



ANNUAL
REPORT
2020-21

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



RAJSHREE SUGARS & CHEMICALS LIMITED

Registered Office: 'The Uffizi', 338/8, Avanashi Road, Peelamedu
Coimbatore 641 004.

Tel (0422) 4226222 Fax (0422) 2577929 CIN: L01542TZ1985PLC001706

E-Mail: rscl@rajshreesugars.com; Website: www.rajshreesugars.com

NOTICE TO THE MEMBERS

Notice is hereby given that the 35th Annual General Meeting (AGM) of the Members of Rajshree Sugars & Chemicals Limited will be held on Thursday the 30th September 2021 at 4:00 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business. Deemed venue of the meeting will be the Registered office of the Company at 'The Uffizi', 338/8, Avanashi Road, Peelamedu, Coimbatore 641 004.

ORDINARY BUSINESS:

1) Adoption of the audited financial statements of the Company

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

"**RESOLVED** that the audited financial statements of the Company for the financial year ended 31st March 2021 including Audited Balance Sheet as on that date, Statements of Profit and Loss and Cash Flow & Changes in Equity for the year ended on that date and the explanatory note annexed to/ forming part thereof, together with the Board's Report and the Auditors' Report thereon, as circulated to the members and presented to the meeting, be and are hereby adopted."

2) Reappointment of Director retiring by rotation

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

"**RESOLVED** that Mr.Raja MJ Abdeen (DIN 905319), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

3) Reappointment of M/s.S.Krishnamoorthy & Co., as Statutory Auditors

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

"**RESOLVED** that pursuant to Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force). M/s S.Krishnamoorthy & Co., Chartered Accountants (Firm Registration No. 001496S), be and are hereby reappointed for the second term of five financial years from 2021-22 to 2025-26 as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the 40th Annual General Meeting of the Company, on such remuneration as shall be fixed by the Board of Directors of the Company, from time to time."

“**RESOLVED FURTHER** that the Board of Directors be and are hereby authorized to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution”.

SPECIAL BUSINESS:

4) Remuneration for Cost Auditor

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

“**RESOLVED** that the Company do hereby confirm and ratify in terms of Section 148 and all other applicable provisions of the Companies Act, 2013 and Rules made thereunder, the remuneration approved by the Board of Directors on the recommendation of the Audit Committee, for M/s.S.Mahadevan & Co., Cost Accountants (Firm Registration No.000007) for conducting the audit of the cost records for the products sugar, cogeneration of power and industrial alcohol of the Company for the financial year ending March 31, 2022, as set out below exclusive of applicable taxes and out of pocket expenses:

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

5) Borrowing Powers & conversion of loan into shares

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

"**RESOLVED** that in part modification of the earlier resolutions passed in this regard at the 28th Annual General Meeting of the Company held on 8th September 2014, pursuant to Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and the rules, regulations and circulars issued thereunder (including any statutory modification or re-enactment thereof, for the time being in force) and the memorandum of association and articles of association of the Company, the consent of the members be and is hereby accorded to the Board of Directors (which power the Board may exercise by delegation to a duly constituted Committee thereof or Executive Director or any other principal officer of the Company) to borrow, any sum or sums of money for and on behalf of the Company from time to time at their discretion for the purpose of business of the Company from any one or more persons, firms, bodies corporate, bankers, financial institutions, non-banking finance companies, or from others by way of advances, deposits, fund or non-fund based facilities, debentures, bonds loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the assets and properties of the Company and/or of any other persons, firms or body corporates, whether movable or immovable or stock-in process and debts, and advances, notwithstanding that the sum or sums of moneys so borrowed together with the monies already borrowed by the Company and outstanding at any point of time (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) will or may exceed at any time, the aggregate of the paid-up capital and free reserves by a sum not exceeding Rs.750 crores (Rupees seven hundred fifty crores only) in aggregate.

“RESOLVED FURTHER that pursuant to Section 62(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and other applicable laws and memorandum of association and articles of association of the Company, approval of the members be and is hereby accorded to the Board of Directors to increase the subscribed capital of the Company on exercise by State Bank of India, Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited (“Lenders”) of an option, as a term attached to or in connection with the loan raised by the Company from them amounting to Rs.453.64 Crores (“Restructured Facilities”) under the terms of the restructuring documents executed or to be executed by the Company with the Lenders in relation to the Restructured Facilities (“Restructuring Documents”), to convert the outstanding amounts (whether due or payable or not) of the Lenders in part or whole, into equity shares of the Company, upon the occurrence of an Event of Default under the Restructuring Documents, or in a stressed situation for restructuring of debt of the company in accordance with the regulatory guidelines issued from time to time by the Reserve Bank of India (including but not limited to the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019, as amended from time to time) and subject to applicable laws, and which equity shares shall rank pari-passu with the other equity shares of the Company.”

“RESOLVED FURTHER that, subject to the applicable laws, the Company hereby authorizes the board of directors of the Company to delegate all or any of the powers herein conferred, to any one or more of the directors of the Company, with power to delegate to any officers of the Company to take all necessary action that may be required to give effect to the resolutions contained herein.”

“RESOLVED FURTHER that, for the purpose of giving effect to this resolution, the Board or any committee or person(s) authorized by the Board be and is/are hereby authorised to negotiate, finalise, settle, accept and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required or as the Board may in its absolute discretion deem necessary to give effect to this resolution including but not limited to negotiating, finalising and accepting the terms and conditions of all such monies to be borrowed, from time to time as to interest, repayment, security, conversion of whole or part of such loans into shares in the company.”

“RESOLVED FURTHER THAT a copy of these resolutions may be provided to any person (including any authorised representatives, agents, consultants or officers of such person) under the signatures of any Director or Company Secretary of the Company.”

6) To adopt a new set of Articles of Association (AoA) of the company in line with Companies Act, 2013

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

“RESOLVED that pursuant to the provisions of Section 5 and 14 and other applicable provisions of the Companies Act, 2013 (“the Act”), read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the members of the Company be and is hereby accorded for the alteration of the Company’s Articles of Association by adopting a new set of Regulations in place of the existing set of Regulations.”

“RESOLVED FURTHER THAT Mr.R.Varadarajan, Wholetime Director (DIN 1738), Mr.C.S.Sathiyarayanan, Chief Financial Officer and Mr.M.Ponraj, Company

Secretary, be and are hereby severally authorized to make any filings, disclosures and submissions as may be required under applicable laws and do all such acts, things and deeds as may be necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution."

By Order of the Board

Place: Coimbatore
Date : 3rd September 2021

M.PONRAJ
Company Secretary

NOTE:

- a) **The Register of Members of the Company will remain closed from 24th September 2021 to 30th September 2021 (both days inclusive).**
- b) Members are requested to intimate the change in bank mandate/address, if any, immediately to the Registrars and Transfer Agents of the Company, M/s.S.K.D.C. Consultants Limited, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028 (E-mail: info@skdc-consultants.com).
- c) The relevant details, pursuant to Regulations 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
- d) The Company's equity shares are listed in the following stock exchanges at present.
 - a. National Stock Exchange of India Limited, Mumbai
 - b. BSE Limited, Mumbai
- e) No dividend is pending for transfer to the Investor Education and Protection Fund (IEPF) except unpaid dividend of Rs.39,729/- for the financial year 2009-10, which are kept pending transfer due to prohibition as per Court orders.
- f) Members who are holding shares in physical form and have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communications including Annual Report, notices, circulars etc., from the Company. The e-mail may be registered with the Registrar and Share Transfer Agents of the Company.

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

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

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

- g) The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 and the Register of Contracts and Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Registered office of the Company.

- h) The Statement of material facts pursuant to section 102(1) of the Companies Act, 2013, in respect of special business is annexed hereunder.
- i) A shareholder who is desirous of transferring shares (which are held in physical form) after April 1, 2019 can do so only after the shares are dematerialized as per SEBI Circular dated 20th April 2018 and 16th July 2018. However, transmission or transpositions of securities are allowed in physical mode.
- j) Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, we request the shareholders who are holding shares in physical mode and who have not furnished the PAN and Bank account details, to furnish the following:
 - a) Self-attested copy of PAN card(s) of sole/joint holder(s) of shares; and
 - b) Bank details along with original cancelled cheque leaf with the name of the sole/first holder printed on cheque leaf or copy of Bank Passbook attested by your Bank Manager.
- k) For smooth conduct of AGM proceedings, Members who wish to receive information with respect to Company's Annual Report for financial year 2020-21 or have questions with regard to the financial statements and the matters to be placed at the 35th AGM, can send their request by providing their name, demat account number/folio number from their registered e-mail ID to investor@rajshreesugars.com at least ten days in advance i.e. by 20th September 2021, before the start of meeting.
- l) e-AGM: Company has appointed M/s SKDC Consultants Limited, Registrars and Transfer Agents and National Securities Depositories Limited (NSDL) to provide Video Conferencing/ OAVM facility for the Annual General Meeting and the attendant enablers for conducting of the e-AGM.
- m) Members may note that since the meeting is being held through VC/ OAVM facility, attendance slip is not annexed to the Notice convening the 35th AGM.
- n) Members who would like to express their views or ask questions during the AGM may register themselves **as a speaker** by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at investor@rajshreesugars.com on or before 5.00 PM (IST) on 25th September, 2021. Those Members who have registered themselves **as a speaker will only be allowed to express their views/ask questions during the AGM**. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
- o) Voting through electronic means:

In compliance with the provisions of Regulation 44 of the Listing Regulations read with section 108 of the Companies Act 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members the facility to exercise their votes by electronic means for all the resolutions detailed in the Notice of the 35th Annual General Meeting scheduled to be held on Thursday, 30th September, 2021 at 4 PM through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") and the business may be transacted through e-voting. The Company has engaged the services of NSDL (National Securities Depositories Limited) as the authorized agency to provide the e-voting facilities as per instructions below.

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

S.K.D.C. Consultants Limited
Attn: Mr.Jayakumar K, Manager (Systems)

"Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road,
Coimbatore 641 028.
Telephone No.91-422-4958995, 2539835, 2539836 Fax : +91-422-2539837
Email ID : info@skdc-consultants.com
Website :www.skdc-consultants.com

The e-voting module shall be disabled for voting on 29th September 2021 at 5 PM. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently. The voting right of shareholders shall be in proportion to their share in the paid up equity share capital of the company as on 23rd September 2021 (cut-off date for determining the eligibility to vote through electronic mode).

Mr.B.Krishnamoorthi, FCA, Practicing Chartered Accountant has been appointed as the Scrutinizer to ensure that the e-voting process is conducted in a fair and transparent manner. The Scrutinizer shall immediately after the conclusion of the voting at the 35th Annual General meeting, first count the votes cast at the meeting, and thereafter unblock the votes in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any within two days of conclusion of the meeting, to the Chairperson of the meeting. The Chairperson or such other Director / person authorized by the Chairperson, shall declare the results of the voting forthwith. The results declared along with the Scrutinizer's Report shall be placed on the Company's website viz., www.rajshreesugars.com, Company's notice Board at the Registered Office of the Company, website of NSDL viz., www.evoting.nsdl.com and communicated to the Stock Exchanges namely NSE & BSE, where the shares of the Company are listed immediately, after the Chairperson declares the result.

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

1. In view of the massive outbreak of the COVID-19 pandemic, social distancing is a norm to be followed and pursuant to the Circular No.14/2020 dated April 08, 2020, Circular No.17/2020 dated April 13, 2020 issued by the Ministry of Corporate Affairs followed by Circular No.20/2020 dated May 05, 2020 and Circular No.02/2021 dated January 13, 2021 and all other relevant circulars issued from time to time, physical attendance of the Members to the AGM venue is not required and general meeting be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
2. Pursuant to the Circular No.14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.rajshreesugars.com. The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. www.evoting.nsdl.com.
7. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020 and MCA Circular No. 2/2021 dated January 13, 2021.

THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-

The remote e-voting period begins on **Monday, 27th September 2021 at 9 AM and ends on Wednesday, 29th September 2021 at 5 PM**. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. **23rd September 2021**, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 23rd September 2021.

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

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

Step 1: Access to NSDL e-Voting system

A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
<p>Individual Shareholders holding securities in demat mode with NSDL.</p>	<ol style="list-style-type: none"> 1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “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 i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS Portal” or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.

	<p style="text-align: center;">NSDL Mobile App is available on</p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: space-around; align-items: center; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their 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 https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<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. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.
Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.
4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

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

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to bk.scrutiniser@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on www.evoting.nsdl.com to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms.Pallavi Mhatre, Manager at evoting@nsdl.co.in

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

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investor@rajshreesugars.com.
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investor@rajshreesugars.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and

Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

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

INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join General meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investor@rajshreesugars.com. The same will be replied by the company suitably.

STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act")

Item No.2: Reappointment of Mr.Raja M.J.Abdeen as Director

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

Mr. Raja M.J.Abdeen (DIN 905319; Date of Birth: 19.6.1950), who retires by rotation and being eligible offers himself for reappointment. His brief profile is as follows:

He is a non-resident Indian based in Singapore with interests in shipping, travel and real estate. He has wide expertise in the field of administration, management and finance.

He holds Directorship and membership in Committees of other Companies as follows:

<u>Directorship in other companies</u>	<u>Membership in Committees</u>
Abdeen UK Ltd, London	Nil
Far Eastern Services P Ltd, Singapore	Nil
Straitsship Services P Ltd, Singapore	Nil
Straits Orient Agencies Pte Ltd	Nil
Rajnisha Textiles & Exports Pte Ltd	Nil
Straits Travel & Tours (Pte.) Ltd	Nil
Osjay Shipping & Forwarding (Sdn) Bhd, Malaysia	Nil
Straits Ship-Chandlers (1941) Pte Ltd.	Nil
Far Eastern Services (Malaysia) Sdn. Bhd	Nil
Eastern Straits Logistics Pte Ltd.	Nil

He does not hold any membership in the committees of the company.

He holds 10,10,000 (3.05%) equity shares in the Company as on the date of this notice.

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

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

Item No.4: Remuneration for Cost Auditor

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s S.Mahadevan & Co. Cost Auditors to conduct the audit of the cost records of the Company in respect of the products sugar, cogeneration of power and industrial alcohol, for the financial year ending March 31, 2022 as set out below excluding applicable taxes and out of pocket expenses:

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

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

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

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

Item No.5 : Borrowing Powers & Conversion of loan into shares

State Bank of India (“Lead Lender”) sanctioned a Resolution Plan for restructuring the secured debt of Rs.453.64 Crores (excluding Rs.6.97 crores of secured debt already converted into equity shares, under the Resolution Plan, on 27th August 2021) owed by the Company to Banks as on 30th June 2020. The other five lender banks (Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited) have also given their sanctions independently and the last bank’s sanction was received on 1st July 2021.

Based on the said sanctions, a Memorandum ‘Framework Restructuring Agreement (FRA) was executed on 12th July 2021 between the Company and the six lender banks for restructuring the secured debt of the Company to the said six banks with retrospective effect from 30th June 2020. Further to execution of the FRA, the Company has on 26th August 2021 executed the main subordinate documents for debt restructuring.

As per the terms of the FRA and other restructuring documents executed / to be executed (“Restructuring Documents”) by the Company with State Bank of India, Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited (“Lenders”) in relation to or in connection with the said facilities amounting to Rs.453.64 Crores (“Restructured Facilities”), the Lenders will have a right to convert the outstanding amounts (whether due or payable or not) in part or whole, into equity shares of the Company, upon the occurrence of an Event of Default set out in the Restructuring Documents, or in a stressed situation for restructuring of debt of the company, in accordance with the regulatory guidelines issued from time to time by the Reserve Bank of India (including but not limited to the Prudential Framework for Resolution of Stressed Assets dated June 7, 2019 (as amended from time to time) and subject to applicable laws (hereinafter collectively referred to as “Conversion Events”), and such equity shares shall rank pari-passu with the other equity shares of the Company.

The Board of Directors also seek approval of the shareholders to enable the Board to negotiate, finalise, settle and accept the terms and conditions of all such monies to be borrowed, from time to time as to interest, repayment, security, conversion of whole or part of such loans into shares in the Company and execute such documents/ deeds/ writings/ papers/ agreements and to do all acts, deeds, matters and things, as may be required or as the Board may in its absolute discretion deem necessary to effectively implement the Restructuring Documents.

The Company has to comply with the provisions of Section 62 of the Companies Act, 2013 (“the Act”) for any further issue of share capital. However, Sub-Section 3 of the said Section exempts the compliance if such increase of subscribed capital is caused by the exercise of an option as a term attached to the debentures issued or loan raised by the Company to convert such debentures or loans into shares in the Company, provided that the terms of issue of such debentures or loan containing such an option is approved by a special resolution passed by the company in general meeting before the issue of such debentures or raising of the loan.

It is hence proposed to obtain approval of the shareholders by way of a special resolution in terms of Section 62(3), to enable conversion of any part of the loans outstanding to the said Lenders into equity shares of the Company upon the occurrence of any Conversion Event.

Section 180(1)(c) of the Act requires approval of the shareholders by way of Special Resolution for borrowing any sum of moneys exceeding (together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) the aggregate of the paid-up capital and free reserves. The shareholders may note that there is no proposal for increasing the present borrowing limit of Rs.750 Crores approved on 8th September 2014. Since the loans that would be eligible for

conversion have been borrowed based on the said resolution, the said resolution is now being partly modified in order to obtain the approval of the members under Section 62(3) for conversion, upon occurrence of any Conversion Event of any part of the loans obtained from the Lenders, into equity shares of the Company, as the loan documents executed with the Lenders contain such a covenant.

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

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

Item No.6 : To Adopt a New Set of Regulations as the Articles of Association as per Companies Act, 2013

The existing Articles of Association was in line with the provisions contained in the Companies Act, 1956. The provisions of company law have undergone various changes through the Companies Act, 2013 and further amendments thereon. Though it is not mandatory for a company to change its existing Articles of Association pursuant to the new provisions, it is however considered appropriate, that our Company follow the initiative taken by many other companies, and alter its Articles of Association to be compatible and in alignment with the present Companies Act. The Registrar of Companies and Stock Exchanges also recommend that alterations to the Articles of Association of the Company carried out after 2013 should cover all aspects of the amendments in the Companies Act 2013, and not address specific regulations in isolation.

The Board of Directors vide Resolution passed on 3rd September 2021 approved the new set of Regulations in place of the existing set of Regulations in the Articles of Association of the Company and accordingly recommended this proposal for Shareholders' approval. In terms of Section 5 and 14 of the Companies Act, 2013, the consent of the Shareholders is required by way of a Special Resolution for amending the Articles of Association.

The new amended draft Articles of Association is hosted on the website of the Company viz. www.rajshreesugars.com for inspection of the Member(s) and Members who are interested to get a copy of the Articles of Association can send in their request to the Company e-mail address: investor@rajshreesugars.com.

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

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

By Order of the Board

Place: Coimbatore
Date: 3rd September 2021

M.PONRAJ
Company Secretary

Board of Directors

Ms. RAJSHREE PATHY (DIN 1614)
Chairperson
Dr. P SURULINARAYANASAMI (DIN 1468527)
Mr. S.VASUDEVAN (DIN 1567080)
Mr. S.KRISHNASWAMI (DIN 8530320)
Mr. SHEILENDRA BHANSALI (IN 595312)
Mr. K. ILANGO (DIN 124115)
Mr. RAJA M.J.ABDEEN (DIN 905319)
Mr. R.VARADARAJAN (DIN 1738)
Wholetime Director

Auditors

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

Chief Financial Officer

Mr.C.S.Sathiyarayanan (Appointed on
12.11.2020)
Mr.V.B.Gopal Krishnan (Relieved on 16.5.2020)

Company Secretary

Mr.M.Ponraj

Registrars & Share Transfer Agents

M/s SKDC Consultants Limited
"Surya" 35, Mayflower Avenue,
Behind Senthil Nagar, Sowripalayam Road,
Coimbatore 641 028.

Registered Office

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

Factory – Unit I Sugar, Cogeneration & Distillery

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

Factory – Unit II Sugar & Cogeneration

Mundiyampakkam PO
PIN 605 601.
Vikravandi Taluk
Villupuram District

Factory – Unit III Sugar, Cogeneration & Distillery

Semmedu Village
Gingee Taluk, PIN 604 153.
Villupuram District

Bankers

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

RAJSHREE SUGARS & CHEMICALS LIMITED

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BOARD'S REPORT

Your Directors have pleasure in presenting the 35th Annual Report on the business and operations of the company and the audited financial statements for the year ended 31st March 2021.

1) Financial Highlights

(Rs. In lakhs)

Particulars	2020-21	2019-20
Total Income	37,362.07	33,091.96
Profit before Finance Costs, Depreciation and exceptional items	3,776.62	1,219.90
Less: Finance Costs	2,924.78	5,778.83
Depreciation	2,431.85	2,483.91
Profit / (Loss) from ordinary activities before Tax	(1,580.01)	(7,042.84)
Tax Expenses	95.84	(2,107.60)
Profit / (Loss) after Tax	(1,675.85)	(4,935.24)
Other comprehensive income, net of income tax	76.73	(91.76)
Total comprehensive income for the period	(1,599.12)	(5,027.00)
Basic / Diluted earnings per share of Rs.10/- each, before / after extraordinary items	(5.25)	(17.52)

2) Dividend

In view of the stressed financial position, your Directors have not recommended payment of dividend for the year 2020-21. Also no amount has been transferred to reserves.

3) Financial Performance

Your Company earned an income of Rs.37,362.07 lakhs in the year 2020-21 as against Rs.33,091.96 lakhs during the previous year. The Company has incurred a net loss of Rs.1,599.12 lakhs as against the net loss of Rs.5,027.00 lakhs incurred during the previous year.

4) Operational Performance**a) Sugar Division**

The key operational data of our sugar division for the year 2020-21 are as follows:

Particulars	2020-21	2019-20
Sugarcane crushed (Tons)	9,40,684	6,21,039
Recovery %	8.64	8.54
Sugar Produced (Tons)	81,282	53,063
Sugar Sold (Tons) - Domestic	67,953	69,240

The sugarcane crushing has increased by 51% due to better monsoon in the command area.

b) Cogeneration Division

During the year under review, the total power generated by the Cogeneration Division was 1,134 lakh units as against 760 lakh units in the previous year. The company exported 673 lakh units during the year as against 462 lakh units in the previous year.

The Company has not received carbon credits during the year and during the previous year.

c) Distillery Division

The Distillery Division produced 181.66 lakh litres of Alcohol during the year as against 137.42 lakh litres of Alcohol in the previous year and sold 157.16 lakh litres of alcohol as against 145.51 lakh litres of alcohol in the previous year.

5) Resolution plan for Restructuring of debt of the Company

- a) The State Bank of India (lead lender) has sanctioned the Resolution Plan for restructuring the debt of the Company on 30th June 2021. Other five lender banks (Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited) have also given their sanctions independently and the last bank's sanction was received on 1st July 2021.

Pursuant to the sanctions, a Memorandum 'Framework Restructuring Agreement (FRA) dated 12th July 2021 was executed between the Company and six lender banks, for restructuring the debt of the Company with retrospective effect from 30th June 2020. Pursuant thereto, the Company has on 26th August 2021 executed the main subordinate documents for debt restructuring. In-principle approval for issue & allotment of equity shares had already been obtained from BSE & NSE on 9th August 2021. The Securities Allotment Committee of the Board has allotted Equity Shares and Debentures to the said lender banks on 27th August 2021 and detailed intimations were filed with both BSE and NSE. Effect has been given for the debt restructuring in the financial statements as on 31st March 2021 as required by Ind AS 10 being an adjusting event.

- b) The company is in default of loans received from Sugar Development Fund (SDF), Government of India, since the Financial Year 2016. The Ministry of Consumer Affairs, Food and Public Distribution have allowed restructuring of SDF loans on occurrence of a natural calamity in a particular State vide notification dated 17th September 2018.

The inordinate delay of nearly two and half years in notifying the guidelines only in February 2021 and its prospective effect, has denied all sugar mills in Tamilnadu the opportunity to benefit from restructuring their SDF loans under the natural calamity criteria.

The Government of India has in March 24, 2021, made an amendment to Rule 26 of the SDF Rules to take up restructuring SDF loans of potentially viable sick sugar mills/undertakings. The company has filed its application with the Department of Food & Public Distribution vide its letter 12th June 2021 for restructuring of its SDF loans under amended Rule 26 of the SDF Rules.

6) Future Outlook

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

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

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

7) Fixed Deposits

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

8) Auditors

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

It is proposed to reappoint the said Auditors for the second term of five financial years from 2021-22 to 2025-26 to hold office from the conclusion of 35th AGM till the conclusion of 40th AGM. They have furnished necessary certificate in terms of second and third proviso to Section 139(1) of the Companies Act, 2013 read with Rule (4) of Companies (Audit and Auditors) Rules, 2014. The necessary resolutions will be placed before the ensuing AGM for the reappointment of Auditors as per Section 139 of the Companies Act, 2013.

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

As per the recommendation of the Audit Committee, the Board of Directors had been appointed M/s.S.Mahadevan & Co., Cost Accountants, as the Cost Auditor of the Company, to carry out the cost audit for the financial year 2021-22 and fixed their remuneration. The necessary resolutions will be placed before the ensuing AGM for ratification of remuneration as per Section 148(3) of the Companies Act, 2013.

Secretarial Auditor: Mr.G.Soundarrajan, Practicing Company Secretary was appointed as the Secretarial Auditor, to conduct Secretarial Audit as per Section 204 of the Companies Act, 2013, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the financial year ended 31st March 2021”.

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

Annexed herewith as Annexure 1.

10) Corporate Governance

The Company is committed to maintain the highest standards of corporate governance and adhere to the corporate governance requirements set out by The Securities

Exchange Board of India (SEBI). The Company has also implemented several best corporate governance practices as prevalent globally. The report on Corporate Governance (Annexure 2) as stipulated under the SEBI (LODR) Regulations, 2015 forms an integral part of this Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of corporate governance is also attached to the report on Corporate Governance.

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

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

Name	Designation	Appointment / Reappointment / Resignation	Effective from
Dr.P.Surulinarayanasami	Non-Independent Non-Executive Director	Reappointment	28 th December 2020
Mr.R.Varadarajan	Wholetime Director	Reappointment	5 th June 2020
Mr.V.B.Gopal Krishnan	Chief Financial Officer	Resignation	16 th May 2020
Mr.C.S.Sathiyarayanan	Chief Financial Officer	Appointment	12 th November 2020

12) Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 the Board has carried out an annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its committees. The performance evaluation has been carried out as per the policy laid down by the Nomination and Remuneration Committee.

13) Number of Board meetings

During the year, 6 Board Meetings were convened and held, the details of which are given in the Corporate Governance Report.

14) Declaration given by Independent Directors

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

15) Whistle Blower Policy ('Vigil Mechanism')

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

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

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

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

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

17) Anti-Sexual Harassment Policy

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

During the calendar year ended 31st December 2020, no complaint was received under the policy.

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

18) Related Party Transactions

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

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

There have been no material changes & commitments between end of financial year and this report except the following:

The State Bank of India (lead lender) has sanctioned the Resolution Plan for restructuring the debt of the Company on 30th June 2021. Other five lender banks (Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited) have also given their sanctions independently and the last bank's sanction was received on 1st July 2021.

Pursuant to the sanctions, a Memorandum 'Framework Restructuring Agreement (FRA) dated 12th July 2021 was executed between the Company and six lender banks, for restructuring the debt of the Company with retrospective effect from 30th June 2020. Pursuant thereto, the Company has on 26th August 2021 executed the main subordinate documents for debt restructuring. In-principle approval for issue & allotment of equity shares had already been obtained from BSE & NSE on 9th August 2021. The Securities Allotment Committee of the Board has allotted Equity Shares and Debentures to the said lender banks on 27th August 2021 and detailed intimations were filed with both BSE and NSE. Effect has been given for the debt restructuring in the financial statements as on 31st March 2021 as required by Ind AS 10 being an adjusting event.

20) Managerial Remuneration

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

21) Remuneration Policy

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

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

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

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

22) Industrial Relations

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

23) Internal control systems and their adequacy

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

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

A detailed report as required under SEBI (Share Based Employee Benefits) Regulations, 2014 on the "RSCL Employees Stock Option Plan 2012" forms part of this report, as Annexure 4.

25) Secretarial Audit

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

26) Annual Return

According to the provisions of Section 92(3) of the Companies Act, 2013, read with Companies (Management and Administration) Rules, 2014, The Annual Return of the Company in Form MGT-7 has been placed on the website of the Company i.e. www.rajshreesugars.com.

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

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

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

The company has also transferred the equity shares of the shareholders who have not claimed dividend for the 7 years continuously, to the credit of IEPF in Form IEPF-4 on 6th December 2017. The shareholder may claim the said shares and dividend by following the procedures laid down in the website of IEPF Authority, viz. <http://www.iepf.gov.in/IEPF/Refund.html>

28) Directors' Responsibility Statement

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

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

29) Code of Conduct

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

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

30) Prevention of Insider Trading

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

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

31) Risk Management Policy

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

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

The details about the risks being faced by the Company are furnished in the 'Management Discussion & Analysis Report' (Annexure 6).

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

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

33) Compliance with Secretarial Standards

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

34) Acknowledgement

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

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

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 1738

SHEILENDRA BHANSALI
Director
DIN 595312

Place: Coimbatore
Date: 3rd September 2021

ANNEXURE 1**BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2021****A. CONSERVATION OF ENERGY**

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

At Unit-I, Varadaraj Nagar:

1. At the sugar mill: The insulation works were done at exhaust line, vapour line, clear juice line and a juice heater, in order to prevent heat losses.
2. At the sugar mill: The height of the Condensate line at Evaporator was reduced by 2.1 meter, in accordance with Barometric requirement.

The above measures resulted in saving of about 3.54% of steam per Metric Tonne (MT) Sugarcane crushed.

At Unit-II, Mundiampakkam

1. At the sugar mill: The operation hours of hot water Re-circulation Pump was reduced by 10 hours by using Auto Level Controller. This resulted in saving of 14,520 units of power per annum.
2. 3 numbers of Sodium vapour light fittings, 54 numbers of Tube light fittings and 3 numbers of Metal halide light fittings were replaced by LED tube light fittings. This resulted in saving of 9,460 units of power per annum.

At Unit-III, Semmedu

55 numbers of Tube light fittings, 80 numbers of Bulbs in Flameproof Flood Light Fittings (HPMV) and 15 numbers of Sodium Vapour light fittings were replaced with LED Light fittings/ bulbs. This resulted in power saving of 39,196 units from date of installation.

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

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

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

- | | |
|----------------|--------|
| 1) At Unit-I | – 2.60 |
| 2) At Unit-II | – 0.38 |
| 3) At Unit-III | – 0.66 |

B. TECHNOLOGY ABSORPTION

- i) The efforts made towards technology absorption;
- 1) Two set of trials through “Sweet Bloom” project, a collaborative study between SISMA Tamil Nadu and ICAR Sugarcane Breeding Institute, Coimbatore has been completed. A new high sugar variety viz., Co 11015 was selected from the first set of trials conducted during 2017-2019. This new clone recorded higher cane yield and high sugar in the initial and subsequent field studies and hence advanced to large scale planting especially at Unit II Mundiampakkam to replace the medium and low sugar varieties.
 - 2) The new variety Co 11015 was initially multiplied in 128 acres (1% of area). The farmers well accepted this variety because of its good early growth and good morphology of the crop and planted in 1294 acres (12 % of area) in one year (2019-20). Now harvesting of this cane is under progress. 572 acres of Co 11015 harvested now and it recorded the cane yield of 77.60 t ha⁻¹ which was 5.52 t ha⁻¹ higher over the ruling Co 86032 (72.08 t ha⁻¹). One BMT which conducted during the current main season (March 2021) with 9 month cane also recorded the expected recovery of 11.41 %. This was 0.97 % higher than the recovery % of Co 86032 (10.44 %).
 - 3) During the ongoing 2020-21 planting season, Co 11015 has occupied an area of 3180 acres (33 % of the total cane area). This has led to overall reduction in the medium and low sugar varieties % from 26 % to 11 % in two years with substantial increase in the high sugar variety to 79 % of the total area. Considering its better performance, this variety is now being multiplied at Gingee factory area also.
 - 4) The second set of Sweet Bloom clones study also completed and selected Co 12009, Co 14027, Co 17003 and Co 18009 based on comparative yield and quality and promoted for advanced stage of studies.
 - 5) Evaluation of 37 new sugarcane clones obtained from ICAR Sugarcane Breeding Institute, Coimbatore (2015 and 2016 series clones) is under various stages of trial both at Mundiampakkam and Varadaraj Nagar cane farm for yield and juice quality assessment.
 - 6) New set of 18 clones under All India Co-ordinated Research Project on Sugarcane (2017 series) were obtained from ICAR Sugarcane Breeding Institute, Coimbatore and are being multiplied at Varadaraj Nagar for further evaluation in 2022.
 - 7) New varietal evaluation study with Tamil Nadu Agricultural University has been initiated under Adaptive Research Trial (ART) programme and the study has been commenced both at Varadaraj Nagar and Mundiampakkam with 5 new clones and 3 standard varieties. First year plant crop study completed. Second year plant crop study and first ratoon study is under progress.
 - 8) Simultaneously new set of ART clones were also obtained from TNAU and taken up the first plant crop trial both at Mundiampakkam and Varadaraj Nagar as part of ART programme.
 - 9) Two new sugarcane varieties selected from previous varietal evaluation studies viz., VSI 12121 (VSI 08005) at Unit I Varadaraj Nagar and new auricle clone at Unit II Mundiampakkam is being multiplied for large scale evaluation for cane yield and quality at BMT level.

- 10) TC seedling of 0.20 lakhs were produced for breeder nursery programme. Only very few Indian sugar industries are having such system to produce disease free quality seed material for nursery system and the Rajshree Sugars in one among them.
- 11) Two years of (2018-2020) collaborative study with Rivulis Drip Irrigation Company to study the suitability of drip system for wetland soils revealed that the sub surface drip system recorded 8 to 10 tonnes / acre higher cane yield than the flood irrigation crop in wet lands. However the operations in drip irrigated wetlands were very difficult (due to seepage of water from the surrounded paddy fields) and more expensive. Wherever the wet land fields are not surrounded by paddy fields, the drip system is recommended.
- 12) SAMARTHA G Large scale evaluation study conducted and the results revealed that there is an yield increase of 2.29 tonnes /acre with the CCS increase of 0.06% in Samartha G applied plot over the current recommended practice of bio products application. Included in the large scale adoption.
- 13) Study on optimization of fertilizer level for new sugarcane variety Co 11015 has been taken up in R&D Farm at Mundiampakkam to optimize the dose and time of fertilizer application of NPK fertilizers as the early growth of this new variety is very fast.
- 14) A new pre-emergence herbicide viz., Authority NXT (Sulfentrazone 28% + Clomazone 30%) was tested in R&D Farm against cypress and cynodon grass weeds and found very effective in controlling the weeds up to 50 days of crop age with better crop growth. Hence extensive demo cum evaluation studies were taken up in farmer's field for large scale evaluation.
- 15) Integrated control measures combining sound, smell and physical barriers were tested against wild boar incidence. Finally identified the used "fish net fencing" is the best method in managing the wild boar incidence. Promoted this technology in more than 240 acres across all our units.
- 16) Alternate chemical evaluation for mite pest control was carried out as the existing recommended chemical has been banned by the Government. New chemical viz., Spiromesifen controlled the mite pest 100 % followed by bio pesticide Azadiractin and chemical pesticide Propargite.
- 17) Periodical monitoring of cane area through regular and mass pest and disease survey is being carried through R&D, Cane team and SBI Scientists. Forecast of the potential problem that may arise with recommendations of solutions is being given to farmers through cane team to manage the pest and disease problems.
- 18) Trained the cane team and farmers through series of field demonstrations for installation of sticky trap for ESB and INB pest management, Integrated method of Wild boar management, chip bud seedling production, vermi compost production technologies so as to improve the average cane yield and net income of the farmers
- 19) Presented the status report of all Rajshree Group units on Strategies for ratoon management, enhancing the agronomic performance of Co 11015, Current varietal position, performance of new sugarcane varieties and nursery in the 51th R&D Workshop held at Thiruchengode on 25th and 26th February, 2021.
- 20) The paper presented on "Current varietal position and Performance of new sugarcane varieties" at 51th workshop of Sugarcane Research and Development workers of Tamil

Nadu & Puducherry held at Thiruchengode bagged Best Presentation Award by the R&D Head Dr.S.Jayaram.

- 21) R&D Team participated in the webinar on 'Combating post-COVID-19 challenges in sugarcane sector through appropriate technologies and approaches' organized by the ICAR-Sugarcane Breeding Institute, Coimbatore on 25 June 2020 through Microsoft team online.
 - 22) Second year study on suitability of Sugar beet crop to Tamil Nadu condition was carried out. The seed material was obtained from a Belgium based company (SESVanderhave) and Global Agri Tech, Haryana and TNAU, Coimbatore is organizing sugar beet evaluation studies in Tamil Nadu. Two crop studies results recorded very low beet yield and juice CCS % and found as unviable crop to Tamil Nadu condition.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- 1) Two tier nursery system has been modified in to three tier nursery system and hence the overall TC seedling requirement for breeder seed nursery programme has been reduced. At the same time, Sugarcane Breeding Institute is also producing rejuvenated breeder seed material and supplying to all the sugar factories in Tamil Nadu for mass multiplication. Rajshree sugars is also getting the breeder seed material also from SBI, Coimbatore. Hence the own TC production facility has been redesigned to suit the new requirement of 0.25 lakhs seedling / year.
 - 2) Due to the above said changed scenario, existing TC lab has been converted in to mini TC lab at Varadaraj Nagar and started the TC seedling production. In growth room, the normal tube lights required for seedling production has been changed with LED lights. These interventions, reduced the power cost of the TC lab to the tune of Rs. 0.45 lakhs / month without compromising on seedling production.
 - 3) 104.09 tonnes of rejuvenated Co 86032 and new promising varieties Co 11015 and Co 0212 breeder seed material were obtained from Sugarcane Breeding Institute, Coimbatore catering the needs of all our three units for production of quality seed material to meet the nursery and bulk planting so as to facilitate for the higher cane yield to the farmers and higher CCS % to the mill.
 - 4) Pocket manuring was promoted for easy and placement of fertilizers near the root zone through a novel pocket manuring stick. This tool was made locally and given to farmers for large scale adoption and increased fertilizer use efficiency.
 - 5) The company is continuing its efforts in promotion of drip irrigation, trash shredding and trash mulching to improve the crop yield and save the crop from drought condition.
 - 6) Large scale adoption of a specific drought management practice of potash and micronutrient foliar spray through entrepreneurs resulted in mitigating crop moisture stress and preventing crop perishals.
 - 7) Initial extensive field studies with Chlorantraniliprole 18.5 % SC against the Early Shoot Borer (ESB) in sugarcane crop recorded the ESB incidence of <1% after 60 days of spray whereas the existing practice of application of Cartop hydro Chloride recorded more than 15 % of pest incidence. The crop growth, yield and juice quality was also better. Hence application of Chlorantraniliprole 18.5 SC @ 150 ml / acre has

been included in the sugarcane cultivation package. The chemical was also purchased and supplied to our farmers for large scale adoption in all our three units.

- 8) To control the rat menace, tested the snap trap for rat management in Unit III Gingee and found very effective. Recommended for large scale adoption in the farmer's field.
 - 9) Continual technology up-gradation of in-house R&D biological control agent production facilities and farmer- entrepreneur units resulted in coverage of 25 % of cane area across all units with eco-friendly biological control agents and significant reduction in pest incidence and better cost benefit to farmers.
 - 10) Power tiller and mini tractor usage has been enhanced among sugarcane farmers through entrepreneur concept for easy and cost-effective inter cultivation.
 - 11) Wider row planting is being promoted in all the units to increase the area under mechanized cane cultivation and mechanical harvest. Engaged sugarcane harvester from outside and harvested wider row fields to create awareness among the farmers and to overcome the cutting labours problem in future.
 - 12) Arrangement of purchase of harvester by our farmer cum entrepreneur through Govt. subsidy scheme (SMAM – Sub Mission on Agriculture mechanization) is under progress
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); Not Applicable.

C. The expenditure incurred on Research and Development: Rs.81.42 (Rs.114.06 lakhs)

D. FOREIGN EXCHANGE EARNINGS AND OUTGO:

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

	2020-21	<i>2019-20</i>
Foreign exchange earned	: Nil	<i>Nil</i>
Foreign exchange outgo	: Nil	<i>Nil</i>

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 1738

SHEILENDRA BHANSALI
Director
DIN 595312

Place: Coimbatore
Date: 3rd September 2021

ANNEXURE 2

BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2021

CORPORATE GOVERNANCE REPORT

1. Company's philosophy on Code of Governance

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

2. Board of Directors

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

- 1 Promoter Non-Executive Director Ms.Rajshree Pathy
- 1 Non promoter Executive Director Mr. R.Varadarajan
- 2 Non-Independent Non-Executive Directors Mr. Raja M.J.Abdeen
Dr. P.Surulinarayanamsami
- 4 Independent Directors Mr. Sheilendra Bhansali
Mr. S.Vasudevan
Mr. K.Ilango
Mr. S.Krishnaswami

b) During the year, 6 Board meetings were held respectively on 27th May 2020, 26th June 2020, 14th August 2020, 12th November 2020, 11th February 2021 and 19th March 2021.

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

Name of Director	No. of Board Meetings attended	Last AGM attended	In Board of other Companies		In Committee of other Companies	
			Member ship	Chairmanship	Membe rship	Chairma nship
Ms.Rajshree Pathy	6	Yes	8	--	-	-
Mr.R.Varadarajan	6	Yes	3	--	1	--
Dr.P.Surulinarayanamsami	6	Yes	2	--	--	--
Mr.Raja M.J.Abdeen	6	Yes	10	--	--	--
Mr.Sheilendra Bhansali	6	Yes	3	--	--	--
Mr.S.Vasudevan	6	Yes	-	--	--	--
Mr.K.Ilango	6	Yes	6	--	1	--
Mr.S.Krishnaswami	6	Yes	--	--	--	--

There is no inter-se relationship among the Directors.

d) Names of the listed entities where the person is a Director and the category of Directorship:

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

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

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

Core skills / expertise / competencies	Ms.Rajshree Pathy	Mr.R.Vara darajan	Mr.Raja MJ Abdeen	Dr.P.Suru linarayan asami	Mr.Sheilendra Bhansali	Mr.S.Vas udevan	Mr.K.Ila ngo	Mr.S.Krishna swami
Skills attributable to the Industry / Sector, in which the Company operates	Yes	Yes	Yes	Yes		Yes		
Financial Management Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administrative Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leadership Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills in relation to Company's Business Operations	Yes	Yes		Yes		Yes	Yes	
Business Strategy & Sales & Marketing	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication Skills and public relations	Yes	Yes		Yes	Yes	Yes	Yes	Yes
Decision making skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members and during the year, six meetings were held respectively on 27th May 2020, 26th June 2020, 14th August 2020, 12th November 2020, 11th February 2021 and 19th March 2021.

Name of Member	Category	No. of meetings attended
Mr.Sheilendra Bhansali, Chairman	Independent Directors	6
Mr.S.Vasudevan		6
Mr.K.Ilango		6
Mr.R.Varadarajan	Non Promoter Executive Director	6

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

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

The brief description of terms of reference is as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company
3. Approval of payment to statutory auditors for any other services rendered
4. Review of accounting and financial policies and practices
5. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems
6. Evaluation of internal financial controls and risk management systems

7. Reviewing with the management, the quarterly / annual financial statements and Auditors' Report before submission to the Board for approval
8. Approval or any subsequent modification of related party transactions
9. To review compliance with the provisions of SEBI (Prohibition of Insider Trading-PIT) Regulations, 2015 at least once in a financial year and shall verify that the systems for internal control are adequate and are operating effectively
10. To review the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision effectively
11. Other terms of reference included from time to time based on provisions of SEBI (LODR) Regulations, 2015

4. Nomination and Remuneration Committee (NR Committee)

The NR Committee consists of the following Directors as members and during the year, five meetings of the NR Committee were held on 27th May 2020, 26th June 2020, 14th August 2020, 12th November 2020 and 10th February 2021.

Name of Member	Category	No. of meetings attended
Mr.S.Vasudevan, Chairman	Independent Directors	5
Mr.Sheilendra Bhansali		5
Ms.Rajshree Pathy	Non-Executive Chairperson	5

The brief description of terms of reference is as follows:

1. To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/or removal.
2. To carry out evaluation of every Director's performance.
3. To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees
4. To formulate the criteria for evaluation of Independent Directors and the Board.
5. To devise a policy on Board diversity.
6. To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
7. To recommend to the Board, all remuneration, in whatever form, payable to senior management.
8. To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment or modification, as may be applicable.

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

5. Stakeholders' Relationship Committee (SR Committee)

During the year, one meeting of the Committee was held on 10th February 2021.

The SR Committee consists of the following Directors as members:

Name of Member	Category	No. of meetings attended
Mr.Sheilendra Bhansali, Chairman	Independent Directors	1
Mr.S.Krishnaswami		1
Mr.R.Varadarajan	Non Promoter Executive Director	1

Mr.M.Ponraj, Company Secretary is the Compliance Officer. No complaints were received from the shareholders during the year under review. As of 31st March 2021, there are no complaints/ queries/ pending reply. An exclusive email ID for addressing shareholders grievances, viz., investor@rajshreesugars.com is available.

The brief description of terms of reference is as follows:

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

6. Corporate Social Responsibility Committee (CSR Committee)

The CSR Committee consists of the following Directors as members and no meeting was required to be held during the year:

Name of Member	Category
Mr.S.Krishnaswami, Chairman	Independent Director
Mr.K.Ilango	Independent Director
Mr.R.Varadarajan	Non Promoter Executive Director

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

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

The Company was not required to incur any expenditure during the year on CSR in terms of Section 135 of the Act.

7. Share Transfer Committee

The Share Transfer Committee consists of the following officials as members and during the year, 2 meetings were held respectively on 9.12.2020 and 23.12.2020.

Name of Member	Category
Mr.R.Varadarajan, Chairman	Non Promoter Executive Director
Mr.Sheilendra Bhansali	Independent Directors
Mr.S.Krishnaswami	
Mr.K.Ilango	
Mr.M.Ponraj	Company Secretary
Mr.K.Narendra	Representatives of SKDC Consultants Limited, The Registrars and Share Transfer Agents

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

8. Compensation Committee

The Compensation Committee consists of the following Directors as members:

Name of Member	Category
Mr.S.Vasudevan, Chairman	Independent Directors
Mr.S.Krishnaswami	
Mr.K.Ilango	
MsRajshree Pathy	Non-Executive Chairperson

The Committee was formed to administer and superintendence of the Employee Stock Option Plan-2012 (ESOP) of the company. No meeting was required to be held during the year.

9. Independent Directors' meeting

During the year, one meeting of the Independent Directors was held on 11th February 2021 without the attendance of non-independent directors and members of management. All the independent directors attended the meeting.

The Independent Directors, at the meeting,

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

10. Remuneration of Directors

The remuneration paid to Directors for the financial year 2020-21 is furnished below: (Rs. in lakhs)

Managerial remuneration	Executive Director	Non-Executive Directors						
	Mr.R.Varadarajan	Ms.Rajshree Pathy	Dr.P.Suruli narayanas wami	Mr.Raja MJ Abdeen	Mr.Sheil endra Bhansali	Mr.S.Vasu devan	Mr.K.Ilango	Mr.S.Kris hnaswami
Salary	21.39	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-	-
Perquisites	1.81	-	-	-	-	-	-	-
Sitting Fees	--	--	--	--	--	--	--	--
Total		--	--	--	--	--	--	--
Details of performance linked incentive	-	-	-	-	-	-	-	-
Service Contracts	3 years	-	-	-	-	-	-	-
Notice period	3 months	-	-	-	-	-	-	-
Severance fees	-	-	-	-	-	-	-	-

On account of Covid-19, the Directors have waived the sitting fees since May 2020 meetings of the Board and Committees.

The payment of remuneration to the Whole Time Director upto 4th June 2020 was in terms of Resolution passed by the Company at the 31st Annual General Meeting held on 28th August 2017, the same is in accordance with the provisions of Section 197 of the Companies Act and is not in excess of the limit laid down under the said section. The payment of such remuneration has been approved by the Consortium of Bankers from whom the Company has availed loan facilities. Approval from Sugar Development Fund, the only other Secured Creditors has not been received till date as detailed in Note No 39 to the financial statements.

Mr.R.Varadarajan has been granted 1,01,088 Stock Options under the Company's Employee Stock Option Plan 2012 (ESOP 2012) at an exercise price of Rs.55.40 per stock option, in the year 2012. The stock options were not issued at discount. The exercise period would be a maximum of 4 years

from the date of vesting of options. All the said stock options granted were lapsed without exercising. No other Directors have been granted stock options.

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

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

Name of the Director	No. of Shares held	% to the total share capital of the company
Ms.Rajshree Pathy	1,13,17,313	40.18
Dr.P.Surulinarayanasami	11,31,107	4.02
Mr.Raja M.J.Abdeen	10,10,000	3.59
Mr.Sheilendra Bhansali	--	--
Mr.S.Krishnaswami	500	0.00
Mr.K.Ilango	--	--
Mr.S.Vasudevan	--	--

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

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

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

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

12. General Body meetings

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

Year	Location	Date	Time	No. of special resolutions passed
2018	Chamber Hall, Indian Chamber of Commerce & Industry, Coimbatore-641 018.	31.08.2018	10.00 AM	5
2019		30.09.2019	10.00 AM	1
2020	"The Uffizi", 338/8 Avanashi Road Peelamedu, Coimbatore 641 004 (deemed venue). The meeting was conducted through video conference.	28.12.2020	4.00 PM	2

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

13. Means of Communication

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

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

14. General shareholder information

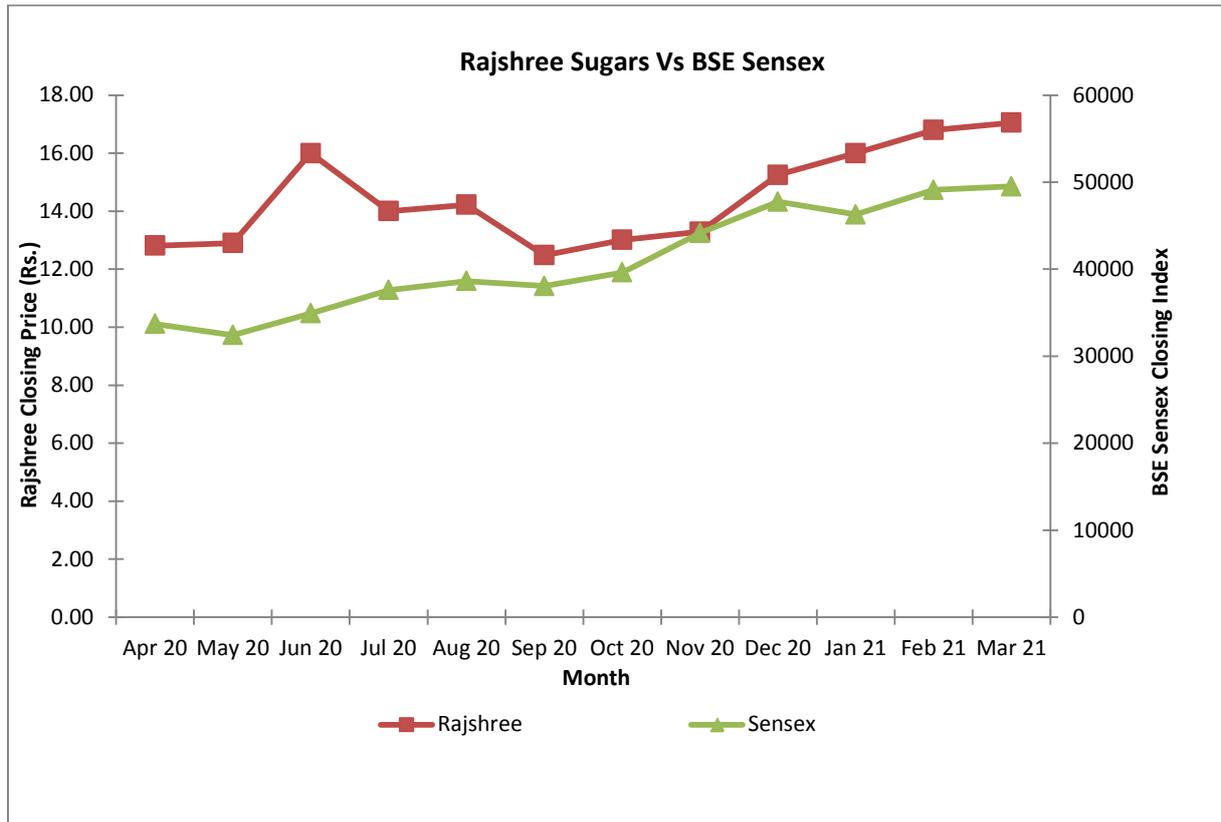
i. AGM – Date, time and venue	30 th September 2021 at 4 PM At The Uffizi, 338/8 Avanashi Road, Peelamedu Coimbatore Tamil Nadu 641004 (deemed venue) In view of the continuing precautions being taken to control the Covid-19 pandemic and pursuant to various circulars issued by the Ministry of Corporate Affairs, the meeting will be conducted only through video conference.
ii. Financial year	12 Months ending 31 st March
iii. Financial calendar 2021-22 First quarterly results Second quarterly results Third quarterly results Fourth quarterly and Audited yearly results	Before 14 th August 2021 Before 14 th November 2021 Before 14 th February 2022 Before 30 th May 2022
iv. Book Closure Date for AGM	24 th September 2021 to 30 th September 2021
v. Dividend	In view of the stressed financial position, your Directors have not recommended payment of dividend for the year 2020-21.
vi. Name and address of stock exchanges.	BSE Limited Phiroze Jeejeebhoy Towers Dalal Street Mumbai- 400001 National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E) Mumbai – 400 051 The company has paid listing fees to the above Stock Exchanges for the financial year 2021-22.
vii. Stock Code	500354 (BSE) RAJSREESUG (NSE)

viii. Market Price Data – High/Low during each month of the Financial Year 2020-21:

Amount in Rs.

Month	BSE		NSE	
	High	Low	High	Low
April 2020	19.58	12.11	19.65	11.90
May	14.10	11.75	14.00	11.55
June	18.00	12.27	17.90	12.40
July	16.50	13.90	16.90	13.30
August	15.90	13.15	16.15	13.15
September	14.90	12.35	14.70	11.95
October	13.95	11.60	13.90	11.25
November	13.90	11.75	13.90	11.60
December	17.65	13.29	18.45	13.10
January 2021	18.65	14.15	18.65	15.15
February	19.00	13.60	17.00	14.25
March	26.00	16.60	25.45	16.55

ix. Performance in comparison to BSE Sensex:



x. Registrars and Share Transfer Agents (for physical & demat shares)	M/s SKDC Consultants Limited (A wholly owned subsidiary of Link-in Time India Private Limited with effect from 05.03.2021) Kanapathy Towers, 3rd Floor 1391/A-1, Sathy Road, Ganapathy Coimbatore 641 006.
xi. Share transfer system	Share transfers are registered and returned within a period of 30 days from the date of receipt, if the documents are clear in all respects, by the Committee which meets regularly. As per SEBI Circulars dated 20 th April 2018 and 16 th July 2018, no transfer was executed in physical mode during the year except the processing of the application/s received on or before 31 st March 2019.

x. Registrars and Share Transfer Agents (for physical & demat shares)	M/s SKDC Consultants Limited (A wholly owned subsidiary of Link-in Time India Private Limited with effect from 5.3.2021) "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028.
xi. Share transfer system	No transfer was executed in physical mode during the year as per SEBI Circulars dated 20 th April 2018 and 16 th July 2018.

xii. Distribution of shareholding as on 31st March 2021:

Range of shareholding	No. of Folios	No. of shares held	% of shareholding
Upto 5000	17,453	53,38,321	18.95
5001 to 10000	95	7,14,240	2.54
10001 to 20000	45	6,48,390	2.30
20001 to 30000	19	4,56,123	1.62
30001 to 40000	8	2,91,771	1.04
40001 to 50000	5	2,24,317	0.80
50001 to 100000	5	3,58,532	1.27
100001 and above	23	2,01,35,986	71.48
Total	17,653	2,81,67,680	100.00

 xiii. Shareholding pattern as on 31st March 2021

Category	No. of Folios	No. of shares held	% of shareholding
Promoters and Promoters Group *	4	1,34,73,621	47.83
Directors & Relatives **	3	3,45,461	1.23
Mutual funds and UTI	4	4,900	0.02
Banks, Financial institutions and insurance companies	4	1,400	0.01
Corporate bodies	183	13,26,811	4.71
Indian public	17,341	1,02,22,091	36.29
NRIs and OCBs ***	112	23,01,906	8.17
IEPF Authority	1	4,88,308	1.73
Unclaimed Share Suspense Account	1	3,182	0.01
GDRs	-	-	-
Total	17,653	2,81,67,680	100.00

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

** Excludes shareholding of NRI Directors and their relatives (21,71,107 shares).

*** Includes 21,71,107 shares of NRI Directors and their relatives.

xiv. Dematerialization of shareholding and liquidity	92.58% of total equity share capital is held in dematerialized form with NSDL and CDSL.
xv. Outstanding GDR/ADR/ Warrants or any convertible instruments, conversion date and impact on equity	NIL
xvi. Plant locations	<p><u>Unit I – Sugar, Cogeneration & Distillery</u> Varadarajnar PO, PIN 625 562. Periakulam Taluk, Theni District</p> <p><u>Unit II - Sugar & Cogeneration</u> Mundiampakkam PO, PIN 605 601. Vikravandi Taluk, Villupuram District</p> <p><u>Unit III – Sugar, Cogeneration & Distillery</u> Semmedu Village, Gingee Taluk, PIN 604 153, Villupuram District</p>
xvii. Address for correspondence	<p><i>"The Uffizi"</i>, 338/8 Avanashi Road Peelamedu, Coimbatore 641 004. Phone: 0422-4226222 Email ID: investor@rajshreesugars.com</p>

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

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

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

Government in June 2018 has fixed a minimum selling price of sugar at Rs.29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar. Later the price was increased to Rs.31 per kg in February 2019 and continued to be operative during the period April 2020 to March 2021. The Government also continued the release order mechanism for controlling the sugar that can be sold in the market. This has helped in arresting the free fall of sugar price.

Government has also allowed 6 million tons of export of sugar for the sugar season 2020-21 supported with an export subsidy of Rs.6000 per ton (this is based on the prevailing net export price for the exportable sugar to match the MSP of sugar available for domestic sales) to clear the excess stock of sugar which will increase or stabilize the domestic price.

15. Various Policies of the Company

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

16. Payment to Auditors

Total Fees for all services (excluding out of pocket expenses) paid by the Company to the Statutory Auditors and all entities in the network firm/network, for the year ended 31st March 2021: Rs.7.75 lakhs (Rs.8.06 lakhs).

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

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

18. Familiarization Program for Independent Directors

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

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

19. Related party transactions

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

20. Other Disclosures

- a) There are no material related party transactions that may have potential conflict with the interests of the Company at large.
- b) The company has complied with all requirements and no penalty or strictures have been imposed / made on the company by Stock Exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- c) The Company has complied with all the mandatory requirements of the various Regulations of SEBI (LODR) Regulations, 2015, except certain delay in filing documents due to Covid-19.

- d) Investor complaints of non-receipt of dividends, non-receipt of annual reports, etc. forwarded by SEBI are periodically resolved and uploaded into SCORES (SEBI Complaints Redressal System) website and no complaints were pending during the year under review.
- e) The Company has fulfilled non-mandatory requirement, namely, the Financial Statements are unqualified.
- f) The Board hereby confirm that all the Independent Directors have fulfilled the conditions specified under SEBI (LODR) regulations, 2015; and they are totally independent of the management.
- g) Disclosure with respect to demat suspense account / unclaimed suspense account.

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

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

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

21. Prevention of Insider Trading

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

22. CEO/CFO Certification

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

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 1738

SHEILENDRA BHANSALI
Director
DIN 595312

Place: Coimbatore
Date: 3rd September 2021

APPENDIX – 1**Declaration under Schedule V (D) of Regulation 34(3) of SEBI (LODR) Regulations by the Wholetime Director**

The Shareholders,

I, R.Varadarajan, Wholetime Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Board of Directors and Senior Management personnel of Rajshree Sugars & Chemicals Limited, for the financial year ended 31st March 2021.

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 1738

Place: Coimbatore

Date: 3rd September 2021

APPENDIX – 2**CEO / CFO CERTIFICATION**

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

- a. We have reviewed the financial statements of the company for the financial year ended 31st March 2021, and that to the best of our knowledge and belief, we state that:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
 - ii. these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company’s Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
 - i. significant changes, if any, in internal control over financial reporting during the year;
 - ii. significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - iii. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company’s internal control system over the financial reporting.

R VARADARAJAN
Wholetime Director
DIN 1738

C S SATHIYANARAYANAN
Chief Financial Officer

Place: Coimbatore

Date: 3rd September 2021

APPENDIX – 3**AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE**

To

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

We have examined the compliance of conditions of Corporate Governance by Rajshree Sugars & Chemicals Limited ("the company"), for the year ended March 31,2021 as per relevant Regulations of the securities and Exchange Board of India (Listing obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility

The compliance of conditions of Corporate Governance is the responsibility of the Management. 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

Our responsibility is limited to examining the 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.

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 and the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India, which requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagement.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as specified in the relevant Regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), as applicable-during the year ended 31 March, 2021. We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

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

K. RAGHU
Membership No.011178
Partner, Auditor
UDIN 21011178AAGY6146

Place: Coimbatore
Date: 3rd September 2021

APPENDIX - 4

Certificate from the Company Secretary in Practice

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **M/s RAJSHREE SUGARS & CHEMICALS LIMITED** (CIN: L01542TZ1985PLC001706), located at 'The Uffizi', 338/8 Avanashi Road, Peelamedu, Coimbatore-641 004 and also the information provided by the Company, its officers, agents and authorized representatives, I hereby report that during the Financial Year ended on March 31, 2021, in my opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by SEBI / Ministry of Corporate Affairs or any such Statutory authority.

G. SOUNDARRAJAN

Practicing Company Secretary

ACS - 13993 - C.P.No.4993

UDIN :A013993C000484617

Place : Coimbatore

Date: 18th June 2021

ANNEXURE 3

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

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

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

SN	Name of officials	Ratio
1.	Mr.R.Varadarajan, Wholetime Director #	Not Applicable

(Remuneration was paid upto 4th June 2020)

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

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

SN	Name of Director / Official	% increase / decrease (-)
1.	Mr.R.Varadarajan, Wholetime Director	Not Applicable
2.	Mr.V.B.Gopal Krishnan, Chief Financial Officer (Upto 16.5.2020)	Not Applicable
3.	Mr.C.S.Sathiyarayanan, Chief Financial Officer (From 7.5.2020)	Not Applicable
4.	Mr.M.Ponraj, Company Secretary	-8.18

- 3) The percentage increase in the median remuneration of employees in the financial year;
3.41%

- 4) The number of permanent employees on the rolls of Company as on 31st March 2021: 828

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

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

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

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

Name / Age	Designation of the Employee / Duties	Remuneration Rs in lakhs	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr.Varadarajan R 63 Years	Wholetime Director	23.20 (upto 4 th June 2020)#	Master's Degree in Business Management and English Literature – 41 Years	05-Jun-2003	PSG Institutions
Mr.Sathiyamoorthi G 58 Years	President	38.45	B.Sc., ADSI – 36 Years	05-Nov-1990	Sirugappa Sugars & Chemicals Limited
Mr.Narayan R K 52 Years	Senior Vice President – Sales & Marketing	34.25	B.Com., PGDBA – 27 Years	26-May-2010	EID Parry (India) Limited

Name / Age	Designation of the Employee / Duties	Remuneration Rs in lakhs	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr.Ramesh S M 51 Years	Vice President	30.04	BE Mechanical, BOE – 24 Years	11-Dec-2009	GMR Industries
Mr.Karthikeyan M 53 Years (Relieved on 15 th May 2021)	Vice President	27.28	BE (Mechanical), ANSI, BOE - 31 Years	09-Oct-2000	South India Sugars Limited
Mr.Kathiravan V 59 Years	General Manager – Cane	19.25	B.Sc., Agriculture – 35 Years	01-Apr-2002	South India Sugars Limited
Mr.Sathiyarayanan C S 50 Years	Vice President (Finance) from 7-May-2020 to 11-Nov-2020 Chief Financial Officer from 12-Nov-2020	19.10	ICWA, CA Inter, B.Com – 20 Years	07-May-2020	Jeyyam Global Foods Private Limited
Mr.Thanga Thiruppathi M 56 Years	Senior Deputy General Manager - IR	18.14	MBA, PGD in PMIR, B.LL – 30 Years	03-Aug-2011	EID Parry (India) Limited
Mr.Stephen Francis A 51 Years	General Manager - HR	17.67	BA History, MA Social Work – 28 Years	13-Oct-2010	EID Parry (India) Limited
Mr.Sudhakar V K 61 Years	General Manager- Finance	17.39	B.Com, CA Inter – 32 Years	22-Feb-1996	C.P.R.M.Steel Limited

The payment of remuneration to the Whole Time Director upto 4th June 2020 was in terms of Resolution passed by the Company at the 31st Annual General Meeting held on 28th August 2017, the same is in accordance with the provisions of Section 197 of the Companies Act and is not in excess of the limit laid down under the said section. The payment of such remuneration has been approved by the Consortium of Bankers from whom the Company has availed loan facilities. Approval from Sugar Development Fund, the only other Secured Creditors has not been received till date as detailed in Note No 39 to the financial statements.

Notes:

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

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 1738

SHEILENDRA BHANSALI
Director
DIN 595312

Place: Coimbatore
Date: 3rd September 2021

ANNEXURE 4

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2021

Statement as at March 31, 2021, pursuant to (Disclosure in the Directors' Report) SEBI (Share Based Employee Benefits) Regulations, 2014		
A. Summary of Status of ESOPs Granted		
The position of the existing schemes is summarized as under -		
	Particulars	RSCL Employee Stock Option Plan 2012
1	Date of Shareholder's Approval	10th October 2012
2	Total Number of Options approved under ESOPs	11,89,585
3	Vesting requirement	(i) 50% of options due for vesting on each vesting date shall vest on the basis of time i.e. mere continuance of employment as on date of vesting; and(ii) 50% of options due for vesting on each vesting date shall vest on the basis of achievement of individual key result areas set at the beginning of each financial year preceding the financial year in which the individual vesting date falls.
4	Exercise Price or Pricing Formula	-
5	Maximum term of Options granted	8 years
6	Source of shares	Primary
7	Variation in terms of ESOP	No Variation
8	Method used to account for ESOP	Intrinsic Value Method

B Option Movement during the year 2020-21			
Sr. No.	Particulars	Number of Options	Wt. Avg Exercise Price
1	Options Outstanding at the Beginning of the Year	1,25,014	55.40
2	Number of Options Granted during the Year	0	NA
3	Options Forfeited/Surrendered during the Year	0	NA
4	Options Vested during the Year	0	NA
5	Options Exercised during the Year	0	NA
6	Options Lapsed during the Year	1,25,014	55.40
7	Total Number of Shares arising as a result of Exercise of Options	0	NA
8	Money Realised by Exercise of Options (Rs. In Lakhs)	0	NA
9	Options Outstanding at the End of the year	0	NA
10	Options Exercisable at the End of the year	0	NA

C. Employee-wise details of options granted during the financial year 2020-21 to:	
(i) Senior managerial personnel :	
Name	No. of Options Granted
No Options Granted during the Year	
(ii) Employees who were granted, during the year, options amounting to 5% or more of the options granted during the year	

Name	No. of Options Granted
No Options Granted during the Year	

(iii) Identified employees who were granted option, during the year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant.

Name	No. of Options Granted
No Options Granted during the Year	

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

	(5.25)
--	--------

E. Weighted average exercise price of Options granted during the year whose	
(a) Exercise price equals market price	N/A
(b) Exercise price is greater than market price	N/A
(c) Exercise price is less than market price	N/A

Weighted average fair value of options granted during the year whose	
(a) Exercise price equals market price	N/A
(b) Exercise price is greater than market price	N/A
(c) Exercise price is less than market price	N/A

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

	Nil
--	-----

G. Weighted average remaining contractual life

Exercise Price Range (Rs.)	Years
0-100	Nil
100-200	Nil
200-300	Nil

H. Net Income

Particulars	Rs.
Net Income as reported (Rs. in Lakhs)	(1,599.12)
Less: Fair Value Compensation Cost	0.00
Net Income (Rs. in Lakhs)	(1,599.12)

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

The fair value has been calculated using the Black Scholes Option Pricing model
The Assumptions used in the model are as follows:

Date of grant	
1. Risk Free Interest Rate	No Options Granted during the Year
2. Expected Life (in years)	
3. Expected Volatility	
4. Dividend Yield	
5. Price of the underlying share in market at the time of the option grant (Rs.)	

For and behalf of the Board

R VARADARAJAN

Wholetime Director

DIN 1738

Place: Coimbatore

Date: 3rd September 2021

SHEILENDRA BHANSALI

Director

DIN 595312

ANNEXURE 5

TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH, 2021

SECRETARIAL AUDIT REPORT

(Form No.MR-3)

FOR THE FINANCIAL YEAR ENDED ON 31ST 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. RAJSHREE SUGARS & CHEMICALS LIMITED
Coimbatore.

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March, 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 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;
- v) The Regulations and Guidelines prescribed under the Securities and

Exchange Board of India Act, 1992 ('SEBI Act') (as amended up-to-date) (wherever applicable) viz. :-

- 1) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - 2) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - 3) The Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014;
 - 4) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - 5) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (as amended up-to-date)
 - 6) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - 7) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- vi) and the following Acts and Rules specifically applicable to a Sugar Industry viz.,
1. Agricultural and Processed Food Products Act, 1985
 2. Acts and Rules prescribed under prevention and control of pollution, environmental protection and energy conservation.
 3. Essential Commodities Act, 1955,
 4. Export (Quality Control and Inspection) Act, 1963,
 5. Food Safety and Standards Act, 2006 and Rules, 2011
 6. Indian Electricity Act, 2003
 7. The Indian Boilers Act, 1923
 8. Levy Sugar Price Equalization Fund Act, 1976
 9. Sugar Development Fund Act, 1982
 10. Sugar Cess Act, 1982,
 11. Sugarcane (Control) Order, 1966
 12. The Sugar (Control) Order, 1966
 13. The Sugar (Packing & Marking) Order, 1970,
 14. The Tamil Nadu Molasses Control and Regulation Rules, 1958,
 15. The Tamil Nadu Distillery Rules, 1981
 16. Other local laws as applicable to various plants and offices.

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

- a) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- b) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013

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

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

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

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

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

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

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

I further report that during the audit period there were no specific instances in respect of following except item No.1

- 1) Public /Rights /Debentures/Sweat Equity
- 2) Redemption/Buy Back of Securities
- 3) Foreign Technical Collaboration
- 4) Major decisions taken by measures in pursuance of section 180 of the Companies Act, 2013

Place: Coimbatore
Date : 3rd September 2021

Name : **G.Soundarrajan**
Designation : Practicing Company Secretary
ACS-13993-C.P. No. 4993
UDIN : A013993C000885809

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

'Annexure A'

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

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

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

Place: Coimbatore

Name : **G.Soundarrajan**

Date : 3rd September 2021

Designation : Practicing Company Secretary
ACS-13993-C.P. No. 4993

UDIN : A013993C000885809

ANNEXURE 6**TO BOARD'S REPORT FOR THE YEAR ENDED 31ST MARCH 2021****MANAGEMENT DISCUSSION AND ANALYSIS****Industry Scenario and Development****Global Sugar Outlook**

According to International Sugar Organization (ISO), global sugar production in 2020-21 (Oct to Sep) is estimated to be at 169.235 million tons down 1.921 million tons from the previous season while the consumption that is expected to grow by 2.103 million tons from the previous season is now pegged at 172.377 million tons as against 170.274 last year. The overall global deficit (the difference between global consumption and production) is anticipated to be around 3.142 million tons. The stock as at the end of the sugar season 2020-21 is projected to be at 94.215 million tons, down from the stock as at the beginning of the sugar season 2020-21 by 3.396 million tons.

Sugar Sector in India

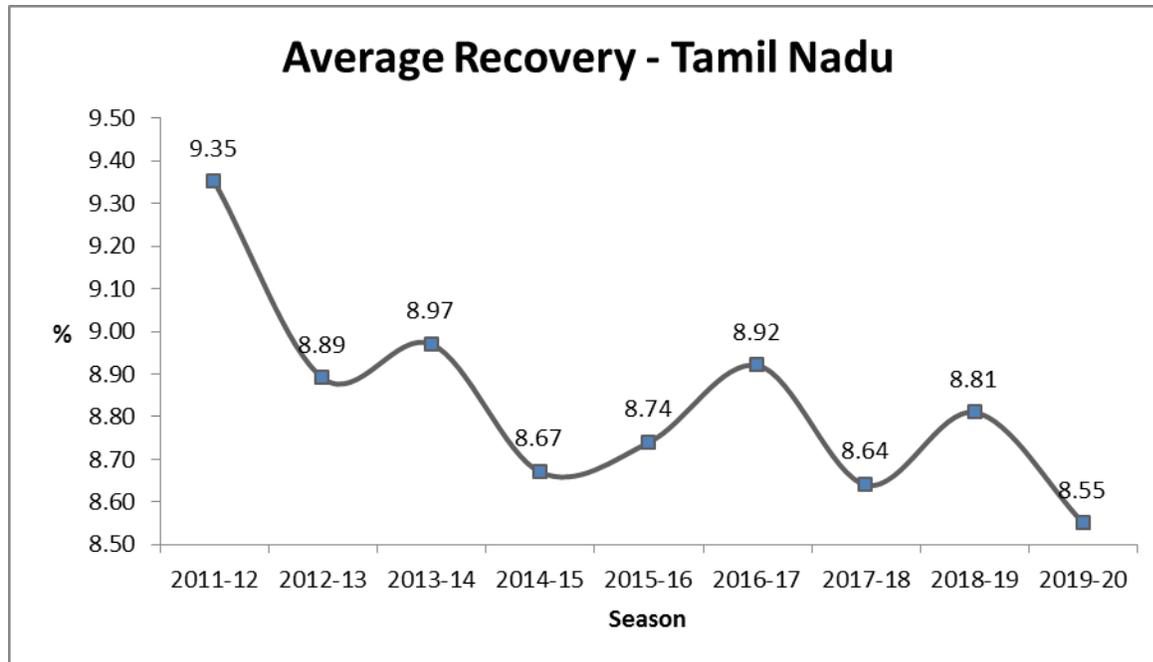
It is estimated that the sugar production for the sugar season 2020-21 is 30.2 million tons up by 0.278 million tons from the previous year. With the consumption which is assumed to remain unchanged from the last year is estimated to be around 26 million tons and with the exports of around 6 million tons the closing stock is expected to be in around 8.94 million tons as compared to the opening stock of 10.74 million tons.

Sugar Sector in Tamil Nadu

Failure of northeast monsoon in TN for the past prior to 2019 has affected the sugar industry hardest as there had been a drastic depletion in ground water levels, which is the primary source of irrigation for the sugar cane farmers. The acute water stress has had an adverse effect in multiple ways. This has severely impacted the cane availability, capacity utilization and recovery.

The severity of its impact on the cane availability and the capacity utilization from 2013-14 season is illustrated below:

Sugar Season	Cane Crushed	Sugar Production	Capacity Utilization %
2011-12	254.55	23.79	99
2012-13	214.57	19.07	84
2013-14	157.60	14.13	61
2014-15	140.50	12.18	55
2015-16	155.86	13.61	61
2016-17	119.04	10.65	46
2017-18	81.42	7.00	31
2018-19	108.54	9.55	39
2019-20	92.20	7.89	32



- The continuous five years of monsoon failure has led to a massive shrinkage in cane area and thereby a reduction in cane availability.
- Due to low cane availability and consequent abysmally poor capacity utilization, there is a big gap between FRP payable and RSF value which mills are unable to bridge.
- Current market price for sugar is around Rs.3,200/- per quintal. At 8.6% average sugar recovery, the RSF value (@75% of realization from sugar sales), works out to Rs.2,064/- per ton of cane. But FRP payable is Rs.2,707.50 per ton of cane at 9.5% recovery. The gap between FRP payable and RSF value is Rs.643.50 per ton of cane.
- For the past three seasons, the capacity utilization is less than 40%. Cane availability estimates indicate that the capacity utilization during the current season will also be less than 40%. Gross under-utilisation of capacities has resulted in sub-optimal production of sugar, power and alcohol.
- Accordingly, the incidence of fixed cost has more than tripled compared to normal times, leaving correspondingly lower amount in the hands of mills for cane payment.
- Poor capacity utilization results in higher cost of production. Cost of production of sugar for TN mills is around Rs.43/- per kg whereas the sales realization is Rs.32/- per kg which will impact the mills' ability to pay cane price on time.
- Acute water stress has telling impact on sugar recovery also. Average Sugar recovery rate for the past five seasons, hovers around 8.6%
- TN sugar mills will have to pay FRP at 9.5% irrespective of the actual sugar recovery. In other words, TN sugar mills will have to pay for 95 kgs of sugar whereas actually they recover only 86 Kgs.

- The loss works out close to Rs.300/- per ton of cane crushed.

Due to the deficit rainfall over past seven years and more particularly after the droughts in 2016 and 2018, the cane crushing in your company had dropped to 6.21 lakh tons in FY 19 from 28.4 Lakh tons in FY 2013. Your company which could neither generate adequate revenue and cash flows to pay cane price to the farmers nor could service and repay the loans taken from Banks was consequently categorized as a Non-Performing Asset (NPA) in the month of June' 2018.

However, the good monsoon rains in 2019 and 2020 have revitalized agricultural operations in the state and the sugar sector too has benefitted and our company has recorded a 50% increase in cane crushing from 6.21 lakh tons in Financial year 2019-20 to 9.41 lakh tons in Financial year 2020-21. The forecast from IMD is positive for the current year 2021 too.

The company which had submitted a proposal for restructuring of bank loans has been accepted in principle by the banks terming us a potentially viable unit. This is after taking into consideration the growth in the cane availability and better capacity utilization compared to the last year. The lead bank has accorded their sanction for the Restructuring Proposal on 20th May 2021. Documentation is under process and will be completed after receiving approvals from the other lenders.

Government of India Sugar Policies

The Government had announced a slew of measures to revive the sugar industry last year:

a) Minimum Sale Price of Sugar and Release Order mechanism.

Announced a scheme with a view to facilitate export of sugar during the sugar season 2020-21 thereby improving the liquidity position of sugar mills enabling them to clear cane price dues of the farmers, wherein it notified the scheme for providing assistance to sugar mills to compensate the expenses on export of sugar.

- For marketing including handling, quality up-gradation, debagging and re-bagging and other processing costs – Rs.1,600/- per MT
- For internal transport and freight charges including loading, unloading and fobbing costs – Rs.2,400/- per MT
- For ocean freight against shipment from Indian ports to destination ports - Rs.2,000/- per MT.

In all a total of Rs.6,000/- per MT.

In addition to this the Government also allowed for swapping of the MIEQ quota between the mills wherein the export quota could be swapped for an equivalent additional domestic release quota.

Your company was able to swap its export quota of 12,166 MT for a consideration of Rs.1,500/- per ton.

b) Ethanol

The Central Government has an ambitious target of achieving 20% blending of locally produced Ethanol with petrol by the year 2023. To enable this, it allowed the sugar mills to produce ethanol from Cane Juice by amending the provision of Sugarcane Control Act, 1966. This would certainly reduce the burden of overstocking of sugar and thereby improve the cash flow position of sugar mills in the ensuing years.

c) Tamil Nadu state sugarcane policy

During the year, the Tamil Nadu (TN) Government paid a transitional production incentive of Rs.137.5/- per MT of sugarcane, directly to the bank account of farmers of Varadarajnagar, Mundiampakkam, and Semmedu, who had supplied sugarcane during 2019-2020 sugar season, to bridge the difference between FRP and the higher SAP announced earlier by the State Government.

The government also has come out with a notification of transport subsidy of Rs.100/- per ton of cane for transport from the field to the factory for the sugar season 2019-20.

Under Micro Irrigation scheme, the Tamil Nadu Government has for the first time increased its subsidy for drip irrigation to cover 100% of costs under its sustainable sugarcane initiatives.

d) Other measures of Central and State Governments

TANGEDCO is being given central assistance of Rs.30,000 crores to clear all dues to independent power producers including renewable power producers. The State is also obligated to revise its power tariff periodically in future and arrange a mechanism to ensure timely payment to all independent power producers. The sugar mills would be getting its dues within a reasonable time.

With active lobbying by SISMA the State Government has granted ways and means advance to TANGEDCO to enable it to clear its dues to power purchased from sugar co-generation plants with a direction that the amount shall be paid directly to sugarcane farmers under direct benefit transfer (DBT). RSCL's farmers have received a sum of INR.18.50 Crore in May, 2020.

Opportunities & Threats

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

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

Sugarcane Price

The Central Government has increased the 2020-21 season's FRP to Rs.285/- per quintal for a basic recovery rate of 10% providing a premium of Rs.2.85 per quintal for each 0.1 % increase in recovery over and above 10%. They also allowed a discount of Rs.2.85 per quintal for every

0.1 % decrease in recovery from 10 % to 9.5%. However, in case of the mill with a recovery of lower than 9.5%, the price has been fixed at Rs.270.75 per quintal for the 2020-21 season. This policy of differentiating the price based on the recovery would help the Tamil Nadu mills as most of the mills normally operate at less than 9.5% recovery.

In the State of Tamil Nadu, the revenue sharing model of sugarcane price fixation under “Tamil Nadu Sugarcane (Regulation of Purchase Price) Act 2018” has been legislated.

This is a welcome step which could help in eliminating the mismatch between the sugar price realization and the cane price paid and thus stabilize the long term viability of the company when implemented.

Power

The Power Purchase Agreement (PPA) which was in vogue for 15 years expired last year and was extended for just one year. On refusal of any further extension, your company explored sale of power to the third party buyers, identified and started sale directly to the third party buyers for the factory at Mundiyampakkam. This has ensured that a faster realization of power dues and hence a better working capital management.

Ethanol

The Central Government has fixed higher ethanol price derived from different sugarcane based raw materials under the Ethanol Blended Petrol (EBP) Program for the forthcoming sugar season 2020-21 during Ethanol Supply Year (ESY) 2020-21 from 1st December 2020 to 30th November 2021:

1. The price of ethanol made from C heavy molasses be increased from Rs.43.75 per liter to Rs.45.69 per liter
2. The price of ethanol made from B heavy molasses be increased from Rs.54.27 per liter to Rs.57.61 per liter
3. The price of ethanol made from sugarcane juice / sugar / sugar syrup be increased from Rs.59.48 per liter to Rs.62.65 per liter.

Outlook

While Tamil Nadu has had a dismal sugar production of 0.79 million tons because of low sugarcane availability, the country as a whole had produced 27.42 million tons in the season 2019-20, leaving a large surplus of 10.64 million tons. The country is set to produce 30.20 million tons in the current season 2020-21. With a strong export possibility of 6 million tons and a consumption figure of 26 million tons (normal year consumption in line with a YoY growth) would leave the country with a closing stock 8.94 million tons. Therefore, sugar prices would be anchored around the Minimum Support Price fixed by the Government of India. Nonetheless, monsoon and Government policy on sugar would continue to have a significant bearing on the prospects of the industry in the coming years.

Risks Analysis

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

For managing such risks emanating from such a volatile environment, your company has put in place dynamic and robust management process for review at periodic intervals.

Sugarcane Availability

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

Risk Mitigation

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

Sugar Price Realization Risk

Sugar being a commodity is prone to price volatility. This could have an adverse effect during a year of over production. This coupled with higher cane price affects profitability.

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

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

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

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

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

- a. The Government of India had allowed 6 million tons of export under Maximum Admissible Export Quantity (MAEQ) scheme for the 2020-21 sugar year with each Mill being allocated a certain fixed quantity.
- b. The government of India also announced the swapping of MAEQ quota.
- c. The Government of India had announced an export subsidy of Rs.6000 per ton of sugar exported during the 2020-21 sugar season.
- d. The Government of India has also continued the monthly sugar release mechanism to control sugar supply to the domestic market for the 2020-21 season.
- e. The Government of India had announced Minimum Selling Price (MSP) of Rs.31/- per kg, below which the mills cannot sell sugar.

Risk mitigation

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

The Company had challenged the monthly sugar release mechanism, before the court of law and got an interim order in favour of the Company. This enables the company to sell sugar as required to meet operational expenditure.

Financial liquidity risk

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

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

Since the Company has been declared NPA in June 2018, it is operating without working capital facilities, and has to continuously sell inventory to maintain cash flows. This situation will continue till the company's account is upgraded as standard with the lenders.

Risk mitigation:

The State Bank of India (lead lender) has sanctioned the Resolution Plan for restructuring the debt of the Company on 30th June 2021. Other five lender banks (Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited) have also given their sanctions independently and the last bank's sanction was received on 1st July 2021.

Pursuant to the sanctions, a Memorandum 'Framework Restructuring Agreement (FRA) dated 12th July 2021 was executed between the Company and six lender banks, for restructuring the debt of the Company with retrospective effect from 30th June 2020. Pursuant thereto, the Company has on 26th August 2021 executed the main subordinate documents for debt restructuring. In-principle approval for issue & allotment of equity shares had already been obtained from BSE & NSE on 9th August 2021. The Securities Allotment Committee of the Board has allotted Equity Shares and Debentures to the said lender banks on 27th August 2021 and detailed intimations were filed with both BSE and NSE. Effect has been given for the debt restructuring in the financial statements as on 31st March 2021 as required by Ind AS 10 being an adjusting event.

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

Internal control systems and their adequacy

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

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

Human Resources

The Management Staff Strength as on 31st March 2021 is 182, and the Non-Management Staff strength as on that date is 646. Industrial Relations are cordial and there is no significant development.

Financial performance with respect to operational performance

Operational Performance

Particulars	Year ended		% Increase (Decrease)
	31.3.2021	31.03.2020	
Cane Crushed (MT)	9,40,684	6,21,039	51.45
Recovery %	8.64	8.54	0.10
Sugar Production (MT)	81,282	53,063	53.18
Sugar Sales (MT)	67,953	69,240	(1.86)
Power Production (Lakh Kwh)	1,134	760	49.21
Power Export to Grid (Lakh Kwh)	673	462	45.67
Alcohol Production (Lakh Litres)	181.66	137.42	32.19

* Absolute change

Financial Performance- Segment Wise

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

(Rs.in lakhs)

Particulars	31.3.2021	31.3.2020
Sales Turnover		
Sugar	26,567.69	24,635.47
Co-generation	4,576.09	2,679.16
Distillery	9,912.69	8,461.60
Less: Inter Segment revenue	4,693.83	3,027.97
Net Sales / Income from Operations	36,362.54	32,748.26
Profit / (Loss) before tax		
Sugar	(2,965.73)	(3,237.24)
Co-generation	1,874.27	562.20
Distillery	2,838.11	2,511.43
Less: i. Interest	2,924.78	5,778.83
ii. Other un-allocable expenditure	401.89	1,100.40
Add: Exceptional Income	-	-
Profit /(Loss) before tax	(1,580.02)	(7,042.84)

Ratio's where there has been significant change from the Financial Year 2019-20 to Financial Year 2020-21:

Sl. No.	Key Profitability Ratios	FY 2020-21	FY 2019-20	Remarks
1.	EBITDA/Sales % (Operating Profit Margin)	10.79%	3.73%	Operating EBITDA for the year 2020-21 has been recorded at Rs.37.77 crores as against Rs.12.20 crores for year 2019-20. This is due to increase in cane crushing from 6.21 lac MTs to 9.41 lac MTs and recovery from 8.54% to 8.64%. Further, during the year 2020-21, the Tamil Nadu State Government has granted a transport subsidy of Rs.100 per MT, for the sugar season 2018-19 and 2019-20, towards the sugarcane transported from the field to the sugar factory amounting to Rs.13.66 crores. This has also led to the improved EBITDA.
2.	Net Profit Margin (%)	-4.51%	-21.51%	Interest cost for the year 2020-21 stood at Rs.29.25 crores as against Rs.57.78 crores for year 2019-20. This is due to effect has been given for the concessions approved by lenders in the interest rates with effect from 01.07.2020, vide deep debt restructuring scheme sanctioned by lenders of the company.
3.	Return on Net Worth	-52.41	-127.93	As explained in point No.1 and 2 above

Sl. No.	Key Liquidity Ratios	FY 2020-21	FY 2019-20	Remarks
1.	Current Ratio	0.54	0.27	Improvement in the current ratio is due to improved scale of operation. However, the still lower current ratio is due to negative net profit margin resulted in the tightness of working capital and mounting current liabilities.
2.	Debtors Turnover Ratio	12.01	7.65	The reduction in Debtors during the year 2020-21 is by 32% as compare to the position of the same as on 31.03.2020 and increase in sales during the year 2020-21 is by 7% as compare to the same during the year 2019-20. Moreover, the cogeneration dues for export of power to TANGEDCO has fallen from Rs.34 crores as on 31.03.2020 to Rs.18 crores as on 31.03.2021. These factors have led to an improvement in the Debtors turnover ratio.
3.	Inventory Turnover	2.86	4.51	Drop in sales led to lower inventory turnover ratio.

Sl. No.	Key Capital Structure Ratios	FY 2020-21	FY 2019-20	Remarks
1.	Debt Equity Ratio	15.00	11.93	Further loss after tax resulted in the erosion of the reserves and surplus and thus resulted in inflated Debt equity ratio
2.	Interest Coverage Ratio	1.29	0.21	Better operating margin resulted in EBITDA being sufficient to service debt. The interest charge has been recorded at Rs.29.25 crores in the year 2020-21 (effect has been given for the concessions approved by lenders in the interest rates with effect from 01.07.2020, vide deep debt restructuring scheme sanctioned by lenders of the company) as againsts the same at Rs.57.78 crores in 2019-20. This led to the increase in interest coverage ratio.

Cautionary statement

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

For and behalf of the Board

R VARADARAJAN
Wholetime Director
DIN 1738

SHEILENDRA BHANSALI
Director
DIN 595312

Place: Coimbatore
Date: 3rd September 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAJSHREE SUGARS AND CHEMICALS LIMITED

Report on the Financial Statements**Opinion**

We have audited the Financial Statements of RAJSHREE SUGARS AND CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year then ended and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

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, Its Loss, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements 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 independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, 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 audit opinion on the financial statements.

Key Audit Matters

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

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<i>Sanction of proposal for restructuring of</i>	

<p>credit facilities:</p> <p>As stated in Note No.39.(1), the company had approached the Lending Banks for restructuring of its existing defaulted loans. The State Bank of India on behalf of the lending Banks has vide its terms of sanction of proposal for restructuring of credit facilities dated 30.06.2021 approved the restructuring with retrospective effect from 30.06.2020.</p> <p>Accordingly the outstanding amount in the respective secured loans from banks have been stated as on 30.06.2020 at the prevailing terms and conditions and the interest payable for the period from 01.07.2020 has been worked out at the new rates as specified in the sanction letter</p> <p>The Company has since as on 12.07.2021, executed Memorandum “Framework Restructuring Agreement” with all the Banks. Pursuant thereto all required legal documentation have been completed. Equity shares, Non-Convertible Debentures, Optionally Convertible Debentures have been allotted to the respective bankers as on 27.08.2021 in partial conversion of the existing debt.</p>	<p>Our audit included but was not limited to the following activities:</p> <ul style="list-style-type: none"> - We read the terms of sanction of proposal for restructuring of credit facilities dated 30.06.2021 issued by State Bank of India and the confirmation by the other consortium of Bankers. - We verified the balances outstanding of Loan and Interest as on 30.06.2020 with the terms of the proposed scheme and the subsequent accounting of Interest upto 31.03.2021. - We read the Framework Restructuring Agreement executed by the Company with the Lending Banks and the approval from Stock Exchange dated 09.08.2021 for Preferential issue of Equity shares. We have obtained the list of various documents executed for securing the loan as restructured and for issue of shares and securities in part conversion of the debt, including the Board Resolution for allotment. Assessed the disclosures in accordance with the requirements of IndAS10 “Events after the reporting period” and found the same to be properly complied with.
<p>Secured Loan from Sugar Development Fund:</p> <p>The Company has defaulted in repayment of dues towards Principal and Interest on account of stringent financial position and have represented for rescheduling of the terms of repayment.</p> <p>In this background, the Company has accounted for Interest payable at the rates as per terms of sanction aggregating to Rs. 2625.16 lakhs and shown it under interest accrued and due.</p>	<p>Our audit procedures included the following procedures:</p> <ul style="list-style-type: none"> - The outstanding dues has been verified with statements from SDF and it is noticed that the method of accounting of interest due/overdue has resulted in the carrying amount of outstanding loan and interest at variance from the demand received from SDF on the specified due dates. - On representation from the Industry Association, the SDF Act has been amended to permit rescheduling of loans for sugar mills affected by natural calamity. On the recommendation of the state government the GOI issued the notification of amendment on 17.9.2019 but the guidelines for rescheduling

	<p>loans are yet to be released by the Ministry of Food & Public distribution.</p> <ul style="list-style-type: none"> - The state govt has issued Go No.6 dated 10.1.2017 and Go No. 91 dated 7.3.2019 declaring drought in Tamil Nadu in 2016 and 2018. The Chief Secretary has vide letter no 5603/MIC1/208-3 dated 27.2.2019 to Secretary, Dept of Food, GOI recommended rescheduling / restructuring of the SDF loans availed by Tamil Nadu sugar mills. - We have reviewed the relevant documents and have no alternate view on the accounting of interest in the circumstances.
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Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Financial Statements and our auditor's report thereon.

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

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

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

Management's Responsibility for the Financial Statements

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, total comprehensive income changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1) As required by 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, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 "A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

The payment of remuneration to the Whole Time Director upto 04.06.2020 was in terms of Resolution passed by the Company at the AGM held on , the same is in accordance with the provisions of Section 197 of the Companies Act and is not in excess of the limit laid down under the said section. The payment of such remuneration has been approved by the Consortium of Bankers from whom the Company has availed loan facilities. Approval from Sugar Development Fund, the only other Secured Creditors has not been received till date as detailed in Note No 39 (14)

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

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except unpaid dividend of Rs. 39,729/- for the Financial Year 2009-10 as per the stay orders issued by the Court.

- 2) 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 "B" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

For **S. KRISHNAMOORTHY & Co.**

Chartered Accountants

Firm's Registration No. 001496S

K. Raghu

Partner, Auditor

Membership No.011178

Place: Coimbatore

Date: 03.09.2021

UDIN 21011178AAAAGZ7512

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ of the Independent Auditors’ section of our report of even date)

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

We have audited the internal financial controls over financial reporting of RAJSHREE SUGARS AND CHEMICALS 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

The Board of Directors of the Company is responsible for establishing and maintaining Internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

A company's internal financial control over financial reporting includes those policies and procedures that (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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 Institute of Chartered Accountants of India.

For **S. KRISHNAMOORTHY & Co.**

Chartered Accountants

Firm' s Registration No. 001496S

K. Raghu

Partner, Auditor

Membership No.011178

UDIN 21011178AAAAGZ7512

Place: Coimbatore

Date: 03.09.2021

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ of the Independent Auditors’ section of our report of even date)

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

- (i) In respect of the Company’s fixed assets:
 - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets
 - (b) The fixed assets have been physically verified in a phased periodical manner, by the management, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies have been noticed on such physical verification.
 - (c) The title deeds of all the immovable properties of land and building which are freehold are held in the name of the company as at the Balance Sheet date. In respect of building that has been taken on lease and disclosed as fixed assets in the Ind AS financial statements, the Lease Agreements are in the name of the Company.
- (ii) The physical verification of inventory has been conducted by the management at reasonable intervals. The Company has maintained proper record of inventory and no material discrepancies were noticed on the physical verification of inventories as compared to the book records.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 during the financial year.
- (iv) The Company has not advanced any loans to its directors or any other person in whom the directors are interested or given any guarantee or provided any security in connection with any loan taken by the directors or such other person as contemplated under section 185 of the Act.
- (v) According to the information and explanations given to us the Company has not accepted any deposit during the year and does not have any unclaimed deposits as at March 31, 2021 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- (vi) The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act, in respect of manufacture of sugar and alcohol as well as generation and transmission of electricity by the company. We have broadly reviewed the accounts and records of the company in this connection and are of the opinion that prima facie, the

prescribed accounts and records have been made and maintained. We have not, however carried out a detailed examination of the same.

(vii) According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2021 on account of dispute are given below:

Name of the Statute	Nature of Demand	Amount (In Lakhs)	Period to which the amount relates	Forum where dispute is pending
Central Excise	Excise Duty	550.50	April 2013-March 2014	CESTAT
TNVAT	Tax	56.89	2011-12 & 2012-13	Asst. Commissioner Appeals

- (viii) The Company has not taken any loans or borrowings from financial institutions and has not issued any debentures till 31.03.2021. In respect of borrowings from Banks and Sugar development fund, the details of default in repayment are as given in Note No. 39 of notes to financial statements.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion the managerial remuneration paid is in accordance with the requisite approval mandated by the provisions of section 197, read with schedule V of the Act, excepting that the approval from the only other secured creditor is awaited as detailed in Note No. 39 (14)
- (xii) The Company is not a Nidhi company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

- (xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year and hence reporting under paragraph 3 clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **S. KRISHNAMOORTHY & Co.**
Chartered Accountants
Firm' s Registration No. 001496S

Place: Coimbatore
Date: 03.09.2021

K. Raghu
Partner, Auditor
Membership No.011178
UDIN 21011178AAAAGZ7512

Rajshree Sugars and Chemicals Limited
Balance Sheet as at

Assets	Notes	March 31, 2021	March 31, 2020
Non-current assets			
Property, plant and equipment	2	42,606.66	48,081.11
Right of use	3	54.40	158.50
Capital work in progress		124.37	102.23
Investment properties	4	11.11	11.50
Other intangible assets	2	24.17	24.17
Financial assets			
Other financial assets	5	141.65	151.13
Deferred Tax Assets (Net)	6	5,463.65	5,594.29
Other non-current assets	7	470.75	474.37
Total non-current assets		48,896.77	54,597.29
Current assets			
Inventories	8	12,232.49	7,267.39
Financial assets			
i. Trade receivables	9	2,914.55	4,283.29
ii. Cash and cash equivalents	10	209.36	506.66
iii. Bank balances other than cash and cash equivalents	11	0.86	19.39
iv. Other financial assets	12	812.53	195.22
Current tax asset - Net	13	250.28	201.81
Other current assets	14	657.68	896.22
Asset classified as held for sale	15	1,449.35	-
Total current assets		18,527.10	13,369.98
Total Assets		67,423.87	67,967.27
Equity and liabilities			
Equity			
Equity share capital	16	2,816.77	2,816.77
Other Equity	17	234.62	1,136.75
Total equity		3,051.39	3,953.52
Liabilities			
Non-current liabilities			
Financial liabilities			
i. Borrowings	18	29,959.75	13,680.81
ii. Lease Liabilities	3	38.19	140.31
Provisions	19	55.30	212.20
Total non-current liabilities		30,053.23	14,033.32
Current liabilities			
Financial liabilities			
i. Borrowings	20	8,629.69	6,698.26
ii. Trade payables	21		
Total outstanding dues of micro enterprises and small enterprise		154.71	151.15
Total outstanding dues of creditors other than micro enterprises and small enterprises		14,172.70	14,566.87
iii. Other financial liabilities	22	7,193.56	27,124.55
iv. Lease Liabilities		22.88	31.52
Other current liabilities	23	4,018.10	1,219.18
Provisions	19	127.61	188.89
Total current liabilities		34,319.25	49,980.43
Total liabilities		64,372.48	64,013.75
Total equity and liabilities		67,423.87	67,967.27

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date

For S. Krishnamoorthy & Co.

 Chartered Accountants
 Registration No.001496S

K Raghu

 Membership No:011178
 Auditor, Partner
 UDIN 21011178AAAAGZ7512

Sheilendra Bhansali

 Director
 DIN 00595312

R Varadarajan

 Wholetime Director
 DIN 00001738

C S Sathiyarayanan

Chief Financial Officer

M Ponraj

Company Secretary

Place : Coimbatore

Date : 03 September 2021

**Rajshree Sugars and Chemicals Limited
Statement of profit and loss for the year ended**

Income	Notes	March 31, 2021	March 31, 2020
Revenue from operations	24	36,362.54	32,748.27
Other income	25	999.54	343.69
Total income		37,362.07	33,091.96
Expenses			
Cost of materials consumed	26	30,762.08	19,691.15
Changes in inventories of work-in-progress, Stock-in-Trade and finished goods	27	(5,312.07)	4,555.79
Employee benefit expenses	28	3,130.01	3,344.61
Finance costs	31	2,924.78	5,778.83
Depreciation and amortisation expense	29	2,431.85	2,483.91
Other expenses	30	5,005.43	4,280.50
Total expenses		38,942.09	40,134.80
Profit/(loss) before exceptional items and tax		(1,580.01)	(7,042.84)
Exceptional items		-	-
Profit/(loss) before tax		(1,580.01)	(7,042.84)
Income tax expense/(benefit)	32		
Current tax		-	-
Deferred tax		95.84	(2,107.60)
Income tax expense/(benefit)		95.84	(2,107.60)
Profit/(Loss) for the year		(1,675.86)	(4,935.24)
Other comprehensive income			
<i>Items that will not be reclassified to profit or (loss)</i>			
Remeasurement of post employment benefit obligations		111.52	(133.37)
Income tax relating to these items	32	(34.79)	41.61
Other comprehensive income/(loss) net of tax		76.73	(91.76)
Total comprehensive income/(loss) for the period		(1,599.13)	(5,027.00)
Earnings per equity share			
Basic earnings/(loss) per share	38	(5.25)	(17.52)
Diluted earnings/(loss) per share	38	(5.25)	(17.52)

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date

For S. Krishnamoorthy & Co.

Chartered Accountants
Registration No.001496S

K Raghu

Membership No:011178
Auditor, Partner
UDIN 21011178AAAAGZ7512

Place : Coimbatore
Date : 03 September 2021

Sheilendra Bhansali

Director
DIN 00595312

C S Sathiyarayanan

Chief Financial Officer

R Varadarajan

Wholetime Director
DIN 00001738

M Ponraj

Company Secretary

Rajshree Sugars and Chemicals Limited
Statement of cash flows

	Notes	March 31, 2021	March 31, 2020
Cash flow from operating activities			
Profit / (Loss) before income tax		(1,580.01)	(7,042.84)
Adjustments for			
Depreciation and amortisation expense		2,431.85	2,483.91
(Gain)/loss on disposal of property, plant and equipment		(386.29)	6.41
Loss on discarded asset		89.60	-
Derecognition of Finance Lease		-	(192.18)
Finance costs		2,924.78	5,778.83
ROU asset adjustments due to revision in rental agreements		81.07	-
Lease liabilities adjustments due to revision in rental		(92.69)	-
Finance cost on right of use asset		9.24	24.08
Change in operating assets and liabilities			
(Increase)/Decrease in trade receivables		1,368.75	2,002.60
(Increase) / Decrease in inventories		(4,965.10)	4,082.16
Increase / (Decrease) in trade payables		(390.62)	(2,529.11)
(Increase) / (Decrease) in other financial assets		(598.78)	384.50
(Increase) / Decrease in other non-current assets		3.62	12.15
(Increase) / Decrease in other current assets		238.55	(45.43)
Increase / (Decrease) in provisions		(106.67)	25.24
Increase / (Decrease) in security deposits		9.48	15.19
Increase / (Decrease) in other current liabilities		2,798.92	(435.39)
Cash generated from operations			
		1,835.68	4,570.12
Income taxes paid		(48.47)	6.66
Net cash inflow from operating activities			
		1,787.21	4,576.78
Cash flows from investing activities			
Payments for property, plant and equipment		(134.13)	(761.63)
Proceeds from sale of property, plant and equipment		2,025.34	5.51
Net cash outflow from investing activities			
		1,891.21	(756.11)
Cash flows from financing activities			
Proceeds from Borrowings		(1,759.42)	(3,768.52)
Interest paid		(2,885.98)	254.96
Payment of Lease liabilities		(27.31)	(47.30)
Financial liability reclassified		697.00	-
Net cash inflow / (outflow) from financing activities			
		(3,975.72)	(3,560.86)
Net increase / (Decrease) in cash and cash equivalents			
		(297.30)	259.81
Cash and cash equivalents at the beginning of the financial year		506.66	246.85
Cash and cash equivalents at end of the year			
		209.36	506.66

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date

For S. Krishnamoorthy & Co.

 Chartered Accountants
 Registration No.0014965

K Raghu

 Membership No:011178
 Auditor, Partner
 UDIN 21011178AAAAGZ7512

Place : Coimbatore

Date : 03 September 2021

Sheilendra Bhansali

 Director
 DIN 00595312

C S Sathiyarayanan

Chief Financial Officer

R Varadarajan

 Wholtime Director
 DIN 00001738

M Ponraj

Company Secretary

Rajshree Sugars and Chemicals Limited
Statement of changes in equity

I) Equity Share Capital

	Note	Amounts
Balance as at March 31, 2019		2,816.77
Changes in equity share capital during the year	16	-
Balance as at March 31, 2020		2,816.77
Changes in equity share capital during the year	16	-
Balance as at March 31, 2021		2,816.77

II) Other equity

	Note	Reserves and surplus				Equity component of compound financial liability	Other reserves Share option outstanding reserve	Total
		Securities Premium Account	General reserve	Capital Reserve	Retained earnings			
Balance as at March 31, 2019		1,359.94	7,575.90	158.70	(2,946.50)		15.71	6,163.75
Profit for the period	17	-	-	-	(4,935.24)	-	-	(4,935.24)
Other comprehensive income	17	-	-	-	(91.76)	-	-	(91.76)
Share option outstanding reserve to retained	17	-	-	-	8.98	(8.98)	-	-
Balance as at March 31, 2020		1,359.94	7,575.90	158.70	(7,964.52)		6.72	1,136.75
Profit for the period	17	-	-	-	(1,675.86)	-	-	(1,675.86)
Share option outstanding reserve to retained earnings		-	-	-	6.72	(6.72)	-	-
Other comprehensive income	17	-	-	-	76.73	-	-	76.73
Recognition of financial liability to be settled through entity's own equity instruments		-	-	-	-	697.00	-	697.00
Balance as at March 31, 2021		1,359.94	7,575.90	158.70	(9,556.92)	697.00	-	234.62

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date

For S. Krishnamoorthy & Co.

Chartered Accountants

Registration No.001496S

K Raghu

Membership No:011178

Auditor, Partner

UDIN 21011178AAAAGZ7512

Place : Coimbatore

Date : 03 September 2021

Sheilendra Bhansali

Director

DIN 00595312

C S Sathiyarayanan

Chief Financial Officer

R Varadarajan

Wholetime Director

DIN 00001738

M Ponraj

Company Secretary

Rajshree Sugars and Chemicals Limited**Company overview**

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

1. Significant accounting policies**1.1 Statement of compliance**

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

1.2 Basis of preparation and presentation

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

The principal accounting policies are set out below:

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

1.3 Going concern

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

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

1.4 Use of estimates and judgments

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

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

1.5 Revenue recognition

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

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

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

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

1.6 Foreign currencies**1.6.1. Functional and presentation currency**

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

1.6.2. Transactions and balances

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

1.7 Employee Benefits**1.7.1. Short term obligations**

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

1.7.2. Other long term employee benefit

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

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

1.7.3. Post-employment obligation

The Company operates the following post-employment schemes:

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

Defined contribution plan:

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

Defined benefit plan:

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

1.7.4. Bonus plans

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

1.8 Taxation

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

1.8.1 Current tax

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

1.8.2 Deferred tax

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

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

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

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

1.8.3 Current and deferred tax for the year

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

1.9. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

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

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

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

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

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

1.9.1. Investment Property

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

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

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

1.10. Intangible assets

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

1.11. Impairment of tangible and intangible assets

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

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

1.12. Inventories

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

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

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

1.13 Provisions and contingencies

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

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

1.14 Financial instruments

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

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

1.15 Financial assets

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

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

1.15.1. Classification of financial assets

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

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

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

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

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

- Business model test : the objective of the Company's business model is to hold the financial asset to collect the contractual cash flows.
- Cash flow characteristic test : the contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

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

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

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

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

1.15.3. Trade receivables

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

1.15.4. Cash and cash equivalents

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

1.15.5. Impairment of financial assets

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

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

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

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

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

1.15.6. Income recognition

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

1.16 Financial liabilities

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

1.16.1. Trade and other payables

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

1.16.2. Borrowings

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

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

1.16.3. Foreign exchange gains or losses

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

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

1.17. Segment reporting

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

1.18. Leases

The Company as a lessee

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

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

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

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. ROU assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CUG) to which the asset belongs

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

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

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

1.19 Borrowing costs

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

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

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

1.20. Government grants

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

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

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

1.21. Earnings per Share

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

1.22. Dividends

In view of the stressed financial position, the Directors have not recommended payment of dividend for the year 2020-21.

Rajshree Sugars and Chemicals Limited
Notes to balance sheet

Rs. In Lakhs

2 Property, plant and equipment and Intangible Assets

	Property, Plant and Equipment										Intangible Assets	Total of PPE and Intangible Assets
	Land	Buildings	Plant & Equipment	Furniture and fixtures	Vehicles	Office Equipment	Electrical Equipment	Tools & Equipment	Lab Equipment	Total	SAP Software	
Year ended March 31, 2020												
Gross carrying amount												
Cost as at April 1, 2019	9,185.37	14,584.06	60,540.95	195.85	720.39	176.34	505.28	99.39	139.89	86,147.52	483.34	86,630.86
Additions	-	800.56	67.88	0.49	-	1.62	2.20	1.01	-	873.77	-	873.77
Disposal	-	849.86	1.37	-	15.73	0.20	-	-	0.15	867.31	-	867.31
Closing gross carrying amount	9,185.37	14,534.77	60,607.45	196.34	704.66	177.76	507.49	100.41	139.74	86,153.98	483.34	86,637.32
Accumulated depreciation												
Opening accumulated depreciation	-	5,347.82	28,873.89	152.25	530.03	157.89	467.41	87.31	107.93	35,724.53	459.17	36,183.70
Depreciation charge during the year	-	439.15	1,940.80	11.26	33.78	4.13	5.46	2.40	9.98	2,446.96	-	2,446.96
Disposals	-	93.09	0.41	-	4.82	0.19	-	-	0.10	98.62	-	98.62
Closing Accumulated depreciation	-	5,693.88	30,814.28	163.51	558.99	161.83	472.87	89.71	117.81	38,072.87	459.17	38,532.04
Net carrying amount - 31.03.2020	9,185.37	8,840.89	29,793.18	32.82	145.67	15.93	34.62	10.69	21.93	48,081.11	24.17	48,105.28
Year ended March 31, 2021												
Gross carrying amount												
Cost as at April 1, 2020	9,185.37	14,534.77	60,607.45	196.34	704.66	177.76	507.49	100.41	139.74	86,153.98	483.34	86,637.32
Additions	21.10	-	84.83	0.12	0.05	1.74	3.77	-	0.36	111.99	-	111.99
Disposal	1,602.65	376.30	3.84	-	23.66	0.15	-	-	-	2,006.61	-	2,006.61
Closing gross carrying amount	7,603.83	14,158.47	60,688.44	196.46	681.05	179.35	511.26	100.41	140.10	84,259.36	483.34	84,742.70
Accumulated depreciation												
Opening accumulated depreciation	-	5,693.88	30,814.28	163.51	558.99	161.83	472.87	89.71	117.81	38,072.87	459.17	38,532.04
Depreciation charge during the year	-	428.49	1,933.77	7.26	23.09	3.55	3.70	1.88	6.70	2,408.44	-	2,408.44
Disposals	-	266.00	3.58	-	8.29	0.10	-	-	-	277.96	-	277.96
Closing Accumulated depreciation	-	5,856.37	32,744.47	170.77	573.79	165.28	476.56	91.59	124.51	40,203.34	459.17	40,662.51
Less:												
Asset classified as held for sale ##	1,449.35	-	-	-	-	-	-	-	-	1,449.35	-	-
Net carrying amount - 31.03.2021	6,154.47	8,302.10	27,943.98	25.69	107.26	14.07	34.70	8.81	15.59	42,606.66	24.17	44,080.19

Land sale pending registration shown as asset classified held for sale refer note number _____

3 Right of use

Particulars	Carrying value of ROU Assets for the year ended 31.03.2021			31-03-2020		
	Category of ROU Asset		Total	Category of ROU Asset		Total
	Land & building	Plant		Land & building	Plant	
Balance as at 01.04.2020	128.04	30.46	158.50	156.64	38.42	195.06
Ajustments due to revision in rental agreements	(50.61)	(30.46)	(81.07)			
Less: Depreciation	23.03	-	23.03	28.60	7.96	36.56
Balance as at 31.03.2021	54.40	(0.00)	54.40	128.04	30.46	158.50

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

The movement in lease liabilities during the year ended 31.03.2021 is as follows:

Particulars	Amount	Amount
Balance as at 01.04.2020	171.83	195.06
Adjustments due to revision in rental agreements	(92.69)	
Less: Reduction in lease liability	18.07	23.22
Balance as at 31.03.2021	61.07	171.83

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2020 is 13%. Rs. 9,23,675/- (24,08,071/-) has been recognized as expense in the Profit and Loss A/c.

For Capital commitments refer note no:

Refer note no: 39(1) for securities provided for borrowings

Rajshree Sugars and Chemicals Limited
Notes to Balance Sheet

Particulars		March 31, 2021	March 31, 2020
4	Investment property		
A	LAND - Cost		
	Balance at the beginning of the year	5.28	5.28
	Additions / (Disposal)	-	-
	Balance at the close of the year	5.28	5.28
B	BUILDING		
	Cost		
	Balance at the beginning of the year	10.25	10.25
	Additions / (Disposal)	-	-
	Balance at the close of the year	10.25	10.25
	Accumulated depreciation		
	Balance at the beginning of the year	4.03	3.64
	Additions / (Disposal)	0.39	0.39
	Balance at the close of the year	4.42	4.03
	Net Block (B)	5.83	6.22
	Net Block (A) + (B)	11.11	11.50

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

Particulars	March 31, 2021	March 31, 2020
Rental income	16.50	33.00
Profit from investment properties before depreciation	16.50	33.00
Depreciation	0.39	0.39
Profit from investment property	16.11	32.61

(ii) Leasing arrangements

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

Within one year	16.50	16.50
Later than one year but not later than 5 years	33.00	49.50
	49.50	66.00

(ii) Fair value

Particulars	March 31, 2021	March 31, 2020
Investment property	11.11	11.50

Estimation of fair value

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

Rajshree Sugars and Chemicals Limited
Notes to balance sheet

	March 31, 2021	March 31, 2020
5 Other financial assets (non-current)		
Deposit - maturity more than 12 months	2.96	0.18
Security Deposits	138.69	150.94
Total Other financial assets (non-current)	141.65	151.13

6 Deferred tax assets / (liabilities)		
The balance comprises temporary differences attributable to:		
	March 31, 2021	March 31, 2020
Depreciation	(8,309.95)	(8,645.76)
Total deferred tax liabilities	(8,309.95)	(8,645.76)
Set-off of deferred tax assets pursuant to set-off provisions		
Unabsorbed Depreciation and losses	7,913.30	7,916.62
Others including Disallowance u/s 43B	3,149.39	3,286.68
Minimum Alternate tax credit -(MAT) entitlement	2,710.91	3,036.75
Total deferred tax assets	13,773.60	14,240.04
Net deferred tax liabilities/(assets)	5,463.65	5,594.29

Particulars	Depreciation	Unabsorbed Depreciation and losses	Others including Disallowance u/s 43B	Minimum Alternate tax credit - (MAT)	Total
Balance as at March 31, 2019	(9,082.60)	7,744.45	1,746.47	3,036.75	3,445.07
Charged/(credited):					
- to profit or loss	(436.84)	(172.17)	(1,498.59)	-	(2,107.60)
- to other comprehensive income			(41.61)		(41.61)
Balance as at March 31, 2020	(8,645.76)	7,916.62	3,286.68	3,036.75	5,594.29
Charged/(credited):					
- to profit or loss	(335.80)	3.32	102.49	325.83	95.84
- to other comprehensive income			34.79		34.79
Balance as at March 31, 2021	(8,309.95)	7,913.30	3,149.39	2,710.91	5,463.65

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

7 Other non-current assets		
Capital advances	-	-
Land Purchase Advance - paid to Director	465.00	465.00
Prepaid Rent	5.75	9.37
Total other non-current assets	470.75	474.37
8 Inventories		
Raw material at cost	100.10	636.14
Work-in-progress at cost	1,078.01	205.51
Finished Goods-at Cost / Net Realisable Value	9,230.15	4,790.57
Stock In Trade - Properties at Cost	540.89	540.89
Stock In Trade - Others at Cost	285.48	133.39
Stores & Spares at cost	997.87	960.89
Total Inventories	12,232.49	7,267.39
9 Trade receivables		
Unsecured and considered good		
Trade receivables	2,914.55	4,283.29
Less: Allowance for credit losses	-	-
Total receivables	2,914.55	4,283.29
Includes due from companies / firms where directors are interested		7.49
10 Cash and cash equivalents		
Balances with banks		
- in current accounts	184.43	479.94
- in deposit with banks	5.00	5.00
Cash on hand	19.93	21.71
Total cash and cash equivalents	209.36	506.66
11 Bank Balances other than cash & cash equivalents		
Unpaid Dividend accounts	0.40	0.40
Deposits with maturity of more than 3 months but less than 12 months	0.47	0.28
Guarantee Margin Account	-	18.71
Total bank balances other than cash & cash equivalents	0.86	19.39

Rajshree Sugars and Chemicals Limited
Notes to balance sheet

	March 31, 2021	March 31, 2020
12 Other financial assets (Current)		
Unsecured, considered good		
Income receivable	785.36	168.05
Interest receivable on Excise Duty Loan	27.17	27.17
Total Other financial assets (Current)	812.53	195.22
13 Current Tax Assets (Net)		
Income tax refund due / TDS	250.28	201.81
Total Current Tax Assets	250.28	201.81
14 Other current assets		
Staff and other advance	24.37	28.34
Advance to suppliers	210.85	290.48
Advance Sales Tax	20.17	20.17
Balance with indirect tax authorities	179.14	247.51
Prepaid Expenses	223.14	309.71
Total other current assets	657.68	896.22
15 Assets classified as held for sale		
Land at Vilankurichi road	1,449.35	-
Total assets classified as held for sale	1,449.35	-

16 Equity share capital

Authorised equity share capital

	Number of shares	Amount
Balance as at March 31, 2019	3,00,00,000	3,000.00
Increase during the year	-	-
Balance as at March 31, 2020	3,00,00,000	3,000.00
Increase during the year	70,00,000	-
Balance as at March 31, 2021	3,70,00,000	3,000.00

(i) Movements in equity share capital

	Number of shares	Equity share capital (par value)
Balance as at March 31, 2019	2,81,66,700	2,816.77
Increase during the year	-	-
Balance as at March 31, 2020	2,81,66,700	2,816.77
Increase during the year	-	-
Balance as at March 31, 2021	2,81,66,700	2,816.77

Terms and rights attached to equity shares

Equity Shares: The Company has only one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The shareholders have rights in proportion to their shareholding

(ii) Details of shareholders holding more than 5% shares in the company

	March 31, 2021	
	Number of shares	% holding
Ms. Rajshree Pathy	1,13,17,313	40.18%
M/s RSCL Properties Pvt Limited	14,49,331	5.15%
	1,27,66,644	45.33%
	March 31, 2018	
	Number of shares	% holding
Ms. Rajshree Pathy	1,13,17,313	40.18%
M/s RSCL Properties Pvt Limited	14,49,331	5.15%
	1,27,66,644	45.33%

Rajshree Sugars and Chemicals Limited
Notes to balance sheet

	March 31, 2021	March 31, 2020
Notes to balance sheet - Reserves and surplus		
17 Other Equity		
1) Reserves and surplus		
	March 31, 2021	March 31, 2020
Securities premium reserves	1,359.94	1,359.94
General reserve	7,575.90	7,575.90
Capital reserve	158.70	158.70
Retained earnings	(9,556.92)	(7,964.52)
Total reserves and surplus	(462.38)	1,130.03
a) Securities premium reserves		
Opening balance	1,359.94	1,359.94
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	1,359.94	1,359.94
b) Capital reserves		
Opening balance	158.70	158.70
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	158.70	158.70
c) General reserve		
Opening balance	7,575.90	7,575.90
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
Closing balance	7,575.90	7,575.90
d) Retained earnings		
Opening balance	(7,964.52)	(2,946.50)
Net profit/(loss) for the year	(1,675.86)	(4,935.24)
<i>Items of other comprehensive income/(loss) recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligation, net of tax	76.73	(91.76)
Appropriations / Adjustments	6.72	8.98
Closing balance	(9,556.92)	(7,964.52)
2) Other Reserve		
	Share option outstanding reserve	
Balance as at March 31, 2019	6.72	15.71
Addition during the year	-	-
Balance as at March 31, 2020	6.72	15.71
Less: Withdrawal during the year	6.72	8.98
Balance as at March 31, 2021	-	6.72
Recognition of financial liability to be settled through entity's own equity instruments	697.00	
Total Other equity 16(1) & 16(2)	234.62	1,136.75
i) General reserve: Part of retained earnings was earlier utilised for declaration of dividends as per the erst while Companies Act, 1956. This is available for distribution to share holders.		
ii) Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve		

Rajshree Sugars and Chemicals Limited
Notes to balance sheet

	March 31, 2021	March 31, 2020
iii) Securities Premium: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.		
iv) Capital Reserve: Companies of amount forfeited on lapse of share warrents, the same is not available for distribution		
v) Share option outstanding: The share options outstanding account is used to recognise the grant date fair value of options issued		
18 Borrowings (non-current)		
Secured		
Term Loans		
From Banks	30,020.82	13,597.14
From Other parties :		
Sugar Development Fund	-	-
Refer note no: 39(1) for terms of the borrowing		
Unsecured		
Effective interest rate measurement and lease payable	-	255.51
Total borrowings (non-current)	30,020.82	13,852.64
19 Provisions		
Provision for employee benefits		
Current		
Leave Encashment	2.32	62.93
Gratuity Contribution	125.28	125.96
Total current provisions	127.61	188.89
Non - Current		
Gratuity Contribution	55.30	212.20
Total non-current Provisions	55.30	212.20
20 Borrowings		
Loans repayable on demand		
Secured		
<i>From Banks</i>		
Cash Credit Account	8,629.69	6,698.26
Refer note no: 39(1) for terms of the borrowing		
Total borrowings (Current)	8,629.69	6,698.26
21 Trade payables		
Current		
Total outstanding due to Micro & Small Enterprises - refer note no 39(2)	154.71	151.15
Total outstanding due of creditors other than Micro & Small enterprises	14,172.70	14,566.87
Total trade payables	14,327.41	14,718.02
22 Other financial liabilities (current)		
Current maturities of long term debt	3,514.27	15,198.43
Interest Accrued & Due on Loans	2,625.16	11,925.73
Interest Accrued but not due	1,053.74	-
Unpaid Dividend	0.40	0.40
Total other current financial liabilities (current)	7,193.56	27,124.55
23 Other current liabilities		
Advance received from Customers	1,166.49	461.06
Land sale advance	1,780.66	-
Statutory dues payables	1,070.95	758.11
Total other current liabilities	4,018.10	1,219.18

Rajshree Sugars and Chemicals Limited
Notes to profit or loss

	March 31, 2021	March 31, 2020
24 Revenue from operations		
Sale of products	34,996.53	32,699.79
Other operating revenue	1,366.01	48.47
Total revenue from operations	36,362.54	32,748.27
25 Other income		
Rental Income	24.67	44.71
Interest income	51.42	51.13
Profit on Sale of Assets	396.00	0.10
Profit on termination of finance lease	-	192.18
Miscellaneous income	527.44	55.57
Total other income	999.54	343.69
26 Cost of Materials Consumed		
Raw Materials at the beginning of the year	636.14	-
Add: Purchases	30,226.05	20,327.29
Less: Raw Materials at the end of the year	100.10	636.14
Total Cost of Materials Consumed	30,762.08	19,691.15
27 Changes in inventories of work-in-progress, Stock-in -Trade and finished goods		
Opening Balance		
Work-In-Progress	205.51	559.93
Finished Goods	4,790.57	8,991.94
Traded Goods	540.89	540.89
Total Opening Balance	5,536.97	10,092.76
Closing Balance		
Work-In-Progress	1,078.01	205.51
Finished Goods	9,230.15	4,790.57
Traded Goods	540.89	540.89
Total Closing Balance	10,849.04	5,536.97
Total Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	(5,312.07)	4,555.79
28 Employee benefit expense		
Salaries, wages and bonus	2,705.09	2,872.76
Contribution to provident and other funds	231.24	246.50
Staff welfare expenses	193.69	225.34
Total employee benefit expense	3,130.01	3,344.61
29 Depreciation and amortisation expense		
Depreciation of property, plant and equipment and Amortisation of intangible assets	2,408.44	2,483.52
Depreciation on right of use assets	23.03	-
Depreciation on Investment property	0.39	0.39
Total depreciation and amortisation expense	2,431.85	2,483.91

30 Other expenses

Cosumption of Stores and Spares	511.41	346.07
Consumption of Packing Materials	327.95	252.57
Power & Fuel	1,270.41	1,088.29
Building rent	22.01	14.09
Repairs		
Building	18.51	24.63
Machinery	562.85	523.51
Insurance Premium	195.00	168.25
Licence Fees & Tax	394.71	257.08
Cartage & Freight	273.67	248.48
Payment to Auditor's	7.75	8.06
Cost Audit fees	1.71	1.77
Contribution to Chief Minister's Relief Fund	-	-
Managerial Remuneration	12.81	77.58
Miscellaneous Expenses	1,406.64	1,270.14
Total other expenses	5,005.43	4,280.50

Note 31(a): Details of payment to auditors

	March 31, 2021	March 31, 2020
Payment to auditors		
As auditor:		
Audit fee	7.00	7.00
In other capacities		
Taxation & other matters	0.50	0.25
Company law matters	0.20	-
Certification fees	0.05	0.81
Total payment to auditors	7.75	8.06

31 Finance Cost

	March 31, 2021	March 31, 2020
Interest expense	2,922.51	5,727.24
Other borrowing costs	2.27	51.59
Total other expenses	2,924.78	5,778.83

32 Income tax expense

	March 31, 2021	March 31, 2020
(a) Income tax expense		
<i>Current tax</i>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
Total current tax expense	-	-
<i>Deferred tax</i>		
Decrease (increase) in deferred tax assets	431.64	(1,670.76)
(Decrease) increase in deferred tax liabilities	(335.80)	(436.84)
Total deferred tax expense/(benefit)	95.84	(2,107.60)
Income tax expense	95.84	(2,107.60)
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
	March 31, 2021	March 31, 2020
Profit before income tax expense	(1,580.01)	(7,042.84)
Tax at the Indian tax rate of 31.20%	(492.96)	(2,197.37)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:	3.14	
Adjustment on account of sale of assets	369.28	
Other items	(109.45)	89.76
MAT credit of earlier years reversed (not available for carried forward)	325.83	-
Income tax expense	95.84	(2,107.60)

Rajshree Sugars and Chemicals Limited
Employee benefit obligations

Note No.	Particulars			
33	Notes to Financial Statements - Employee benefit obligations			
	Employee benefit obligations			
		March 31, 2021		
		Current	Non-current	Total
	Leave Encashment	2.32	-	2.32
	Gratuity Contribution	125.28	55.30	180.58
	Total employee benefit obligations	127.61		182.90
		March 31, 2020		
		Current	Non-current	Total
	Leave Encashment	62.93	-	62.93
	Gratuity Contribution	125.96	212.20	338.16
	Total employee benefit obligations	188.89	-	401.09
	(i) Gratuity			
	The company extends defined benefit plans in the form of gratuity to employees. The Company has formed "RSCL Gratuity Trust" with Life Insurance Corporation of India (LIC) and HDFC Life Insurance Company Ltd. Contribution to gratuity is made to LIC in accordance with the scheme framed by the corporation. The Company has made contribution towards Gratuity based on the actuarial valuation.			
	(ii) Defined contribution plans			
Contribution to provident fund is in the nature of defined contribution plan and are made to provident fund account maintained by the Government on its account.				
(iii) DEFINED BENEFIT PLAN :				
TYPE OF PLAN		GRATUITY(FUNDED)		Earned Leave (Funded)
PARTICULARS		31.03.2021	31.03.2020	31.03.2021
A. Expense recognised in Income Statement				
1. Current Service cost		46.13	45.42	10.93
2. Interest expense		67.97	67.62	-
3. Interest (Income on plan asset)		(45.04)	(53.35)	-
4. Net interest		22.93	14.27	-
5. Immediate recognition of (gain) / losses		-	-	-
6. Defined Benefits cost included in P&L		69.06	59.69	10.93
B. Expense recognised in Other Comprehensive Income				
1. Actuarial (gain) / Losses on DBO				
(a) Due to Experience		2.05	(1.25)	(48.99)
(b) Due to Change in Financial Assumptions		1.86	(2.25)	-
(c) Due to Change in demographic assumptions		-	-	-
2. Return on plan assets (Greater) / Less than Discount rate		(115.43)	73.71	(4.24)
3. Total actuarial (gain) / loss included in OCI		(111.52)	70.21	(53.23)
C. Net Asset / (Liability) recognised in the Balance Sheet				
1. Present value of benefit obligation		1,021.65	995.22	66.66
2. Fair value of plan assets		841.36	659.48	64.34
3. Funded Status (Surplus / Deficit)		(180.29)	(335.75)	(2.32)
4. Net Asset / (Liability) recognised in Balance Sheet		(180.29)	(335.75)	(2.32)
D. Change in Present value of the obligation during the year				
1. Present value of the obligation at beginning year		995.22	870.30	123.03
2. Current service cost		46.13	45.42	10.93
3. Interest cost		67.97	67.62	-
4. Benefits paid		(91.59)	(47.79)	(18.30)

5. Actuarial (gain) / loss on obligation			
(a) Due to Experience	2.05	6.81	(48.99)
(b) Due to Change in Financial Assumptions	1.86	56.02	-
(c) Due to Change in demographic assumptions	-	(3.16)	-
7. Present value of obligation at end of the year	1,021.65	995.22	66.66
E. Reconciliation of opening & closing values of Plan Assets			
1. Fair value of plan assets at the beginning of the year	659.48	686.62	60.10
2. Interest Income	45.04	53.35	-
3. Contributions made	113.00	41.00	-
4. Benefits paid	(91.59)	(47.79)	-
5. Actuarial (gain) / loss on plan assets	115.43	(73.71)	4.24
6. Fair value of plan assets at the end of the year	841.36	659.48	64.34
F. Actuarial Assumptions			
1. Discount rate	6.80%	6.83%	6.80%
2. Salary escalation	4%	4%	4%
3. Attrition rate	For service 4 years and below, 18% p.a ; For service 5 years and above, 2% p.a		
4. Expected rate of return on plan assets	6.80%	6.83%	6.80%
5. Mortality rate	Indian Assured Lives Mortality (2006-08) Ult		
(iv) Sensitivity analysis	31.03.2021	31.03.2020	
Projected Benefit Obligation on Current Assumptions	10,21,65,368	9,95,22,145	
Delta Effect of +1% Change in Rate of Discounting	(58,58,098)	(59,38,574)	
Delta Effect of -1% Change in Rate of Discounting	66,02,295	67,12,320	
Delta Effect of +1% Change in Rate of Salary Increase	67,22,709	68,37,003	
Delta Effect of -1% Change in Rate of Salary Increase	(60,61,489)	(61,46,056)	
Delta Effect of +1% Change in Rate of Employee Turnover	12,57,110	13,18,951	
Delta Effect of -1% Change in Rate of Employee Turnover	(13,88,036)	(14,58,735)	
The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.			
The present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.			
(v) Brief description of the Plans & risks			
Interest rate risk: A fall in the discount rate which is linked to the G.Sec. Rate will increase the present value of the liability requiring higher provision. A fall in the discount rate generally increases the mark to market value of the assets depending on the duration of asset.			
Salary Risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of members. As such, an increase in the salary of the members more than assumed level will increase the plan's liability			
Investment Risk: The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. If the return on plan asset is below this rate, it will create a plan deficit. Currently, for the plan in India, it has a relatively balanced mix of investments in government securities, and other debt instruments.			
Asset Liability Matching Risk: The plan faces the ALM risk as to the matching cash flow. Since the plan is invested in lines of Rule 101 of Income Tax Rules, 1962, this generally reduces ALM risk.			
Mortality risk: Since the benefits under the plan is not payable for life time and payable till retirement age only, plan does not have any longevity risk.			
Concentration Risk: Plan is having a concentration risk as all the assets are invested with the insurance company and a default will wipe out all the assets. Although probability of this is very less as insurance companies have to follow regulatory guidelines.			

**Rajshree Sugars and Chemicals Limited
Financial instruments and risk management**

34 Fair value measurements

Financial instruments by category

	Amortised Cost	
	March 31, 2021	March 31, 2020
Financial assets		
Loans - Deposits of more than 12 months	2.96	0.18
Trade Receivables	2,914.55	4,283.29
Cash and cash equivalents and other bank balances	210.22	526.05
Other financial assets	954.18	346.35
Total financial assets	4,081.90	5,155.87
Financial liabilities		
Amortised Cost		
Borrowings	44,789.93	47,675.06
Trade payables	14,327.41	14,718.02
Other financial liabilities	0.40	0.40
Total financial liabilities	59,117.74	62,393.48

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

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

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

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

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

Fair value of assets carried at amortised cost

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

**Rajshree Sugars and Chemicals Limited
Financial instruments and risk management (contd.)****35 Financial risk management**

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

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

(A) Credit risk

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

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date, 31st March 2017 and 31st March 2018 company had no significant credit risk.

(B) Liquidity risk

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

(i) Maturities of financial liabilities

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

a) all non-derivative financial liabilities, and

b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

Contractual maturities of financial liabilities:

	Less than 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Above 5 years	Total
March 31, 2021						
Non-derivatives						
Long term loans	2,932.04	582.24	988.53	6,523.52	33,112.15	44,138.47
Short term Borrowings	-					-
Trade payables	14,327.41					14,327.41
Other financial liabilities	0.40					0.40
Lease liabilities						-
Total non-derivative liabilities	17,259.84	582.24	988.53	6,523.52	33,112.15	58,466.28
March 31, 2020						
Non-derivatives						
Long term loans	26,372.45	3,752.25	7,562.49	8,049.81		45,737.01
Short term Borrowings	6,698.26					6,698.26
Trade payables	14,718.02					14,718.02
Other financial liabilities	0.40					0.40
Lease liabilities	15.08	16.45	37.80	102.50		171.83
Total non-derivative liabilities	47,804.22	3,768.70	7,600.29	8,152.31	-	67,325.52
31 March 2018						
Non-derivatives						
	40,910.04	4,243.02	8,179.69	16,170.50	-	69,503.25
Total non-derivative liabilities	40,910.04	4,243.02	8,179.69	16,170.50	-	69,503.25

**Rajshree Sugars and Chemicals Limited
Financial instruments and risk management (contd.)**

36 Capital management

(a) Risk management

The company's objectives when managing capital are to

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

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

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

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

divided by

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

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

	March 31, 2021	March 31, 2020
Net debt	44,579.71	47,149.01
Total equity	3,051.39	3,953.52
Net debt to equity ratio	14.61	11.93

(b) Dividends

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

Debt service coverage ratio

3,776.62	1,219.90
6,139.43	27,124.16
0.62	0.04

Interest service coverage ratio

3,776.62	1,219.90
2,924.78	5,778.83
1.29	0.21

**Rajshree Sugars and Chemicals Limited
Notes to financial statements**

37 Share based payments

(a) Employee option plan

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

i) Summary of options granted under plan :

	March 31, 2021		March 31, 2020	
	Avg exercise price per share option	Number of options	Avg exercise price per share option	Number of options
Opening balance	55.40	1,25,014	55.40	2,18,562
Granted during the year	-	-	-	-
Exercised during the year	55.40	-	-	-
Forfeited during the year	55.40	(1,25,014)	55.40	(93,548)
		-		1,25,014

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

Plan	Grant date	Expiry date	Exercise price	Share options	
				March 31, 2021	March 31, 2020
RSCL Employees Stock Option Plan 2012	10th October 2017	10th October 2020	55.40	-	1,25,014
				-	1,25,014

(b) Expense arising from share based payment transaction

	March 31, 2021	March 31, 2020
RSCL Employees Stock Option Plan 2012	-	-
Total expense recorded as part of employee cost	-	-

**Rajshree Sugars and Chemicals Limited
Notes to financial statements**

38 Earnings per share

	March 31, 2021	March 31, 2020
(a) Basic earnings per share		
Basic earnings/(loss) per share attributable to the equity holders of the Company	(5.25)	(17.52)
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	(1,675.86)	(4,935.24)
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	3,18,93,625	2,81,67,680
(b) Diluted earnings per share		
Diluted earnings/(loss) per share attributable to the equity holders of the Company	(5.25)	(17.52)
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	(1,675.86)	(4,935.24)
Adjustments		
Used in calculating diluted earnings per share	-	-
Profit attributable to equity holders of the company used in calculating diluted earnings per share	(1,675.86)	(4,935.24)
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	3,18,93,625	2,81,67,680

Rajshree Sugars and Chemicals Limited

39. OTHER ADDITIONAL INFORMATION

1) On behalf of the lending Bankers, State bank of India, the lead Bankers have accepted the Company's proposal for restructuring of the defaulted existing loans to tide over the financial stringency arising out of continuous drought in the state of Tamil Nadu.

As per the terms of sanction of proposal for restructuring of credit facilities dated 30.06.2021 issued by State Bank of India and confirmed by the other individual consortium of Bankers, the restructuring has been done with effect from 30.06.2020 permitting the Company to repay the loans and pay interest thereon under a revised scheme spread over a period of 10

The company has since as on 12.07.2021 executed Memorandum "Framework Restructuring Agreement" with the lending banks. The process of implementation of the Resolution plan has commenced with the company obtaining in-principle approval from both BSE and NSE on 09.08.2021 for preferential issue of 49,67,926 Equity Shares of Rs.10/- each at Rs.14.03 per share.

The various legal documents for the above purpose have been executed by the company as on 26.08.2021. The Allotment Committee of the Board of Directors of the company have as on 27.08.2021 allotted the specified number of Equity Shares, Non-convertible Debentures and Optionally Convertible Debentures to the respective lenders to fulfil its obligation.

Accordingly, the outstanding amount in the respective secured loans from bank have been restated and the interest payable for the period from 01.07.2020 has been worked out at the new rates as specified under the Resolution Plan. This has been done in compliance with the requirements of IndAS10 requiring the company to take into consideration the events after the date of Balance Sheet in so far as it is an adjusting event.

2) For ICICI Loan

ICICI Bank held exclusive charge on three properties of the Company in respect of the sanctioned loans by the said bank. NOC has been obtained from the bank for release of charge on 5.19 Acres land with building at Vilankurichi Village to enable the Company to sell the Property for the settlement of the Loans.

Pursuant thereto the Company has realized an aggregate amount of Rs. 3,771.50 lakhs from the intending buyers after demolition of the subsisting super structure in the land and the entire amount received has been remitted in ICICI Bank.

Sale Deed has been executed for a part of the said land to different buyers and for the remaining, where full amount has been received towards sale consideration, the same is shown under assets held for sale in the relevant schedule. Further the profit on sale of land and loss on asset discarded has been recognized in the Profit and Loss Statement.

3) Rate of Interest and Maturity Profile of long term / short term borrowings:
(Forming part of note for Long-term borrowings & Short term borrowings)

The consortium of bankers had declared the Company's loans as NPA with effect from 28.06.2018, consequent to default in payment of interest accrued on due dates and has not charged interest on the loans from such date. The interest has been accounted on accrual basis as per the CDR terms for the period upto 30.06.2020. The total liability as on 30.06.2020 has been confirmed in the sanction of proposal for Restructuring of credit facilities dated 30.06.2021 .

The total amount of loan and interest outstanding as on 30.06.2020 is to be converted into Term Loan(TL), Working Capital Term Loan(WCTL), FITL, Equity shares, Optionally Convertible Debentures(OCD) and Non-Convertible Debentures(NCD) as specified in the sanction of proposal for Restructuring of credit facilities. From 01.07.2020, interest has been worked out at the new rates as specified therein.

Rate of Interest and Maturity Profile of borrowings :

Banks	8.20%	0.10%	Total
	TL,WCTL &FITL	OCD & NCD	
2021-22	628.92	224.18	853.1
2022-23	764.35	224.18	988.53
2023-24	1,441.50	224.18	1,665.68
2024-25	1,576.93	224.18	1,801.11
2025-26	2,786.71	270.03	3,056.74
2026-27	2,428.65	2,421.19	4,849.84
2027-28	2,590.56	2,518.97	5,109.53
2028-29	2,590.56	2,518.97	5,109.53
2029-30	2,590.56	15,452.69	18,043.25
	17,398.74	24,078.57	41,477.31

Note : The rate of interest is at one year MCLR of consortium member bank with highest One Year MCLR + 30 bps (Spread)

Security details for long term borrowings:

i) The term loans and interest thereon under the previous Corporate Debt Restructuring Scheme (CDR) are secured as detailed below. Required documents has been executed under the revised Scheme of Restructuring on 26.08.2021 and fresh charge will be created accordingly in cancellation of existing charge in due course.

a) First pari-passu charge on the fixed assets of the company except the following:

- i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
- ii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
- iii. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.

b) Second pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from Sugar Development Fund.

c) First pari-passu charge over the cogeneration receivables of the Unit-II & III.

d) Second pari-passu charge over the remaining current assets of the company.

e) First Paripassu charge on the additional securities, as briefed below, provided by the company for CDR package.

i. Vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation measuring 80 cents.

ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Gullapuram Panchayat.

iii. Residential Flat No 2 at Door No 9 Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028.

f) The Cogeneration receivables of Unit- II & III, previously charged exclusively to State Bank of India, will be pooled into the Trust and Retention Account for all lenders under CDR Package.

g) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.

h) The mortgages, charges and pledges referred to above shall rank pari passu with the mortgages, charges and pledges created and/or to be created in favour of the Acceding Lenders.

i) At the instance of the consortium bankers, creation of charge on all the remaining immovable properties owned by the company and not previously mortgaged, is in progress

j) Term loans (SDF) aggregating to Rs. Rs. 2,661.17 lakhs as on 31.03.2021 (01.04.2020 Rs. 2,661.18 lakhs) along with interest of Rs. 2,625.16 lakhs as on 31.03.2021 (01.04.2020 Rs. 2,026.35 lakhs) are secured by 1st pari passu charge on the fixed / immovable assets of Unit-III (Sugar, Cogeneration & Distillery).

(a) First charge over the current assets of the Borrower on pari passu basis with other WC Lenders (b) First pari passu charge on the fixed assets of the Borrower except the exclusively charged assets.(c) First pari passu charge on the additional securities provided by the Borrower for CDR package (d) Second pari passu charge on the entire fixed assets of the Unit-III at Gingee subject to approval for sharing the security for Sugar Development Fund. Bank of India needs to modify hypothecation charge to align to this security structure.

ii) The loans as on 30.06.2020 has been personally guaranteed by the Chairperson. New documents have been executed as on 26.08.2021 providing personal guarantee of the Chairperson for the loans as restructured with effect from 01.07.2020.

Shares of this company held by RSCL Properties Pvt. Ltd., Mr.Aditya Pathy and Ms.Aishwarya Pathy have been pledged as security for the above loans.

iii) Term loans Guaranteed by others is Nil.

iv) Period and amount of continuing default in respect of the aforesaid loans is as detailed below:

(Rs. In lakhs)

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund – Cogen	211	From Jun 2016	The Company has requested for restructuring of the loan.
-do-	211.00	From Dec 2016	-do-
-do-	211.00	From June 2017	-do-
Sugar Development Fund – Distillery	405.64	From March 2016	The Company has requested for restructuring of the loan.
-do-	405.64	From Sept 2016	-do-
-do-	405.64	From March 2017	-do-
-do-	405.64	From Sept 2017	-do-
-do-	405.62	From March 2018	-do-
TOTAL	2,661.18		

Name of the Lender	Amount of default (Interest)	Period of default	Remarks
Sugar Development Fund	2,625.16	Overdue interest as on 31.03.2021	The Company has requested for restructuring of the loan.
Total (a)	2,625.16		

Note:

Since the loans from banks have been restructured with effect from 01.07.2020, there are no defaults in amounts payable to banks considered under the sanction of proposal for Restructuring of credit facilities dated 30.06.2021 issued by State Bank of India.

Security Details for short term borrowings:

- i. The Working Capital under the previous CDR are secured as detailed below:
 - a) First pari-passu charge over the current assets of the company.
 - b) Second pari-passu charge on the fixed assets of the company except the following:
 - i. Co-generation assets of Unit-II at Mundiampakkam, which are exclusively charged to SBI and entire fixed assets of Unit-III at Gingee whose first pari-passu charge is exclusively charged to SDF and SBI.
 - ii. 5.19 Acres land with buildings at Vilankurichi Village belonging to Company exclusively charged to ICICI Bank – NOC has been obtained for the release of the property, the same has been sold and the proceeds has been remitted to ICICI Bank.
 - iii. Land at Pallipuram Village, Alleppey Dist., Kerala belonging to Company exclusively charged to ICICI Bank.
 - iv. Registered office (Uffizi) at Coimbatore exclusively charged to ICICI Bank.
 - c) Second pari-passu charge on the additional securities, as briefed below, provided by the company for CDR package.
 - i. Vacant Land situated at TS No 613/2(Part), TS Ward 10, Krishnaraya Puram Village, Coimbatore North Taluk, Coimbatore District within Coimbatore City Municipal Corporation measuring 80 cents.
 - ii. Land and building (Bio Control Unit at Unit 1 Theni) situated at Gullapuram Village, Periyakulam Taluk Theni District, Gullapuram Panchayat.
 - iii. Residential Flat No 2 at Door No 9, Sathyanarayana Avenue, Raja Annamalaipuram, Chennai 600 028
 - d) First pari-passu charge over the cogeneration receivables of the Unit-II & III.
 - e) Third pari-passu charge on the entire fixed assets of Unit-III at Gingee subject to approval for sharing the security from Sugar Development Fund.
 - f) The Cogeneration receivables of the Unit- II & III, presently charged exclusively to SBI, will be pooled into the Trust and Retention Account for all lenders under CDR Package.
 - g) The Promoter(s) have pledged their entire shares in demat form with voting rights, in favour of the CDR Lenders.
 - h) The mortgages/charges and pledges referred to above shall rank pari passu with the mortgages/charges and pledges created and/or to be created in favour of the Acceding Lenders.
- ii. The loans as on 30.06.2020 has been personally guaranteed by the Chairperson. This will also be confirmed under the restructuring with effect from 01.07.2020.
- iii. Short term loans Guaranteed by others is Nil.
- iv. Period and amount of default in respect of the aforesaid loans is Nil consequent to the sanction of proposal for Restructuring of credit facilities dated 30.06.2021 issued by State Bank of India w.e.f 01.07.2020.

(Rs. in lakhs)

	31.03.2021	31.03.2020
2) The details of amounts outstanding to Micro and Small Enterprises based on available information with the Company is as under:		
Principal amount due and remaining unpaid	104.63	121.27
Interest due on above and the unpaid interest	-	-
Interest paid	4.53	21.12
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years	-	-
3) Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:		-

4) The future minimum lease payments for properties held on lease for operating purpose are		
a) Not later than one year	6.92	6.02 *
b) Later than 1 year and not later than 5 years	0.6	6.32 *
c) Later than 5 years	-	-
d) Lease payments recognized in the Statement of Profit & Loss (excluding rent payments for sugarcane divisional offices taken on temporary basis)	6.62 *	5.73 *

*Note : Assets classified as ROU Asset not included.

5) The company held one machinery on lease for operating purpose and the future minimum lease payments are as under:		-
a) Not later than one year	12	12
b) Later than 1 year and not later than 5 years	19	31
c) Later than 5 years	-	-
d) Lease payments recognized in the Statement of Profit & Loss.	10	9

6) Future minimum lease rentals receivables with respect to leased out properties are as under:		
a) Not later than one year	24.02	23.67
b) Later than 1 year and not later than 5 years	43.8	53.06
c) Later than 5 years	-	-
d) Lease receipts recognized in the Statement of Profit & Loss	24.36	43.92

7) Borrowing costs capitalized	-	5.44
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8) Borrowing costs included in Capital Work in progress	-	-
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9) Contingent Liabilities not provided for

a) Claims against the company not acknowledged as debt:

i) CESTAT had set aside the central excise demand of Rs.397.78 Lakhs with interest and penalty for the period Apr'12 to Mar'13 and passed orders in favour of the Company in the matter of eligibility of exemption on molasses captively consumed and eligibility of cenvat credit availed on molasses procured from other Units in case of Unit III. The department has filed an appeal against this order in the Supreme Court of India and the decision is awaited. On the same issue for the period from Apr'13 to Mar'14, the Commissioner of Central Excise, Pondicherry has confirmed demand of Rs.550.40 Lakhs with interest and penalty of Rs.10.00 Lakhs against which the company has preferred an appeal before CESTAT. The department has further issued notices for demand of Rs.1197.71 Lakhs (Apr'14 to Mar'16), Rs.80.38 Lakhs (Apr'12 to Jun'12) and Rs.896.83 Lakhs (Apr'16 to Jun'17) which are yet to be adjudicated by the department. The department has also issued a notice for demand of Rs.456.45 Lakhs towards Cenvat credit availed on Distillery capital goods on the same grounds as the other notices. This notice is also pending for adjudication before the Commissioner of Central Excise, Pondicherry.

ii) VAT (Assessment year 2011-12 & 2012-13) Appeal is pending before the Assistant Commissioner Commercial Taxes, in respect of a demand raised by the department, due to wrong classification of the product code. The total demand raised is Rs.75.85 lakhs and the amount paid is Rs.18.96 lakhs, towards initial payment for the appeal. Appeal has closed in favour of the Company and the order is awaited from the Assessment Circle.

iii) The South India Sugar Mills Association, of which the company is a member, had filed W.P. No.7872/2015 before the Hon'ble Madras High Court against Union of India and Director of Sugar, Tamil Nadu challenging the very jurisdictional basis of fixing additional cane price for the Sugar years 2004-05 to 2008-09 in the absence of any statutory power to do so. In the said writ on 19/3/15 there is a direction to respondents that they shall not initiate any coercive proceedings to recover any amount pursuant to impugned order. No provision was made by RSCL to the alleged cane dues pursuant to the above direction of the Court.

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

On reopening of Madras High Court after May 2019 summer recess, SISMA filed a writ appeal bearing No 1850/2019. On 29/07/2019 the court granted stay of the Judgment of the Single Judge dated 13/02/2019 passed and directed to post the matter after four weeks. The appeal is pending.

Hence the amount is indeterminate at this juncture.

iv) Superintending Engineer (Theni) had issued demand letters to Unit 1 dated 23/05/2019 and 3/08/2019 for Rs.1,86,92,570/- claiming parallel operation charges for the period from May 2014 to May 2019.

RSCL filed an appeal for all three units ie ,Appeal No 328/2019 before Appellate Tribunal for Electricity , Delhi against any claim of parallel operation charges .On 23/09/2019 the Tribunal by way of interim order directed Tangedco not to precipitate the matter any further and posted the matter to 11/11/2019.

The matter was listed before Registrar, Appeal on 20/01/2020 and at the request of respondents for filing their replies got adjourned to 20/03/2020. The interim order is in force. Because of Covid 19 pandemic only urgent matters are taken up and so the matter is posted to 19/08/2020.

RSCL got two demand notices dated 14.02.2020 levying parallel operation charges for its Unit 2 (Mundiampakkam Village, Villupuram) & Unit 3 (Semmedu Village, Villupuram) of Rs. 1,34,61,669/- and Rs. 1,76,61,215/- respectively. As in the aforesaid appeal before APTEL interim order is in force, RSCL moved applications in the said appeal bringing to the knowledge of the Tribunal the precipitative actions being contemplated by the Tangedco. The applications are pending.

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

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

NOC has been obtained from the Bank for release of charge on 5.19 Acres land with buildings at Vilankurichi Village to enable the Company to sell the Property for the settlement of the Loans. The same has been obtained and sale completed as mutually agreed.

vi) ICICI has also filed an application before Debt Recovery Tribunal (DRT)-2, Chennai against the company and its promoters claiming Rs. 7064.25 lakhs. The written statement for the company was filed and the same was adopted by its promoters. The case was posted to 17/07/2020 but the same was adjourned due to pandemic Covid-19.

However an amount of Rs. 3771.50 lakhs has been paid from the land sale proceeds during the year ended 31.03.2021.

vii) IFCI Limited, nodal agency of Sugar Development Fund (SDF) has filed an application before Debt Recovery Tribunal (DRT)-1, Chennai against the company claiming Rs. 4080.44/- lakhs being the loan granted by SDF.

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

viii) The liability on Recompense amount payable is subject to change on execution of documents for restructuring of the loans under the sanction of proposal for Restructuring of credit facilities dated 30.06.2021 issued by State bank of India which is effective retrospectively from 01.07.2020.

ix) The Government of Tamilnadu notified the State Advised Price (SAP) of Rs.2,650/ per MT of sugarcane for the sugar seasons 2013-14 and 2014-15 and Rs.2,850/- for sugar season 2015-16 & 2016-17. The company has accounted the cane purchase at the rate of Rs.2,350/- per MT (for the cane procured during Apr 2014 to Sep 2014) and at the rate of Rs.2,400/- per MT (for the cane procured during the period October 2014 – Sep 2016) For the sugar season 2016-17, the company has paid Rs.2,425/- per MT. All the private mills in Tamilnadu are disputing the SAP, and the case is pending before the High Court of Madras. The total disputed price involved is Rs.17,790 Lakhs (Rs.17,790 lakhs).

11) Income Tax assessments have been completed up to Assessment year 2018-19.

Disallowances made in the order of assessment for the AY 2017-18, purely technical in nature, have been disputed in appeal before the appellate authorities.

A Demand of Rs. 20.21 lakhs has been raised for the AY 2017-18 and the entire amount has been paid as Appeal Deposit / adjusted against refund due of subsequent years. Disputed taxes are appealed before concerned appellate authorities. It is advised that the cases are likely to be disposed of in favour of the Company and hence no provision is considered necessary therefor.

12) In terms of Ind AS-36, the company had carried out an exercise to ascertain the impairment, if any, in the carrying values of its Fixed assets. The exercise has not revealed any impairment of assets save and except the following:

The Tamil Nadu Government has issued a G.O. dated 31.08.2010 as directed by the Hon'ble Madras High Court, notifying the elephant corridor in the Nilgris District, which includes company's land of 7.83 acres in Masinagudi Village Nilgris District. The GO has now been disputed before the Hon'ble Supreme Court by the Company in SLP (C) 16898/2011 and interim stay has been granted and the petition is still pending.

The Supreme Court directed to bunch all the Elephant corridor cases pending before it and the final hearing commenced from 6th April 2018. On 22.01.2020 the batch of cases were listed and the hearing concluded. Judgment reserved.

The carrying value of the said land in the books is Rs.35.57 lakhs (31.03.2020 Rs.35.57 lakhs).

On 14.10.2020 the SC disposed off the batch of matters appointing a Three member Expert Committee. Any person aggrieved by the notification of the TN Government of Elephant corridor in Mudumalai area can submit their grievances within four months from 14/10/2020 to the said expert committee. The committee should after giving reasonable opportunity of being heard should dispose off the petition. RSCL has sent their representation dated 28/01/2021 to the Chairman Sri.Venkatraman of Inquiry Committee and is pending.

13) CSR activities

Gross amount required to be spent by the company during the year – NIL

Amount spent by the company during the year - NIL

14) As required u/s 197 of the Act, the payment of remuneration to the Whole Time Director Mr.R.Varadarajan upto 04.06.2020, is as approved by Board of Directors of the Company, Nomination and Remuneration Committee of the Board is in terms of Resolution passed at the 31st AGM held on 28.08.2017. Approval has been obtained from the Consortium of bankers who have extended loan to the company. Approval from Sugar Development Fund, the only other secured creditor, has not been received till date. In this regard, the Company has been legally advised that in the absence of specific denial of permission by the lenders, it is to be considered as deemed to have been approved.

The Whole Time Director Mr.R.Varadarajan has been re-appointed for a period of 3 years with effect from 5th June 2020 in terms of Ordinary Resolution passed at the 34th Annual General Meeting held on 28.12.2020. No remuneration is paid to him for the reasons stated therein.

15) Transactions with Related Parties (Rs.in lakhs)

Particulars	Key Management Personnel	Relatives of Key Management personnel	Other Related Parties
Purchase of Goods			
Mr.Aditya Krishna Pathy		15.95 (21.73)	
RSCL Properties Private Limited			19.64 (18.36)
Greenplus Manures LLP			6.45 (6.43)
Sri Krishna Potable Products Private Limited			18.32 (0.67)
Rajshree Biosolutions LLP			35.86 (22.69)
Ms.Aishwarya Pathy		11.39 (12.96)	
Rajshree Spinning Mills Limited			24.90 (7.60)
Sale of goods			
Lavik Foodworks LLP			- (690.25)
Rajshree Biosolutions LLP			40.91 (6.73)
Purchase of Assets / Accessories			
Lavik Estates Limited			- (695.00)
Remuneration paid *			
Mr.R.Varadarajans	23.20 (70.87)		
Mr.C.S.Sathiyarayanan	8.15 (-)		
Mr.V.B.Gopal Krishnan	8.32 (42.39)		
Mr.M.Ponraj	8.20 (8.91)		
Ms.Aishwarya Pathy		- (17.07)	
Sitting fee paid			
Mr.R.Varadarajan	- (2.40)		
Ms.Rajshree Pathy	- (2.00)		
Mr.Raja M.J Abdeen	- (2.40)		
Dr.P.Surulinarayanasami	- (1.00)		
Mr.Sheilendra Bhansali	- (1.40)		
Mr.G.S.V.Subba Rao	- (1.40)		
Mr.G.R.Karthikeyan	- (1.40)		
Mr.R.C.H.Reddy	- (1.40)		
Dr.K.Mohan Naidu	- (1.00)		
Mr.K.Ilango	- (1.40)		
Mr.S.Vasudevan	- (1.40)		
Mr.S.Krishnaswami	- (1.00)		
Receiving of Services			

Aloha Tours & Travels (India) Private Limited			0.02 (0.47)
Major Corporate Services (India) LLP			248.85 (259.12)
Services Rendered			
Rajshree Biosolutions LLP			0.26 (1.92)
Lease rent received			
Rajshree Biosolutions LLP			19.53 (40.24)
Major Corporate Services India LLP			0.58 (0.81)
Rajshree Spinning Mills Limited			0.23 (0.23)
Lavik Foodworks LLP			0.26 (0.75)
Lavik Estates Limited			2.19 (1.15)
COCCA Art & Design Institute Private Limited			0.23 (0.23)
Argead Enterprises Private Limited			0.23 (0.23)
Lavik Holdings Private Limited			0.85 (1.84)
Petal Home LLP			0.23 (0.22)
Raj Fabrics & Accessories Cbe Limited			0.23 (0.22)
G.V.Memorial Trust			0.13 (0.13)
Lease rent paid			
Lavik Estates Limited			- (65.74)
Bio-fertiliser received for supply to farmers of the company (less returns)			
Rajshree Biosolutions LLP			82.92 (64.07)
Purchase of uniform cloth materials			
The Lakshmi Mills Company Limited			- (7.63)
Security deposit refund received			
Lavik Estates Limited			- (26.25)
Outstanding as at 31st March 2021			
Payable	- (-)	3.59 (16.56)	137.91 (179.87)
Receivable	465.00 (465.00)	- (-)	10.34 (16.04)

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

Notes:

Names of Related parties and description of relationship

- a) Holding Companies: None
- b) Subsidiaries: None
- c) Fellow Subsidiaries: None
- d) Associates: None
- e) Key Management Personnel
 - a) Ms.Rajshree Pathy, Chairperson

- b) Mr.R.Varadarajan, Wholetime Director
 - c) Mr.Raja M.J Abdeen, Director
 - d) Dr.P.Surularayanasami, Director
 - e) Mr.Sheilendra Bhansali, Director
 - f) Mr.G.S.V.Subba Rao, Director (retired on 30th September 2019)
 - g) Mr.G.R.Karthikeyan, Director (retired on 30th September 2019)
 - h) Mr.R.C.H.Reddy, Director (retired on 30th September 2019)
 - i) Dr.K.Mohan Naidu, Director (retired on 30th September 2019)
 - j) Mr.K.Ilango, Director (appointed on 30th September 2019)
 - k) Mr.S.Vasudevan, Director (appointed on 30th September 2019)
 - l) Mr.S.Krishnaswami, Director (appointed on 30th September 2019)
 - m) Mr.C.S.Sathyanarayanan, Chief Financial Officer (appointed on 12th November 2020)
 - n) Mr.V.B.Gopal Krishnan, Chief Financial Officer (relieved on 16th May 2020)
 - o) Mr.M.Ponraj, Company Secretary
- f) Relatives of Key Management Personnel :
- a) Ms.Aishwarya Pathy (Daughter of Chairperson)
 - b) Mr.Aditya Krishna Pathy, (Son of Chairperson)
- g) Enterprises over which key management personnel or their relatives are able to exercise significant influence:
- 1) RSCL Properties Private Limited
 - 2) Lavik Holdings Private Limited
 - 3) Argead Enterprises Private Limited
 - 4) COCCA Art & Design Institute Private Limited
 - 5) Aloha Tours & Travels (India) Private Limited
 - 6) Rajshree Spinning Mills Limited
 - 7) Raj Fabrics and Accessories (Cbe) Limited
 - 8) Greenplus Manures LLP
 - 9) Major Corporate Services (India) LLP
 - 10) Lavik Foodworks LLP
 - 11) Rajshree Biosolutions LLP
 - 12) The Lakshmi Mills Company Limited
 - 13) Lavik Estates Limited
 - 14) Sri Krishna Potable Products Private Limited
 - 15) Petal Home LLP
 - 16) G.V.Memorial Trust

Rajshree Sugars and Chemicals Limited

Notes to financial statements

Information about Segments : Primary segment - Business segments

31-Mar-21

31-Mar-20

RSCL

(Rs..lakhs)

(Rs..lakhs)

REVENUE	Sugar	Cogen	Distillary	Others	Total
External Sales	21,873.86	4,576.09	9,912.59	-	36,362.54
Inter-segment Sales	2,955.80	1,738.03	-	-	4,693.83
Total Revenue	24,829.66	6,314.12	9,912.59	-	41,056.37
RESULT					
Segment result	(2,965.73)	1,874.27	2,838.11	-	1,746.65
Unallocated corporate exps.					290.37
Operating Profit					1,456.28
Interest Expenses					2,924.78
Interest Income					-
Income Taxes / Deferred tax					130.62
Profit from ordinary activities					(1,599.12)
Extraordinary loss / profit - Net					-
Net Profit					(1,599.12)
OTHER INFORMATION					
Segment assets	40,218.84	12,901.56	12,313.12	1,449.35	66,882.87
Unallocated corporate assets					541.00
Total Assets					67,423.87
Segment liabilities	51,054.31	3,537.53	7,999.98	1,780.66	64,372.48
Unallocated corporate liabilities					-
Total Liabilities					64,372.48
Capital Expenditure				-	-
Depreciation	1,103.12	773.72	555.01	-	2,431.85
Non-cash expenses other than depreciation					2,431.85

Sugar	Cogen	Distillary	Others	Total
21,607.50	2,679.16	8,461.60	-	32,748.26
1,948.38	1,079.59	-	-	3,027.97
23,555.88	3,758.75	8,461.60	-	35,776.23
(3,237.24)	562.20	2,511.43	-	(163.61)
				1,233.77
				(1,397.38)
				5,778.83
				-
				(2,149.21)
				(5,027.00)
				-
				(5,027.00)
40,080.76	15,296.23	12,049.28	-	67,426.27
				541.00
				67,967.27
53,187.77	3,439.75	7,386.23	-	64,013.75
				-
				64,013.75
			-	-
1,146.91	776.52	560.48	-	2,483.91
				2,483.91

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

Previous year figures have been regrouped wherever necessary to confirm to current year's classification

Significant Accounting Policies Note No. 1

See accompanying notes to the financial statements

As per our report of even date

For S. Krishnamoorthy & Co.

Chartered Accountants

Registration No.001496S

K Raghu

Membership No:011178

Auditor, Partner

UDIN 21011178AAAAGZ7512

Sheilendra Bhansali

Director

DIN 00595312

C S Sathyanarayanan

Chief Financial Officer

R Varadarajan

Wholesale Director

DIN 00001738

M Ponraj

Company Secretary

Place : Coimbatore

Date : 03 September 2021



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

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