders.

None of the Directors Key Managerial Personnel or their relatives is in any way concerned or interested in the proposed ordinary Resolution.

Coimbatore  
24.05.2021

By order of the Board  
**C PALANISWAMY**  
Company Secretary

**In terms of Regulation 36(3) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 read with Secretarial Standard on General Meeting a brief profile of the Director proposed to be re-appointed is given below:**

### **Sri S V Balasubramaniam**

Sri S V Balasubramaniam (DIN 00002405) aged 81 years has been the Managing Director of the company since 09.10.1985 and he was designated as the Chairman of the company with substantial powers of management with effect from 02.06.2010. He has more than 56 years experience in sugar industry. He was the President of South Indian Sugar Mills Association (SISMA) Tamil Nadu and Karnataka and was President of Indian Sugar Mills Association.

He is the Chairman of following private companies viz

(1) Annamallai Enterprise (P) Ltd (2) Annamallai Estates (P) Ltd (3) Bannari Amman Enterprises (P) Ltd (4) Bannari Amman Exports (P) Ltd (5) Bannariamman Finance (P) Ltd (6) Bannari Enterprises (P) Ltd (7) BIT Techno Products (P) Ltd (8) Kandiamman Enterprise (P) Ltd (9) Kerala Alcoholic Products (P) Ltd (10) Kumaraguru Enterprise (P) Ltd (11) Mehru Enterprises (P) Ltd (12) Mylvagana Enterprises (P) Ltd (13) Shiva Cargo Movers (P) Ltd (14) Shiva Distilleries (P) Ltd (15) Shiva Hi-Tech Infrastructure (P) Ltd (16) Soundaram Enterprise (P) Ltd (17) SVB Enterprise (P) Ltd (18) SVB Holdings (P) Ltd and (19) Velmuruga Enterprises (P) Ltd. He is a member of Corporate Social Responsibility Committee Risk Management Committee and Stakeholders' Committee of Bannari Amman Sugars Limited.

He holds 1056232 equity shares in the company and he is related to Sri B Saravanan Managing Director of the company as father.

Note : The details of number of Board Meetings attended, remuneration paid etc., are available in the Annexures to Directors' Report.

## Report of the Board of Directors

### Dear members

The Board of Directors are pleased to present the 37<sup>th</sup> Annual Report of the company and audited financial statements for the year ended 31<sup>st</sup> March 2021.

(₹ in lakhs)

Financial Results	Financial Year	
	2020-21	2019-20
Profit for the year before depreciation	18025.72	19098.42
Less : Depreciation	6572.13	6494.04
Profit Before Tax	11453.59	12604.38
Less: Provisions: Current Tax	2088.32	2170.60
Deferred Tax	151.27	870.20
Profit After Tax	9214.00	9563.58
Add : Surplus brought forward from previous year	3039.03	2487.18
Amount available for appropriation	12253.03	12050.76
<b>Appropriations</b>		
Dividend paid on equity shares for the respective previous financial year	1253.97	1253.97
Tax on Dividend paid	---	257.76
Transfer to General Reserve	7500.00	7500.00
Surplus carried over to Balance Sheet	3499.06	3039.03
<b>TOTAL</b>	<b>12253.03</b>	<b>12050.76</b>

### Dividend

Your Directors recommend a dividend @ Rs.10/- (Rupees Ten only) per share for the financial year ended March, 2021 taxable in the hands of the shareholders. Payment is subject to the approval of the shareholders at the ensuing Annual General Meeting.

### Review of Operations

#### Sugar

During the year under review, the aggregate cane crush was 38.31 lakh tonnes with a recovery of 9.34% compared to 39.84 lakhs tonnes with a recovery of 9.38% in the previous year.

### Power

The Co-generation plants generated 470.57 million units of power and exported 318.48 million units of power to grids compared to the generation of 477.33 million units and export of 323.28 million units in the previous year.

### Distillery

During the year, the distilleries produced 11.91 million B.Ltrs compared to the production of 16.67 million B.Ltrs in the previous year.

### Granite

In the Granite Processing Unit 73548 square metres of Granite Slabs and 56959 square metres of Tiles were produced compared to production of 88483 square metres of Granite Slabs and 28560 square metres of Tiles in the previous year.



## Wind Mill

Wind Mills generated 11.77 million units of power and exported 10.65 million units to grid compared to the generation of 12.87 million units and export of 11.29 million units in the previous year.

## Covid-19 pandemic

Due to Covid-19 pandemic and lockdowns announced by the Central/State Governments, the operations of the manufacturing facilities had been suspended initially for few days and resumed operations from 16th April, 2020. Thereafter the manufacturing activities are being carried out in normal course with the adoption of enhanced safety, security and other required measures. There has been no material impact on the business of the company though the sale and movement of our finished products was affected for a short period of time due to lockdowns.

The company has taken various initiatives towards financial, medical and community support in the fight against Covid-19 pandemic. This includes support towards relief funds to State Government, providing sanitizers, supply of essential food items to the needy people around the factory areas.

## Prospects for the Current year 2021 - 2022

In the current financial year, it is estimated to crush 40 lakh tonnes of sugarcane in aggregate. Performance of co-generation plant will be based on bagasse availability in the sugar mills. It is estimated to produce 33 million B.Litres of alcohol in the Distillery Units. The performance of Granite Division largely depends on the mining policy of the Central/ State Governments.

The increase in installed capacity from 60 Kilo Litre Per Day (KLPD) to 150 Kilo Litre Per Day (KLPD) at the distillery in the Suger Unit at Alaganchi Village, Nanjangud Taluk, Mysore District in Karnataka is under implementation.

## Directors and Key Managerial Personnel

In accordance with the provisions of Companies Act, 2013 read with the Articles of Association of the Company

Sri S V Balasubramaniam, Director is liable to retire by rotation and he is eligible for re-appointment.

The Company has devised a policy on Director's appointment, remuneration and for performance evaluation of independent directors, Board, Committees and other individual directors which include performance evaluation of non-executive and executive directors.

The details of programmes for familiarization of independent directors with the company, their roles, rights, responsibilities in the company, nature of the industry in which the company's operations, business models and related matters are placed on the website of the company at the link <http://www.bannari.com/InvestorInformation.html>.

All the Independent Directors have given declarations that they meet the criteria of independence as provided in Section 149 (6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

There is no change in the Key Managerial Personnel during the year.

## Particulars of Loans, Guarantees or Investments

During the year, the company has not made any loan or guarantee or investment or provided any security under Section 186 of the Companies Act, 2013

## Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo

The particulars relating to conservation of energy, Technology absorption, Foreign Exchange earnings and outgo as required to be disclosed under the Companies Act, 2013 are provided in Annexure I to this Report.

## Particulars of Employees

The information as required under Section 197 of the Companies Act 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is furnished in Annexure II forming part of this Report.



In terms of proviso to Section 136 (1) of the Companies Act, 2013 the Report and Accounts are being sent to the members excluding the information on employees as required under Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the said information is available for inspection by the members at the Registered Office of the Company during business hours on all days except Sundays and public holidays upto the date of Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

The Company has complied with applicable provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013. During the year no complaint / case was filed pursuant to the said Act.

#### **Meetings of the Board**

Five Meetings of the Board of Directors were held during the year. The details are furnished in the Report on Corporate Governance attached herewith.

#### **Committees and Policies**

The company has constituted Board Committees and framed policies as required under the provisions of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details are furnished in the Corporate Governance Report attached herewith.

#### **Corporate Governance and Management Discussion and Analysis Report**

A separate section on Corporate Governance, Management Discussion and Analysis Report, a certificate from the Auditors of the company regarding compliance of conditions of Corporate Governance and a certificate on non-disqualification of Directors as required under the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are annexed as Annexure - III.

#### **Corporate Social Responsibility Committee**

Pursuant to Section 135 of the Companies Act 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 the company has formulated a policy on Corporate Social Responsibility. The Annual Report on CSR activities for the financial year ended 31st March, 2021 is attached as Annexure IV to this report.

#### **Risk Management / Risk Management policy**

As per Regulation 21 of the SEBI (LODR) Regulations 2015, constitution of Risk Management Committee is not mandatory for the company. However, the company has constituted Risk Management Committee and has formulated a Risk Management Policy including Risk assessment and minimization procedures. The Risk Management Committee has been assigned with the functions of monitoring and reviewing the risk management plans of the company. In the opinion of the Board no element of risk that may threaten the existence of the company has been identified.

#### **Vigil Mechanism/Whistle Blower Policy**

The company has established vigil mechanism for Directors and Employees to report concerns about the unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics. The Whistle Blower Policy is posted in the company's website at the link <https://www.bannari.com/InvestorInformation.html>

#### **Dividend Distribution Policy**

The company has formulated and adopted Dividend Distribution Policy which is posted in the company's website at the link <https://www.bannari.com/InvestorInformation.html>

#### **Related Party Transactions**

All related party transactions are entered on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013 and other relevant Regulations as referred under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. None of





the transactions is materially significant which may have potential conflict with the interest of the company at large and therefore disclosure in Form AOC-2 is not required. All the related party transactions are placed before the Audit Committee and approved by the Audit Committee. Prior omnibus approval of the Audit Committee was obtained on annual basis for the transactions which are at a foreseen and repetitive nature. The Related Party Transactions Policy as approved by the Board is uploaded on the company's website at <https://www.bannari.com/InvestorInformation.html>

The details of transactions with Related Parties are provided in the accompanying financial statements.

### **Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 (10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Independent Directors at their meeting held on 27.01.2021 without participation of non-independent directors and management considered and evaluated the performance of the Chairman, Managing Director and the Board.

The Board has carried out an annual evaluation of its own performance, the performance of the committees, board, independent Directors and individual Directors. The criteria applied in the evaluation process are detailed in the Corporate Governance Report which forms part of this report.

### **Material changes and commitments**

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the financial year 2020-21 and the date of this report.

### **Directors' Responsibility Statement**

As stipulated in Section 134(3)(c) and 134 (5) of the Companies Act 2013 your Directors confirm that

- a) in the preparation of the annual accounts, all the applicable accounting standards had been followed and there are no material departures from the same;
- b) they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for that period;
- c) they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) they had prepared the annual accounts on a going concern basis;
- e) they had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- f) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### **Business Responsibility Report**

Pursuant to Regulation 34 (2)(f) SEBI (LODR) Regulations 2015 as amended the Business Responsibility Report has been prepared as prescribed and annexed to this Report as Annexure V and the same shall form part of this report.

### **Annual Return**

Copy of the previous year Annual Return in the prescribed form is available at the weblink <https://www.bannari.com/InvestorInformation.html>. A copy of Annual Return for the financial year 2020-2021 will be placed on the website of the company after the conclusion of 37<sup>th</sup> AGM.

**Auditors / Auditors' Report**

M/s P K Nagarajan & Co., Chartered Accountants Coimbatore was appointed as the Statutory Auditors of the company at the 33rd Annual General Meeting of the Company for a period of five years and they shall hold office till the conclusion of 38<sup>th</sup> Annual General Meeting. The Auditors have confirmed their independence and eligibility under Section 141 of the Companies Act, 2013.

The Report given by M/s P K Nagarajan & Co., Auditors on the financial statements of the company for the financial year 2020-21 does not contain any qualification, reservation or adverse remark.

**Secretarial Auditors and Secretarial Audit Report**

The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

The Board appointed M/s C Thirumurthy & Associates, Company Secretaries, Coimbatore as Secretarial Auditors to conduct Secretarial audit for the financial year 2020-2021. The Report of Secretarial Auditors is annexed to this report as Annexure VI.

The Report does not contain any qualification, reservation or adverse remark.

**Internal Control Systems and their Adequacy**

Details of internal control system and their adequacy are provided in the Management Discussion Analysis Report attached herewith.

**Cost Audit**

The Company has maintained cost records as specified by

the Central Government under Section 148 of the Companies Act, 2013.

Sri M Nagarajan, Cost Accountant, Coimbatore was appointed as Cost Auditor to conduct audit of cost accounting records for the financial year 2020-21.

**Industrial Relations**

The relationship with employees continued to remain cordial throughout the year under review

**General**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transaction on these items during the year under review:

- a) Details relating to deposits covered under Chapter V of the Act.
- b) Issue of equity shares with differential rights as to dividend, voting or otherwise
- c) Issue of shares (including sweat equity shares) to employees of the company under any scheme

No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.

**Acknowledgement**

Your Directors wish to place on record their appreciation for the continued support and co-operation by the Government Authorities, banks and other stakeholders. Your Directors thank the cane growers who have supplied sugarcane to the factories and wish to place on record their appreciation of the contributions made by all the employees.

Coimbatore  
24.05.2021

By order of the Board  
**S V BALASUBRAMANIAM**  
Chairman  
DIN : 00002405



## **ANNEXURE - I**

### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014**

#### **A) Conservation of energy :**

##### **i) The steps taken or impact on conservation of energy**

- ❖ Replaced light fittings in many places in all the plants with LED light fittings to improve the illumination and energy saving.
- ❖ Replaced DOL starter with Variable Frequency Drive (VFD) in VAM water Pump Motor.
- ❖ Replaced Fibrizer tip to reduce fibrizer power consumption

##### **ii) The steps taken by the company for utilizing alternate sources of energy;**

- ❖ The Bio gas generated in the Anaerobic digester of the Effluent Treatment Plants in three locations are taken to gas stoves of dormitory and canteen for cooking purpose and remaining gas is sent to the Bio-gas engines to generate power and also utilized for running of Effluent Treatment Plant in the respective plants.

##### **iii) The capital investment on energy conservation equipments : Nil**

#### **B) Technology absorption:**

##### **i) The efforts made towards technology absorption : Nil**

##### **ii) The benefits derived like product improvement, cost reduction, product development or import substitution : Nil**

##### **iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year):**

The company has not imported any technology during the last three years

##### **iv) The expenditure incurred on Research and Development : Rs. 52.88 Lakhs**

#### **C) Foreign exchange earnings and outgo :**

##### **❖ The Foreign Exchange earned in terms of actual inflows during the year : Rs. 2339.06 lakhs**

##### **❖ The Foreign Exchange outgo during the year in terms of actual outflows : Rs. 892.54 lakhs**

Coimbatore  
24.05.2021

By order of the Board  
**S V BALASUBRAMANIAM**

Chairman

DIN : 00002405

## ANNEXURE - II

THE INFORMATION REQUIRED PURSUANT TO SECTION 197 OF THE COMPANIES ACT, 2013, READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

### A) Information as per Section 197(12) read with Rule 5(1) of The Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014:

- The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year :

Name of the Director	Designation	Ratio to median remuneration
Sri S V Balasubramaniam	Chairman - Executive	132.69
Sri B Saravanan	Managing Director	92.64

The median remuneration of employees of the company during the financial year 2020-21 was Rs.362076/-.

The Non-Executive Directors were paid only sitting fee for attending the meetings of the Board and Committees thereof.

- The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager if any in the financial year.

Name	Designation	% increase in remuneration
Sri S V Balasubramaniam	Chairman - Executive	-8.20%
Sri B Saravanan	Managing Director	-7.59%
Sri C Palaniswamy	Company Secretary	0%
Sri M Ramprabhu	Chief Financial Officer	1%

- Percentage increase in the median remuneration of employees in the financial year : 6 %.
- Number of permanent employees on the rolls of company : 1903 .
- 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 average percentile increase in salaries of employees other than managerial personnel was 7 %. Since the managerial persons are being paid commission linked to company's profitability in terms of the resolutions passed by the shareholders of the company under the provisions of the Companies Act, 2013, it cannot be compared with the percentile increase in salaries of other employees.

- Affirmation that the remuneration is as per the remuneration policy of the company.

The company affirms that remuneration is as per the Remuneration Policy of the company.

By order of the Board  
**S V BALASUBRAMANIAM**

Chairman

DIN : 00002405

Coimbatore  
24.05.2021





**ANNEXURE - III**

**CORPORATE GOVERNANCE**

**COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company is committed to achieve high standards of corporate governance

The Company's philosophy on corporate governance envisages the attainment of high levels of transparency, accountability and equity in all facets of its operations and in all the interactions with its stakeholders including shareholders employees cane growers lenders and Governments.

**BOARD OF DIRECTORS**

The Board of Directors comprises of Executive Chairman, Managing Director and Non-Executive Independent

Directors. At present 5 Directors are Independent Directors. None of the independent directors are promoters or related to Promoters. Each Independent Director, gives declaration that he /she meets criteria of independence as required under the Companies Act, 2013. The company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been uploaded in the website of the company at the link .

Attendance of Directors at the Board Meetings, last Annual General Meeting (AGM) and Number of other Directorship and Chairmanships/Memberships of Committees of each Director in various companies are furnished below :

Category and Name of the Directors	Number of Directorships held in other Public Companies	Number of Board Committee Memberships held in other public companies		Number of Board Meetings held	Number of Board Meetings Attended	Last AGM Attended
		Chairman	Member			
<b>Executive</b>						
Sri S V Balasubramaniam (DIN : 00002405)	--	--	--	5	5	Yes
Sri B Saravanan (DIN : 00002927)	--	--	--	5	5	Yes
Sri S V Balasubramaniam and Sri B Saravanan are related to each other as Father and Son.						
<b>Non-Executive Independent</b>						
Sri A K Perumalsamy (DIN : 00313769)	--	--	--	5	5	Yes
Sri E P Muthukumar (DIN : 00003740)	--	--	--	5	5	Yes
Sri T Gundan (DIN : 00624804)	--	--	--	5	5	Yes
Sri M P Vijayakumar (DIN : 05103089)	1	--	--	5	5	Yes
Dr Radha Ramani (DIN : 07083381)	--	--	--	5	5	Yes

Five Board Meetings were held during the year and the details are:

<b>Date of Board Meeting</b>	<b>Board Strength</b>	<b>No of Directors present</b>
27.05.2020	7	7
24.06.2020	7	7
02.09.2020	7	7
04.11.2020	7	7
27.01.2021	7	7

The Board was given all material information, in advance and in defined agenda format, viz budgets, review of budgets, cane crush estimates, actual cane crushed, actual recovery, sugar stock details, details of power generation and power exported to grid production, sales and stock details of granite and distillery products etc for facilitating meaningful and focused discussions at the meetings.

**PERFORMANCE EVALUATION OF DIRECTORS**

The Nomination and Remuneration Committee has formulated the methodology and criteria to evaluate the performance of the Board and each Director. The evaluation of the performance of the Board, its committees and independent Directors are evaluated through a questionnaire circulated to all directors and based upon the response to the questionnaire, the directors do a self evaluation of their performance. Accordingly Board

reviewed the performance of each of the directors and expressed their satisfaction.

The performance evaluation of the Chairman and the Managing Director was carried out separately by the Independent Directors. The Independent Directors expressed their satisfaction on the performance of the Chairman and the Managing Director.

**CHART SETTING OUT THE SKILLS / EXPERTISE / COMPETENCE OF THE BOARD OF DIRECTORS**

The company is engaged in the business of manufacture of sugar, generation of power through co-generation, production of industrial alcohol and granite products. Sector in which it operates is regulated by the Essential Commodities Act, 1955, Sugarcane (Control) Order, 1966 etc., Lot of experience and competencies are required in the context of its business which is basically agro based sector.

List of core skills / expertise / competencies identified by the Board of Directors for the effective functioning of the company in the context of its businesses and sector it belongs to :

- ❖ Leadership/Strategy
- ❖ Experience in sugarcane farming
- ❖ Financial
- ❖ Experience in overall management administration
- ❖ Regulatory
- ❖ Social and environmental consciousness.



Skill	Sri SV Balasubramaniam	Sri B Saravanan	Sri M P Vijayakumar	Sri T Gundan	Sri A K Perumalsamy	Sri E P Muthukumar	Dr Radha Ramani
Leadership / Strategy	✓	✓	✓	✓			✓
Experience in sugarcane farming	✓	✓	✓		✓	✓	
Financial	✓	✓	✓	✓		✓	✓
Experience in overall management administration	✓	✓	✓	✓			✓
Regulatory	✓	✓	✓				
Social and Environmental Consciousness	✓	✓	✓	✓	✓	✓	✓

**MEETING OF INDEPENDENT DIRECTORS**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 25 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the Independent Directors met on 27.01.2021 and all the Independent Directors were present for the meeting. The Independent Directors inter alia reviewed the performance of the Board, Chairman of the Company and the Managing Director and also assessed the quality and timeliness of flow of information between the management and the Board.

**FAMILIARISATION PROGRAMME FOR DIRECTORS**

At the time of appointing a Director, a formal letter of appointment is given to him/her which inter alia explains the role, function, duties and responsibilities as a Director of the Company. The Director is also explained in detail the compliance required under the Companies Act, 2013, under Regulation 25 (7) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 and other relevant regulations and affirmation taken with respect to the same. The Chairman also has one to one discussion with the Directors to familiarize them with the company's operations. Further the company has put in place a system to familiarize the Independent Directors about the company, its products, business modules etc.

**CODE OF CONDUCT**

The company has adopted the code of conduct for all Board Members and Senior Management as required under Regulation 26 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure

Requirements) Regulations 2015. The code is posted on the company's website at the link [https://www.bannari.com/Investor Information.html](https://www.bannari.com/Investor%20Information.html). All Board Members and Senior Management personnel have affirmed compliance with the code on an annual basis and a declaration to this effect signed by the Chairman is attached to this report.

**WHISTLE BLOWER POLICY/VIGIL MECHANISM**

The company has established a whistle blower policy/vigil mechanism for Directors and Employees to report concerns about unethical behavior, actual or suspected incidents of fraud or violation of the code of conduct or ethics. This mechanism provides adequate safeguards against victimization of directors/employees who avail of the mechanism and also provide for direct access to the Chairman of Audit Committee. The Company affirms that no person has been denied access to the audit committee. The whistle blower policy is posted on the company's website at the link [http://www.bannari.com/Investor Information.html](http://www.bannari.com/Investor%20Information.html).

**RELATED PARTY TRANSACTIONS**

All transactions entered into with Related Parties for the year under review were on arm's length basis and in the ordinary course of business and that the provisions of Section 188 of the Companies Act, 2013 are not attracted. Further, there are no material related party transactions during the year under review. All Related Party Transactions are placed before the Audit Committee as also to the Board of Directors. Omnibus approvals are obtained for the transactions which are of repetitive nature. Transactions entered into pursuant to omnibus approval are reviewed by Audit Committee on quarterly basis.

The policy on related party transactions as approved by the Board of Directors has been uploaded on the website of the company at the link <http://www.bannari.com/InvestorInformation.html>. None of the Independent Director has any pecuniary relationship or transactions vis-a-vis the company.

**INSIDER TRADING**

The company has formulated code of practices and procedures for fair disclosure of Unpublished Price Sensitive information and code of conduct to regulate and report trading by the designated persons and their

immediate relatives under Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015.

**COMMITTEES OF THE BOARD  
AUDIT COMMITTEE**

The Audit Committee consists of Sri M P Vijayakumar, Sri T Gundan and Sri E P Muthukumar. Sri M P Vijayakumar is the Chairman of the Audit Committee. During the financial year ended March 31, 2021, the Committee met 4 times at 1212, Trichy Road Coimbatore 641 018 on 24.06.2020, 02.09.2020, 04.11.2020 and 27.01.2021. Particulars of meetings attended by the members of the Audit Committee are given below :

Name of the Member	Category	No of Meeting	
		Held	Attended
Sri M P Vijayakumar	Non-Executive - Independent	4	4
Sri T Gundan	Non-Executive - Independent	4	4
Sri E P Muthukumar	Non-Executive - Independent	4	4

The term of references to the Audit Committee inter alia include the followings:

- a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- c) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - i) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - ii) Changes, if any, in accounting policies and practices and reasons for the same.
  - iii) Major accounting entries involving estimates based on the exercise of judgment by management
- e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- f) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- g) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- h) Approval or any subsequent modification of transactions of the company with related parties;
- i) Scrutiny of inter-corporate loans and investments;
- iv) Significant adjustments made in the financial statements arising out of audit findings
- v) Compliance with listing and other legal requirements relating to financial statements
- vi) Disclosure of any related party transactions
- vii) Qualifications in the draft audit report



- j) Valuation of undertakings or assets of the company, wherever it is necessary;
- k) Evaluation of internal financial controls and risk management systems;
- l) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- m) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- n) Discussion with internal auditors of any significant findings and follow up there on;
- o) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- p) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- q) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- r) To review the functioning of the Whistle Blower mechanism;
- s) Approval of appointment of CFO after assessing the qualifications, experience and background, etc., of the candidate;
- t) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The audit committee shall mandatorily review the following information:

- 1) management discussion and analysis of financial condition and results of operations
- 2) statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) management letters / letters of internal control weaknesses issued by the statutory auditors
- 4) internal audit reports relating to internal control weaknesses; and
- 5) the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee
- 6) statement of deviations:
  - a) quarterly statement of deviation(s) including report of monitoring agency, if applicable submitted to stock exchange(s) in terms of Regulation 32(1)
  - b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7)

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Committee consists of Sri M P Vijayakumar, Sri T Gundan and Sri E P Muthukumar. Sri M P Vijayakumar is the Chairman of the Nomination and Remuneration Committee. During the financial year ended March 31, 2021, the Committee met 1 time at 1212 Trichy Road Coimbatore 641018 on 18.05.2020. Particulars of meeting attended by the members of the Nomination and Remuneration Committee are given below :

Name of the Member	Category	No of Meeting	
		Held	Attended
Sri M P Vijayakumar	Non-Executive - Independent	1	1
Sri T Gundan	Non-Executive - Independent	1	1
Sri E P Muthukumar	Non-Executive - Independent	1	1





The term of references to the Nomination and Remuneration Committee inter alia include the following :

- a) Formulation of the criteria for determining qualifications, positive attributes and Independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b) Formulation of criteria for evaluation of performance of Independent Directors and the Board;
- c) Devising a policy on Board diversity;
- d) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.
- e) Whether to extend or continue the terms of appointment of the Independent Directors, on the basis of the report of performance evaluation of Independent Directors.
- f) Recommend to the board all remuneration in what ever form payable to senior management.

### **REMUNERATION POLICY**

The remuneration policy is directed towards rewarding performance, based on the review of achievements. It is aimed at attracting and retaining talents. The remuneration structure shall be determined after taking into consideration of age, qualification, experience in the respective field, past performance of the concerned individual, regulatory frame work, competition in the industry, financial position of the company.

The appointment and remuneration of Executive Directors viz. Chairman and Managing Director is governed by the recommendation of Nomination and Remuneration Committee, resolutions passed by the Board of Directors and shareholders of the company. The remuneration consists of salary, perquisites, allowances and commission which are subject to the limitations specified under the Companies Act, 2013 and Schedule V to the said Act.

The Non-Executive Directors are paid sitting fees of Rs.5000/- for each meeting of the Board or Committee thereof. The company shall also reimburse the out of pocket expenses incurred by the Directors for attending the meetings.

The company does not have any Employees Stock Option Scheme.

### **REMUNERATION TO DIRECTORS**

The remuneration paid to the Chairman and the Managing Director are disclosed in Note No. 38 of the notes forming part of the Financial Statements (Page No. 100).

### **STAKEHOLDERS' COMMITTEE**

The Stakeholders' Committee was formed to specifically look into the shareholders'/investors' complaints if any on transfer of shares non receipt of Balance Sheet non receipt of declared dividend etc and this stakeholder' committee consists of Sri T Gundan, Sri S V Balasubramaniam, Sri M P Vijayakumar and Sri A K Perumalsamy. Sri T Gundan is the Chairman of the Stakeholders' Committee. During the financial year ended March 31, 2021, the Committee met 4 times at 1212 Trichy Road, Coimbatore 641018 on 24.06.2020, 02.09.2020, 4.11.2020 and 27.01.2021. Particulars of meetings attended by the members of the Stakeholders' Committee are given below :



Name of the Member	Category	No of Meeting	
		Held	Attended
Sri T Gundan	Non-Executive - Independent	4	4
Sri S V Balasubramaniam	Executive	4	4
Sri M P Vijayakumar	Non-Executive - Independent	4	4
Sri A K Perumalsamy	Non-Executive - Independent	4	4

The role of the Committee shall inter alia include the following:

- 1) Resolving the grievances of the security holders 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 in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 4) Review of the various measures and initiatives taken for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

Sri C Palaniswamy, Company Secretary is the compliance officer.

During the financial year 2020-21, the company has not received any complaint from the shareholders relating to transfer of shares, non-receipt of Annual Report, declared dividend etc. No pending complaint as on March 31, 2021.

#### **CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Corporate Social Responsibility Committee consists of Sri M P Vijayakumar, Sri S V Balasubramaniam, Sri T Gundan and Dr Radha Ramani. Sri M P Vijayakumar is the Chairman of the Corporate Social Responsibility Committee. During the financial year ended March 31, 2021, the Committee met 2 times at 1212 Trichy Road Coimbatore 641018 on 27.5.2020 and 24.06.2020. Particulars of meeting attended by the members of the Corporate Social Responsibility Committee are given below :

Name of the Member	Category	No of Meeting	
		Held	Attended
Sri M P Vijayakumar	Non-Executive - Independent	2	2
Sri S V Balasubramaniam	Executive	2	2
Sri T Gundan	Non-Executive - Independent	2	2
Dr Radha Ramani	Non-Executive - Independent	2	2

The CSR Committee shall formulate and recommend to the Board CSR Policy and annual action plan in pursuance of CSR Policy which shall include the following:

- a) The list of CSR projects or programmes that are approved to be undertaken in the areas or subjects specified in Schedule VII of the Act;
- b) The manner of execution of such projects or programmes;
- c) The modalities of utilization of funds and implementation schedules for the projects or programmes;

- d) Monitoring and reporting mechanism for the projects or programmes; and
- e) Details of need and impact assessment, if any, for the projects undertaken by the company.

Coimbatore 641018 and all the members were present for the meeting.

The term of references to the Risk Management Committee inter alia include the following :

**RISK MANAGEMENT COMMITTEE**

The Company has constituted the Risk Management Committee which consists of Sri M P Vijayakumar, Sri S V Balasubramaniam, Sri B Saravanan and Sri T Gundan. Sri M P Vijayakumar is the Chairman of the Risk Management Committee. During the financial year ended March 31, 2021, the Committee met on 27.01.2021 at 1212 Trichy Road

- a) Oversight of the risk management performed by the executive management.
- b) To ensure that the risk management plan and policies implemented by the company is effective in identifying, analyzing and mitigating all material risks involved in the business of the company.
- c) To assist the Board in formulation of Risk Management Plan and strategies.

**GENERAL BODY MEETING**

Location and time where last three Annual General Meetings were held :

AGM	Date	Venue	Time	Special Resolution Passed
34 <sup>th</sup>	20.09.2018	Jenneys Residency 2/2 Avinashi Road Civil Aerodrome Post Coimbatore 641 014	4.30 PM	Special Resolutions as required under Regulation 17(1A) of SEBI (LODR) Regulation 2015 were passed for the continuance of Independent Directors who attained the age of 75 years
35 <sup>th</sup>	12.09.2019	-do-	4.30 PM	Special Resolutions were passed for re- appointing four independent directors for a second term of 5 consecutive years.
36 <sup>th</sup>	02.09.2020	Through Video Conferencing / Other Audio Visual Means (VC/OAVM)	3.30 PM	Special Resolutions were passed for re-appointment of Chairman, Managing Director and one independent Director for a further period of 5 years.

No special resolution was passed through postal ballot during the last year.

**DETAILS OF SHAREHOLDING OF NON-EXECUTIVE DIRECTORS AS ON 31.03.2021**

NAME OF THE DIRECTOR	NO. OF SHARES HELD
Sri E P Muthukumar	1000
Sri A K Perumalsamy	900
Sri T Gundan	NIL
Dr M P Vijayakumar	NIL
Dr Radha Ramani	NIL

**DISCLOSURES**

## ➤ Statutory Auditor's fees for FY 2020-2021

(₹ in lakhs)

1	For Statutory Audit fee	20.00
2	For Company law matters	2.00
3	For other services	6.56
4	Reimbursement of expenses	0.25
	TOTAL	28.81

This excludes GST, travel and out of pocket expenses. No fee or other charges was paid during the year to any entity in the network firm/network entity of which the statutory auditor is a part.

- None of the transactions with related parties during the year 2020-2021 were in conflict with the interest of the company. The Policy on Related Party Transactions is available on the web link [http://www.bannari.com/Investor Information.html](http://www.bannari.com/Investor%20Information.html)
- There was no instance of non-compliance of any matter related to the capital markets during the last 3-years.
- In the preparation of the financial statements, the company has followed the Accounting Standards

referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the notes to the financial statements.

- The Company has complied with corporate Governance requirements specified in regulations 17 to 27 and Clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI (LODR) Regulations, 2015.
- The Company has complied with all mandatory requirements of SEBI (LODR). Regulations, 2015 Adoption of non-mandatory requirements is being reviewed by Board from time-to-time.

**MEANS OF COMMUNICATION**

- The quarterly / half-yearly/ annual financial results of the Company are announced within the stipulated period and are normally published in Business Standard (English) and Makkal Kural (Tamil). The financial results are also accessible on the Company's website at the link [http://www.bannari.com/Investor Information.html](http://www.bannari.com/Investor%20Information.html)

**SHAREHOLDERS' INFORMATION****Annual General Meeting**

Day and Date	Thursday the 9 <sup>th</sup> day of September 2021	
Time	3.30 P M	
Venue	Through Video Conferencing(VC) / Other Audio Visual Means (OAVM)	
Financial Year	2020 - 2021	
Date of Book Closure for the purpose of Dividend and AGM	03.09.2021 to 09.09.2021 (both days inclusive)	
Dividend	Rs.10/- per equity share (proposed)	
Dividend payment date	On or before 25.09.2021	
The Company's Equity Shares are listed on the following Stock Exchanges	<u>Stock Code</u>	<u>ISIN</u>
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai - 400 001	500041	INE459A01010

**Annual General Meeting (Contd...)**

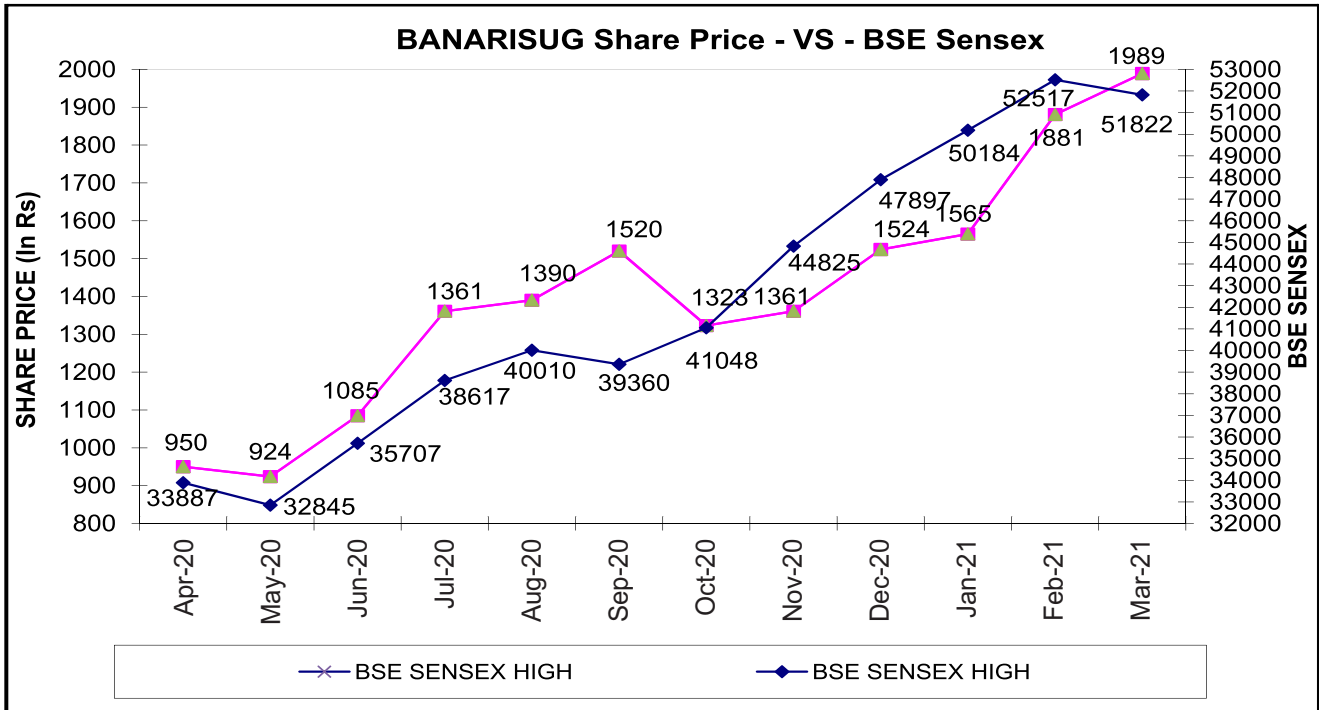
National Stock Exchange of India Limited "Exchange Plaza" Bandra - Kurla Complex, Bandra (E) Mumbai - 400 051  The company has paid annual listing fees for the year 2021-2022 to the above stock exchanges	<u>Stock Code</u>	<u>ISIN</u>
	BANARISUG	INE459A01010
<b>Financial Calendar</b>	Announcement of Quarterly Results for the financial year 2021-2022	
	Within the time specified in SEBI (LODR) Regulations 2015	

**Share Price Movement**

The high and low quotations of the company's shares on the National Stock Exchange and Bombay Stock Exchange together with Sensex from April 2020 to March 2021 were given below :

Month	NSE		BSE	
	High (In Rs)	Low (In Rs)	High (In Rs)	Low (In Rs)
April 2020	949.90	850.10	949.95	845.00
May 2020	925.00	811.00	924.00	800.00
June 2020	1089.00	843.00	1085.00	865.00
July 2020	1349.00	1001.00	1361.00	1004.00
August 2020	1375.00	1260.25	1390.00	1275.00
September 2020	1559.70	1259.00	1520.00	1265.00
October 2020	1324.00	1300.00	1323.40	1300.00
November 2020	1369.70	1298.95	1361.00	1290.00
December 2020	1540.00	1325.30	1524.05	1305.00
January 2021	1574.85	1400.00	1565.40	1400.00
February 2021	1899.20	1445.95	1881.00	1465.80
March 2021	1999.00	1505.00	1989.00	1510.00





Based on the closing quotation of Rs.1570/- as at 31.3.2021 at the Bombay Stock Exchange the market capitalization of the company was Rs.1968.73 Crores.

**Outstanding GDRs/ADRs/Warrants or any convertible instruments**

The company does not have any GDRs/ADRs/Warrants or any convertible instruments.

**Commodity Price Risk and Commodity Trading Activities**

The Price of the products of the company are market driven and is fixed based on the prevailing market price. In respect of Foreign Exchange Commitments no hedging has been made except natural hedging.

**Dematerialisation of Shares**

The shares of the company are in compulsory demat segment. Members have option to hold their shares in demat form either through National Securities Depository Limited (NSDL) or the Central Depository Services (India) Limited (CDSL). About 97.87% shares of the company have been demateriaized. ISIN allotted to our company is INE459A01010.

**Investor Contacts**

**Registrar and Transfer Agent**

M/s Cameo Corporate Services Limited  
"Subramanian Building"  
1 Club House Road  
Chennai 600 002  
Phone : 044-28460395  
Fax : 044-28460129  
E-mail : investor@cameoindia.com

**Company**

Bannari Amman Sugars Limited  
1212 Trichy Road  
Coimbatore - 641 018 India  
Phone : 0422-2204100  
Fax : 0422-2309999  
Email : secretary@bannari.com  
shares@bannari.com

**Share Transfer System**

The Share transfers in physical form are registered and returned within a period of 15 days from the date of receipt if the documents are in order. The share transfers are approved by the Share Transfer Committee which usually meets twice in a month.


**Distribution of Shareholding as on 31.03.2021**

SI No	Shareholding	No of shareholders	% of shareholders	No of shares	% of share holding
1	1 - 100	4457	73.99	154992	1.24
2	101 - 500	1168	19.39	270622	2.16
3	501 - 1000	191	3.17	153584	1.23
4	1001 - 2000	82	1.36	120913	0.96
5	2001 - 3000	25	0.42	61620	0.49
6	3001 - 4000	13	0.22	45709	0.36
7	4001 - 5000	17	0.28	79440	0.63
8	5001 - 10000	15	0.25	102875	0.82
9	10001 - and above	56	0.92	11549945	92.11
	<b>Total</b>	<b>6024</b>	<b>100</b>	<b>12539700</b>	<b>100</b>

**Transfer of Unclaimed Dividend and Shares to Investor Education and Protection Fund**

During the year under review, the company has credited Rs.11,12,888/- to the Investor Education and Protection Fund (IEPF) being dividend unclaimed pertaining to the financial year 2012-2013.

In accordance with the provisions of Companies Act, 2013, the company has so far transferred 42,187 equity shares of Rs.10/- each, to the credit of IEPF Authority, in respect of which dividend have been unclaimed by the shareholders for seven consecutive years or more.

The company has uploaded on its website the details of unpaid and unclaimed amounts as on 31<sup>st</sup> March 2020 and details of shares transferred to IEPF on account of unclaimed dividend during the financial year 2020-2021.

The voting rights on the shares transferred to IEPF authority shall remain frozen till the rightful owner claims the shares.

**Unclaimed Suspense Account**

In compliance with requirements under SEBI (LODR) Regulation 2015 the Company has opened the Unclaimed Suspense Account and transferred the shares remained unclaimed even after three reminders to the shareholders. The voting rights in respect of such shares shall remain frozen. The details as required under this regulations are as follows:

Aggregate number of shareholders at the beginning of the year	-	11
Outstanding shares lying in the Unclaimed Suspense Account at the beginning of the year	-	2250
Number of shareholders claimed	-	Nil
Number of shareholders transferred to IEPF	-	Nil
Number of shares transferred to IEPF	-	Nil
Aggregate number of shareholders at the end of the year	-	11
Outstanding shares lying in the Unclaimed Suspense Account at the end of the year	-	2250

**Shareholding Pattern as on 31.03.2021**

SI No	Category	No of Shares	%
1	Promoters	7360276	58.70
2	UTI & Mutual Funds	11500	0.09
3	Banks, Financial Institutions & Insurance Companies	114	0.00
4	Foreign Institutional Investors	18435	0.15
5	Private Corporate Bodies	1728734	13.78
6	Indian Public	3223030	25.70
7	IEPF	40855	0.33
8	NRI/OCB's	152717	1.22
9	Clearing Members	1789	0.01
10	Escrow Account	2250	0.02
	<b>TOTAL</b>	<b>12539700</b>	<b>100.00</b>

**Plant Locations :****Unit I****Sugar, Co-Generation, Granite Processing & Bio-Products**

Alathukombai Village Sathyamangalam Taluk  
Erode District Tamilnadu

**Unit II****Sugar, Co-Generation & Distillery**

Alaganchi Village Nanjangud Taluk Mysore District Karnataka

**Unit III****Sugar & Co-Generation**

Kunthur Village Kollegal Taluk Chamarajanagar District  
Karnataka

**Unit IV****Sugar & Co-Generation**

Kolundampattu Village Thandarampattu Taluk  
Thiruvannamalai District Tamilnadu

**Unit V****Sugar & Co-Generation**

Vengur Village Thirukovilur Taluk  
Kallakuruchi District Tamilnadu

**Distillery**

Sinnapuliyur Village Bhavani Taluk Erode District Tamilnadu

**Bio-Compost**

- ❖ Modur Village Erode District Tamilnadu
- ❖ Alaganchi Village Mysore District Karnataka

**Wind Mills**

Radhapuram Irukkandurai and Karunkulam Villages  
Radhapuram Taluk Tirunelveli District Tamilnadu

**Address for Correspondence****Bannari Amman Sugars Limited**

1212 Trichy Road  
Coimbatore 641 018

Phone : 0422-2204100 Fax : 0422-2309999

Email : shares@bannari.com

## Management Discussion & Analysis

### INDUSTRY STRUCTURE AND DEVELOPMENT

#### WORLD SUGAR

Approximately 80% of the world's sugar is produced from sugar cane in tropical and subtropical climates. The remaining 20% comes from sugar beet, which is grown mostly in the temperate zones of the Northern Hemisphere. The top ten producing countries viz. India, Brazil, Thailand, China, the US, Mexico, Russia, Pakistan, France and Australia accounted for nearly 70% of global output. In the 2019–2020 crop year global sugar production was approximately 166.18 million metric tons and 182 million metric tons expected for 2020–2021.

#### INDIAN SUGAR

Sugarcane and sugar play significant role in the economy of India, trade and livelihood. Sugar is country's second largest agro-based industry, next to cotton. Sugarcane and sugar industry together impact the livelihood of over 50 million farmers and their dependents involved in cultivating sugarcane in an area of almost 5 million hectares. India is the largest consumer and the second-largest producer of sugar in the world. Average annual production of sugarcane is around 355 million tonnes which is used to produce more than 30 million tonnes of sugar.

During 2019-2020 sugar season India fell back to second place in sugar production narrowly losing the top spot to Brazil. India produced 27.41 million metric tons of sugar out of World sugar production of 166.18 million metric tons in 2019-20. During current 2020-2021 sugar season the country expects 30.90 million tons of sugar production. Sugar Season 2020-21 has been a good season for the Indian Sugar Industry mainly for two reasons – sugar exports and ethanol blending program. As per market reports, sugar mills have signed export contracts for 5.8 million tones as against the 6 million tones of total export fixed by the Government under MAEQ in the current sugar season. Around 4.5 million tones of physical exports have already taken place till now. It can be safely assumed that sugar mills will be able to fulfil the sugar export quota fixed by the Government.

The Government of India has set 10% blending target for mixing ethanol with petrol by 2022 and 20% blending target by 2030. With a view to achieve these blending targets, Government is encouraging sugar mills and molasses based standalone distilleries through various financial assistance to enhance their ethanol distillation capacity.

#### Domestic Sugar Statistics

(in lakh tonnes)

Particulars	2016-17	2017-18	2018-19	2019-20	2020-21 (P)
Opening Stock as on 1st Oct.	77.52	38.80	107.20	145.79	107.40
Production during the Season	202.85	324.79	331.62	274.11	309.00
Imports	4.46	2.15	0	0	0
Total Availability	284.83	365.70	438.79	419.90	416.40
Off-take					
i) Internal Consumption	245.61	253.90	255.00	253.00	260.00
ii) Exports	0.46	4.64	38.00	59.50	70.00
Total off-take	246.07	258.54	293.00	312.50	330.00
Closing Stock as on 30th Sep	38.76	107.16	145.79	107.40	86.40
Stock as % of off-take	15.8%	42.2%	57.2%	42.5%	33.2%

(Source: Indian Sugar Mills Association (ISMA))

**Performance of the company**

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Sugar</b>		
Installed Capacity (TCD)	23700	23700
Sugarcane Crushed (Lakh Tonnes)	38.31	39.84
Recovery %	9.34	9.38
Sugar bagged (Lakh Quintals)	35.50	37.64
<b>Power</b>		
Installed Capacity		
Co-gen Power (MW)	129.80	129.80
Wind Mills (MW)	8.75	8.75
Units Generated (Million Units)	482.34	490.21
<b>Distillery</b>		
Installed Capacity (KLPD)	127.50	127.50
Alcohol Produced (Million B. Ltrs)	11.91	16.67
<b>Granite Products</b>		
Polished slabs produced (Sq mtrs)	73548	88483
Polished tiles produced (Sq mtrs)	56959	28560

**Financial Performance of the Company**

(₹ in Lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Revenue from operations</b>		
Sugar	127934.96	133024.51
Power	15964.52	15742.57
Distillery	8110.87	8677.31
Granite Products	4107.31	3484.74
<b>Total Expenses (Excluding interest)</b>		
Sugar	124960.32	128845.89
Power	5358.34	5406.98
Distillery	5888.67	5970.23
Granite Products	4522.48	3667.97
<b>Profit Before Interest and Tax (PBIT)</b>		
Sugar	2974.64	4178.62
Power	10606.18	10335.59
Distillery	2222.20	2707.08
Granite Products	(415.17)	(183.23)
Profit After Tax (PAT)	9214.00	9563.58
Earnings per Share (Basic and Diluted)	73.48	76.27





## Key Profitability Ratios

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>Profitability Ratios</b>		
Operating Profit Margin (EBIDTA / SALES %)	14.07	14.62
Net Profit Margin (PAT / SALES %)	5.90	5.94
Return on net Worth (PAT / Net Worth %)	6.93	7.65
<b>Balance Sheet Ratios</b>		
Debt Equity Ratio (times)	0.14	0.21
Current Ratio (times)	1.49	1.46
Debtors' Turnover (days)	40	35
Inventory Turnover (days)	224	210
Interest Coverage Ratios (times)	3.91	3.84

Turnover :  $\text{Net Sales} + \text{Closing Stock} - \text{Opening Stock}$

The increase in inventory is mainly due to statutory controls imposed by the Government of India under Sugarcane (Control) Order, 1966 viz., release order mechanism, stock holding limits etc.,

### Opportunities

Adequate sugarcane availability would ensure availability of bagasse and thereby generation of power at economical cost. Increase in ethanol off take will improve the revenue.

### Threats

Sugarcane availability is critically dependent upon nature.

There is always a risk of bearish phase following excess supply. Sugar business is intrinsically cyclical. Market sentiments move disproportionate to demand-supply parity causing volatile change in product pricing.

Power price is subject to State Government's decision and fluctuating open market prices.

## Risks & Mitigations

### Industry Risk

Sugar industry being agro based and vulnerable to commodity cycles is fraught with several risks. It has to source sugarcane from its command area where growth and availability would depend on monsoon.

### Risk Mitigation

The Company has built excellent relationship over the years with the local farming community. It is financially fit and well positioned to meet the challenges.

### Details of Adequacy of Internal Financial Controls

The Company's internal control system is aimed at proper utilization and safeguarding of the Company's resources and promoting operational efficiency. The internal audit process reviews the in-system checks, covering significant operational areas regularly.



The Company's Audit Committee is responsible for reviewing the Report submitted by the Internal Auditors. Suggestions for improvements are considered and the Audit Committee follows up on the implementation of corrective actions. The Audit Committee also invites the Statutory and Internal Auditors for regular meetings to ascertain their views on the adequacy of internal control systems and keeps the Board of Directors informed of its observations from time to time.

### **Human Resources and Industrial Relations**

The Company employs 1903 permanent employees and the company maintains excellent relationship with its employees during the year under review. No case was filed under Sexual Harassment of women at workplace (Prevention Prohibition and Redressal) Act 2013.

The company has created an excellent relationship with the farmers as well as other stakeholders including bankers.

### **CSR Activities**

Most of the CSR Activities are carried out directly by the company. We are working tirelessly to enrich the lives of people in the rural community by providing them with a host of amenities that not just make their lives a whole lot easier but also ensures agricultural, educational and economic independence.

### **Outlook**

India's sugarcane and sugar production is expected to be higher in sugar season 2021-2022. However, increased diversion to ethanol production will be a booster for the sugar industry. Sugar prices are expected to be at current level due to availability of stock in the country.

## **Cautionary Statement**

Statements made in this Management Discussion and Analysis Report may contain certain forward-looking statements based on various assumptions on the Company's present and future business strategies and the environment in which it operates. Actual results may differ substantially or materially from those expressed or implied due to risk and uncertainties. These risks and uncertainties include the effect of economic and political conditions in India and abroad, volatility in interest rates and in the securities market, new regulations and Government policies that may impact the Company's businesses as well as the ability to implement its strategies. The information contained herein is as of the date referenced and the Company does not undertake any obligation to update these statements. The Company has obtained all market data and other information from sources believed to be reliable or its internal estimates, although its accuracy or completeness cannot be guaranteed.



**DECLARATION ON CODE OF CONDUCT**

To  
The Members of  
Bannari Amman Sugars Limited

In compliance with the requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, I declare that the Board of Directors and members of senior management have affirmed the compliance with the code of conduct during the financial year ended 31.03.2021.

Place : Coimbatore  
Date : 24.05.2021

**S V BALASUBRAMANIAM**  
Chairman  
DIN 00002405



**Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015**

To

The Members of Bannari Amman Sugars Limited,

**Certificate on Corporate Governance**

1. We have examined the compliance of conditions of Corporate Governance by Bannari Amman Sugars Limited (CIN: L15421TZ1983PLC001358) ('the Company') for the year ended 31st March 2021 as stipulated in Regulations 17 to 27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

**Management's Responsibility**

2. The compliance of conditions of Corporate Governance is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

**Auditor's Responsibility**

3. Our responsibility is to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in Listing Regulations for the year ended 31st March 2021.
4. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India ('the ICAI') and as per the Guidance Note on Reports or Certificates for special purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.

**Opinion**

7. Based on our examination of the relevant records and according to the information and explanations given to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing regulations for the year ended 31st March 2021.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Reg. No: 016676S

**VIGNESA SOMATHURAI PANDIAN**  
Partner

Place : Coimbatore

Date : 24.05.2021

M.No. 241168

UDIN: 21241168AAAAAS4131

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,

The Members,  
Bannari Amman Sugars Limited  
1212, Trichy Road,  
Coimbatore – 641018

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s. Bannari Amman Sugars Limited having CIN: L15421TZ1983PLC001358 and having registered office at 1212, Trichy Road, Coimbatore – 641 018 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para (C) Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that as on the date of this certificate none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such other Statutory Authority.

Ensuring the eligibility for appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

For M/s C Thirumurthy & Associates  
**C Thirumurthy** B Com BL FCS  
Practising Company Secretary  
FCS 3454 CP 5179  
UDIN: F003454C000359964

Place : Coimbatore  
Date : 24.05.2021



**ANNEXURE - IV****ANNUAL REPORT ON CSR ACTIVITIES**

## 1. Brief outline on CSR Policy of the Company.

The Company's philosophy on Corporate Social Responsibility (CSR) is that "as the organization grows the society and community around it should also grow". The company is consistently making contributions for the welfare of the people living in and around the neighbouring villages of its sugar factories. The areas mainly focused are on health sanitation, irrigation, education, environment, water conservation, livelihood etc.

## 2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Sri M P Vijayakumar	Chairman	2	2
2	Sri S V Balasubramaniam	Member	2	2
3	Sri T Gundan	Member	2	2
4	Dr Radha Ramani	Member	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company : <http://www.bannari.com/CorporateSocialResponsibility.html>

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report) : Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any :

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in lakhs)	Amount required to be set-off for the financial year, if any (₹ in lakhs)
1	2018	5.00	Nil
2	2019	8.59	Nil
3	2020	4.99	Nil
	<b>TOTAL</b>	<b>18.58</b>	<b>Nil</b>



6. Average net profit of the company as per section 135(5). : ₹ 11077.12 Lakhs
7. a) Two percent of average net profit of the company as per section 135(5) : ₹ 221.54 Lakhs
- b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. : Nil
- c) Amount required to be set off for the financial year, if any : Nil
- d) Total CSR obligation for the financial year (7a+7b-7c) : ₹ 221.54 Lakhs
8. a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year (₹ in lakhs)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5)		
	Amount (₹ in lakhs)	Date of transfer.	Name of the Fund	Amount (₹ in lakhs)	Date of transfer
226.25	NA	NA	NA	NA	NA

- b) Details of CSR amount spent against **ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		
Sl. No.	Name of the project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Project duration.	Amount Allocated for the project (₹ in lakhs)	Amount spent in the current financial year (₹ in lakhs)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
Nil												

- c) Details of CSR amount spent against **other than ongoing projects** for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
1.	Support for COVID-19 pandemic relief	I	YES	Tamil Nadu	Coimbatore	61.83	Yes	-	-
2.		I	YES	Tami Nadu	Erode	14.22	Yes	-	-
3.		I	YES	Tamil Nadu	Tiruvannamalai	2.99	Yes	-	-



(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the project.	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (₹ in lakhs)	Mode of Implementation Direct (Yes/No)	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number
4.	Support for COVID-19 pandemic relief	I	YES	Tamil Nadu	Kallakuruchi	6.95	Yes	-	-
5.		I	YES	Karnataka	Mysore	17.54	Yes	--	-
6.		I	YES	Karnataka	Chamrajnagar	4.40	Yes	-	-
7.	Conservation of natural resource	IV	YES	Tamil Nadu	Erode	8.23	No	Jointly with NABARD	--
8.		IV	YES	Tamil Nadu	Tiruvannamalai	10.09	No	Jointly with NABARD	--
9.	Tamilnadu State Disaster Management Authority	XII	YES	Tamil Nadu	--	100.00	No	District Collector, Coimbatore	-
<b>TOTAL</b>						<b>226.25</b>			<b>--</b>

- d) Amount spent in Administrative Overheads : Nil
- e) Amount spent on Impact Assessment, if applicable : Nil
- f) Total amount spent for the Financial Year (8b+8c+8d+8e) : ₹ 226.25 Lakhs
- g) Excess amount for set off, if any

Sl.No.	Particular	Amount (₹ in lakhs)
i)	Two percent of average net profit of the company as per section 135(5)	221.54
ii)	Total amount spent for the Financial Year	226.25
iii)	Excess amount spent for the financial year [(ii)-(i)]	4.71
iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	4.71



9. a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs).	Amount spent in the reporting Financial Year (₹ in Lakhs).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs).
				Name of the Fund	Amount (₹ in Lakhs).	Date of transfer.	
Not Applicable							

b) Details of CSR amount spent in the financial year for **ongoing projects** of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (₹ in Lakhs).	Amount spent on the project in the reporting Financial Year (₹ in Lakhs).	Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs).	Status of the project - Completed/ Ongoing.
Not Applicable								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details).

- a) Date of creation or acquisition of the capital asset(s).
- b) Amount of CSR spent for creation or acquisition of capital asset.
- c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
- d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

Not Applicable

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135(5).

Not Applicable

Place : Coimbatore  
Date : 24.05.2021

**B SARAVANAN**  
Managing Director  
DIN : 00002927

**M P VIJAYAKUMAR**  
Chairman - CSR Committee  
DIN : 05103089



## ANNEXURE - V

### BUSINESS RESPONSIBILITY REPORT

#### About this Report

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes that the Annual Report of top 1000 listed companies (based on market capitalization as per NSE/BSE as on 31st March of every financial year) should inter alia contain "Business Responsibility Report" (BRR) describing the initiatives taken by them from environmental, social and governance perspective, in the format as specified by the SEBI. Bannari Amman Sugars Limited is one of the top thousand companies based on the market capitalization as on 31st March, 2021. This report has been prepared as prescribed and in accordance with Regulation 34 of the SEBI (LODR) Regulations, 2015 and provides required information.

#### About Bannari Amman Sugars Limited

Bannari Amman Sugars Limited is one of the leading sugar manufacturers in India. It has three sugar factories with co-generation plants in Tamilnadu and two sugar factories with co-generation plants in Karnataka. The company has two distillery units one in Tamilnadu and another in Karnataka. The Company has a Granite Processing unit in Tamilnadu. The company also has wind mills which are located in southern part of Tamilnadu.

The company's strategy is to produce high quality finished products, optimum utilization of by-products and also be cost effective. The consistent endeavor is to pursue profitable growth strategies for the benefit of all concerned.

#### SECTION - A : GENERAL INFORMATION ABOUT THE COMPANY

1. Corporate Identity Number (CIN) : L15421TZ1983PLC001358
2. Name of the Company : Bannari Amman Sugars Limited
3. Registered Address : 1212, Trichy Road, Coimbatore 641 018
4. Website : www.bannari.com
5. E-mail id : shares@bannari.com
6. Financial year reported : 2020 - 2021
7. Sector(s) that the Company is engaged in (industrial activity code - wise):

Description	NIC Code
White Crystal Sugar	10721
Power	35106
Distillery	1101
Granite	08102

8. List three key products/services that the Company manufactures/ provides (as in balance sheet)
  - ❖ Sugar
  - ❖ Power
  - ❖ Alcohol

9. Total number of locations where business activity is undertaken by the Company:

- a) Number of International Locations : Nil
- b) Number of National Locations : The company carries its business from its registered office situated in Coimbatore, Tamilnadu. The manufacturing units are located at 4 places in Tamil Nadu and 2 places in Karnataka.
- c) Markets served by the Company : Local/State /National/International

The company is predominantly in sugar business and serves Indian market. The company's granite business has an international presence mainly in U.S.A and Europe.

**SECTION B: FINANCIAL DETAILS OF THE COMPANY**

Sl. No.	Particulars	As on 31.03.2021 (₹ in crores)
1	Paid up Capital (INR)	12.54
2	Total Turnover (INR)	1592.89
3	Total profit after taxes (INR)	92.14
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.45% (The company has spent Rs.2.26 crores against the requirement of Rs.2.21 crores)
5	List of activities in which expenditure in 4 above has been incurred : a. Conservation of natural resources b. Education and healthcare c. Animal welfare d. Disaster relief fund	Refer Annual Report on CSR Activities attached along with the Board's Report

**SECTION C: OTHER DETAILS**

- 1. Does the Company have any Subsidiary Company/ Companies?  
No
- 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)  
Not Applicable
- 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]  
No





**SECTION D: BR INFORMATION**

1. Details of Director / Directors responsible for BR

a) Details of Director / Directors responsible for implementation of the BR policy / policies

DIN : 00002927  
 Name : SRI B SARAVANAN  
 Designation : Managing Director

b) Details of the BR head :

Sl. No	Particulars	Details
1	DIN	00002927
2	Name	SRI B SARAVANAN
3	Designation	Managing Director
4	Telephone number	0422-2204100
5	Email ID	mailto:mdoffice@bannari.com

2. Principle-wise (as per NGV's) BR Policy/Policies [Reply in Y/N]

- ❖ Principle 1: Ethics, Transparency and Accountability [P1]
- ❖ Principle 2: Sustainability of the Product throughout the Lifecycle [P2]
- ❖ Principle 3: Employees' wellbeing [P3]
- ❖ Principle 4: Respect the interests and Response towards Stakeholders [P4]
- ❖ Principle 5: Promotion of human rights [P5]
- ❖ Principle 6: Environment Protection [P6]
- ❖ Principle 7: Responsible towards Public and Regulatory Policy [P7]
- ❖ Principle 8: Inclusive Growth and Equitable Development [P8]
- ❖ Principle 9: Value to Customers /Consumers [P9]



Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	Do you have a policy/ policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes. This policy is based on the "National Voluntary Guidelines on Social Environmental & Economic responsibilities of business" released by the Ministry of Corporate Affairs Government of India.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?	<a href="http://www.bannari.com/investorinformation.html">http://www.bannari.com/investorinformation.html</a>								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the Company have in-house structure to implement the policy / policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y



2a.If answer to Sl.No.1 against any principle, is 'NO', please explain why (Tick up to 2 options)

Sl. No.	Questions	P	P	P	P	P	P	P	P	P
		1	2	3	4	5	6	7	8	9
1	The Company has not understood the Principles	Not applicable								
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The Company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

3. Governance related to BR

a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the company. Within 3 months, 3-6 months, annually or more than one year:

There is no defined frequency. The assessment will be carried out by the BR head at such intervals as he considered necessary based upon its importance and impact on the company's business.

b) Does the company publish a BR or a sustainability report? What is the hyperlink for viewing this report? How frequency it is published?

This is the third BRR of the company which can be accessed at: <https://www.bannari.com/investorinformation.html>

1. Does the policy relating to ethics, bribery and corruption cover only the company? Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/ Others?

The company's policy relating to ethics, bribery and corruptions are covered in the Code of Conduct and whistle blower policy which aims to provide greater transparency and accountability. It also aims to follow ethics and to detect actual or suspected misconduct. The company has no joint venture/NGOs.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

The company has a well established mechanism for receipt and resolution of stakeholders' complaints. During the year under review the company has not received any complaint from the stakeholders.

**SECTION E: PRINCIPLE-WISE PERFORMANCE**

**Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability**



**Principle 2 : Business should provide goods and services that are safe and contribute to sustainability "through out their life cycle"**

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

- a) Sugar
- b) Power
- c) Alcohol

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

a) Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

Sugar industry is a seasonal industry and it's working always depending on the availability of sugarcane. Use of raw material, energy and water etc., varies depending on capacity utilization of the plant. Continuous drought in the operational area affects not only the availability of sugarcane but also the yield and recovery.

b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Not Applicable

3. Does the company have procedures in place for sustainable sourcing (including Transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The main raw material viz. sugarcane being classified as essential commodity under the Essential Commodities Act, 1955, its distribution is controlled by the Government by allotting area to each sugar mill. The company is sourcing raw materials from the area allotted to each sugar mill. The company is

propagating the innovative and technical cultivation process practices in farming viz. drip irrigation, trash mulching, pit planting, organic manure etc. Bannari is also supporting farmers by way of arranging harvesting labour, mechanical harvesting and transportation. All the manufacturing units of the company are situated in midst of the area allotted to the company and thereby significantly reduces the environmental impact of transportation.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

As already stated sugar mills can draw sugarcane from the area allotted to the concerned sugar mill. The sugarcane is being harvested and transported by using the people surrounding the factory.

5. Does the company have a mechanism to recycle products and waste? If yes, what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

In the process of sugar manufacturing apart from the main product sugar, bagasse and molasses are being generated. Bagasse is effectively used for power generation and molasses is effectively used for alcohol production. The waste viz. press mud is effectively used for manufacturing bio-compost by treating with distillery spent wash.

**Principle 3 : Businesses should promote the wellbeing of all employees**

1. Please indicate the Total number of employees

Total Number of employees  
as on 31.03.2021 : 1903

2. Please indicate the Total number of employees hired on temporary/contractual/ casual basis:

Sugar industry being a seasonal industry, the



company employs temporary/contractual/casual employees depending on the necessity particularly after considering the sugarcane availability. It varies season to season and during off-season. Hence, providing data relating to such employees would not be meaningful.

- 3. Please indicate the Number of permanent women employees:

Number of permanent women employees as on 31.3.2021 : 6

- 4. Please indicate the Number of permanent employees with disabilities:

Number of permanent employees with disabilities as on 31.3.2021 : NIL

- 5. Do you have an employee association that is recognized by management?

The company's manufacturing facilities are situated at six locations. In 3 sugar factories there are employees associations.

- 6. What percentage of your permanent employees is members of this recognized employee association?

It varies from factory to factory and ranges from 47% to 90%

- 7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

NIL

- 8. What percentage of your under mentioned employees were given safety & skill up gradation training in the last year?

Sl. No	Safety & Skill up-gradation training	
a	Permanent Employees	65%
b	Permanent Women Employees	The women employees are employed only in the head office in a fully secured environment
c	Casual/Temporary/Contractual Employees	35%
d	Employees with Disabilities	NIL

**Principle 4 : Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.**

- 1. Has the company mapped its internal and external stakeholders? Yes/No

Yes

- 2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The company has identified the small farmers as disadvantaged, vulnerable and marginalized stakeholders.

- 3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The company's field officials are regularly approaching them to identify their needs and resolve their problems.

**Principle 5 : Businesses should respect and promote human rights**

- 1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?



The company has no group structure and it has no joint ventures/NGOs.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The company has not received any complaint relating to violation of human rights.

**Principle 6 : Business should respect, protect and make efforts to restore the environment**

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The company has no group structure and it has no joint ventures/NGOs.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

The company is always and continuously taking initiatives to address environmental issues. The company's wastes are properly treated and utilized in an effective manner.

3. Does the company identify and assess potential environmental risks?

Yes.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

5. Has the company undertaken any other initiatives on clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes. The company has taken initiatives on clean technology, energy efficiency and renewable

energy. The company has installed Bio Gas Engine in the Effluent Treatment Plant and utilizing the Bio-Gas generated from the Anaerobic Digester for power generation. The generated power is being used for running the Effluent Treatment Plant. Also, the company in the process of installing Co2 Recovery Plant, for the recovery of Co2 Gas coming out of our Distillery Fermentation Process. As a renewable energy initiative, the company is using wind energy in one of the distillery units.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes. Within the permissible limits given by CPCB/SPCB.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

No show cause/legal notice is received.

**Principle 7 : Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with: Yes

a) Indian Sugar Mills Association, New Delhi

b) The South Indian Sugar Mills Association, Tamilnadu & Karnataka

c) All India Distillers Association, New Delhi

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

The company prefers to participate in the meetings and deliberations of the association for the interests of the industry and public good.





**Principle 8 : Businesses should support inclusive growth and equitable development**

1. Does the company have specified programmes/ initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The company has conducted/supported many social welfare programs/ projects directly as well as through government agencies. The company has taken many initiatives for the inclusive growth and equitable development including the following:

- ❖ Conducting monthly medical camps for eye checkup of rural people
- ❖ Conducting monthly medical camps for the benefit of elders orphanage
- ❖ Constructing checkdams for water harvesting
- ❖ Desilting of water bodies & ponds to harvest more rain water
- ❖ Contribution to State Disaster Management Authority

2. Are the programmes / projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The programmes/projects are undertaken directly as well as through Government Agencies/Public Authority subject to the approval of CSR Committee. The Company has also undertaken some of the projects through government structures.

3. Have you done any impact assessment of your initiative?

Yes. The CSR Committee assessing the impact of the initiatives taken by the company.

4. What is your company's direct contribution to community development projects Amount in INR and the details of the projects undertaken.

During the year, the Company has spent Rs.226.25 lakhs for various activities. The details are furnished

in the Annual Return on CSR activities forming part of the Report of the Board of Directors.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. The company has taken proper steps to ensure that the community development initiative is successfully adopted by the community. The Chairman of the company as well as the Chairman of CSR Committee are visiting various places and identifying the needs of community and ensuring that the initiatives taken by company are well received by the community.

**Principle 9 : Businesses should engage with and provide value to their customers and consumers in a responsible manner**

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

No pending complaint as on 31<sup>st</sup> March, 2021.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information)

Yes.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anticompetitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No case relating to unfair trade practices, irresponsible advertising or anticompetitive behavior has been filed against the company during last five years.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

No formal survey has been carried out but the company ensures consumer satisfaction through the wholesale dealers.

**ANNEXURE - VI****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021**

**[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. Bannari Amman Sugars Limited  
1212, Trichy Road,  
Coimbatore - 641018

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to Good Corporate Practices by M/s. Bannari Amman Sugars Limited (hereinafter called the 'Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2021 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 to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings. – Not Applicable.
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') :-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2018 and its amendment from time to time.
- vi) and other laws applicable to the Company viz.,:-
  1. Essential Commodities Act, 1955
  2. Sugarcane (Control) Order, 1966
  3. Sugar Cess Act, 1982



4. Sugar Development Fund Act, 1982
5. Food Safety and Standards Act, 2006
6. The Boiler Act, 1923
7. The Electricity Act, 2003
8. The Legal Metrology Act, 2011
9. Karnataka Sugar Cane (Regulation of Purchase and Supply) Act, 2013

As per the information and explanation provided by the management and officers of the Company and also on verification of reports and certificates of professionals, we report that the adequate systems are in place to monitor and ensure compliance of Laws relating to Direct and Indirect Taxes and Labour and other Legislations.

We have also examined compliance with the applicable Regulations issued by the Securities Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015 and Secretarial Standards issued by the Institute of Company Secretaries of India.

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

We 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. There were no changes in the composition of the Board of Directors during the period under review.

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

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

As informed the Company has responded appropriately to notices received from various Statutory or Regulatory authorities wherever found necessary.

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

We further report that during the audit period there were no instances of:

- a) Public/Rights/Preferential Issue of shares/Debentures/Sweat Equity
- b) Redemption/Buy Back of Securities
- c) Merger / Amalgamation / reconstruction etc
- d) Foreign Technical Collaboration

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

Place : Coimbatore  
Date : 24.05.2021

For M/s C Thirumurthy & Associates  
C Thirumurthy B Com BL FCS  
Practising Company Secretary  
FCS 3454 CP 5179  
UDIN: F003454C000359975

## **Annexure - A**

To

The Members  
Bannari Amman Sugars Limited  
1212, Trichy Road  
Coimbatore – 641018

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. We have obtained, wherever required, 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. Our 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 : 24.05.2021

For M/s C Thirumurthy & Associates  
C Thirumurthy B Com BL FCS  
Practising Company Secretary  
FCS 3454 CP 5179  
UDIN: F003454C000359975



## **INDEPENDENT AUDITORS' REPORT**

To

The Members of Bannari Amman Sugars Limited  
Report on the Audit of the Financial Statements

### **Opinion**

1. We have audited the accompanying financial statements of Bannari Amman Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended on that date and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, 2021, the profit including other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Key Audit Matters**

4. Key audit matters are those matters that, in our professional judgement, 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 matter described below to be the key audit matters to be communicated in our report.



Sl. No.	Description of Key Audit Matter	Description of Auditor's Response
4.1	<p><b>Determination of net realizable value of inventory of sugar as at the year ended March 31, 2021</b></p> <p>(Refer to the accompanying note no.7 forming integral part of the Financial Statements)</p> <p>As on March 31, 2021, the Company has inventory of sugar with the carrying value of Rs.87462.17 lakhs. The inventory of sugar is valued at the lower of Weighted Average cost and net realizable value.</p> <p>We considered the value of the inventory of sugar as a key audit matter given the relative size of the balance in the financial statements and significant judgement involved in the consideration of factors such as minimum sale price, monthly quota, fluctuation in selling prices and the related notifications of the Government in determination of net realizable value.</p>	<p>We understood and tested the design and operating effectiveness of controls as established by the management in determination of net realizable value of inventory of sugar.</p> <p>We considered various factors including the actual selling price prevailing around and subsequent to the year end, minimum selling price &amp; monthly quota and other notifications of the Government of India, initiatives taken by the Government with respect to sugar industry as a whole.</p> <p>Based on the above procedures performed, the management's determination of cost and net realizable value of the inventory of sugar as at the year-end is considered to be reasonable.</p>

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

5. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.
6. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Based on the work we have performed, on other information if we conclude that there is a material misstatement if any, of this other information, we are required to report that fact. We have nothing to report in this regard

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - a) 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.
  - b) Obtain an understanding of internal controls 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.
  - c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - e) 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.
13. 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.
14. 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.





15. 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**

16. 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.

17. 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 Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015 as amended
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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".
- g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:  
In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No.35 to the 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.

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Reg. No: 016676S

**VIGNESA SOMATHURAI PANDIAN**  
Partner  
M.No. 241168  
UDIN:21241168AAAAAR8925

Place : Coimbatore

Date : 24.05.2021



## **Annexure - A to the Independent Auditors' Report**

Referred to in paragraph 16 of the Independent Auditor's Report of even date to the members of Bannari Amman Sugars Limited on the financial statements for the year ended March 31, 2021

- I. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) The Company has a regular programme of physical verification of its property, plant and equipments by which all property, plant and equipment are verified in a phased manner. In accordance with this programme, certain property, plant and equipment were verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) In our opinion and according to the information and explanations given to us and on the basis of examination of the records of the company the title deeds of immovable properties are held in the name of the company. In respect of immovable properties taken on lease and disclosed as right-of-use-assets in the financial statements, the lease agreements are in the name of the company.
- ii. The inventory has been physically verified by the management at reasonable intervals during the year. No material discrepancy was noticed on physical verification of inventories by the management as compared to book records.
- iii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans secured or unsecured to companies, firms, Limited Liability partnerships or other parties listed in the register maintained under section 189 of the Act. Consequently, the provisions of paragraph 3(iii) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and the explanations given to us, the Company has not granted any loans or provided any guarantees or securities to the parties covered under the section 185 of the Act. The Company has complied with the provisions of section 186 of the Act in respect of investments made or loans or guarantee or security provided.
- v. The Company has not accepted any deposits from the public.
- vi. As per the information and explanation given by the management, maintenance of cost records has been prescribed by the Central Government and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained under section 148(1) of the Act, by the company.
- vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the undisputed statutory dues including provident fund, Employee's State Insurance, Income tax, Goods and Service Tax, duty of customs, duty of excise, and any other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, Employee's State Insurance, Income tax, Goods and Service Tax, duty of



customs, duty of excise, and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us, the company has no disputed dues of income tax or duty of customs or duty of excise or goods and service tax that have not been deposited on account of matters pending before appropriate authority.
- viii. According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks, and Government during the year. The company has not issued any debentures.
- ix. The Company has not raised any money by way of Initial Public Offer or further public offer (including Debt instruments) during the year. According to the information and explanations given to us, the term loans availed during the year have been applied for the purposes for which those were obtained.
- 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 year.
- xi. According to the information and explanations given to us and based on the examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- xiv. According to the information and explanations given to us and based on our examination of the records, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records, the Company has not entered into non-cash transactions with the Directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable to the Company.

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Reg. No: 016676S

**VIGNESA SOMATHURAI PANDIAN**  
Partner  
M.No. 241168  
UDIN:21241168AAAAAR8925

Place : Coimbatore  
Date : 24.05.2021



## **Annexure - B to the Independent Auditors' Report**

Referred to in paragraph 17(f) of the Independent Auditor's Report of even date to the members of Bannari Amman Sugars Limited on the financial statements for the year ended March 31, 2021.

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

1. We have audited the internal financial controls over financial reporting of Bannari Amman Sugars Limited ("the Company") as of March 31, 2021 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**

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

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

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. 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.



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

### **Meaning of Internal Financial Controls Over Financial Reporting**

6. 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:
- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - b) 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 authorization of management and directors of the company; and
  - c) 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**

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

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Reg. No: 016676S

**VIGNESA SOMATHURAI PANDIAN**  
Partner  
M.No. 241168  
UDIN:21241168AAAAAR8925

Place : Coimbatore  
Date : 24.05.2021



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021**

(₹ in Lakhs)

SI No	PARTICULARS	Note No.	Year ended 31.03.2021		Year ended 31.03.2020	
			Details	Total	Details	Total
<b>I</b>	<b>INCOME :</b>					
	Revenue from Operations	26	156117.66		160929.13	
	Other Income	27	902.19		386.29	
	<b>TOTAL REVENUE</b>			<b>157019.85</b>		<b>161315.42</b>
<b>II</b>	<b>EXPENSES :</b>					
	Cost of Materials Consumed	28	111434.32		110046.93	
	Purchase of Stock-in-Trade	29	357.72		1022.61	
	Changes in Inventories of Finished goods and Work-in-progress	30	(3171.66)		(3624.39)	
	Employee Benefits Expense	31	11236.31		11186.13	
	Finance Costs	32	3934.26		4433.68	
	Depreciation and Amortisation expense	33	6572.13		6494.04	
	Other Expenses	34	15203.18		19152.04	
	<b>TOTAL EXPENSES</b>			<b>145566.26</b>		<b>148711.04</b>
<b>III</b>	<b>PROFIT BEFORE EXCEPTIONAL ITEMS AND TAX (I- II)</b>			<b>11453.59</b>		<b>12604.38</b>
IV	Exceptional Items			-		-
<b>V</b>	<b>PROFIT BEFORE TAX (III - IV)</b>			<b>11453.59</b>		<b>12604.38</b>
VI	Tax Expenses:					
	a. Current Tax	50	2088.32		2170.60	
	b. Deferred Tax		151.27	2239.59	870.20	3040.80
<b>VII</b>	<b>PROFIT FOR THE PERIOD (V - VI)</b>			<b>9214.00</b>		<b>9563.58</b>
<b>VIII</b>	<b>OTHER COMPREHENSIVE INCOME</b>					
	Items that will not be reclassified to profit or loss					
	i) Remeasurement of the defined benefit plans (Net of Income Tax effect thereon)		135.74		(116.49)	
	ii) Equity Instruments through Other Comprehensive Income (Net of Income Tax effect thereon)		19.20		(30.27)	
				154.94		(146.76)
<b>IX</b>	<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (VII + VIII)</b>			<b>9368.94</b>		<b>9416.82</b>
<b>X</b>	<b>EARNINGS PER SHARE - BASIC AND DILUTED (₹)</b>	39		<b>73.48</b>		<b>76.27</b>

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements  
As per our report of even date attached

**For P K NAGARAJAN & Co.,**  
Chartered Accountants – Firm Regn. No: 016676S

**S V BALASUBRAMANIAM**  
Chairman  
DIN 00002405

**B SARAVANAN**  
Managing Director  
DIN 00002927

**VIGNESA SOMATHURAI PANDIAN**  
Partner

M No 241168  
UDIN : 21241168AAAAAR8925

Place : Coimbatore  
Date : 24.05.2021

**C PALANISWAMY**  
Company Secretary

**M RAMPRABHU**  
Chief Financial Officer





# BANNARI AMMAN SUGARS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31.3.2021

### A. Equity Share Capital

(₹ in Lakhs)

	As at 31.03.2021	As at 31.03.2020
Balance at the beginning of the reporting period	1253.97	1253.97
Balance at the end of the reporting period	1253.97	1253.97

### B. Other Equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Securities Premium	Capital Reserve	Capital redemption Reserve	General Reserve	Surplus in Statement of Profit and Loss	Equity Instruments	Others	
<b>Balance as at 1.4.2019</b>	8503.35	756.25	1846.00	104744.81	2487.18	53.33	(56.49)	118334.43
<b>Movement during the year ended 31.03.2020</b>								
Change during the year					9563.58	(30.27)	(116.49)	9416.82
Dividend and Tax on Dividend					(1511.73)			(1511.73)
Transfer to General Reserve				7500.00	(7500.00)			--
<b>Balance as at 31.03.2020</b>	8503.35	756.25	1846.00	112244.81	3039.03	23.06	(172.98)	126239.52
<b>Movement during the year ended 31.03.2021</b>								
Change during the year					9214.00	19.20	135.74	9368.94
Dividend					(1253.97)			(1253.97)
Transfer to General Reserve				7500.00	(7500.00)			
<b>Balance as at 31.03.2021</b>	8503.35	756.25	1846.00	119744.81	3499.06	42.26	(37.24)	134354.49

As per our report of even date attached

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Regn. No: 016676S

**S V BALASUBRAMANIAM**  
Chairman  
DIN 00002405

**B SARAVANAN**  
Managing Director  
DIN 00002927

**VIGNESA SOMATHURAI PANDIAN**  
Partner  
M No 241168  
UDIN : 21241168AAAAAR8925

**C PALANISWAMY**  
Company Secretary

**M RAMPRABHU**  
Chief Financial Officer

Place : Coimbatore  
Date : 24.05.2021


**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021**

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
<b>A. OPERATING ACTIVITIES :</b>		
<b>Net profit before tax</b>	<b>11453.59</b>	<b>12604.38</b>
Adjustments for :		
Depreciation and Amortisation expenses	6572.13	6494.04
Finance costs	3934.26	4433.68
Loss on sale of Property, Plant and Equipment	46.86	5.47
Interest Income	(152.08)	(80.89)
Dividend Income	(0.51)	(2.02)
Provision for Expected Credit Loss	212.28	--
Profit on sale of Property, Plant and Equipment	(384.60)	(6.44)
	<b>10228.34</b>	<b>10843.84</b>
Operating Profit before working capital changes	<b>21681.93</b>	<b>23448.22</b>
Adjustments/changes in Working Capital :		
Inventories	(3536.14)	(2585.67)
Trade receivables	2651.77	(6020.89)
Other Financial Assets	5328.60	(9761.94)
Other Assets	(430.06)	(264.09)
Trade and other payables	(444.58)	(8632.87)
	<b>3569.59</b>	<b>(27265.46)</b>
Cash generated from / (used in) operations	<b>25251.52</b>	<b>(3817.24)</b>
Less : Income tax paid (Net of refund)	1675.74	1906.36
<b>Net cash from / (used in) operating activities</b>	<b>23575.78</b>	<b>(5723.60)</b>



# BANNARI AMMAN SUGARS LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021 (Contd.,)

(₹ in lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
<b>B. INVESTING ACTIVITIES :</b>				
Interest Received	152.08		80.89	
Dividend Received	0.51		2.02	
Purchase of Property, Plant and Equipment	(6892.95)		(10699.87)	
Sale of Property, Plant and Equipment	636.70		17.17	
<b>Net cash used in investing activities</b>		<b>(6103.66)</b>		<b>(10599.79)</b>
<b>C. FINANCING ACTIVITIES :</b>				
Proceeds from Borrowings (Net)	(12471.30)		22673.11	
Finance Costs paid	(4165.66)		(4380.53)	
Payment of Lease Liabilities (Ind AS 116)	(33.20)		(33.20)	
Dividends and Dividend Tax paid	(1253.97)		(1511.73)	
<b>Net cash from/(used in) financing activities</b>		<b>(17924.13)</b>		<b>16747.65</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>		<b>(452.01)</b>		<b>424.26</b>
<b>Reconciliation :</b>				
Opening Cash and Cash equivalents	772.17		347.91	
Closing Cash and Cash equivalents	320.16		772.17	
<b>Net Increase/(decrease) in Cash and Cash Equivalents</b>		<b>(452.01)</b>		<b>424.26</b>

As per our report of even date attached

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Regn. No: 016676S

**S V BALASUBRAMANIAM**  
Chairman  
DIN 00002405

**B SARAVANAN**  
Managing Director  
DIN 00002927

**VIGNESA SOMATHURAI PANDIAN**  
Partner  
M No 241168  
UDIN : 21241168AAAAAR8925

**C PALANISWAMY**  
Company Secretary

**M RAMPRABHU**  
Chief Financial Officer

Place : Coimbatore  
Date : 24.05.2021

**Notes forming part of the Financial Statements for the year ended 31.03.2021**

**NOTE 1:**

**Statement of Significant Accounting Policies followed by the Company**

**COMPANY BACKGROUND**

Bannari Amman Sugars Limited (the 'Company') is a Public Limited Company domiciled and incorporated in India under the Companies Act, 1956. The registered office of the Company is located at 1212 Trichy Road, Coimbatore 641 018. The Company has five sugar factories with a capacity of 23700 MT of sugarcane crushing per day, 129.80 MW of Power, 127.50 KLPD of Industrial alcohol, Bio-products and seven wind mills with a total capacity of 8.25 MW. The Company's shares are listed in BSE and NSE.

**a) Basis of Preparation**

**i) Compliance with IND AS**

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the 'Ind AS') notified under 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.

The accounting policies are applied consistently to all the periods presented in the financial statements.

**ii) Historical Cost Convention**

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities that are measured at fair value at the end of the each reporting period.

Historical cost is generally based on the fair value of consideration given in exchange of goods and services. Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The fair value of

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

Fair value for measurement and/or disclosure purposes in these financial statement is determined on such a basis except for leasing transactions that are within the scope of Ind AS 116 and measurements that have similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 (Inventories) or value in use in Ind AS 36 (Impairment of Assets).

**iii) Current and Non - Current Classification**

All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013.

Deferred Tax assets and liabilities are classified as Non-current assets and liabilities.

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

**iv) Rounding of amounts**

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

**b) Use of Estimates and Judgements**

The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other



assumptions and factors (including expectations of future events) that the company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

The said estimates are based on the facts and events, that existed as at the reporting date, or that occurred after the date but provide additional evidence about conditions existing as at the reporting date.

### c) **Property, Plant and Equipment**

Property, Plant and Equipment that qualifies for recognition as an asset is measured at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. The Cost includes deemed cost as on the date of transition. Freehold land is not depreciated.

Cost includes related taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred up to the date of commencing operations, but excludes duties and taxes that are recoverable from taxing authorities.

Subsequent cost are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefit 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 derecognised when replaced. Cost in the nature of repairs and maintenance are recognised in the Statement of Profit and Loss during the reporting period in which they are incurred.

Assets which are not ready for their intended use and other capital work in progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest. Advances given towards acquisition of Property, Plant and Equipments outstanding at each balance sheet date are disclosed

as Capital Advances under Other Non-Current Assets.

### **Depreciation**

Straight line method has been adopted for providing depreciation on fixed assets other than Co-Generation Division and Wind Mill Division. For the assets of Co-Generation Division and Wind Mill Division, depreciation has been provided under written down value method. The assets are depreciated over the useful life as prescribed in Schedule II of the Companies Act, 2013. Depreciation on additions / deletions on Property, Plant and Equipments is computed on pro-rata basis from the date of purchase of such addition or upto the date of such deletion as the case may be. The residual values are not more than 5% of the original cost of the asset. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of changes in estimate accounted for on a prospective basis.

### **Derecognition**

The carrying amount of an item of Property, Plant and Equipment shall be derecognised on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item. The same is recognised in the statement of profit and loss.

### d) **Impairment of Non financial Assets**

Non financial assets are tested for impairment at the end of each reporting period as to whether events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets' fair value less costs of disposal and value in use. For the

purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash generating units). Non financial assets that suffered an impairment in prior periods are reviewed for possible reversal of the impairment at the end of the each reporting period.

**e) Derivative financial Instruments**

Derivative financial instruments such as forward contracts, to hedge its foreign currency risks are initially recognised at fair value on the date, a derivative contract is entered into. The same is subsequently remeasured at their fair value with changes in fair value recognised in the statement of profit and loss in the period when they arise.

**f) Financial Instruments**

A Financial Instrument is any contract that give rise to a financial asset of one entity and Financial Liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

**Financial Assets**

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

When the fair value of a financial asset at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input)

In case the fair value is not determined using a level 1 or 2 input as mentioned above, the difference between the fair value and the transaction price is deferred appropriately and recognised as a gain or loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial asset.

**Investment in Equity instruments at Fair Value Through Other Comprehensive Income (FVTOCI)**

**Initial Recognition**

The Company, through an irrevocable election (on an instrument by instrument basis), has measured investments in equity instruments at FVTOCI. These equity instruments are neither held for trading nor are contingent consideration recognised under a business combination. These elected investments are initially measured at fair value plus transaction costs

**Subsequent measurement**

Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income.

**Dividend**

Dividend on investments in equity instruments are recognised in profit or loss unless the dividend does not represent a recovery of part of cost of the investment. Dividend is recognised only when the company's right to receive the dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity and the amount of dividend can be measured reliably. The Company has recognised dividend in Statement of profit and loss under 'Other Income' .

**Derecognition**

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expires or the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset.



If the Company neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, but retains control of the financial asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. The extent of the Company's continuing involvement in the financial asset is the extent to which it is exposed to changes in the value of the transferred asset. In such cases, the Company also recognises an associated liability. The financial asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

On derecognition of such financial assets, the cumulative gain / loss previously recognised in Other Comprehensive Income is not reclassified from the equity to the Statement of Profit and Loss.

However, the company may transfer such cumulative gain / loss into the retained earnings within equity.

### **Impairment of Financial Asset**

The Company applies expected credit loss model for recognising impairment loss on financial assets measured at fair value through other comprehensive income (FVTOCI), trade receivables, lease receivables and other financial assets measured at amortised cost.

The Company follows a simplified approach wherein an amount equal to lifetime expected credit losses is measured and recognised as loss allowance in the case of trade receivables and lease receivables.

In case of financial assets measured at fair value through other comprehensive income or at amortised cost, the Company determines if there has been a significant increase in credit risk of the financial asset since initial recognition. If the credit risk has not increased significantly, an amount equal to 12-month expected credit losses is measured as loss allowance. However, if credit risk has increased significantly, an amount equal to lifetime expected

credit losses is measured and recognised as loss allowance.

### **Financial Liabilities**

#### **Initial Recognition**

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

When the fair value of a financial liabilities at initial recognition is different from its transaction price, the difference between the fair value and the transaction price is recognised as a gain or loss at initial recognition if the fair value is determined through a quoted market price in an active market for an identical (i.e. level 1 input) or through a valuation technique that uses data from observable markets (i.e. level 2 input).

In case the fair value is not determined using a level 1 or 2 input as mentioned above, the difference between the fair value and the transaction price is deferred appropriately and recognised as a gain or loss only to the extent that such gain or loss arises due to a change in factor that market participants take into account when pricing the financial liabilities.

#### **Subsequent measurement**

Financial Liabilities are subsequently carried at amortised cost using the effective interest method, which is subsequently measured at fair value through profit or loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value to the short maturity of these instruments.

#### **Derecognition**

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial



liability is replaced by another from the same lender on substantially different terms, or the terms of an existing financial liability is substantially modified, such an exchange or modification is treated as the extinguishment of the original liability and the

recognition of a new financial liability. The difference between the carrying amount of a financial liability extinguished and the consideration paid is recognised in the Statement of Profit and Loss.

**g) Valuation of Inventories :**

- i) Finished Goods
    - Sugar
    - Granite Blocks
    - Polished Granite Products
    - Molasses
    - Bagasse
    - Industrial Alcohol
    - Fusel Oil
    - Bio-Products
  - Sawn Granite slabs and process stock -
  - Raw material, consumables, stores & spares and others
- At weighted average cost or Net Realisable value whichever is lower
- At cost or net realisable value whichever is lower
- At weighted average cost or Net Realisable value whichever is lower
- ii) The cost of the finished goods and process stock comprises all cost of purchase, cost of conversion, duties and taxes (other than those subsequently recovered from tax authorities) and other costs incurred in bringing the inventories to their present location and condition.

iii) Due allowance is estimated and made for defective and obsolete items wherever necessary.

**h) Fair value measurement**

The Company measures financial instruments, such as, investments at fair value at each balance sheet date. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy that categorises into three levels, described as follows, the inputs to valuation techniques used to measure value.

**Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

**Level 2:** inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly

**Level 3:** inputs that are unobservable for the asset or liability.

For Assets and liabilities that are recognised in the financial statement on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing the categorisation (based on the lowest



level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## i) Revenue Recognition

Revenue from contracts with customers is recognised on transfer of control of promised goods or service to a customer at an amount that reflects the consideration to which the company is expected to be entitled to in exchange for those goods or services. The company recognises the revenue at the amount of transaction price on the satisfaction of performance obligation. The Transaction Price is the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods or services to a customer excluding the amount collected on behalf of third parties. The consideration promised in a contract with the customer may include fixed amounts, variable amount or both.

Revenue is recognised only to the extent that is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Sale of Goods :

Revenue is recognised when the performance obligations are satisfied and the control of the product is transferred, being when the goods are delivered as per the relevant terms of the contract at which point in time the Company has a right to payment for the asset, customer has legal title of the asset, customer bears significant risk and rewards of ownership and the customer has accepted the asset or the Company has objective evidence that all criteria for acceptance have been satisfied. Payment for the sale is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made

to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to Government authorities.

Export incentives under various schemes are accounted in the year of export at the estimated realisable value.

### Sale of Services

The Company recognises its revenue from sale of services based on the recognition criteria that the outcome of a transaction involving the rendering of services can be estimated reliably.

Stage of completion of transactions is measured by determining the services performed till balance sheet date as a percentage of total services to be performed as per the contract. The credit period is generally short term, thus there is no significant financing component.

### Dividend and Interest Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the entity and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets' net carrying amount on initial recognition.

### Rental Income

Rental Income arising from operating leases are accounted over the lease terms and is recognised in the statement of profit and loss.

**j) Foreign Currency Transactions**

The financial statements are presented in Indian Rupee which is company's functional and presentation currency. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences arising on foreign exchange transaction settled during the year are recognised in the statement of profit and loss. Foreign currency monetary items as at the balance sheet date are translated using the closing rate. The gain or loss arising out of these translations are recognized in the statement of profit and loss.

**k) Provisions and Contingencies**

Provision is recognised only when there is a present obligation as a result of past event and it is probable that there will be an outflow of resources embodying economic benefits to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of obligation cannot be measured reliably. When the possible obligation in respect of which the outflow of resources embodying economic benefits is remote, it is not been disclosed as Contingent Liability.

**l) Income Tax**

Tax expense is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

**Current Tax**

Current tax is the amount of income tax payable in respect of taxable profit for the year. The taxable profit differs from profit before tax as reported in Statement of Profit and Loss because of items of income or expenses that are taxable or deductible in other years and items that are never taxable or deductible under the Income Tax Act, 1961. The Company's current tax is calculated using tax rates

that have been enacted or substantively enacted by the end of the reporting period for the amount expected to be paid to / recovered from the taxation authorities.

Minimum Alternate Tax (MAT) credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the sufficient taxable profit will be available against which the MAT credit can be utilised.

**Deferred Tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statement and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised on all temporary differences. Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. Deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in a transaction (other than a business combination) affects neither accounting profit nor taxable profit (tax loss).

Deferred tax assets are recognised for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised based on the review at the end of each reporting period by the company considering the likely timing and the level of future taxable profits together with future tax planning strategies.

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 realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.



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

As per the company's assessment on uncertainty over tax treatment on recognising Income tax with respect to Appendix C amendment, there are no material uncertainties over tax treatments.

### **Presentation of Current and Deferred Tax**

Current and deferred tax is recognised in the statement of profit and loss except to the extent it relates to items recognised in other comprehensive income or directly in equity. In such cases, the tax is also recognised in other comprehensive income or directly in equity respectively.

The company offsets current tax assets and current tax liabilities, where it is legally enforceable right to set off the recognised amount and where it intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

In case of deferred tax assets and deferred tax liabilities, the company offsets only when they relate to income taxes levied by the same taxation authorities and it has legally enforceable right to set off current tax assets against current tax liabilities.

### **m) Government grants**

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the grants and the grants will be received. Government grant in the nature of revenue has been recognized on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs which they are intended to compensate. The company had accounted for Export benefits in the year of exports based on eligibility and when there is no uncertainty in receiving the same. Government Grant is recognised either as Other Operating Revenue or Other Income or adjusted

against the expenses depending upon the nature of the grant.

### **n) Employee Benefits**

#### **Short Term Employee Benefits**

All employee benefits payable within twelve months of rendering service are classified as short term employee benefits and are recognised in the period in which the employee renders the related service. The Company recognises the undiscounted amount of short term employee benefits expected to be paid as a liability after deducting the amount already paid.

#### **Post-employment Benefits**

The Company operates the following post-employment schemes:

- a) defined contribution plans such as provident fund; and
- b) defined benefit plans such as gratuity

#### **Defined Contribution Plans**

Defined Contribution Plans are Provident Fund, Employee State Insurance scheme and Government administered Pension Fund scheme for all applicable employees.

The company recognises contribution payable to a defined contribution plan as expenses in the statement of profit and loss when the employee renders services to the company during the reporting period. If the contribution payable for services received from employee before the reporting date exceeds the contribution already paid, the deficit payable is recognised as a liability after deducting the contribution already paid.

#### **Defined Benefit Plans**

##### **Gratuity obligations**

The Company operates a defined benefit plan for employees. The Company contributes to a separate entity (a fund), towards meeting the gratuity obligation. The liability or asset recognised in the balance sheet in respect of defined benefit gratuity

plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Independent actuaries using the projected unit credit method.

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

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income.

**Other long-term employee benefit obligations**

The liabilities for earned leave which is not expected to be settled wholly within 12 months are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted at a predetermined rate of interest based on yields on Government Bonds that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in the Statement of Profit and Loss.

**o) Operating Segments**

Operating segments are identified in accordance with the criteria set out in paragraphs 5 to 10 of Ind AS 108 viz. a component of an entity that engages in business activities from which the company earns revenues and incur expenses and the operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess the performance for which discrete financial information is available.

The operating segments are reported after taken into consideration of aggregation criteria and quantitative threshold as mentioned in Para 12 and 13 of Ind AS 108.

Operating segments are reported in a manner consistent with the internal reporting provided to the CODM of the company. The CODM is responsible for allocating the resources and assessing the performance of the operating segments of the company.

**p) Leases**

The Company's significant leasing arrangements are operating leases and cancelable in nature.

**Company as Lessor**

The lease rental income under agreements are recognised in the statement of profit and loss as per the terms of the lease. The rental income from operating lease is generally recognised on a straight line basis over the term of relevant lease. When the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rental income arising under operating leases are recognised as income in the period in which they accrue.

**Company as Lessee**

The Company's lease asset classes primarily consists of leases for land and building. 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 assets, the Company assesses whether: (i) the right to obtain substantially all of the economic benefits from use of the identified asset through the period of the lease and (ii) the right to direct the use of the asset.



The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The Right-of-Use-Assets is subsequently measured at cost less any accumulated depreciation thereon. The right-of-use asset is depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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 rate. Lease liabilities are remeasured with a corresponding adjustment to the related Right-of-Use asset if the Company changes its assessment of whether it will exercise an extension or a termination option.

Lease liability and Right-of-Use assets have been presented in the Balance Sheet and lease payments have been classified as cash flows from financing activities. The Interest expense and depreciation relating to Right-of-Use Assets have also been disclosed in the statement of profit and loss.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases, leases of low-value assets and variable lease payments. The Company recognises such lease

payments relating to these leases as an expense on a straight-line basis over the lease term.

## q) **Cash Flow Statement**

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

For the purpose of presentation of cash flow statement, cash and cash equivalents includes cash on hand, cheques on hand, bank balances, demand deposit with banks where the original maturity is three months or less and other short term highly liquid investments.

## r) **Borrowings**

Borrowings are initially recognised at net of transaction costs incurred and are subsequently measured at amortised cost.

## s) **Borrowing Costs**

Borrowing costs that are directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets. Borrowing costs capitalisation be commenced by the company when (i) incurs expenditure for the asset (ii) incurs borrowing cost (iii) incurs activities that are necessary to prepare the asset for its intended use or sale. All other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

## t) **Earnings Per Share**

Earnings Per Share (EPS) is calculated by dividing the profit after tax and before OCI attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The



weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

**u) Events occurring after balance sheet date**

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

**v) Recent accounting pronouncements**

The Ministry of Corporate Affairs (“MCA”) vide notification dated 24<sup>th</sup> March 2021 has amended Schedule III of the Companies Act, 2013 and the amendments are applicable with effect from April 1, 2021.

The significant amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

**Balance Sheet:**

- i) Specified format for disclosure of shareholding of promoters.
- (ii) Certain additional disclosures in the statement of changes in equity such as changes in equity

share capital due to prior period errors and restated balances at the beginning of the current reporting period.

- (iii) Specified format for ageing schedule for trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- (iv) Lease liabilities should be separately disclosed under the head ‘financial liabilities’, duly distinguished as current or non-current.
- (v) If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- (vi) Specific disclosure under ‘additional regulatory requirement’ such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

**Statement of Profit and Loss:**

Additional disclosures relating to Corporate Social Responsibility (CSR).

The company will comply with the amendments from the applicable date.





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS  
NON-CURRENT ASSETS**

**2 PROPERTY, PLANT AND EQUIPMENT**

(₹ in Lakhs)

	Freehold Land	Lease hold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Motor Vehicles	Office and other Equipments	Total	Capital Work in progress
<b>Gross Carrying amount</b>									
<b>Balance as at 01.04.2019</b>	5461.63	1.09	48578.67	82950.89	359.79	862.90	345.75	138560.72	2412.19
Additions	-	--	2069.18	1810.27	11.51	208.94	86.61	4186.51	8894.08
Deduction/Adjustments	-	-	-	(6.51)	-	(19.70)	-	(26.21)	(2338.05)
Transition Impact - Ind AS 116	-	(1.09)	-	-	-	-	-	(1.09)	-
<b>Balance as at 31.03.2020</b>	5461.63	-	50647.85	84754.65	371.30	1052.14	432.36	142719.93	8968.22
Additions	528.68	-	264.71	596.10	26.78	253.78	92.53	1762.58	5607.46
Deduction/Adjustments	(234.06)	-	(33.04)	(36.66)	-	(23.34)	(1.40)	(328.50)	(61.95)
<b>Balance as at 31.03.2021</b>	5756.25	--	50879.52	85314.09	398.08	1282.58	523.49	144154.01	14513.73
<b>Accumulated Depreciation</b>									
<b>Balance as at 01.04.2019</b>	--	--	8172.59	26776.46	262.73	475.05	241.06	35927.89	--
Depreciation for the year	--	--	1551.41	4761.60	25.23	92.60	35.98	6466.82	--
Withdrawn	--	--	-	(2.08)	-	(7.93)	-	(10.01)	--
<b>Balance as at 31.03.2020</b>	--	--	9724.00	31535.98	287.96	559.72	277.04	42384.70	--
Depreciation for the year	--	--	1933.22	4460.85	13.29	88.71	48.84	6544.91	--
Withdrawn	--	--	(4.46)	(5.15)	-	(18.64)	(1.29)	(29.54)	--
<b>Balance as at 31.03.2021</b>	--	--	11652.76	35991.68	301.25	629.79	324.59	48900.07	--
<b>Net Carrying amount</b>									
<b>Balance as at 31.03.2020</b>	5461.63	-	40923.85	53218.67	83.34	492.42	155.32	100335.23	8968.22
<b>Balance as at 31.03.2021</b>	5756.25	--	39226.76	49322.41	96.83	652.79	198.90	95253.94	14513.73

**NOTE 3. RIGHT-OF-USE ASSETS**

(₹ in Lakhs)

PARTICULARS	Land	Building	Total
<b>COST</b>			
Balance as at 01.04.2020	76.43	39.68	116.11
Balance as at 31.03.2021	76.43	39.68	116.11
<b>ACCUMULATED DEPRECIATION</b>			
Balance as at 01.04.2020	18.85	8.37	27.22
Depreciation for the period	18.85	8.37	27.22
Balance as at 31.03.2021	37.70	16.74	54.44
<b>NET CARRYING AMOUNT AS AT 31.03.2021</b>	<b>38.73</b>	<b>22.94</b>	<b>61.67</b>
<b>NET CARRYING AMOUNT AS AT 31.03.2020</b>	<b>57.58</b>	<b>31.31</b>	<b>88.89</b>

Expenses relating to leases of low value assets and variable lease payments not included in the measurement of lease liabilities of Rs.83.84 Lakhs are shown under other expenses.

**NOTE 4. BIOLOGICAL ASSETS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Live Stock	32.50	32.60
Others	13.28	6.09
<b>TOTAL</b>	<b>45.78</b>	<b>38.69</b>

**NOTE 5. FINANCIAL ASSETS - INVESTMENTS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>I. QUOTED INVESTMENTS - AT FVTOCI</b>		
<b>INVESTMENT IN EQUITY INSTRUMENTS</b>		
i) 84375 Equity Shares (P.Y : 84375) of Sakthi Finance Ltd of Rs. 10 each	13.96	10.56
ii) 50000 Equity Shares (P.Y : 50000) of Bank of Baroda of Rs. 2 each	37.08	26.78
iii) 73400 Equity Shares (P.Y.: 73400) of Indraprastha Medical Corporation Ltd of Rs.10 each	39.45	24.92
iv) 14300 Equity Shares (P.Y. : 14300) of Indian Overseas Bank of Rs.10 each	2.29	1.01
<b>TOTAL</b>	<b>92.78</b>	<b>63.27</b>
<b>II. UN QUOTED INVESTMENTS - AT COST</b>		
<b>i) IN GOVERNMENT SECURITIES :</b>		
Kisan Vikas Patra (Pledged with State Government Authorities)	0.40	0.40
<b>ii) IN EQUITY INSTRUMENTS OF OTHER ENTITIES :</b>		
Bannari Amman Sugars Employees' Co-operative Stores Limited	2.35	2.35
<b>TOTAL</b>	<b>2.75</b>	<b>2.75</b>
<b>TOTAL (QUOTED &amp; UNQUOTED)</b>	<b>95.53</b>	<b>66.02</b>
Aggregate cost of Quoted Investments	49.36	49.36
Aggregate market value of Quoted Investments	92.78	63.27
Aggregate cost of unquoted Investments	2.75	2.75

**NOTE 6. OTHER NON-CURRENT ASSETS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>UNSECURED, CONSIDERED GOOD</b>		
Capital Advances	1996.68	2493.99
Security Deposits	240.52	250.85
Advance payment of Income Tax	675.97	872.84
Balance with Government Authorities	148.44	148.44
<b>TOTAL</b>	<b>3061.61</b>	<b>3766.12</b>

**CURRENT ASSETS****NOTE 7. INVENTORIES**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Details	Total	Details	Total
<b>RAW MATERIALS :</b>				
Molasses at Distillery Units	531.72		1008.31	
Granite Rough Blocks	382.32		76.49	
Press-mud	10.31		4.83	
		924.35		1089.63
<b>WORK IN PROGRESS :</b>				
Sugar	1160.40		173.28	
Molasses	137.44		66.58	
Press mud	65.85		46.59	
		1363.69		286.45
<b>FINISHED GOODS :</b>				
Sugar	87462.17		83602.69	
Molasses at Sugar Units	2047.94		2784.29	
Bagasse	219.61		314.86	
Granite Products	2806.98		2959.27	
Industrial Alcohol	679.85		1463.14	
Bio-products	46.37		44.25	
		93262.92		91168.50
Stores, Spares and others		3999.40		3469.64
<b>TOTAL</b>		<b>99550.36</b>		<b>96014.22</b>

**NOTE 8. TRADE RECEIVABLES**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Unsecured, considered good	16076.09	16288.37	18940.14
Unsecured, credit impaired	212.28	--		
Less : Provision for expected credit loss		212.28		--
<b>TOTAL</b>		<b>16076.09</b>		<b>18940.14</b>

The Credit period on sale of goods ranges from 10 to 180 days. No interest is charged on trade receivables upto the due date. The Company uses other publicly available financial information and its own trading records before accepting any customer.

**NOTE 9. CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Cash on hand	15.33	15.91
Balance with Banks in Current Accounts	304.83	756.26
<b>TOTAL</b>	<b>320.16</b>	<b>772.17</b>

**NOTE 10. BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Balance in Unpaid Dividend Accounts	64.07	67.30
<b>TOTAL</b>	<b>64.07</b>	<b>67.30</b>

**NOTE 11. LOANS**

**(Unsecured considered good)**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Security deposits	41.80	40.56
Loan to Staff	85.44	72.00
<b>TOTAL</b>	<b>127.24</b>	<b>112.56</b>

**NOTE 12. OTHER FINANCIAL ASSETS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Subsidies receivable	4909.74	10252.77
Interest accrued on loans and advances	2.20	2.45
<b>TOTAL</b>	<b>4911.94</b>	<b>10255.22</b>

**NOTE 13. OTHER CURRENT ASSETS  
(Unsecured - considered good)**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Advance recoverable in cash or kind	2149.43	1778.33
Prepaid expenses	575.42	402.44
Advance to staff	4.22	22.00
Balance with Government Authorities	2226.15	1811.53
<b>TOTAL</b>	<b>4955.22</b>	<b>4014.30</b>

**NOTE 14. EQUITY SHARE CAPITAL**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
<b>AUTHORISED</b>		
4,40,00,000 Equity Shares of Rs. 10/- each (4,40,00,000 of Equity Shares of Rs. 10/- each)	4400.00	4400.00
21,00,00,000 Redeemable Preference Shares of Rs.100/- each (21,00,00,000 Redeemable Preference Shares of Rs.100/-each)	2100.00	2100.00
<b>TOTAL</b>	<b>6500.00</b>	<b>6500.00</b>
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>		
1,25,39,700 Equity Shares of Rs. 10/- each (1,25,39,700 Equity Shares of Rs. 10/- each)	1253.97	1253.97
<b>TOTAL</b>	<b>1253.97</b>	<b>1253.97</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	No. of shares	Amount (₹ in Lakhs)	No. of shares	Amount (₹ in Lakhs)
<b>EQUITY SHARES</b>				
At the beginning of the period	12539700	1253.97	12539700	1253.97
At the end of the period	12539700	1253.97	12539700	1253.97


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

NAME OF THE SHAREHOLDERS	As at 31.03.2021		As at 31.03.2020	
	No. of shares	% of holdings	No. of shares	% of holdings
i. S V Balasubramaniam	1056232	8.42	1056232	8.42
ii. SVB Holdings Private Limited	5517841	44.00	5048013	40.26
iii. Gagandeep Credit Capital Pvt Ltd	687092	5.48	687092	5.48

**c. Terms/rights attached to equity shares**

The company has issued only one class of equity shares having face value of Rs. 10/- each. One equity share carries one vote. The members are entitled to vote in accordance with their shareholding. The Company declares and pays dividend in Indian rupees. The dividend recommended by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

**NOTE 15. OTHER EQUITY**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Details	Total	Details	Total
Securities Premium account		8503.35		8503.35
Capital Reserve		756.25		756.25
Capital Redemption Reserve		1846.00		1846.00
General Reserve				
Opening Balance	112244.81		104744.81	
Add : Transfer from statement of profit and loss	7500.00		7500.00	
Closing balance		119744.81		112244.81
Surplus in the statement of profit and loss				
Opening balance	3039.03		2487.18	
Add : Profit for the period	9214.00		9563.58	
	12253.03		12050.76	
Less : Appropriations :				
Dividend on Equity Shares paid	1253.97		1253.97	
Tax on Dividend paid	--		257.76	
Transfer to General Reserve	7500.00		7500.00	
	8753.97		9011.73	
Closing balance		3499.06		3039.03
Other Comprehensive Income		5.02		(149.92)
<b>TOTAL</b>		<b>134354.49</b>		<b>126239.52</b>

**Description of nature and purpose of Reserve :**

**Securities premium** represents premium on issue of Shares. The reserve will be utilised in accordance with the provisions of the Companies Act 2013.

**Capital reserve** is utilised in accordance with the Act and not available for distribution by way of dividend

**Capital Redemption Reserve** is created for redemption of Preference Shares and it is not available for distribution by way of dividend.

**General Reserve** is created out of retained earnings from time to time.

**NON-CURRENT LIABILITIES****NOTE 16. BORROWINGS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Details	Total	Details	Total
<b>SECURED :</b>				
Term Loan from banks	6325.00		3475.00	
Term Loan from Sugar Development Fund	5350.58		6076.15	
Interest Free Sales Tax Loan - Govt of Karnataka	239.34		307.39	
		<b>11914.92</b>		<b>9858.54</b>
<b>UNSECURED :</b>				
Interest Free Loan - from a related party (as specified in the scheme of amalgamation)		5000.00		15000.00
<b>TOTAL</b>		<b>16914.92</b>		<b>24858.54</b>

16.1 Rupee term loan of Rs. 1100 Lakhs (Rs.1500 Lakhs) from HDFC Bank Ltd is secured by pari passu first charge on the movable fixed assets of Sugar Unit I.

The loan carries Interest at the rate of 1 Year MCLR and repayable in 20 equal quarterly instalments starting from December 2018.

The loan amount repayable within twelve months of Rs 400 lakhs (Rs.400 Lakhs) is grouped under Other Current Financial Liabilities

16.2 Rupee term loan of Rs. 7125 Lakhs (Rs.2500 Lakhs) from HDFC Bank Ltd is secured by pari passu first charge on the movable fixed assets of Distillery Plant at Unit II.

The loan carries Interest at the rate of 0.20% over applicable six months MCLR and repayable in 20 equal quarterly instalments from March 2021.

The loan amount repayable within twelve months of Rs.1500 Lakhs (Rs 125 lakhs) is grouped under Other Current Financial Liabilities.

16.3 Rupee term loan of Nil (Rs.1350 Lakhs) from HDFC Bank Ltd is secured by pari passu first charge on the movable plant and machinery of the Sugar and Co-generation Plant at Unit III.

The loan carries Interest at the rate of 1 year MCLR and repayable in 20 equal quarterly instalments starting from January 2016.

The loan amount repayable within twelve months of Nil (Rs.1350 Lakhs) is grouped under Other Current Financial Liabilities.

16.4 Rupee term loan of Nil (Rs.300 Lakhs) from The Federal Bank Ltd is secured by pari passu first charge on the movable plant and machinery of the Sugar and Co-generation Plant at Unit III.

The loan carries Interest at the rate of 1 Month MCLR and repayable in 20 equal quarterly instalments starting from January 2016.



- The loan amount repayable within twelve months of Nil (Rs.300 Lakhs) is grouped under Other Current Financial Liabilities.
- 16.5 Loan from Sugar Development Fund (Government of India) availed for modernisation of Sugar Unit-I, amounting to Rs. 1139.62 Lakhs (Rs.1139.62 Lakhs) is secured by way of pari passu first charge basis on the immovable and movable properties of Sugar Plant at Unit-I.
- The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Repayment of principal and payment of interest thereon commenced after the expiry of one year from the repayment of bank term loan and interest thereon or on the expiry of a period of 5 years reckoned from the date of disbursement whichever is earlier in ten half yearly instalments.
- 16.6 Loan from Sugar Development Fund (Government of India) availed for modernisation cum expansion of Sugar Unit-III, amounting to Rs. 3040.24 Lakhs (Rs.3040.24 Lakhs) is secured by way of pari passu first charge basis on the immovable and movable properties of Sugar Plant at Unit-III.
- The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Repayment of principal and payment of interest thereon commenced after the expiry of one year from the repayment of bank term loan and interest thereon or on the expiry of a period of 5 years reckoned from the date of disbursement whichever is earlier in ten half yearly instalments.
- The loan amount repayable within twelve months of Rs 304.02 lakhs (Nil) is grouped under Other Current Financial Liabilities.
- 16.7 Loan from Sugar Development Fund (Government of India) availed for setting up of 20 MW bagasse based cogeneration plant at Sugar Unit-III, amounting to Rs. 1896.29 Lakhs (Rs. 2107.73 Lakhs) is secured by way of pari passu first charge basis on the immovable and movable properties of Cogeneration Plant at Unit-III.
- The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. Interest shall be paid half yearly for the first three years from the date of each disbursement after which it shall be paid half yearly alongwith repayment of principal.
- Repayment of principal shall commence after expiry of three years reckoned from the date of each disbursement and it shall be paid in ten half yearly instalments.
- The loan amount repayable within twelve months of Rs 421.55 lakhs (Rs.211.44 lakhs) is grouped under Other Current Financial Liabilities.
- 16.8 Loan from Sugar Development Fund (Government of India) availed for implementation of the schemes aimed at development of sugar cane in the factory area of Sugar Unit-II, amounting to Nil (Rs.33.75 lakhs) is secured by way of exclusive second charge on the movable and immovable properties of Sugar Unit-II.
- Repayment of principal commenced after the expiry of three years and in four equal annual installments. The loan carries interest at the rate of 2% below the bank rate prevailing on the date of disbursement. The loan was disbursed in two instalments of Rs. 270 lakhs each.
- The interest on the first instalment of Rs.270 lakhs disbursed during the financial year 2013 is payable annually and the interest on the second instalment of Rs.270 lakhs disbursed during the financial year 2014 is payable half yearly from the date of disbursement.
- The loan amount repayable within twelve months of Nil (Rs.33.75 Lakhs) is grouped under Other Current Financial Liabilities.
- 16.9 The purchase tax of Rs. 307.39 lakhs (Rs.340.25 lakhs) payable to Government of Karnataka for purchase of Sugarcane to Sugar Unit III during the years ended 31.03.2015 and 31.03.2016 has been converted into interest free loan. The loan is secured by issue of Bank Guarantee from ICICI Bank Limited. The loan is repayable in five annual instalments from the sixth year of Conversion into Loan.
- The loan amount repayable within twelve months is Rs.68.05 Lakhs (Rs.32.86 lakhs) is grouped under Other Current Financial Liabilities
- 16.10 The interest free loan availed by erstwhile Madras Sugars Limited (which is amalgamated with the company) from a related party is repayable as specified in the scheme of Amalgamation and the same will continue to be interest free loan until repayment.

**NOTE 17. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Lease Liabilities (Ind AS 116)	37.62	65.58
Interest accrued but not due on borrowings	562.55	425.77
<b>TOTAL</b>	<b>600.17</b>	<b>491.35</b>

**NOTE 18. PROVISIONS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Provision for employee benefits-compensated absences and gratuity	443.94	502.12
<b>TOTAL</b>	<b>443.94</b>	<b>502.12</b>

**NOTE 19. DEFERRED TAX LIABILITIES (NET)**

(₹ in Lakhs)

The major components of deferred tax liabilities / (assets) arising on account of timing differences are as follows :

PARTICULARS	As at 31.03.2020	Recognised in Statement of Profit & Loss	Recognised in Other Comprehensive Income	As at 31.03.2021
Difference in WDV of PPE and treatment of expenses in Income Tax Act	13387.40	(318.33)	--	13069.07
Remeasurement benefit of the defined benefit plans and Equity Investments	(80.53)	--	66.47	(14.06)
MAT Credit Entitlement	(12390.60)	469.60		(11921.00)
<b>DEFERRED TAX LIABILITIES (NET)</b>	<b>916.27</b>	<b>151.27</b>	<b>66.47</b>	<b>1134.01</b>

**CURRENT LIABILITIES****NOTE 20. BORROWINGS**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	Details	Total	Details	Total
<b>SECURED :</b>				
Cash Credit Loan from banks repayable on demand	28492.17		17759.69	
Buffer stock Loan notified by the Central Government	--		12504.13	
		28492.17		30263.82
<b>UNSECURED :</b>				
Soft Loan notified by the Central Government	--		8196.59	
Short Term Loan from banks	39000.00		33800.00	
		39000.00		41996.59
<b>TOTAL</b>		<b>67492.17</b>		<b>72260.41</b>

20.1 Cash Credit and other Working Capital Limits/ Demand Loan sanctioned by Punjab National Bank consortium consists of Punjab National Bank, Canara Bank, The Federal Bank Ltd, The Karur Vysya Bank Ltd, Indian Overseas Bank, State Bank of India, Bank of India, Axis bank Ltd, ICICI Bank Ltd and The HDFC Bank Ltd to the company are secured by way of hypothecation of current assets and other movable block assets of the sugar units I, II, III, IV and V and third mortgage on the immovable properties of the Sugar units I, II, III, IV and V.

The credit limit availed as at 31.3.2021 is Rs. 28492.17 Lakhs (Rs.17759.69 Lakhs)

The availed limits are repayable on demand and carries interest rates between Bank's MCLR plus 0% and 3.25% per annum.

20.2 Buffer stock Loan of Nil (Rs.12504.13 lakhs) sanctioned by Canara Bank, HDFC Bank Ltd, Axis Bank Ltd Punjab National Bank and The Federal Bank Ltd to the company are secured by way of hypothecation of Buffer stock of Sugar of the Sugar units I, II, III IV and V respectively and is repayable in one year from the date of availment.

The Loan is eligible for interest subvention upto 10% p.a.

20.3 Unsecured soft loan of Nil (Rs. 8196.59 lakhs) sanctioned by the Federal Bank Ltd and HDFC Bank Ltd to the companies Sugar Unit I, II, III, IV and V and is repayable in one year from the date of availment. The loan is eligible for interest subvention upto 7% p.a.

20.4 The Unsecured Short term loan of Rs. 10000 lakhs (Rs.17800 Lakhs) from HDFC Bank Ltd is repayable within one hundred and eighty days from the date of

availment and carries interest at the rate of 4.75% per annum.

The Unsecured Short term loan of Rs. 7500 lakhs from HDFC Bank Ltd is repayable within ninety days from the date of availment and carries interest at the rate of 4.50% per annum.

The Unsecured short term loan of Rs. 9500 lakhs (Rs.7000 Lakhs) from The Federal Bank Ltd is repayable within one hundred and eighty days from the date of availment and carries interest at 5% per annum.

The Unsecured short term loan of Rs. 3000 lakhs (Rs.3000 Lakhs) from The Federal Bank Ltd is repayable within one hundred and eighty days from the date of availment and carries interest at 4.75% per annum.

The Unsecured short term loan of Rs. 2500 lakhs from The Axis Bank Ltd is repayable within one hundred and twenty days from the date of availment and carries interest at 4.50% per annum.

The Unsecured short term loan of Rs. 3000 lakhs from The Axis Bank Ltd is repayable within one hundred and twenty days from the date of availment and carries interest at 5% per annum.

The Unsecured short term loan of Rs. 3500 lakhs from The Axis Bank Ltd is repayable within ninety days from the date of availment and carries interest at 5% per annum.

The Unsecured short term loan of Rs. Nil (Rs. 6000 lakhs) from the Axis Bank Ltd is repayable within one hundred and eighty days from the date of availment and carries interest at 7.55% per annum.

**NOTE 21. TRADE PAYABLES**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Outstanding dues of Micro and Small Enterprise	100.53	7.74
Outstanding dues of others	5869.03	6155.45
<b>TOTAL</b>	<b>5969.56</b>	<b>6163.19</b>

The outstanding dues to Micro and Small Enterprises has been determined based on the information collected by the company. There are no dues of Micro and Small Enterprises exceeding 45 days from the date of acceptance.

**NOTE 21. TRADE PAYABLES (Contd...)****Additional Disclosure**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
a) Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the period	100.53	7.74
b) Interest paid by the Company in terms of Section 16 of the MSMED Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the period	--	--
c) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under this Act.	--	--
d) Interest accrued and remaining unpaid as at the end of the period	--	--
e) Interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	--	--

**NOTE 22. OTHER FINANCIAL LIABILITIES**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Current maturities of long term borrowings	2693.62	2453.06
Interest accrued but not due on borrowings	64.56	17.99
Unpaid Dividend	64.07	67.30
Lease Liability (Ind AS 116)	27.95	25.73
<b>TOTAL</b>	<b>2850.20</b>	<b>2564.08</b>

**NOTE 23. OTHER CURRENT LIABILITIES**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
Advance from customers	1445.05	1360.62
Statutory remittances	2683.10	2893.82
Trade or security deposits received	388.76	379.47
Payable on purchase of fixed assets	1174.62	1152.38
Other payables	1352.00	1438.26
<b>TOTAL</b>	<b>7043.53</b>	<b>7224.55</b>

**NOTE 24. PROVISIONS**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>As at 31.03.2021</b>	<b>As at 31.03.2020</b>
For employee benefits	631.67	832.08
<b>TOTAL</b>	<b>631.67</b>	<b>832.08</b>

**NOTE 25. CURRENT TAX LIABILITIES (NET)**

(₹ in Lakhs)

PARTICULARS	As at 31.03.2021	As at 31.03.2020
Provision for Income Tax (Net)	348.71	133.00
<b>TOTAL</b>	<b>348.71</b>	<b>133.00</b>

**NOTE 26. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
<b>SALE OF PRODUCTS</b>				
<b>MANUFACTURED GOODS</b>				
Sugar	111303.65		114377.45	
Molasses	9111.89		8797.98	
Bagasse	987.66		2875.60	
Granite Products	3384.77		2566.55	
Industrial Alcohol	7661.98		8185.77	
Power	15815.37		15311.76	
Pressmud	6.90		5.82	
Bio-products	828.68		842.67	
		<b>149100.90</b>		<b>152963.60</b>
<b>TRADED GOODS</b>				
Sugar	--		634.59	
Granite Products	717.34		917.77	
Fertiliser & Pesticides	490.12		297.25	
		<b>1207.46</b>		<b>1849.61</b>
<b>SALE OF SERVICES</b>				
Handling and Hire charges	168.89		513.93	
		<b>168.89</b>		<b>513.93</b>
<b>OTHER OPERATING REVENUE</b>				
Government subsidies	5462.75		5533.66	
Sale of Scrap and Store material	177.66		68.33	
		<b>5640.41</b>		<b>5601.99</b>
Revenue from Operations		<b>156117.66</b>		<b>160929.13</b>

- i) The Company has recognised the financial assistance of Rs.3025.85 Lakhs (Rs.4573.09 lakhs) and Rs.570.00 Lakhs based on the fulfillment of Sugar export obligation as notified by the Central Government for the Sugar season 2019-2020 and Sugar season 2020-2021 respectively.
- ii) The Company has recognised Transport subsidy of Rs.969.25 lakhs and Rs.896.07 Lakhs granted by Government of Tamilnadu for Sugar cane drawn during Sugar season 2018-19 and Sugar season 2019-2020 respectively.
- iii) During the year ended 31<sup>st</sup> March2020, the Company has recognised transport subsidy of Rs.960.57 lakhs towards reimbursement of transport expenses for export of sugar as notified by the Central Government for the Sugar season 2018-2019.

**NOTE 27. OTHER INCOME**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
Interest Income from loans and advances		152.08		80.89
Dividend income from long term investments		0.51		2.02
<b>Other non-operating income :</b>				
Rent receipts from operating leases	217.23		207.83	
Profit on Sale of Property, Plant and Equipment (Net)	337.74		0.97	
Agricultural Income (Net)	17.77		2.34	
Other Service receipts	62.45		64.23	
Miscellaneous income	114.41		28.01	
		749.60		303.38
<b>TOTAL</b>		<b>902.19</b>		<b>386.29</b>

**NOTE 28. COST OF MATERIALS CONSUMED**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
Opening Stock of Raw Materials:				
Molasses at Distillery Units	1008.31		1285.03	
Granite rough blocks	76.49		154.59	
Press-mud	4.83		13.42	
		1089.63		1453.04
Add: Purchase of Raw Materials :				
Sugarcane	106587.53		105548.05	
Transport and Cess on Sugarcane	2829.59		2222.33	
Molasses at Distillery Units	0.53		61.12	
Granite rough blocks	384.92		490.42	
Press-Mud	66.95		50.28	
		109869.52		108372.20
		<b>110959.15</b>		<b>109825.24</b>


**NOTE 28. COST OF MATERIALS CONSUMED (Contd...)**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
Less: Closing Stock of Raw Materials :				
Molasses at Distillery Units	531.72		1008.31	
Granite rough Blocks	382.32		76.49	
Press-mud	10.31		4.83	
		924.35		1089.63
Raw Material Consumed		110034.80		108735.61
Packing Material Consumed		1399.52		1311.32
<b>TOTAL</b>		<b>111434.32</b>		<b>110046.93</b>
<b>Details of Raw Material Consumed</b>				
Sugarcane		109417.12		107770.38
Packing Material for Sugar		1399.52		1311.32
Molasses at Distillery Units		477.12		337.84
Granite rough blocks		79.09		568.52
Press-Mud		61.47		58.87
<b>TOTAL</b>		<b>111434.32</b>		<b>110046.93</b>

Note : The Company has recognised the financial assistance of Nil (Rs.4322.60 Lakhs) on fulfillment of conditions prescribed by the Central Government to offset the cost of cane crushed during the Sugar Season 2018-2019 as reduction in purchase cost of sugarcane.

**NOTE 29. PURCHASE OF STOCK - IN - TRADE**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Sugar	--	634.59
Granite Products	196.67	253.68
Fertiliser & Pesticides	161.05	134.34
<b>TOTAL</b>	<b>357.72</b>	<b>1022.61</b>

**NOTE 30. CHANGES IN INVENTORIES**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
<b>I. FINISHED GOODS :</b>				
<b>a. Opening Stock :</b>				
Sugar	83602.69		81961.66	
Molasses at Sugar Units	2784.29		2429.00	
Bagasse	314.86		154.85	
Granite Products	2959.27		1107.09	
Industrial Alcohol	1463.14		983.70	
Bio-products	44.25		0.21	
	<b>91168.50</b>		<b>86636.51</b>	



**NOTE 30. CHANGES IN INVENTORIES (Contd...)**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
<b>b. Closing Stock :</b>				
Sugar	87462.17		83602.69	
Molasses at Sugar Units	2047.94		2784.29	
Bagasse	219.61		314.86	
Granite Products	2806.98		2959.27	
Industrial Alcohol	679.85		1463.14	
Bio-Compost	46.37		44.25	
	<b>93262.92</b>		<b>91168.50</b>	
<b>(a) - (b)</b>		<b>(2094.42)</b>		<b>(4531.99)</b>
<b>II. WORK IN PROGRESS :</b>				
<b>a. Opening Stock :</b>				
Sugar	173.28		1011.50	
Molasses	66.58		119.10	
Press-mud	46.59		63.45	
	<b>286.45</b>		<b>1194.05</b>	
<b>b. Closing Stock :</b>				
Sugar	1160.40		173.28	
Molasses	137.44		66.58	
Press-mud	65.85		46.59	
	<b>1363.69</b>		<b>286.45</b>	
<b>(a) - (b)</b>		<b>(1077.24)</b>		<b>907.60</b>
<b>TOTAL</b>		<b>(3171.66)</b>		<b>(3624.39)</b>

**NOTE 31. EMPLOYEE BENEFIT EXPENSES**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Salaries, wages and allowances	9502.42	9192.45
Contribution to Provident and other funds	811.50	1004.64
Staff Welfare expenses	922.39	989.04
<b>TOTAL</b>	<b>11236.31</b>	<b>11186.13</b>

**NOTE 32. FINANCE COSTS**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Interest Expenses	3887.94	4440.78
Interest on lease liabilities (Ind AS 116)	7.46	9.50
Other borrowing costs	38.86	(16.60)
<b>TOTAL</b>	<b>3934.26</b>	<b>4433.68</b>

**NOTE 33. DEPRECIATION AND AMORTISATION EXPENSES**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021	Year ended 31.03.2020
Depreciation and Amortisation account of Property, Plant and Equipment	6544.91	6466.82
Right - of Use - Assets	27.22	27.22
<b>TOTAL</b>	<b>6572.13</b>	<b>6494.04</b>

**NOTE 34. OTHER EXPENSES**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	Details	Total	Details	Total
Consumption of stores and spare parts		2778.73		2907.89
Power and fuel		4132.29		6263.05
Water charges		179.56		196.34
Rent		83.84		81.50
Cane development expenses		313.54		585.94
Repairs and maintenance :-				
Buildings	686.19		665.34	
Plant and Machinery	3402.02		4039.77	
Vehicles	419.78		460.35	
Others	282.46		296.34	
		4790.45		5461.80
Effluent disposal expenses		170.05		398.61
Insurance charges		288.74		229.86
Rates and taxes		438.00		579.75
Telephone & Fax charges		38.75		42.40
Traveling expenses		226.34		249.35
Printing and Stationery		46.92		44.62
Directors' sitting fees		3.25		3.20
Advertisement		2.97		4.44
Other Administrative expenses		143.51		137.14
Freight and forwarding		74.09		1025.94
Selling and distribution expenses		950.96		553.95
Sales commission		6.60		5.66
Donations		4.75		16.80
Corporate Social Responsibility expenses		226.25		266.75
Legal and professional charges		62.50		74.80
Expected Credit Loss (Trade Receivables)		212.28		--
Auditor's Remuneration (net of input credit, where applicable)				
For statutory audit	20.00		15.00	
For Company law matters	2.00		1.60	
For other services	6.56		5.40	
Reimbursement of expenses	0.25	28.81	0.25	22.25
<b>TOTAL</b>		<b>15203.18</b>		<b>19152.04</b>



**35. CONTINGENT LIABILITIES AND COMMITMENTS (to the extent not provided for)**

**CONTINGENT LIABILITIES**

- 35.1. The company has preferred a Writ Appeal before the Division Bench of the Hon'ble High Court, Madras challenging the Order pronounced in Writ Petition No. 4030/2002 dated 28.02.2006 in connection with increase in rate of water charges and the method of computation of water charges pursuant to the G.O. No.474 dated 13.11.2001 for the water drawn for industrial purposes. The approximate amount under dispute is Rs. 512.16 Lakhs (Rs. 480.52 Lakhs)
- 35.2. Sugar Unit-I at Sathyamangalam was permitted to sell 100% of the sugar production as Free Sugar for a period of 8 years from 1985-86 Sugar Season. Chief Director (Sugar), Directorate of Sugar Department of Food New Delhi has restricted the entitlement of Free sale Sugar Incentive to 275000 quintals production per season by a subsequent notification. A Writ Petition has been filed in the Madras High Court

Challenging the restriction imposed and interim injunction has been obtained. By virtue of injunction order the entire production was sold as Free Sugar. The approximate unprovided quantum under dispute is Rs. 683.35 Lakhs.

- 35.3. The Entry Tax of Rs. 188.29 lakhs on Inter-state purchase of rough blocks is disputed.
- 35.4. The Company has received a demand for payment of excise duty for Rs.148.44 lakhs on the machineries purchased for co-generation plant in Sugar Unit-II which have been cleared by the manufacturers based on the certificates alleged to have been forged by an Official in the Ministry of Finance. The Company has remitted the amount under protest. The company opted for obtaining a valid certificate for which steps have been taken through a writ petition filed in Hon'ble High Court of Madras.

**COMMITMENTS**

- 35.5. Estimated amount of contracts remaining to be executed on capital account - Tangible Assets not provided for is Rs. 3452.46 Lakhs (Rs. 5084.74 lakhs).

**36. DISCLOSURE UNDER IND AS 19 :**

**i) DEFINED CONTRIBUTION PLAN :**

The Company has defined contribution plan like Provident Fund and Employees State Insurance Scheme for the benefit of employees. Contributions are made at the specified rate of percentage to payroll cost as per the regulations to fund the benefits. The expenses recognised in the statement of profit and loss is Rs.648.51 Lakhs (Rs.616.40 Lakhs)

**ii) DEFINED BENEFIT PLAN :**

**GRATUITY**

The Company provides the Gratuity benefit through annual contributions to the fund managed by Life Insurance Corporation of India (LIC). The following table sets out the details of the defined benefits obligations and amount recognised in the financial statements.



36 DISCLOSURE UNDER IND AS 19 (Contd...)

(₹ in Lakhs)

PARTICULARS	GROUP GRATUITY	
	31.03.2021	31.03.2020
<b>PRINCIPAL ACTUARIAL ASSUMPTIONS</b>		
Discount Rate (%)	7.09	6.86
Salary Escalation rate (%)	6.50	6.50
Expected Return on Plan Assets (%)	7.09	6.86
Attrition Rate (%)	3.00	3.00

**A NET ASSET/ (LIABILITY) RECOGNISED IN BALANCE SHEET AT THE BEGINNING OF THE YEAR**

Present value of Defined Benefit Obligation	3333.96	2701.82
Fair Value of Plan Assets	3035.71	2701.82
<b>Net Asset/(Liability) Recognised in Balance Sheet</b>	<b>(298.25)</b>	<b>--</b>

**B DISCLOSURE OF EMPLOYER EXPENSE**

Current Service Cost (including risk Premium for fully insured benefits)	199.64	489.91
Net Interest Expenses / (Income)	9.95	(11.17)
<b>Total Employer Expense Recognised in the Statement of Profit &amp; Loss</b>	<b>209.59</b>	<b>478.74</b>

**C OTHER COMPREHENSIVE INCOME**

Remeasurement of Defined Benefit Obligation		
Effect of Changes in Financial assumptions	(70.94)	268.20
Effect of Changes in Experience adjustments	133.18	(145.67)
(Return)/Loss on Plan Assets	(254.13)	22.69
<b>Net Cost in Other comprehensive Income</b>	<b>(191.89)</b>	<b>145.22</b>

**36 DISCLOSURE UNDER IND AS 19 Contd.... :**

(₹ in Lakhs)

PARTICULARS	GROUP GRATUITY	
	31.03.2021	31.03.2020
<b>D CHANGE IN OBLIGATIONS AND ASSETS</b>		
Change in Obligations		
Present Value of Defined Benefit Obligation at the Beginning of the period	3333.96	2701.82
Employer Service Cost	199.64	489.91
Interest Cost	229.19	179.85
Actuarial(Gains)/Losses	62.24	122.53
Benefits Payments	(202.70)	(160.15)
<b>Present Value of Defined Benefit Obligation at the end of Period</b>	<b>3622.33</b>	<b>3333.96</b>

**Change in Assets**

Fair value of Plan Assets at Beginning of Period	3035.71	2701.82
Expected Return on Plan Assets	219.24	191.02
Actuarial Gain/(Loss)	254.13	(22.68)
Actual Company Contributions Less Risk Premium	315.95	325.70
Benefit payments	(202.70)	(160.15)
<b>Fair value of Plan Assets at the end of Period</b>	<b>3622.33</b>	<b>3035.71</b>

**E NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET AT THE END OF THE YEAR**

Present Value of Defined Benefit Obligation	3622.33	3333.96
Fair value of Plan Assets	3622.33	3035.71
<b>NET ASSET / (LIABILITY) RECOGNISED IN BALANCE SHEET</b>	<b>--</b>	<b>(298.25)</b>

**36 DISCLOSURE UNDER IND AS 19 Contd.... :**

**F SENSITIVITY ANALYSIS**

The significant actuarial assumptions for the determination of the defined benefit obligations are discount rate and expected salary increase. The sensitivity analysis below 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 defined benefit obligation increases / (decrease) as follows:

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Discount Rate		
+100 basis points	(308.43)	(288.92)
-100 basis points	360.49	338.38
Salary Growth		
+100 basis points	346.49	324.73
-100 basis points	(303.29)	(283.48)

“The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligations as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumption may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligations has been calculated using the Projected Unit Credit Method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

The expected contribution to the plan for the next Annual reporting period is Rs.199.42 Lakhs (Rs.220.62 lakhs).

**LONG TERM COMPENSATED ABSENCES**

The assumption used for computing the long term accumulated compensated absences on actuarial basis are as follows:

<b>Assumption</b>	<b>31.03.2021</b>	<b>31.03.2020</b>
Discount Rate (%)	7.09	6.86
Salary Escalation rate (%)	6.50	6.50
Expected Return on Plan Asset (%)	7.09	6.86
Attrition Rate (%)	3.00	3.00



**37. Segment Information for the year ended 31st March 2021**

Revenues and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reportable segment have been allocated on the basis of associated revenues of the segment/manpower efforts. Income or Expenses which are not attributable or allocable to segments have been disclosed as unallocable Income / Expenses. Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. Geographical revenues are allocated based on the location of the customer. The Company has the following operating segments, which are its reportable segments.

Operating segment disclosures are consistent with the information provided to and reviewed by the Chief Operating Decision Maker (CODM).

These operating segments have been identified on the basis of nature of products and other quantitative criteria specified in the Ind AS 108.

Segment	Sugar	Power	Distillery	Granite Products
Product	Sugar	Power	Industrial Alcohol	Granite Products

(₹ in Lakhs)

PARTICULARS	Sugar		Power		Distillery		Granite Products		Unallocated		TOTAL	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020	31.03.2021	31.03.2020
<b>PRIMARY</b>												
Segment Revenue	145778.87	150303.69	33088.50	33185.26	8141.50	8728.17	4107.31	3484.74			191116.18	195701.86
Intersegment Revenue	17843.91	17279.18	17123.98	17442.69	30.63	50.86					34998.52	34772.73
	127934.96	133024.51	15964.52	15742.57	8110.87	8677.31	4107.31	3484.74			156117.66	160929.13
<b>RESULT</b>												
Segment Result	2343.05	3904.45	10606.18	10335.59	2222.20	2707.08	(415.17)	(183.23)			14756.26	16763.89
Add: Un-allocable Income											631.59	274.17
Operating Profit											15387.85	17038.06
Less: Finance Costs											3934.26	4433.68
Tax expenses											2239.59	3040.80
<b>Profit after Tax</b>											<b>9214.00</b>	<b>9563.58</b>
<b>OTHER INFORMATION</b>												
Segment Assets	160971.82	164988.85	29048.11	34394.42	22276.05	18093.89	8175.30	8631.47	18566.07	17330.45	239037.35	243439.08
Segment Liabilities	84304.27	102028.38	4017.62	5619.47	7288.32	2769.12	462.37	478.36	7356.31	5050.26	103428.89	115945.59
Capital expenditure	1517.86	3633.33	157.94	37.98	78.12	448.45	8.66	66.75			1762.58	4186.51
Depreciation	3968.92	3552.96	1344.12	1466.98	463.93	482.30	795.16	991.80			6572.13	6494.04
<b>SECONDARY</b>												
Revenue by Geographical Market												
India	117156.68	111461.31	15964.52	15742.57	8110.87	8677.31	423.35	344.35			141655.42	136225.54
Outside India	10778.28	21563.20					3683.96	3140.39			14462.24	24703.59

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

There is no transactions with single external customer which amounts to 10% or more of the Company's revenue.




**38 Related Party disclosures as required under Ind AS-24 issued by the Institute of Chartered Accountants of India are given below :**

- 1 KEY MANAGEMENT PERSONNEL :  
Sri S V Balasubramaniam, Chairman  
Sri B Saravanan, Managing Director  
Sri C Palaniswamy, Company Secretary  
Sri M Ramprabhu, Chief Financial Officer
- 2 COMPANY HAVING SIGNIFICANT INFLUENCE  
SVB Holdings Private Limited
- 3 NON EXECUTIVE INDEPENDENT DIRECTORS  
Sri A K Perumalsamy  
Sri E P Muthukumar  
Sri T Gundan  
Sri M P Vijayakumar  
Dr Radha Ramani
- 4 ENTERPRISES OVER WHICH KEY MANAGERIAL PERSONNEL ARE ABLE TO EXERCISE SIGNIFICANT INFLUENCES  
(OTHER RELATED PARTIES)
  1. Annamallai Enterprise Private Limited
  2. Annamallai Estates Private Limited
  3. Bannari Amman Enterprises Private Limited
  4. Bannari Amman Exports Private Limited
  5. Bannari Enterprises Private Limited
  6. Bannari Amman Finance Private Limited
  7. BIT Techno Products Private Limited
  8. Goldmine Corporate Investment Private Limited
  9. Kandiamman Enterprises Private Ltd
  10. Kumaraguru Enterprises Private Ltd
  11. Mehru Enterprises Private Limited
  12. Mylvagana Enterprises Private Limited
  13. Shiva Cargo Movers Private Limited
  14. Shiva Distilleries Private Limited
  15. Shiva Hi-Tech Infrastructure Private Limited
  16. Soundram Enterprises Private Limited
  17. SVB Enterprise Private Limited
  18. Velmuruga Enterprises Private Limited

**Related Party Transactions**

(₹ in Lakhs)

PARTICULARS	Key Management Personnel	Non Executive Independent Directors	Company having Significant Influence	Other Related parties
Purchase of Goods				23.46 (41.78)
Sale of Goods			0.45 (Nil)	5580.17 (2721.36)
Purchase of Property				435.90 (Nil)
Sale of Property				610.00 (Nil)
Remuneration	876.73 (946.91)			
Directors sitting fees		3.25 (3.20)		
Availing services				123.05 (226.47)
Rent paid				35.53 (35.94)
Rent receipt			0.14 (0.08)	2.51 (1.64)
Repayment of Loan			10000.00 (*) (Nil)	
Balance outstanding as on 31st March 2021			5000.00 (*) (15000.00)	

\* Loan Transferred pursuant to Scheme of Amalgamation of M/s Madras Sugars Limited with the Company.

**Whole time Directors' Remuneration**

(₹ in Lakhs)

PARTICULARS	Year ended 31.03.2021		Year ended 31.03.2020	
	<b>CHAIRMAN</b>			
Short Term Employee Benefit	471.79	480.43	514.67	523.31
Post Employment Benefit	8.64		8.64	
<b>MANAGING DIRECTOR</b>				
Short Term Employee Benefit	328.21	335.41	355.77	362.97
Post Employment Benefit	7.20		7.20	
<b>TOTAL</b>		<b>815.84</b>		<b>886.28</b>

**Non - Whole time Directors' Remuneration**

(₹ in Lakhs)

PARTICULARS	For the Year Ended	
	31.03.2021	31.03.2020
Directors Sitting Fee	3.25	3.20

**39 EARNINGS PER SHARE**

PARTICULARS	For the Year Ended	
	31.03.2021	31.03.2020
a) Weighted average number of equity shares of Rs 10/-each		
i) Number of shares at the beginning of the year	12539700	12539700
ii) Number of shares at the end of the year	12539700	12539700
Weighted average number of equity shares outstanding during the year	12539700	12539700
b) Net Profit after tax available for equity shareholders (Rs in Lakhs)	9214.00	9563.58
c) Basic and diluted earnings per share (Rs)	73.48	76.27

**40 DETAILS OF RESEARCH AND DEVELOPMENT EXPENDITURE RECOGNISED AS AN EXPENSE**

(₹ in Lakhs)

PARTICULARS	For the Year Ended	
	31.03.2021	31.03.2020
Materials	52.88	32.36

**41 BORROWINGS COSTS**

The Company has capitalised the specific borrowing cost of Rs. 422.21 Lakhs during the period which were incurred specifically to get ready the qualifying assets for their intended use.

**42 FOREIGN CURRENCY EXPOSURES THAT ARE NOT HEDGED BY A DERIVATIVE INSTRUMENT OR OTHERWISE ARE AS UNDER :-**

PARTICULARS	As at 31.03.2021		As at 31.03.2020	
	US DOLLAR	EURO	US DOLLAR	EURO
Receivables	--	341905	35329	256198
Payables	81833	24061	46082	26597

The dividend is paid to Non Resident shareholders in Indian Rupee by crediting to their Rupee Bank account.

**43. VALUE OF RAW MATERIALS**

PARTICULARS	Consumption (Rs in Lakhs)	% to total consumption
<b>43.1 Imported Value of</b>		
Spares and Components	794.24 (778.17)	5.97% (5.18%)
<b>43.2 Indigenous Value of</b>		
a Sugarcane	109417.12 (107770.38)	100% (100%)
b Granite Rough Blocks	757.83 (568.52)	100% (100%)
c Molasses	1995.23 (2978.96)	100% (100%)
d Pressmud	71.79 (72.41)	100% (100%)
e Spares and Components	12502.79 (14240.52)	94.03% (94.82%)

**44. VALUE OF IMPORTS ON C.I.F. BASIS :**

(₹ in Lakhs)

PARTICULARS	For the Year Ended	
	31.03.2021	31.03.2020
a. Spare and Components	871.91	539.45
b. Capital Goods	--	2.26



(₹ in Lakhs)

PARTICULARS	For the Year Ended	
	31.03.2021	31.03.2020

**45. EXPENDITURE IN FOREIGN CURRENCY :**

1. Traveling	--	2.45
2. Subscription	1.18	1.13
3. Sale Promotion Exports	2.64	--

**46. EARNINGS IN FOREIGN EXCHANGE :**

F.O.B Value of Exports	2398.82	2350.07
------------------------	---------	---------

**47. FINANCIAL INSTRUMENTS****a) Financial Instruments by category****As at 31st March 2021**

(₹ in Lakhs)

PARTICULARS	Note No.	Total fair Value	Carrying Value	
			Amortised Cost	FVTOCI
<b>FINANCIAL ASSETS</b>				
<b>NON-CURRENT</b>				
Investments	5	95.53	2.75	92.78
<b>CURRENT</b>				
Trade Receivables	8	16076.09	16076.09	--
Cash and Cash Equivalents	9	320.16	320.16	--
Bank Balance other than Cash and Cash equivalents	10	64.07	64.07	--
Loans	11	127.24	127.24	--
Others	12	4911.94	4911.94	--
<b>Total</b>		<b>21595.03</b>	<b>21502.25</b>	<b>92.78</b>
<b>FINANCIAL LIABILITIES</b>				
<b>NON - CURRENT</b>				
Borrowing	16	16914.92	16914.92	--
Other Liabilities	17	600.17	600.17	-
<b>CURRENT</b>				
Borrowing	20	67492.17	67492.17	--
Trade Payables	21	5969.56	5969.56	--
Other Liabilities	22	2850.20	2850.20	--
<b>Total</b>		<b>93827.02</b>	<b>93827.02</b>	<b>--</b>


**As at 31st March 2020**

(₹ in Lakhs)

PARTICULARS	Note No.	Total fair Value	Carrying Value	
			Amortised Cost	FVTOCI
<b>FINANCIAL ASSETS</b>				
<b>NON - CURRENT</b>				
Investments	5	66.02	2.75	63.27
<b>CURRENT</b>				
Trade Receivables	8	18940.14	18940.14	--
Cash and Cash Equivalents	9	772.17	772.17	--
Bank Balance other than Cash and Cash equivalents	10	67.30	67.30	--
Loans	11	112.56	112.56	-
Others	12	10255.22	10255.22	--
<b>Total</b>		<b>30213.41</b>	<b>30150.14</b>	<b>63.27</b>
<b>FINANCIAL LIABILITIES</b>				
<b>NON - CURRENT</b>				
Borrowing	16	24858.54	24858.54	--
Other Liabilities	17	491.35	491.35	-
<b>CURRENT</b>				
Borrowing	20	72260.41	72260.41	--
Trade Payables	21	6163.19	6163.19	--
Other Financial Liabilities	22	2564.08	2564.08	--
<b>Total</b>		<b>106337.57</b>	<b>106337.57</b>	<b>--</b>

**b) Fair Value Hierarchy**
**Fair Value Measurement Hierarchy of Financial Instruments :**

The Company uses the following fair value Hierarchy for determining and disclosing the fair value of the financial instruments

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

Level 2 : inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 : inputs that are unobservable for the asset or liability.



(₹ in Lakhs)

PARTICULARS	Note No.	Level 1	Level 2	Level 3	Total fair Value
Financial Assets at FVTOCI - 31.03.2021	5	92.78	--	--	92.78
Financial Assets at FVTOCI - 31.03.2020	5	63.27	--	--	63.27

**Fair Value Measured at amortised Cost:**

The carrying amount of financial assets and liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the company does not anticipate that the carrying amount would be significantly different from the values that would eventually be received or settled.

**48. Financial Risk Management - Objectives & Policies**

The Company's principal financial liabilities includes borrowings, trade payable and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include investments, trade receivables, cash and cash equivalents, Bank Balance other than cash and cash equivalent, loans and other financial assets that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management under the supervision of Risk management committee / Board of Directors oversees the management of these risks and the appropriate financial risk governance framework for the Company. The senior management provides assurance that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

**a) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market price. Market risk comprises three types of risk: interest rate risk, currency risk and other risks, such as regulatory risk and commodity price risk. Financial Instruments affected by market risk includes investment, borrowings, trade receivable, trade payable and loans.

**i) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's borrowings obligations with floating interest rate. Interest rate risk is managed by maintaining a combination of fixed and floating rate debt and cash management policies. There is no material interest risk to the company's financial liabilities.

**ii) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rate. The Company's exposure to the risk of changes in foreign exchange rate relates primarily to the Company's foreign currency denominated financial assets and financial liabilities.

The carrying amounts of the Company's foreign currency denominated monetary assets and liabilities at the end of the reporting period is as under



(₹ in Lakhs)

Foreign Currency	Liabilities		Assets	
	31.03.2021	31.03.2020	31.03.2021	31.03.2020
US \$	59.89	37.41	--	26.65
Euro	20.51	22.29	296.98	221.65
<b>TOTAL</b>	<b>80.40</b>	<b>59.70</b>	<b>296.98</b>	<b>248.31</b>

The above table represents total exposure of the Company towards foreign exchange denominated liabilities (net). The details of unhedged exposures are given as part of Note No.42

The company determines the sensitivity of 10% increase or decrease in the foreign currency rate. The impact on the profit after tax and total equity at the reporting date, assuming other factors constant except the exchange difference will be Rs. 21.66 Lakhs (Rs.18.86 Lakhs).

**iii) Other price risk**

Other price risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market traded price. The Company is exposed to price risk arising mainly from investments in equity instruments recognised at FVTOCI. As at 31st March, 2021, the carrying value of such equity instruments recognised at FVTOCI amounts to Rs. 92.78 Lakhs (Rs.63.27 Lakh). The details of such investments in equity instruments are given in Note No 5.

**b) Credit risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument leading to a financial loss. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. The Company had managed the credit risk with respect to trade receivables by selling majority of sugar sales covering minimal portion on credit basis.

The Company's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. The company manages the risk by credit approval. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified.

The impairment for financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's past history, existing market conditions as well as forward looking estimates at the end of each balance sheet date. The Company has recognised Rs.212.28 lakhs towards provision for expected credit loss on the trade receivable for the year ended 31-03-2021.

Financial assets are written off when there is no reasonable expectation of recovery. However, the Company continues to attempt to recover the receivables and are recognised in the Statement of Profit and Loss when recovered.

**c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result for an inability to sell a financial asset quickly close to its fair value.

The Company has an established liquidity risk management framework for managing its short term, medium term and long term funding. The Company also has adequate credit facilities agreed with banks to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost-effective manner.





(₹ in Lakhs)

Particulars	Less than 1 year	Between 1 and 5 years	More than 5 years	Total
<b>As at 31.03.2021</b>				
Borrowing	67492.17	16041.09	873.83	84407.09
Trade Payables	5969.56	--	--	5969.56
Lease Liabilities (Ind AS 116)	27.95	37.62	--	65.57
Other Financial Liabilities	2822.25	380.07	182.48	3384.80
	<b>76311.93</b>	<b>16458.78</b>	<b>1056.31</b>	<b>93827.02</b>
<b>As at 31.03.2020</b>				
Borrowing	72260.41	22528.44	2330.10	97118.95
Trade Payables	6163.19	--	--	6163.19
Lease Liabilities (Ind AS 116)	25.73	65.58	--	91.31
Other Financial Liabilities	2538.35	121.12	304.65	2964.12
	<b>80987.68</b>	<b>22715.14</b>	<b>2634.75</b>	<b>106337.57</b>

**49. CAPITAL MANAGEMENT**

The objective of Capital Management is to safeguard its ability to continue as a going concern and optimise the returns to shareholders. Capital includes paid up equity capital, securities premium and all other equity reserves attributable to the equity shareholders of the Company and debt refers to Long Term Borrowings, Short Term Borrowings and Other Financial Liabilities for the purpose of Capital Management of the Company.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. The capital structure of the Company consist of net debt and total equity of the Company.

In order to achieve this overall objectives, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants and there have been no breaches in the financial covenants of any interest-bearing loans and borrowings.

**The following table summarizes the capital of the Company :**

(₹ in Lakhs)

PARTICULARS	31.03.2021	31.03.2020
Equity	133001.19	125041.16
Debt	87727.82	100015.77
Less : Cash and Cash Equivalent	320.16	772.17
Net Debt	87407.66	99243.60
Net Debt to Equity Ratio	65.72%	79.37%


**50. TAX EXPENSES**

(₹ in Lakhs)

PARTICULARS	For the year ended	
	31.03.2021	31.03.2020
<b>Current Tax</b>		
On Taxable Income for the year	2088.32	2170.60
Total Current Tax expenses	<b>2088.32</b>	<b>2170.60</b>
<b>Deferred Tax</b>		
In respect of current year	(318.33)	(72.08)
MAT credit entitlement	469.60	942.28
Total Deferred Tax expenses	<b>151.27</b>	<b>870.20</b>
Income Tax Expenses recognised in the Statement of Profit & Loss	<b>2239.59</b>	<b>3040.80</b>

The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in Lakhs)

PARTICULARS	For the year ended	
	31.03.2021	31.03.2020
Profit before tax	11453.59	12604.38
Income Tax Rate	34.944%	34.944%
Income tax expenses calculated	4002.34	4404.47
<b>Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income</b>		
Effect of expenses that are not deductible in determining taxable profit	2157.89	2474.23
Effect of expenses that are deductible in determining taxable profit	(1907.74)	(2027.08)
Income exempted from Income Taxes	(6.39)	(0.71)
Incentive tax credits	(2006.51)	(1810.11)
Income tax recognised in the statement of profit or loss	<b>2239.59</b>	<b>3040.80</b>

The company has made an assessment on the impact of Section 115 BAA of the Income Tax Act, 1961 and decided to continue with the existing tax structure until utilization of accumulated MAT credit.



51. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

## 52. COVID - 19 PANDEMIC - IMPACT

The Operations of the manufacturing facilities of the Company has resumed from 16th April, 2020, after initially suspended for few days due to Covid 19 pandemic. Thereafter, the manufacturing activities are carried in normal course with the adoption of enhanced safety, security and other required measures. The Company has made detailed assessment on recoverability of trade receivables, Inventories, liquidity position and the related internal controls as at the balance sheet date. The Company has concluded that there has been no material impact on the business of the company for the reporting period.

## 53. Events occurring after Balance Sheet date

The Board of Directors at its meeting held on 24th May 2021 has recommended a payment of final dividend of Rs.10/- Per equity share for the year ended 31st March, 2021 amounting to Rs.1253.97 lakhs.

The above is subject to approval at the ensuing Annual General Meeting of the Company and hence is not recognised as a liability.

## 54. Approval of Financial Statements

The Financial statements are reviewed and recommended by Audit Committee and approved for issue by the Board of Directors at their meeting held on 24th May 2021.

As per our report of even date attached

**For P K NAGARAJAN & Co.,**  
Chartered Accountants  
Firm Regn. No: 016676S

**S V BALASUBRAMANIAM**  
Chairman  
DIN 00002405

**B SARAVANAN**  
Managing Director  
DIN 00002927

**VIGNESA SOMATHURAI PANDIAN**  
Partner  
M No 241168  
UDIN : 21241168AAAAAR8925

Place : Coimbatore  
Date : 24.05.2021

**C PALANISWAMY**  
Company Secretary

**M RAMPRABHU**  
Chief Financial Officer


**Financial Performance - Year Wise**

(₹ in Lakhs)

Financial Year	Equity Share Capital	Reserves & Surplus	Turnover*	Profit before Depreciation	Depreciation	Profit before Tax	Dividend on Equity Shares (%)
1985-1986	373.26	85.15	1421.08	247.65	192.32	55.33	15
1986-1987	374.81	150.60	1585.78	258.56	117.68	140.88	15
1987-1989 (18 months)	374.95	558.79	3157.49	743.55	200.87	542.68	25
1989-1990	375.00	821.84	2941.28	479.29	127.04	352.25	18
1990-1991	375.00	1097.53	3035.74	470.31	169.05	301.26	20
1991-1992	375.00	1381.32	4354.55	572.49	244.04	328.45	21
1992-1993	375.00	1526.96	6154.24	623.38	415.35	208.03	21
1993-1994	753.97	3004.49	5502.34	486.04	382.17	103.87	21
1994-1995	953.97	4937.00	12219.55	853.98	403.98	450.00	22
1995-1996	953.97	6107.79	15686.98	1895.45	533.78	1361.67	24
1996-1997	953.97	7201.67	16133.02	1884.43	560.90	1323.53	25
1997-1998	953.97	8704.64	14229.49	2292.81	568.50	1724.31	25
1998-1999	953.97	9737.98	20572.87	2009.33	598.43	1410.60	25
1999-2000	953.97	11071.16	23242.80	2425.92	675.51	1750.41	25
2000-2001	953.97	12728.83	30792.42	3655.88	1710.46	1945.42	27
2001-2002	953.97	12296.57	36158.79	4727.63	1652.41	3075.22	33
2002-2003	953.97	13265.96	34823.17	4429.97	2160.88	2269.09	30
2003-2004	953.97	16192.33	45778.58	7298.47	2705.14	4593.33	36
2004-2005	953.97	20070.14	38318.31	8826.31	3200.10	5626.21	45
2005-2006	953.97	27158.61	49408.86	13878.66	4307.00	9571.66	70
2006-2007	953.97	40572.76	69116.18	14570.19	3734.83	10835.36	70
2007-2008	1143.97	43825.26	60608.73	7397.92	3481.86	3916.06	70
2008-2009	1143.97	54270.49	67404.42	16597.74	3408.23	13189.51	100
2009-2010	1143.97	67301.16	85346.50	23807.83	3834.06	19973.77	100
2010-2011	1143.97	71273.33	111880.26	12692.25	7083.08	5609.17	100
2011-2012	1143.97	80355.33	126046.54	17920.15	6676.92	11243.23	100
2012-2013	1143.97	93055.51	148321.54	23430.89	5995.44	17435.45	125
2013-2014	1143.97	94256.37	107709.57	8410.18	5195.53	3214.65	125
2014-2015	1143.97	94044.97	96109.23	5159.42	5125.55	33.87	25
2015-2016	1143.97	90805.37	142741.00	9139.79	6154.07	2985.72	75
2016-2017	1253.97	105453.78	141571.72	25630.74	6945.21	18685.53	125
2017-2018	1253.97	112302.75	107504.40	18198.47	6960.50	11237.97	100
2018-2019	1253.97	118334.43	152012.66	15961.35	6677.49	9283.86	100
2019-2020	1253.97	126239.52	164553.52	19098.42	6494.04	12604.38	100
2020-2021	1253.97	134354.49	159289.32	18025.72	6572.13	11453.59	100

\* Turnover = Net Sales + Closing Stock – Opening Stock

\* Excludes inter-segment transfers













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