

**ANNUAL  
REPORT**

**2021-22**

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

**RAJSHREE SUGARS & CHEMICALS LIMITED**

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

**NOTICE TO THE MEMBERS**

Notice is hereby given that the 36<sup>th</sup> Annual General Meeting (AGM) of the Members of Rajshree Sugars & Chemicals Limited will be held on Wednesday, the 28<sup>th</sup> September 2022, at 4.00 P.M. at the Registered office of the Company at 'The Uffizi', 338/8, Avanashi Road, Peelamedu, Coimbatore 641 004 (deemed venue) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business :

**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 31<sup>st</sup> March 2022 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.R.Varadarajan (DIN 00001738), Director, who retires by rotation and being eligible, offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

**3) Remuneration for Cost Auditors**

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, co-generation of power and industrial alcohol of the Company for the financial year ending March 31, 2023, as set out below exclusive of applicable taxes and out of pocket expenses:

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

**4) Reappointment of Mr S Krishnaswami as an Independent Director for a second consecutive term of three years.**

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

**"RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Regulation 25(2A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') and other applicable rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Mr S Krishnaswami (DIN: 08530320), an Independent Director of the Company whose first term of three years as an Independent Director comes to an end at the closing hours of 29<sup>th</sup> September 2022, who has been recommended for reappointment by the Nomination and

Remuneration Committee and the Board of Directors based on the reports of his performance evaluation be and is hereby reappointed as an Independent Director of the Company, despite his age of 75 years or above, to hold office for a period of three consecutive years from 30<sup>th</sup> September 2022 to 29<sup>th</sup> September 2025.”

**5) Reappointment of Mr. Sheilendra Bhansali as an Independent Director for a second consecutive term of five years**

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

“**RESOLVED** that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and Regulation 25(2A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') and other applicable rules made thereunder (including any statutory modification(s) or re-enactment thereon for the time being in force) Mr. Sheilendra Bhansali (DIN: 00595312), an Independent Director of the Company whose first term of five years as an Independent Director has come to an end at the closing hours of 9<sup>th</sup> July 2022, who has been recommended for reappointment by the Nomination and Remuneration Committee and reappointed by the Board of Directors based on the reports of his performance evaluation be and is hereby reappointed as an Independent Director of the Company to hold office for a consecutive period of five years from 10<sup>th</sup> July 2022 to 9<sup>th</sup> July 2027”

**6) Fixing of Remuneration payable to Mr. R. Varadarajan, Wholetime Director**

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

“**RESOLVED** that in partial modification of the resolution passed at the 34<sup>th</sup> Annual General Meeting held on 28<sup>th</sup> December 2020, and pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions of the Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 ('the Act'), and Nomination and Remuneration Policy of the Company, and as per the recommendation of the Nomination and Remuneration Committee and approval of the Audit Committee and the Board, the approval of the shareholders be and is hereby accorded for the payment of the remuneration to Mr. R. Varadarajan (DIN:00001738), the "Wholetime Director" of the Company, as detailed below:

**Part A:** Compensation for the period of unpaid service: Lumpsum of ₹ 1,81,00,000/-  
For the period from 5<sup>th</sup> June 2020 to 31<sup>st</sup> May 2022 (Rupees One Crore Eighty One Lakhs Only)

**Part B:**

For the period from 1<sup>st</sup> June 2022 to 4<sup>th</sup> June 2023.

- Salary of ₹ 7,50,000 per month on a consolidated basis.
- 10% of monthly salary as variable pay on an annualised basis.
- Encashment of Earned Leave at the end of each year.
- Leave Travel Allowance of ₹ 3,75,000 per annum.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Provision of Company's mobile phone and telephone at his residence for official purposes.
- Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

“**RESOLVED FURTHER** that the above remuneration shall be payable as minimum remuneration in the event of loss or inadequacy of profits in any financial year during the currency of his tenure, subject to such other approvals as may be required in terms of Schedule V to the Companies Act 2013.”

“**RESOLVED FURTHER** that the Board of Directors be and is hereby authorized to take all such steps and to do all acts, deeds and things as may be necessary to give effect to this resolution.”

By Order of the Board

Place : Coimbatore  
Date : 17<sup>th</sup> August 2022

**M.PONRAJ**  
Company Secretary

**NOTE:**

- a) **The Register of Members of the Company will remain closed from 22<sup>nd</sup> September 2022 to 28<sup>th</sup> September 2022 (both days inclusive).**
- b) Members are requested to intimate the change in bank mandate/address, if any, immediately to the Registrar and Transfer Agent 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 ₹ 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 Transfer Agent 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](http://www.rajshreesugars.com) or the website of National Securities Depository Limited (NSDL) at [www.evoting.nsdl.com](http://www.evoting.nsdl.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 20<sup>th</sup> April 2018 and 16<sup>th</sup> July 2018. The shareholder(s)/ claimant(s) are to submit the duly filled up Form ISR 4(copy of the form is available in the website of the Company [www.rajshreesugars.com](http://www.rajshreesugars.com) or the website of the Registrar and Transfer Agent [www.skdc-consultants.com](http://www.skdc-consultants.com) in the above

regard along with the documents/details specified therein to the RTA of the Company, i.e. M/s.S.K.D.C. Consultants Limited, "Surya" 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028.

Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022, has included the service requests like issue of duplicate securities certificate, claim from unclaimed suspense account, renewal/exchange of securities certificate, endorsement, sub-division/ splitting of securities certificates, consolidation of securities certificates/folios, transmission and transposition which are to be done only in the dematerialized form and the procedure in the above para should be used in this regard.

- j) Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated April 20, 2018, we request the shareholders who are holding shares in physical mode and who have not furnished the PAN and Bank account details, to furnish the following:
- Self-attested copy of PAN card(s) of sole/joint holder(s) of shares; and
  - Bank details along with original cancelled cheque leaf with the name of the sole/first holder printed on cheque leaf or copy of Bank Passbook attested by your Bank Manager.
- k) For smooth conduct of AGM proceedings, Members who wish to receive information with respect to Company's Annual Report for financial year 2021-22 or have questions with regard to the financial statements and the matters to be placed at the 36<sup>th</sup> 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 17<sup>th</sup> September 2022, before the start of meeting.
- l) e-AGM: Company has appointed M/s SKDC Consultants Limited, Registrar and Transfer Agent 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 36<sup>th</sup> 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 23<sup>rd</sup> September 2022. 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 36<sup>th</sup> Annual General Meeting scheduled to be held on Wednesday, 28<sup>th</sup> September, 2022 at 4.00 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 as the authorized agency to provide the e-voting facilities as per instructions below.

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

S.K.D.C. Consultants Ltd,  
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 27<sup>th</sup> September 2022 at 5.00 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 21<sup>st</sup> September, 2022 (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 36<sup>th</sup> 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](http://www.rajshreesugars.com), Company's notice Board at the Registered Office of the Company, website of NSDL viz., [www.evoting.nsdl.com](http://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, Circular No.02/2021 dated January 13, 2021 and Circular No.2/2022 dated May 05, 2022 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 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and May 5, 2022 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 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](http://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](http://www.bseindia.com) and [www.nseindia.com](http://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](http://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, MCA Circular No. 2/2021 dated January 13, 2021 and MCA Circular No.2/2022 dated May 05, 2022.
8. The Investor Education and Protection Fund authority, MCA as a part of the Azadi Ka Amrit Mahotsav vide its circular dated 7<sup>th</sup> June 2022 has launched a special window facility for senior citizens of age 75 years & above which facilitates the auto-prioritizing of the claims made by the senior citizens in the MCA 21 system after the receipt of e-verification report by the companies. The claims can be made through form IEPF 5 downloaded from the website of the IEPF authority [www.iepf.gov.in](http://www.iepf.gov.in).
9. MCA vide its various circular nos. 20/2020 dated 5th May 2020, 02/2021 dated 13<sup>th</sup> January 2021, 19/2021 dated 8<sup>th</sup> December 2021, 21/2021 dated 14<sup>th</sup> December 2021 and 02/2022 dated 5<sup>th</sup> May 2022 have provided relaxation for sending the physical copies of the Annual report to its shareholders. The copy of full annual report is available in the website of the company [www.rajshreesugars.com](http://www.rajshreesugars.com).

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

The remote e-voting period begins on Sunday, 25<sup>th</sup> September 2022 at 9 AM and ends on Tuesday, 27<sup>th</sup> September 2022 at 5.00 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. 21<sup>st</sup> September, 2022, 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 21<sup>st</sup> September, 2022.

Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as on the cut-off date i.e. 21<sup>st</sup> September, 2022, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” or “Physical User Reset Password” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. **1800 1020 990 and 1800 22 44 30** . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as on the cut-off date i.e. 21<sup>st</sup> September, 2022 may follow steps mentioned in the Notice of the AGM under “Access to NSDL e-Voting system”.

**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"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="http://eservices.nsd.com">http://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ 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 “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="http://eservices.nsd.com">http://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="http://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">http://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a>.</li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL : <a href="http://www.evoting.nsd.com">http://www.evoting.nsd.com</a> either on a personal computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held 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 <b>e-Voting service provider i.e. NSDL</b> 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 &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <div data-bbox="715 913 1182 1193" style="text-align: center;"> <p><b>NSDL Mobile App is available on</b></p>  <p>The graphic displays the text 'NSDL Mobile App is available on' at the top. Below it are the logos for the App Store and Google Play. Under each logo is a QR code for scanning to download the app.</p> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>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 <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on <b>New System Myeasi</b>.</li> <li>After successful login of Easi/Easiest the user will also be able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
<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 &amp; 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 <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> 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 <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> 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 login to NSDL e-Voting system?**

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 :

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

5. 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](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://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](mailto: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 upload their Board Resolution / Power of Attorney / Authority Letter by clicking on **"Upload Board Resolution / Authority Letter"** displayed under **"e-Voting"** tab in your Login or 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](mailto:bk.scrutiniser@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto: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](http://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](http://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, Senior Manager at [evoting@nsdl.co.in](mailto: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](mailto: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](mailto: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](mailto: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 meeting**” menu against company name. You are requested to click on VC/OAVM link placed under Join 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 or personal computers 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](mailto: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.R.Varadarajan as Wholetime Director**

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

Mr.R.Varadarajan (DIN 00001738; Date of Birth: 22-04-1958), who retires by rotation and being eligible offers himself for reappointment.

His brief profile is as follows:

Mr.Varadarajan has been working as an Executive / Wholetime Director of the Company since 5<sup>th</sup> June 2003.

He has a Masters' Degree in Business Management, has been associated with the Company since its inception and is currently the Wholetime Director of the organization.

He has had a brief stint as Head, Faculty of Management studies of the PSG College of Arts & Science, Coimbatore where he had undertaken a special assignment in designing and implementing a three year undergraduate management programme to groom future Chief Executive Officers of Family Owned Business.

He leads a team, which handles project management, strategic planning, legal affairs and general administration of the company. He has spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products.

The Nomination and Remuneration Committee and the Board of Directors had at their meetings held on 17<sup>th</sup> May 2022 recommended the reappointment.

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

<u>Directorship in other companies</u>	<u>Membership in Committees</u>
Sri Krishna Potable Products Private Limited	Nil
COCCA Art & Design Institute Private Limited	Nil
Lakshmi Automatic Loom Works Limited	2*

\* Member in Audit Committee and Nomination and Remuneration Committee.

He holds membership in the following committees of the Company.

• Audit Committee	Member
• Stakeholders' Relationship Committee	Member
• Corporate Social Responsibility (CSR) Committee	Member
• Share Transfer Committee	Chairman

He does not hold any share in the Company. He is not a relative to any director of the Company.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except Mr.Varadarajan and there are no relationship between Mr.Varadarajan and directors inter-se.

Mr.Varadarajan has not resigned from the board of any listed entities in the past three years.

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

### **Item No.3: Remuneration for Cost Auditors**

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, 2023 as set out below excluding applicable taxes and out of pocket expenses:

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

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

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

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

### **Item No.4 to 5 : Re-appointment of Independent Directors**

Mr.S.Vasudevan, Mr.S.Krishnaswami, Mr.Sheilendra Bhansali, Mr.K.Ilango are the present Independent Directors of the Company. Among them the term of appointment of Mr.S.Krishnaswami expires on 29<sup>th</sup> September 2022 and the term of appointment of Mr.Sheilendra Bhansali expired on 9<sup>th</sup> July 2022.

Based on the recommendation of the Nomination and Remuneration Committee the Board of Directors had at its meeting held on 17<sup>th</sup> May 2022 :

- 1) Recommended the reappointment of Mr.S.Krishnaswami for the second term of three consecutive years from 29<sup>th</sup> September 2022, subject to approval of the members at the ensuing General Meeting.
- 2) Reappointed Mr.Sheilendra Bhansali for the second term of five consecutive years from 10<sup>th</sup> July 2022, subject to approval of the members at the ensuing General Meeting.

The proposed appointees have also furnished declarations that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'). They have also submitted the declaration stating that they are not disqualified from being appointed as Directors in terms of Section 164 of the Act and have given their consent to act as Directors.



In the opinion of the Board, the said Directors fulfill the conditions for appointment as Independent Directors as specified in the Act, Rules and LODR and that the proposed Directors are independent of the management and all the conditions precedent to section 152(5) of the Companies Act, 2013 are satisfied.

As per regulation 17(1A) of LODR, no listed entity shall appoint a person as a non-executive director who has attained the age of seventy five years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person. In this regard, we would like state that Mr.S.Krishnswami (Aged 84 years) has more than 40 years of corporate management experience of which 10 years at Board level. He has wide exposure to all aspects of management and governance and will bring significant knowledge and wisdom to strategic planning and process to the Company.

The said appointees are having widespread knowledge in the field of management and technical expertise and are very instrumental in sharing their experience to the growth of the company.

Copy of the draft letters of their re-appointments as Independent Directors setting out the terms and conditions are available for inspection by members at the Registered Office of the Company. The terms and conditions would also be posted in the website of the Company.

Details of the Director/s seeking re-appointment at the Annual General Meeting in pursuance of Regulation 36 of the SEBI (LODR) Regulations, 2015

**i) Mr.S.Krishnaswami (DIN 08530320) (Date of Birth: 2.3.1938)**

EDUCATION: MA (Economics) MA (English) MA (NDP), PG Dip (NYS), DSM, MA (Vaishnavism), M. Phil. (Vaishnavism), MBA.

EMPLOYMENT: Wholetime Director, SICAL (South India Corporation Agencies Limited) December 1994 – December 1999.

Joined Tubes and Malleables Ltd in 1963 and was its General Manager until 1994 when inducted as Wholetime Director, SICAL. Tubes and Malleable Limited later merged with SICAL.

Served as Director (Marketing), Swastik Pipes Ltd, Delhi until 2003; between 2003 and 2006 was Group President, Vijay Group of Companies, Bangalore; from 2008 to 2018 was President, Unicorn Scaffolding (P) Ltd, Delhi and its group companies.

**SERVICE ACTIVITIES:**

1. Was Managing Trustee of Coimbatore Yoga Centre affiliated to Bihar School of Yoga (BSY), Munger, Bihar.
2. Rotary International:

Joined Rotary in 1967 and became District Governor 1989–1990. Presently a member of the Rotary Club of Madras and doing several world community service projects in India and abroad. Have attended 29 Rotary Conventions annually in many cities in USA, Canada, Europe, Australia, UK, Japan and in cities in Asia such as Singapore, Bangkok and Seoul. Was a GSE (Group Study Exchange) Team Leader to Denmark in 1986 and through contacts with Rotarians there obtained over one million doses of polio and measles vaccines to be administered to infants below 5 years of age within Rotary District 320. Also through contacts with Japanese Rotarians was able to obtain over one million doses of polio vaccines in 1985.

3. Currently – Advisor, Srivalli Varadaraj Matric Higher Secondary School, Varadaraj Nagar, Theni District.

Sports: Keen sportsman in cricket and badminton. Cricket: Represented school and colleges and was Captain of Presidency College Cricket Team, Madras and later Stanes Cricket Team, Coimbatore.

Badminton: Coimbatore District Badminton Doubles Champion and Tamil Nadu State Veteran Doubles Badminton champion.

He does not have any other Directorship in any other Company.

He has not resigned from the Board of Directors of any listed entity in the past three years.

He holds membership in the following committees of the Company.

- |   |          |
|---|----------|
| • Corporate Social Responsibility (CSR) Committee | Chairman |
| • Compensation Committee                          | Member   |
| • Stakeholders' Relationship Committee            | Member   |
| • Share Transfer Committee                        | Member   |

He holds 500 equity shares in the Company. He is not a relative to any director of the Company.

As required under Clause 'C' of Schedule V of LODR, the Board of Directors at their meeting held on 14<sup>th</sup> February 2019 adopted a chart/matrix setting out the skills/expertise/competence of the Boards 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. The said chart was also disclosed in the Annual Report for the year ended 31<sup>st</sup> March 2021. (Extracted the portion relating to Mr.Krishnaswami, and is given below)

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

<b>Core skills / expertise / competencies</b>	<b>Remarks</b>
Skills attributable to the Industry / Sector, in which the Company operates	
Financial Management Skills	Yes
Administrative Skills	Yes
Leadership Skills	Yes
Technical / Professional skills in relation to Company's Business Operations	
Business Strategy & Sales & Marketing	Yes
Corporate Governance	Yes
Communication Skills and public relations	Yes
Decision making skills	Yes
Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company	Yes

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 Mr.Krishnaswami and there are no relationship between him and directors inter-se.

**II) Mr.Sheilendra Bhansali (DIN 00595312) (Date of Birth: 04-07-1965)**

Mr. Sheilendra Bhansali, born on 4<sup>th</sup> July 1965, graduated in Commerce from the PSG College of Arts and Science in 1985 and qualified as a Chartered Accountant in 1987. He is a partner of M/s Kumbhat & Co., Chartered Accountants, with offices at Chennai, Coimbatore, Bangalore and Mumbai.

Mr.Sheilendra specializes in internal audits, management consulting and financial planning.

He is a frequent speaker at various educational institutions on topics related to financial planning.

He is also a Trustee of the Ajit Singhvi Education and Training Trust.

A past member of Coimbatore Metropolitan Round Table 62, he is currently a member of the Rotary Club of Coimbatore Metropolis and 41rs Club No.162.

Other Directorships

Bhansali Securities Private Limited

Ishita Advisory Services Private Limited

Mr. Bhansali has not resigned from the board of any listed entity in the past three years. He does not hold any share in the Company.

He holds membership in the following committees of the Company.

• Audit Committee	Chairman
• Nomination & Remuneration Committee	Member
• Stakeholders' Relationship Committee	Member
• Share Transfer Committee	Member

Membership in Committees

–

–

As required under Clause 'C' of Schedule V of LODR, the Board of Directors at their meeting held on 14<sup>th</sup> February 2019 adopted a chart/matrix setting out the skills/expertise/competence of the Boards 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. The said chart was also disclosed in the Annual Report for the year ended 31<sup>st</sup> March 2021. (Extracted the portion relating to Mr. Sheilendra, and is given below)

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

**Core skills / expertise / competencies**

**Remarks**

Skills attributable to the Industry / Sector, in which the Company operates

Financial Management Skills

Yes

Administrative Skills

Yes

Leadership Skills

Yes

Technical / Professional skills in relation to Company's Business Operations

Business Strategy & Sales & Marketing

Yes

Corporate Governance

Yes

Communication Skills and public relations

Yes

Decision making skills

Yes

Attributes and competencies to use their knowledge and skills to contribute effectively to the growth of the Company

Yes

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 Mr. Sheilendra Bhansali and there are no relationship between him and directors inter-se.

The Board commends the Resolutions furnished in agenda for approval of the shareholders.

**Item No.6: Fixing of Remuneration payable to Mr.R.Varadarajan, Wholetime Director**

As per Section 203 of the Companies Act, 2013 (the Act) our Company is required to have a Whole-time Key Managerial Personnel in the category of a Whole Time Director (WTD) since the Company does not have a Managing Director, or Chief Executive Officer or Manager. In terms of Section 2(n) of The Factories Act, 1948 read with the proviso thereto, only a Director can be an "Occupier" of a factory.

Mr.R.Varadarajan has been the Wholetime Director of the Company from 5<sup>th</sup> June 2003. He has been the Occupier of the factory units from the year 2003.

The Board had, at its 185<sup>th</sup> meeting held on 27<sup>th</sup> May 2020, approved his reappointment as WTD for a further period of 3 years from 5<sup>th</sup> June 2020, as per the recommendation of the Nomination and Remuneration Committee and with the approval of the Audit Committee, at a remuneration as detailed below:

- Salary : ₹ 5,20,000/- per month
- Perquisites : Leave Travel Allowance of ₹ 2,60,000/- per annum
- Contribution to Provident Fund, Superannuation Fund or Annuity Fund.
- Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- Encashment of earned leave at the end of the tenure.
- Provision of Company's mobile phone and telephone at his residence for official purposes.
- Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

Schedule V to the Act, which governs the remuneration payable to a WTD in the event of loss or inadequacy of profit authorises the shareholders to approve the remuneration provided by the Company has not committed any default in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor. In terms of Section 197, in a situation where the Company has defaulted, the prior approval of the concerned bank or public financial institution or the non-convertible debenture holders or other secured creditor, as the case may be, has to be obtained by the Company before the approval of shareholders is considered in a general meeting or postal ballot process.

The Company's bank accounts had turned Non-Performing Asset (NPA) from June 2018. The Company had obtained approval for payment of remuneration to WTD from six lender banks (State Bank of India, Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited) at their Joint Lenders Meeting (JLM) held on 11<sup>th</sup> August 2020.

The Company was also in default of loans received from Sugar Development Fund (SDF), Government of India, since the Financial Year 2016. The Company had applied to SDF for seeking their NOC for the payment of remuneration for the current tenure from 5<sup>th</sup> June 2020.

Hence, only the re-appointment Mr.R.Varadarajan as a WTD for a period of three years from 5<sup>th</sup> June 2020 was considered and approved vide a special resolution passed by the shareholders at the 34<sup>th</sup> Annual General Meeting of the company held on 28<sup>th</sup> December 2020. The remuneration payable to him for the current tenure was not considered. The members were informed that the approval of the shareholders for the remuneration will be sought separately after receipt of the approval from SDF.

SDF has, vide letter dated 8<sup>th</sup> January 2021 declined to issue NoC for the payment of remuneration to WTD, pending clearance of SDF loan default. Mr. Varadarajan has not been paid any remuneration for his services as a WTD from 5<sup>th</sup> June 2020. Mr. Varadarajan has continued to perform his duties as WTD and anchored the restructuring exercise with the lender banks as well as SDF during this most critical period for the company, in spite of not being remunerated for his time and efforts.

On 20<sup>th</sup> May 2022, the Company has received the Administrative Approval (AA) vide letter reference no. 'File No.8-4/2010 – SDF' from the Sugar Development Fund, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, for restructuring of SDF Ethanol loan of ₹ 32.45 crore and Co-generation loan of ₹ 21.10 crore availed by the Company. The Company has completed execution of Tripartite Agreement with SDF and their nodal agency for restructuring of the SDF loans. Consequently the question of obtaining NOC from SDF does not arise.

The Nomination and Remuneration Committee has considered that it was extremely magnanimous of Mr. Varadarajan to have continued in his position as WTD at the request of the Company, in spite of the fact that the Company was unable to pay him remuneration, at a most critical period for the Company and being the anchor for successful completion of the restructuring exercise with the lender banks. Mr. Varadarajan has already worked without remuneration for a period of two years now, therefore, he said that it is necessary to consider suitable compensation to him for the period of unpaid service.

In view of the above, the Nomination and Remuneration Committee had recommended payment of remuneration to Wholetime Director and the compensatory payment for the time spent and efforts made by him during the period from 5<sup>th</sup> June 2020 to 31<sup>st</sup> May 2022, as in the resolution furnished in the Agenda.

**Statement as required under Section II of Part II of Schedule V of the Companies Act, 2013 :**

1. GENERAL INFORMATION

a. Nature of Industry

Sugar is India's second largest agro processing industry. About 50 million farmers and their families are dependent on sugarcane cultivation. There are about 500 sugar factories in India with around 55% under the cooperative sector and the rest under private and public sector. The industry besides meeting domestic consumption, exports substantially quantities of sugar thereby earning precious foreign exchange. The byproducts, namely, molasses and bagasse are used by downstream industries like distillery and power plants for producing alcohol and power.

b. Date or expected date of commencement of commercial production.

The company is a running entity since 1985.

c. In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.

Does not arise

d. Financial performance based on given indicators.

The Company achieved a turnover of Rs.47936.90 lakhs in the financial year 2021-22 as against Rs.37362.07 lakhs during the previous financial year. The Company incurred a net loss of Rs.317.62 lakhs as against net loss of Rs.1675.85 lakhs in the previous year.

e. Foreign investments or collaborators, if any. Nil

2. INFORMATION ABOUT Mr. VARADARAJAN

a) Background details

Mr. Varadarajan, who has a Masters' Degree in Business Management, has been associated with the Company since its inception and is currently the WTD of the organization.

He has had a brief stint as Head, Faculty of Management studies of the PSG College of Arts & Science, Coimbatore where he had undertaken a special assignment in designing and implementing a three year undergraduate management programme to groom future Chief Executive Officers of Family Owned Businesses.

He leads a team, which handles Project Management, Strategic planning, legal affairs and general administration of all group companies. He has spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products.

b) Past remuneration

As stated above.

c) Recognition or awards



The Coimbatore Management Association recognized him with its award as Best Manager of the Year 2011.

d) Job profile and his suitability

As Wholetime Director, he will be responsible for the overall operations of the Company and will work under the supervision and control of the Board of Directors. He has been associated with the Company right from inception and spearheaded the project team of the company through all stages of its development and expansion activities ranging from sugar to distillery to co-generation of power. Under his dynamic leadership, the company became the first ISO 9001:2000 certified integrated sugar complex in India, manufacturing sugar, alcohol, power, organic manure and bio-products.

e) Remuneration proposed :

**Part A:** Compensation for the period of unpaid service: Lumpsum of ₹ 1,81,00,000/-  
For the period from 5<sup>th</sup> June 2020 to 31<sup>st</sup> May 2022 (Rupees One Crore Eighty One Lakhs Only)

**Part B:**

For the period from 1<sup>st</sup> June 2022 to 4<sup>th</sup> June 2023.

- a) Salary of ₹ 7,50,000 per month on a consolidated basis.
- b) 10% of monthly salary as variable pay on an annualised basis.
- c) Encashment of Earned Leave at the end of each year.
- d) Leave Travel Allowance of ₹ 3,75,000 per annum.
- e) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service.
- f) Provision of Company's mobile phone and telephone at his residence for official purposes.
- g) Provision of Company's car with driver for official purposes. Personal use of car, if any, shall be billed and paid for by the Director.

- f) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person.  
The remuneration proposed is comparable with the remuneration with respect to industry, size of the company and profile of the position.
- g) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.  
Nil

3. OTHER INFORMATION

1. Reasons of loss or inadequate profits

The Company has incurred a marginal loss due to escalation in the cost of coal and chemicals arising out of the geopolitical situation due to Russian-Ukraine conflict which has disrupted the supply chain of raw materials and led to steep rise in ocean freight.

In spite of cost escalations, the company has reported a lower loss of Rs.317.62 lacs as against Rs.1675.85 lacs during the previous year.

2. Steps taken or proposed to be taken for improvement

Key steps taken by the Company for improvement in the long term include enhancing productivity and recovery through better agronomic practices and promoting high yielding and high sugar varieties.

3. Expected increase in productivity and profits in measurable terms

The productivity depends upon the vagaries of nature, namely, good monsoon, which in turn will help in higher sugarcane availability.

The trend of rainfall in the command areas of the company has been good in the recent past which has recharged the ground water for irrigation drawl over the next 2 sugar seasons. This has resulted in improved cane planting, yield and the sugar recovery. The trend is expected to continue for next few years. These favourable conditions would support profitable operations in the ensuing years.

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

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

Mr.R.Varadarajan is interested in this subject. None of the other Directors/Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in these resolution.

The Board of Directors commends the resolutions furnished in the agenda for approval of the shareholders.

By Order of the Board

Place : Coimbatore  
Dae : 17<sup>th</sup> August 2022

**M.PONRAJ**  
Company Secretary

## BOARD OF DIRECTORS

Ms. RAJSHREE PATHY (DIN 00001614)

Chairperson

Dr. P. SURULINARAYANASAMI (DIN 01468527)

Mr. S. VASUDEVAN (DIN 01567080)

Mr. S. KRISHNASWAMI (DIN 08530320)

Mr. SHEILENDRA BHANSALI (DIN 00595312)

Mr. K. ILANGO (DIN 00124115)

Mr. R. VARADARAJAN (DIN 00001738)

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

### Company Secretary

Mr. M. Ponraj

### Registrar & Transfer Agent

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

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## BOARD'S REPORT

Your Directors have pleasure in presenting the 36<sup>th</sup> Annual Report on the business and operations of the company and the audited financial statements for the year ended 31<sup>st</sup> March 2022.

	2021-22	2020-21
		₹ in lakhs
<b>1) Financial Highlights</b>		
Total Income	<b>47,936.90</b>	37,362.07
Profit before Finance Costs, Depreciation and exceptional items	<b>4,369.09</b>	3,776.62
Less: Finance Costs	<b>2,218.36</b>	2,924.78
Depreciation	<b>2,410.77</b>	2,431.85
Profit / (Loss) from ordinary activities before Tax	<b>(260.04)</b>	(1,580.01)
Tax Expenses	<b>57.58</b>	95.84
Profit / (Loss) after Tax	<b>(317.62)</b>	(1,675.85)
Other comprehensive income, net of income tax	<b>23,378.46</b>	76.73
Total comprehensive income for the period	<b>23,060.84</b>	(1,599.12)
Basic / Diluted earnings per share of ₹10/- each, before / after extraordinary items	<b>(0.96)</b>	(5.25)

### 2) Dividend

In view of the stressed financial position, your Directors have not recommended payment of dividend for the year 2021-22. Also no amount has been transferred to reserves.

### 3) Financial Performance

Your Company earned an income of ₹ 47,936.90 lakhs in the year 2021-22 as against ₹ 37,362.07 lakhs during the previous year. The Company has incurred a net profit of ₹ 23,060.84 lakhs as against the net loss of ₹ 1,599.13 lakhs incurred during the previous year.

The company has exercised the option to disclose the Land held by it under PPE at fair value and accordingly the same has been revalued following the procedure laid down under the section 247 of Companies Act, 2013. The surplus arising in the process has been shown under other comprehensive income.

### 4) Operational Performance

#### a) Sugar Division

The key operational data of our Sugar Division for the year 2021-22 are as follows:

Particulars	2021-22	2020-21
Sugarcane crushed (Tons)	<b>12,78,164</b>	9,40,684
Recovery %	<b>9.01</b>	8.64
Sugar Produced (Tons)	<b>1,15,109</b>	81,282
Sugar Sold (Tons) - Domestic	<b>95,595</b>	67,953

The sugarcane crushing has increased by 36% due to better availability of cane on account of the good monsoon in the command area.



**b) Cogeneration Division**

During the year under review, the total power generated by the Cogeneration Division was 1,535 lakh units as against 1,134 lakh units in the previous year. The company exported 974 lakh units during the year as against 637 lakh units in the previous year.

**c) Distillery Division**

The Distillery Division produced 160.03 Lakh litres of Alcohol during the year as against 181.66 lakh litres in the previous year and sold 183.06 lakh litres as against 157.16 lakh litres in the previous year.

**5) Resolution plan for Restructuring of debt of the Company**

The Company has complied with all the conditions precedent for implementation of the approved debt restructuring plan as set out in the 'Framework Restructuring Agreement' entered into with the six lender banks (State Bank of India, Bank of India, ICICI Bank Limited, UCO Bank, Axis Bank Limited and Federal Bank Limited) on 12<sup>th</sup> July 2021, for restructuring the secured debt owing to the said banks.

All the lender banks have agreed to treat the date of implementation of the debt restructuring plan as 6<sup>th</sup> December 2021.

The Company is in default of the soft loans received from Sugar Development Fund (SDF), Government of India, since the Financial Year ended 31<sup>st</sup> March 2016. The Department of Food and Public Distribution has issued the operational guidelines on January 3, 2022 for restructuring of SDF Loans under Rule 26 of the SDF Rules.

On 20<sup>th</sup> May 2022, the Company has received the Administrative Approval (AA) vide letter reference No. 'File No.8-4/2010 - SDF' from the Sugar Development Fund, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, for restructuring of SDF Ethanol loan of ₹ 32.45 crore and Co-generation loan of ₹ 21.10 crore availed by the Company. The Company is in the process of executing necessary documents for implementation of the restructuring of the SDF loans.

**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 sugarcane command areas of Unit-II & Unit-III of the Company have received a considerable rainfall during 2021 with copious rainfall during north east monsoon of 2021. This has recharged groundwater in the area which will be available for irrigation drawl over the next two years. The favourable monsoon has directly resulted in improved cane planting and recovery of sugar.

The Central Government has set an ambitious target of achieving 20% blending of locally produced Ethanol with Petrol by the year 2025. To enable this, it allowed Sugar mills to produce Ethanol from Cane Juice by amending the provisions of Sugarcane Control Act, 1966 and also announced an attractive price for ethanol produced from different sources. This would divert a part of sugar production to ethanol thereby reduce the overstocking of sugar and stabilize the domestic sugar price.

Further, the Government policy on sugar would continue to have a significant bearing on the prospects of the industry in the coming years.

**7) Issue of Securities**

The Securities Allotment Committee at their meeting held on 27<sup>th</sup> August 2021, has allotted the following securities:

- a) 49,67,926 Equity Shares of face value of ₹ 10/- each at a price of ₹ 14.03 each (including premium of ₹ 4.03 each) on preferential basis to the lender banks by part conversion of their secured loans pursuant to the Resolution Plan for restructuring the debt of the Company (RP).

- b) 14,366 0.1% Secured, Unlisted, Non-Cumulative, Redeemable & Optionally-Convertible Debentures (OCD) of face value of ₹ 1 lakh each on preferential / private placement basis to the lender banks on part-conversion of secured loans pursuant to RP.
- c) 9,748 0.1% Secured, Unlisted, Non-Cumulative, Redeemable & Non-Convertible Debentures (NCD) of face value of ₹ 1 lakh each on preferential / private placement basis to the lender banks on part-conversion of secured loans pursuant to RP.

## 8) 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.

## 9) Auditors

Statutory Auditors: M/s.S.Krishnamoorthy & Co., Chartered Accountants, Coimbatore (Firm Registration No. 001496S), hold office as Auditors upto the conclusion of the 40<sup>th</sup> Annual General Meeting (AGM) to be held for the financial year ending 31<sup>st</sup> March 2026.

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 Co-generation 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.

Based on the recommendation of the Audit Committee, the Board of Directors have re-appointed M/s.S.Mahadevan & Co., Cost Accountants, as the Cost Auditors of the Company, to carry out the cost audit for the financial year 2022-23 and fixed their remuneration. The resolution for ratification of remuneration in terms of Section 148(3) of the Companies Act, 2013 is being placed before the ensuing AGM.

Secretarial Auditor: Based on the recommendation of the Audit Committee, the Board of Directors have re-appointed Mr.G.Soundarrajan, Practicing Company Secretary, 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 ending 31<sup>st</sup> March 2023.

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

Annexed to this Report as Annexure 1.

## 11) Corporate Governance

The Company is committed to maintaining the highest standards of corporate governance and adherence to the corporate governance requirements prescribed by the Securities Exchange Board of India (SEBI). The Company also follows several best Corporate Governance practices as prevalent globally. The report on Corporate Governance as stipulated under the SEBI (LODR) Regulations, 2015 forms an integral part of this Report as Annexure 2. 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.

## 12) Details of Directors or Key Managerial Personnel Appointed / Resigned

Details of re-appointment and cessation of a Director during the year are furnished below:

Name	Designation	Appointment / reappointment / Resignation	Effective from
Mr. Raja MJ Abdeen	Non-Independent Non-Executive Director	Re-appointment on retirement by rotation at the 35 <sup>th</sup> Annual General Meeting.	30 <sup>th</sup> September 2021
		Cessation due to demise.	27 <sup>th</sup> October 2021

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors has re-appointed Mr. Sheilendra Bhansali (DIN 00595312) as an Independent Director of the company whose first term of appointment for a period of five years expired on 9<sup>th</sup> July 2022, and for second term of five consecutive years from 10<sup>th</sup> July 2022, subject to approval of the members. It is also proposed to re-appoint Mr. S. Krishnaswami (DIN 08530320) as an Independent Director of the company whose first term of appointment for a period of three years is due to expire on 29<sup>th</sup> September 2022, for the second term of three consecutive years from 30<sup>th</sup> September 2022.

The Nomination and Remuneration Committee and the Board of Directors have recommended the said reappointments. Necessary resolution for the approval of the members by way of special resolution will be placed at the ensuing AGM.

### **13) 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 Nomination and Remuneration Committee (NRC) has carried out annual evaluation of the Directors individually. The Independent Directors at their separate meeting has also carried out annual performance evaluation of the non-independent Directors (including Chairperson of the Company) and Board as a whole.

The performance evaluation has been carried out as per the criteria laid down by NRC.

### **14) Number of Board meetings**

During the year, 8 (eight) Board Meetings were convened and held, the details of which, including attendance of directors, are given in the Corporate Governance Report.

### **15) 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.

### **16) 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/](http://www.rajshreesugars.com/policies/)

### **17) Particulars of Loans, Guarantees or Investments under Section 186**

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

### **18) 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 31<sup>st</sup> December 2021, no complaint was received under the act.

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

### **19) 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.

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

There were no material changes that took place between the end of the financial year and this report, except the following:

On 20<sup>th</sup> May 2022, the Company has received the Administrative Approval (AA) vide letter reference no. 'File No.8-4/2010 - SDF' from the Sugar Development Fund, Ministry of Consumer Affairs, Food & Public Distribution, Department of Food & Public Distribution, for restructuring of SDF Ethanol loan of ₹ 32.45 crore and Co-generation loan of ₹ 21.10 crore availed by the Company. The Company is in the process of executing necessary documents for implementation of the restructuring of the SDF loans.

## 21) 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).

## 22) 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 and to fix/ revise their remuneration.

The salient features of the policy are furnished hereunder:

The Nomination & Remuneration Policy (NR Policy) was framed in terms of the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 for appointment and remuneration of Directors, Key Managerial Personnel and Senior Management. The objective and purpose of this policy are to ensure that (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/](http://www.rajshreesugars.com/policies/)

## 23) Industrial Relations

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

## 24) Internal control systems and their adequacy

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

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

A detailed report as required under SEBI (Share Based Employee Benefits) Regulations, 2014 / SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021 on the "RSCL Employees Stock Option Plan 2012" forms part of this report, as Annexure 4.

## 26) Secretarial Audit

The Board has appointed Mr.G.Soundarrajan (Membership No.13993; CP No.4993; P.R. No. 2101/2022), 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.

## 27) Extract of Annual Return

In terms 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 filed for the year ended 31<sup>st</sup> March 2021 has been placed on the website of the Company i.e. [www.rajshreesugars.com](http://www.rajshreesugars.com).

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

No dividend is pending to be transferred to IEPF pursuant to the provisions of Section 124(5) of the Companies Act, 2013, except unpaid dividend of ₹ 39,729/- for the financial year 2009-10, which are kept pending transfer due to prohibition as per court orders.

Pursuant to the provisions of IEPF (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on 28<sup>th</sup> August 2017 on the website of the Company ([www.rajshreesugars.com](http://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 6<sup>th</sup> 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>

## 29) 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 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.

## 30) Code of Conduct

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

The code is available in the website of the company [www.rajshreesugars.com/Code-of-conduct-fair-disclosure](http://www.rajshreesugars.com/Code-of-conduct-fair-disclosure)

## 31) 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](http://www.rajshreesugars.com/Code-of-conduct-fair-disclosure)

## 32) 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 lower sugar recovery as compared to minimum recovery for which the state is to pay the Fair remunerative price. Lower capacity utilization is also a concern.

The Tamil Nadu Industry has also the option of producing Ethanol, but has limited scope as the State is still a molasses deficit due to lower capacity utilization of sugar mills.

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

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

There have been no significant and material orders passed by any Regulator / Court / Tribunal impacting the going concern status and company's operations in future.

**34) 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.

**35) Acknowledgement**

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

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

For and on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

**SHEILENDRA BHANSALI**  
Director  
DIN 00595312



**ANNEXURE 1**  
**BOARD'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022****A. CONSERVATION OF ENERGY**

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

At Unit-I, Varadarajnagar:

1. At the Sugar Mill: The First Body condensate pump and motors were changed from 25hp to 15hp which resulted in power saving of 11556 units.
2. At the Sugar Mill: 40 numbers of nozzles in the Boiler no. 3 SA were renewed with a cost of ₹ 2.75 Lakhs, which resulted in complete combustion of fuel which increased steam fuel ratio by 0.01% and 69MT of bagasse was saved.

At Unit-II, Mundiampakkam

1. At the Sugar Mill: Variable Frequency Drives (VFD) were commissioned in No.1 Cane unloader motors that resulted in power saving of 37572 Units.
2. At the Sugar Mill : 20 numbers of 20W LED bulbs were replaced in the place of tube light fittings which caused a power saving of 1600 Units/annum.

At Unit-III, Semmedu

1. At the Sugar & Distillery plant : 110 Numbers of 36W Florescent type tube lambs were replaced by 18W LED tube lamb lightings which resulted in power saving of 7120 kwh.
2. At the Sugar Mill : 10 Numbers of 250 HPMV lamb bulbs were replaced by 50W LED bulbs which enhanced the power Savings by 7,200 kwh.
3. At Sugar, Distillery & Co-generation units: 140 Numbers of 125 W HPMV bulbs were replaced by 20W LED bulb which resulted in a saving of 52920 kwh of energy.
4. At the Sugar Mill : 10 Numbers HPMV lamp fittings were replaced by 100W High bay LED fittings that induced an energy saving of 5400 kwh.

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

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

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

- 1) At Unit-I – 2.75
- 2) At Unit-II – 1.78
- 3) At Unit-III – 1.81

**B. TECHNOLOGY ABSORPTION**

l) The efforts made towards technology absorption;

- 1) The Sugarcane variety Co 11015 was included in the High Sugar and High Yield variety group and recommended for large scale planting to replace the low and medium sugar varieties during 2019-20. Because of the consistent efforts put forth by the cane team, this variety reached 33% of total cane area at Unit II and 17 % at Unit III.

- 2) Intensification of area under this variety increased the total high sugar variety area from 76 to 82 % at Unit II.
- 3) Co 11015 variety harvested in 3309 acres during 2021-22 main season and recorded an average yield of 37.63 ton / acre at unit II command area whereas Co 86032 was harvested in about 3743 acres recorded the average yield 36.62 ton / acre compared to the factory average yield of 35.63 ton / acre.
- 4) The juice quality of Co 11015 was assessed through Big Mill Test (BMT). Results of 10 BMTs conducted during 2020-21 and 2021-22 seasons for different month and age group under Co 11015 variety recorded the expected recovery per cent increase of 0.40 to 1.14 % higher than Co 86032.
- 5) New sugarcane variety, VSI 12121 was selected as best clone from AICRP programme conducted at Varadaraj Nagar. Based on its consistent quality and yield over ruling Co 86032 variety, it has been promoted to an area of 56 acres for further large scale testing for yield and quality. The first BMT conducted during August 2021 recorded 0.66% higher expected recovery than Co 86032. Further evaluation is under progress.
- 6) The second set of Sweet Bloom Project completed and clones viz., Co 12009, Co 14027, Co 17003 and Co 18009 were selected and advanced to multi-location research trials under farmer's field to assess its suitability for different soil and environmental conditions at Unit II.
- 7) Selected 5 new clones from various AICRP trials and the selected clones are under advanced stage of testing.
- 8) Two set of Adaptive Research Trials, a collaborative study with Tamil Nadu Agricultural University, is under progress with 8 new clones at Varadaraj Nagar and Mundiampakkam.
- 9) New set of 13 clones under All India Co-ordinated Research Project on Sugarcane (2018 series) were obtained from ICAR Sugarcane Breeding Institute, Coimbatore and are being multiplied at Varadaraj Nagar for further evaluation in 2023.
- 10) Exclusive fertilizer package was developed for Co 11015 variety as its early growth stage is very fast. Based on the field trial results, recommended 150:60:75 kg NPK / acre at 4 time of split application at 25, 50, 75 and 100 days after planting instead of 30, 60 and 90 days application for better crop growth and yield.
- 11) 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 are under progress in farmer's field.
- 12) Three new post-emergence herbicide are being evaluated in farmer field and in cane farm at Unit II to identify the better and suitable one for large scale recommendation.
- 13) As a new initiative, in co-ordination with Sericulture Department of Villupuram, developed two mulberry crop farmers for Eri silk worm cocoon production which resulted in the continuous supply of cocoon and Tetrastichus production.
- 14) Tetrastichus Parasitoid was supplied for Leaf Webber pest management in Mulberry crop through Sericulture Department, Villupuram as a mutual benefit.
- 15) Based on the previous study results, application of Chlorantraniliprole 18.5% SC was extensively adopted in about 2500 acres to manage the early shoot borer incidence which resulted in the enhanced crop growth and yield.
- 16) Since Chlorantraniliprole applied plots recorded lesser Inter node borer incidence, a new study with second dose application of Chlorantraniliprole 0.4% Gr at different levels were initiated in 10 locations both at Unit II and Unit III command area to develop a new package for INB management.
- 17) Integrated method of Rat management studies combining agronomical, mechanical, biological and chemical measures are in progress to develop an effective rat management package under field condition.

- 18) Initiated the village level yield improvement programme by selecting 8 Model Villages, 4 each in Unit II and Unit III. Adoption of pest management practices and yield improvement technologies are in progress. Conducted the meetings and technical guidance are being given to farmers in all the selected villages.
  - 19) To create awareness and speed up the technology promotion among farmers, Government is extending NADP subsidy to farmers (Bud chip seedlings planting & single bud planting activities). The cane team was coordinated with the farmers and 100% fund allotted to each unit was utilized effectively and claimed an amount of Rs.4.95 lakhs at Unit I, Rs.9.65 lakhs at Unit II and Rs.11.96 lakhs at Unit III.
  - 20) Two days technical training programme regarding variety, agronomical packages, pest and disease management and other yield improvement techniques given to cane officers and supervisors of all our three units during October to November 2021.
  - 21) Presented two research studies, "Evaluation of bioproducts and biostimulant (SMARTHA G) on cane yield and juice quality of sugarcane" and "Co 11015 - a new early maturing sugarcane variety for Rajshree Sugars Mundiampakkam command area" in the "International Conference on Sugarcane Research: Sugarcane for sugar and Beyond (CaneCon2021)" organized by the ICAR-SBI, TNAU and SSRD at Coimbatore on 19th to 22nd June 2021 through ONLINE mode
  - 22) Third research article on "Field Efficacy of Chlorantraniliprole 18.5% SC against Sugarcane Early Shoot Borer and Internode Borer in Rajshree Sugars Cane Command Area" was presented in the 79th STAI Annual Convention and International Sugar Expo held on 4th & 5th October 2021 at NSI Campus, Kanpur through online mode.
  - 23) Research paper presented on "Co 11015 - a new early maturing sugarcane variety for Rajshree sugars mundiampakkam command area" in the "International Conference on Sugarcane Research: Sugarcane for sugar and Beyond (CaneCon2021)" bagged Best Presentation Award by our Breeder Mr. C.G. Balaji.
- ii) The benefits derived like product improvement, cost reduction, product development or import substitution;
- 1) 99.260 tonnes of rejuvenated Co 86032 and Co 11015 breeder seed material were obtained for Financial Year 2021-22 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.
  - 2) Chip bud seedlings of 5.65 lakhs were produced at R&D Centre and supplied to Unit II and Unit III farmers for nursery and bulk planting. Similarly 1.68 lakhs of seedling were produced at Unit I and supplied to farmers.
  - 3) Similarly 23.13 lakhs of bud chip setts were supplied to R&D and Entrepreneur shade nets for seedling production at Unit I and Unit II.
  - 4) Continual technology up-gradation of in-house R&D bio-control agent production facilities and co-ordination without sourced entrepreneurs ensured the supply of 63623 boxes of Tetrastichus and 30195 CC of Trichogramma cards which resulted in the biocontrol coverage of 25-30 % of cane area across all units with significant reduction in Internode Borer pest incidence and better cost benefit to farmers
  - 5) As a part of reducing the cost of cultivation, mechanization was promoted in a phased manner and developed two entrepreneur model cane harvester each one at Varadaraj Nagar and Mundiampakkam unit with Government subsidy scheme (SMAM - Sub Mission on Agriculture mechanization).
  - 6) Totally operated 6 mechanical harvesters across all the units by engaging our own farmer's and outside entrepreneur's harvesters and harvested 22300 tonnes with significant reduction in the harvest charge thereby benefitting the farmers.

- 7) Wider row planting is being promoted in all the units to increase the area under mechanized cane cultivation and mechanical harvest. Planning to harvest 40000 tonnes in the coming year.
- 8) Similarly, 8 new entrepreneurs were arranged for purchase of three trash shredders, two disc plough, one ratoon manager, one disc off barrer and one mini tractor to improve the mechanized and cost effective cane cultivation.
- 9) 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.
- iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year); NotApplicable.
- C. The expenditure incurred on Research and Development: ₹ 84.26 lakhs (₹ 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. (₹ in lakhs)

	2021-22	2020-21
Foreign exchange earned :	Nil	Nil
Foreign exchange outgo :	Nil	Nil

For and on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

**SHEILENDRA BHANSALI**  
Director  
DIN 00595312

## ANNEXURE 2

### BOARD'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022

#### 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
- 1 Non-Independent Non-Executive Director Dr. P. Surulinarayanasami
- 4 Independent Directors  
Mr. Sheilendra Bhansali  
Mr. S. Vasudevan  
Mr. K. Ilango  
Mr. S. Krishnaswami

b) During the year, 8 Board meetings were held respectively on 30<sup>th</sup> June 2021, 7<sup>th</sup> July 2021, 16<sup>th</sup> July 2021, 20<sup>th</sup> August 2021, 3<sup>rd</sup> September 2021, 30<sup>th</sup> September 2021, 10<sup>th</sup> November 2021 and 10<sup>th</sup> February 2022.

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

Name of Director	No. of Board Meetings attended	Last AGM attended	In Board of other Companies		In Committee of other Companies	
			Membership	Chairmanship	Membership	Chairmanship
Ms. Rajshree Pathy	8	Yes	9	–	–	–
Mr. R. Varadarajan	8	Yes	3	–	2	–
Dr. P. Surulinarayanasami	6	Yes	2	–	–	–
Mr. Sheilendra Bhansali	8	Yes	2	–	–	–
Mr. S. Vasudevan	8	Yes	2	–	4	–
Mr. K. Ilango	8	Yes	7	–	2	–
Mr. S. Krishnaswami	8	Yes	–	–	–	–
Mr. Raja M.J. Abdeen*	0	No	10	–	–	–

\* Mr. Raja MJ Abdeen ceased to be a director due to his demise on 27<sup>th</sup> October 2021.

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
Mr. S. Vasudevan	Lancor Holdings 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.Varadarajan	Dr. P. Surulinarayanasami	Mr.Sheilendra Bhansali	Mr.S.Vasudevan	Mr.K.Ilango	Mr.S.Krishnaswami
Skills attributable to the Industry / Sector, in which the Company operates	Yes	Yes	Yes		Yes		
Financial Management Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Administrative Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Leadership Skills	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Technical / Professional skills in relation to Company's Business Operations	Yes		Yes		Yes	Yes	
Business Strategy & Sales & Marketing	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Corporate Governance	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Communication Skills and public relations	Yes		Yes	Yes	Yes	Yes	Yes
Decision making skills	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

### 3. Audit Committee

The Audit Committee constituted by the Board of Directors consists of the following Directors as members and during the year, five meetings were held respectively on 30<sup>th</sup> June 2021, 3<sup>rd</sup> September 2021, 30<sup>th</sup> September 2021, 10<sup>th</sup> November 2021 and 10<sup>th</sup> February 2022.

Name of Member	Category	No. of meetings attended
Mr. Sheilendra Bhansali, Chairman	Independent Directors	5
Mr. S. Vasudevan		5
Mr. K. Ilango		5
Mr. R. Varadarajan	Non Promoter Executive Director	5

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 are 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) 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 (NRC)

NRC consists of the following Directors as members and during the year, three meetings of NRC were held on 28<sup>th</sup> June 2021, 2<sup>nd</sup> September 2021 and 9<sup>th</sup> February 2022.

Name of Member	Category	No. of meetings attended
Mr. S. Vasudevan, Chairman	Independent Directors	3
Mr. Sheilendra Bhansali		3
Ms. Rajshree Pathy	Non-Executive, Non-Independent Chairperson	3

The brief description of terms of reference are 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 (SRC)

During the year, one meeting of the Committee was held on 9<sup>th</sup> February 2022.

The SRC 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 31<sup>st</sup> March 2022, there are no complaints/ queries/ pending reply. An exclusive email ID for addressing shareholders grievances, viz., [investor@rajshreesugars.com](mailto: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 & 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 are 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, 4 meetings were held respectively on 3<sup>rd</sup> May 2021, 30<sup>th</sup> June 2021, 10<sup>th</sup> July 2021 and 19<sup>th</sup> March 2022 :

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	Representative of SKDC Consultants Limited, The Registrar & Transfer Agent

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

## 8. Securities Allotment Committee (SAC)

SAC was formed with the objective of allotment of securities to the lender banks or their appointed trustees pursuant to the Resolution Plan for restructuring the debt of the Company, as per the Framework Restructuring Agreement dated 12<sup>th</sup> July 2021. One meeting of SAC was held on 27<sup>th</sup> August 2021, attended by all the members. SAC consists of the following directors as members:

Name of Members	Category
Mr. Sheilendra Bhansali, Chairman	Independent Director
Mr. S. Vasudevan	Independent Director
Mr. R. Varadarajan	Executive Director

## 9. Compensation Committee

The Compensation Committee consists of the following Directors as members :

Name of Members	Category
Mr. S. Vasudevan	Chairman
Mr. S. Krishnaswami	Independent Directors
Mr. K. Ilango	
Ms. Rajshree Pathy	Non-Executive, Non-Independent 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.

## 10. Independent Directors' meeting

During the year, one meeting of the Independent Directors was held on 9<sup>th</sup> February 2022 without the attendance of non-independent directors and members of management. All the independent directors attended the meeting.

The Independent Directors, at the meeting.

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

## 11. Remuneration of Directors

The remuneration paid to Directors for the financial year 2021-22 is furnished below: (Rs. in lakhs)

Managerial remuneration	Executive Director	Non-Executive Directors					
	Mr. R. Varadarajan	Ms. Rajshree Pathy	Dr. P. Suruli narayana swami	Mr. Sheilendra Bhansali	Mr. S. Vasu devan	Mr. K. Ilango	Mr. S. Krishna swami
Salary	-	-	-	-	-	-	-
Commission	-	-	-	-	-	-	-
Perquisites	-	-	-	-	-	-	-
Sitting Fees	1.40	1.00	0.50	-	1.40	1.40	1.00
Total	1.40	1.00	0.50	-	1.40	1.40	1.00
Details of performance linked incentive	-	-	-	-	-	-	-
Service Contracts	3 years	-	-	-	-	-	-
Notice period	3 months	-	-	-	-	-	-
Severance fees	-	-	-	-	-	-	-

On account of Covid-19, the Directors have earlier waived the sitting fees since May 2020 for the meetings of the Board and Committees and now since the impact of the Covid-19 has dropped off, the directors have accepted their sitting fees from the board meetings since November 2021.

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 as on 31<sup>st</sup> March, 2022 are 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	34.15
Dr. P. Surulinarayanasami	11,31,107	3.41
Mr. Sheilendra Bhansali	-	-
Mr. S. Krishnaswami	500	0.00
Mr. K. Ilango	-	-
Mr. S. Vasudevan	-	-

## 12. 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).

## 13. General Body meetings

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

Year	Location	Date	Time	No. of special resolutions passed
2019	Chamber Hall, Indian Chamber of Commerce & Industry Coimbatore - 641018	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
2021	The Registered office (deemed venue). The Extra-ordinary General Meeting was conducted through VC.	12.03.2021	4.00 PM	3
2021	The Registered office (deemed venue). AGM was conducted through VC.	30.09.2021	4.00 PM	3

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

#### 14. 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](http://www.rajshreesugars.com) and in the website of stock exchanges viz., [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://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.

#### 15. General shareholder information

i. AGM - Date, time and venue	28 <sup>th</sup> September 2022 at 4 PM 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 <sup>st</sup> March
iii. Financial calendar 2022-23 First quarterly results Second quarterly results Third quarterly results Fourth quarterly and Audited yearly results	Before 14 <sup>th</sup> August 2022 Before 14 <sup>th</sup> November 2022 Before 14 <sup>th</sup> February 2023 Before 30 <sup>th</sup> May 2023

iv. Book Closure Date for AGM	22 <sup>nd</sup> September 2022 to 28 <sup>th</sup> September 2022
v. Dividend	In view of the stressed financial position, your Directors have not recommended payment of dividend for the year 2021-22.
vi. Name and address of stock exchanges.	<p>BSE Limited PhirozeJeejeebhoy Towers Dalal Street Mumbai- 400001</p> <p>National Stock Exchange of India Limited Exchange Plaza, C-1, Block G, Bandra Kurla Complex Bandra (E) Mumbai - 400 051</p> <p>The company has paid listing fees to the above Stock Exchanges for the financial year 2022-23.</p>
vii. Stock Code	500354 (BSE) RAJSREESUG (NSE)

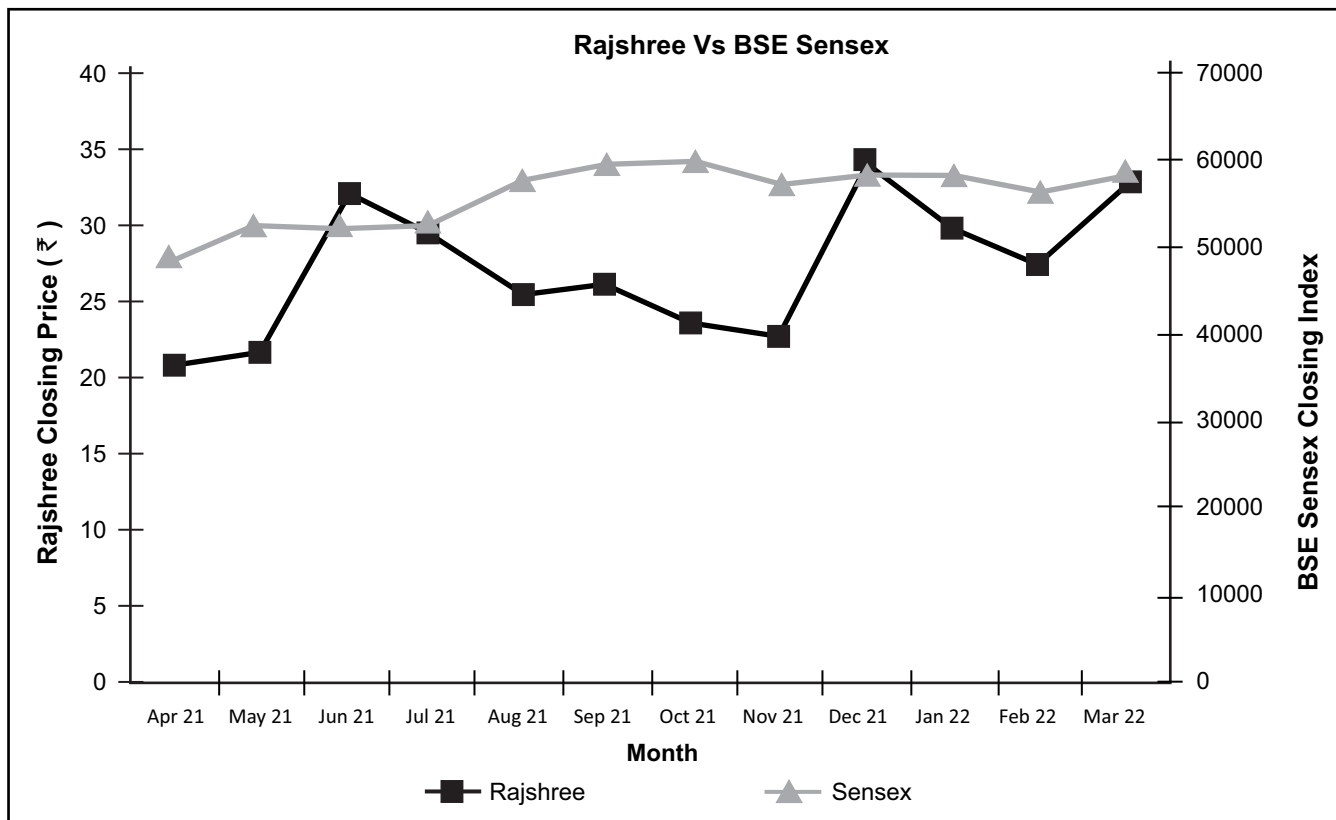
viii. Market Price Data - High/Low during each month of the Financial Year 2021-22 :

Amount in ₹

Month	BSE		NSE	
	High	Low	High	Low
April - 2021	21.10	16.70	20.80	16.55
May - 2021	25.70	20.15	25.10	20.00
June - 2021	31.60	21.00	31.50	20.80
July - 2021	38.30	28.20	38.20	28.15
August - 2021	31.00	22.40	30.80	22.40
September - 2021	30.70	24.75	30.60	24.60
October - 2021	30.15	23.45	29.80	23.05
November - 2021	26.50	22.00	26.90	21.50
December - 2021	40.20	21.90	39.95	22.05
January - 2022	36.95	28.55	36.45	27.95
February - 2022	32.85	24.55	32.70	24.90
March - 2022	37.45	26.95	37.85	26.75



ix.



x.

<p>Registrars and Share Transfer Agents (for physical &amp; demat shares)</p>	<p>M/s SKDC Consultants Limited (A wholly owned subsidiary of Link-in Time India Private Limited) "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</p>
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xi.

<p>Share transfer system</p>	<p>No transfer was executed in physical mode during the year as per SEBI Circulars dated 20<sup>th</sup> April 2018, 16<sup>th</sup> July 2018 and 25<sup>th</sup> January 2022. Further, SEBI vide its circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022, has included the service requests like issue of duplicate securities certificate, claim from unclaimed suspense account, Renewal/ exchange of securities certificate, Endorsement, Sub-division/ splitting of securities certificates, consolidation of securities certificates/folios, Transmission and transposition which are to be done only in the dematerialized form and the procedure in the above para should be used in this regard.</p>
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xii. Distribution of shareholding as on 31<sup>st</sup> March 2022 :

Range (No. of shares)	No. of Folios	No. of shares held	% of shareholding
1 - 500	19,923	25,78,767	7.78
501 - 1000	1,356	11,19,580	3.38
1001 - 2000	670	10,35,706	3.13
2001 - 3000	228	5,85,825	1.77
3001 - 4000	93	3,33,581	1.01
4001 - 5000	80	3,81,752	1.15
5001 - 10000	121	9,10,814	2.75
10001 and above	117	2,61,89,581	79.04
<b>Total</b>	<b>22,588</b>	<b>3,31,35,606</b>	<b>100.00</b>

xiii. Shareholding pattern as on 31<sup>st</sup> March 2022

Category	No. of Folios	No. of shares held	% of shareholding
Promoters and Promoters Group *	4	13,473,621	40.66
Directors & Relatives**	3	3,45,461	1.04
Mutual funds and UTI	4	4,900	0.01
Banks, Financial institutions and insurance Companies	8	4,969,326	15.00
Corporate bodies	143	1,234,569	3.73
Indian public	21,874	10,187,347	30.74
NRIs and OCBs ***	120	24,29,100	7.34
IEPF Authority	1	488,100	1.47
Unclaimed Share Suspense Account	1	3,182	0.01
<b>Total****</b>	<b>22,158</b>	<b>33,135,606</b>	<b>100.00</b>

\* Pledge has been created in respect of 1,34,73,621 equity shares with voting rights of Promoter & Promoter Group in favour of SBICAP Trustee Company Ltd, who is holding the pledge on behalf of lenders of the Company (State Bank of India, UCO Bank, Bank of India, ICICI Bank Ltd, Axis Bank Ltd and Federal Bank Ltd), as per the Resolution Plan for restructuring the debt of the company vide Framework Restructuring Agreement (FRA) executed on 12<sup>th</sup> July 2021 between the Company and the lenders.

\*\* Excludes shareholding of a NRI Director (11,31,107 shares).

\*\*\* Includes 11,31,107 shares of a NRI Director.

\*\*\*\* Total number of shareholders after PAN wise clubbing of shareholding.

xiv.	Dematerialization of shareholding and liquidity	93.72% 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>Unit I - Sugar, Cogeneration &amp; Distillery Varadarajnagar PO, PIN 625 562. Periakulam Taluk, Theni District</p> <p>Unit II - Sugar &amp; Cogeneration Mundiampakkam PO, PIN 605 601. Vikravandi Taluk, Villupuram District</p> <p>Unit III - Sugar, Cogeneration &amp; Distillery Semmedu Village, Gingee Taluk, PIN 604 153, Villupuram District</p>
xvii.	Address for correspondence	<p>"The Uffizi", 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 ₹ 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 ₹ 29/kg for sale at factory gate in domestic market, below which no sugar mill can sell sugar. Later the price was increased to ₹ 31 per kg in February 2019 and continued to be operative during the period April 2021 to March 2022. 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 10 million tons of export of sugar for the sugar season 2021-22 to clear the excess stock of sugar which will increase or stabilize the domestic price.

## 16. 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](http://rajshreesugars.com) vide link <http://rajshreesugars.com/the-company/policies/>

## 17. 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 31<sup>st</sup> March 2022: ₹ 14.25 lakhs (₹ 7.75 lakhs).

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

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

## 19. 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](http://www.rajshreesugars.com/images/stories/Familiarisation_Program_for_Independent_Directors.pdf)

## 20. Related party transactions

The transactions with the related party are disclosed in Note No. 39(20) 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.

## 21. 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 annual audited results, for the year ended 31<sup>st</sup> March, 2021 and unaudited financial result for the quarter ended 30<sup>th</sup> June, 2021 due to delay in execution of documents for restructuring of debts of the Company and its effect in financial statements for the year ended 31<sup>st</sup> March, 2021 to comply with Indian Accounting Standards 10. The delay has been condoned by both Stock Exchanges vide their orders dated 12<sup>th</sup> July 2022 (NSE) and 19<sup>th</sup> July 2022 (BSE) and fines levied has been waived in full.
- 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 confirms that all the Independent Directors have fulfilled the conditions specified under SEBI (LODR) regulations, 2015; and they are totally independent of the management.
- g) Disclosure with respect to demat suspense account / unclaimed suspense account.

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

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

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

## 22. 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.

## 23. CEO/CFO Certification

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

For and on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 0001738

**SHEILENDRA BHANSALI**  
Director  
DIN 00595312

## APPENDIX – 1

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

The Shareholders,

I, R.Varadarajan, Wholetime Director, hereby declare that all the Board Members and Senior Management personnel have affirmed compliance with the code of conduct for the Board of Directors and Senior Management personnel of Rajshree Sugars & Chemicals Limited, for the financial year ended 31<sup>st</sup> March 2022.

For and on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

## 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 31<sup>st</sup> March 2022, and that to the best of our knowledge and belief, we state that:
  - i. these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading;
  - ii. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's Code of Conduct.
- c. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- d. We have indicated to the Auditors and the Audit Committee:
  - i. Significant changes, if any, in internal control over financial reporting during the year;
  - ii. Significant changes, if any, in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over the financial reporting.

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

Place : Coimbatore  
Date : 17<sup>th</sup> May 2022

**C.S. SATHIYANARAYANAN**  
Chief Financial Officer

Place : Chennai  
Date : 17<sup>th</sup> May 2022

## 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 31,2022 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, 2022, except voluntary delay in the submission of financial results for the quarter / year ended 31<sup>st</sup> March 2021 and quarter ended 30<sup>th</sup> June 2021, which had been made by the company to give effect to the Reconstruction of debts made during the previous financial year. The delay has been condoned by both Stock Exchanges vide their orders dated 12<sup>th</sup> July 2022 (NSE) and 19<sup>th</sup> July 2022 (BSE) and fines levied has been waived in full. 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

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**V. INDIRA**  
Membership No.200817  
Partner, Auditor  
UDIN 22200817AONDYJ4848



**APPENDIX – 4**

**Certificate from a Company Secretary in Practice**

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by **M/s RAJSHREE SUGARS & CHEMICALS LIMITED** (CIN: L01542TZ1985PLC001706), 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 31<sup>st</sup> March, 2022, in my opinion, none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Director of Company by SEBI / Ministry of Corporate Affairs or any such Statutory authority.

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**G. SOUNDARRAJAN**  
Practicing Company Secretary  
ACS - 13993 - C.P.No.4993  
P.R. No.- 2101/2022  
UDIN A013993D000731435

### ANNEXURE 3

#### TO BOARD'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

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; Nil, as the directors were paid only the sitting fees.

Sl.No.	Name of Director	Ratio
-	-	-

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

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

Sl.No.	Name of Director / Official	% increase (+) / decrease (-)
1.	Mr. R. Varadarajan, Wholetime Director	Not Applicable
2.	Mr. C.S. Sathiyarayanan, Chief Financial Officer	3.98%
3.	Mr. M. Ponraj, Company Secretary	18.42%

- 3) The percentage increase in the median remuneration of employees in the financial year: 7.21%
- 4) The number of permanent employees on the rolls of Company as on 31<sup>st</sup> March 2022: 866
- 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:

Not Applicable

- 6) If remuneration is as per the remuneration policy of the Company : Yes
- 7) Information as per Section 197(12) of the Companies Act, 2013 read with rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014.

Name / Age	Designation of the Employee	Remuneration ₹ in lakhs	Qualification / Experience (Years)	Date of Commence ment of Employment	Previous Employment
Mr. Sathiyamoorthi G 59 Years	President	44.19	B.Sc., ADSI - 37 Years	05-Nov-1990	Sirugappa Sugars & Chemicals Limited
Mr. Narayan R K 53 Years	Senior Vice President - Sales & Marketing	37.05	B.Com., PGDBA - 28 Years	26-May-2010	EID Parry (India) Limited
Mr. Ramesh S M 52 Years	Sr. Vice President Operations	33.81	BE Mechanical, BOE - 25 Years	11-Dec-2009	GMR Industries
Mr. Raghuram R 53 Years	Chief Operating Officer	24.84	BE Mechanical, MBA (Prodn & Marketing) 28 Years	17-Sep-2021	EID Parry (India) Limited

Name / Age	Designation of the Employee	Remuneration ₹ in lakhs	Qualification / Experience (Years)	Date of Commencement of Employment	Previous Employment
Mr.Sathiyarayanan C S 51 Years	Chief Financial Officer	22.68	ICWA, CA Inter, B.Com - 21 Years	07-May-2020	Jeyyam Global Foods Private Limited
Mr.Stephen Francis A 52 Years (Relieved on 21 <sup>st</sup> Jan 2022)	General Manager - HR	21.86	BA History, MA Social Work - 29 Years	13-Oct-2010	EID Parry (India) Limited
Mr.Sudhakar V K 62 Years	General Manager- Finance	20.66	B.Com, CA Inter - 33 Years	22-Feb-1996	C.P.R.M.Steel Limited
Mr. Kathiravan V 60 Years	Associate Vice President - Cane Operations	20.41	B.Sc, Agriculture - 36 Years	01-Apr-2002	South India Sugars Limited
Mr.Thanga Thirupathi M 57 Years	Senior Deputy General Manager - IR	19.79	MBA, PGD in PMIR, B.LL - 31 Years	03-Aug-2011	EID Parry (India) Limited
Mr. Thirugnanam V 58 Years	Dy. General Manager - Cane Operations	17.16	B.Sc. Agriculture — 33 Years	06-Sep-2017	Kothari Sugars & Chemicals Limited

Notes:

- 1) The employment of all the aforesaid employees are non-contractual and terminable by notice on either side.
- 2) None of the employees are covered under Rule 5(2)(ii) and 5(2)(iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

For and on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

**SHEILENDRA BHANSALI**  
Director  
DIN 00595312

## ANNEXURE 4

### TO BOARD'S REPORT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2022

Statement as at March 31, 2022, pursuant to (Disclosure in the Directors' Report) SEBI (Share Based Employee Benefits) Regulations, 2014 / SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021

#### A. Summary of Status of ESOPs Granted

The position of the existing schemes is summarized as under -

S.No.	Particulars	RSCL Employee Stock Option Plan 2012
1	Date of Shareholder's Approval	10 <sup>th</sup> 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	Not Applicable
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	Not Applicable

#### B. Option Movement during the year 2021-22

S.No.	Particulars	Numbers	Weighted Average Exercise price
1	Options Outstanding at the Beginning of the Year	0	NA
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	0	NA
7	Total Number of Shares arising as a result of Exercise of Options	0	NA
8	Money Realised by Exercise of Options (₹ 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 2021-22 to :**

- i) Senior managerial personnel : 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 : 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. : 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 : ₹ (0.96)**

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

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

Weighted average fair value of options granted during the year whose

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

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

**G. Weighted average remaining contractual life**

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

**H. Net Income** (₹ in lakhs)

<b>Net Income as reported</b>	(317.62)
Less: Fair Value Compensation Cost	0.00
<b>Net Income</b>	<b>(317.62)</b>

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

Not Applicable.

For and on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

**SHEILENDRA BHANSALI**  
Director  
DIN 00595312

## ANNEXURE 5

### TO BOARD'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2022

#### SECRETARIAL AUDIT REPORT

(Form No. MR-3)

#### FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2022

[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 31<sup>st</sup> March, 2022 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 31<sup>st</sup> March, 2022, 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/ SEBI (Share Based Employee Benefit and Sweat Equity) Regulations, 2021;
  - 4) 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);
  - 5) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - 6) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

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 (Issue and Listing of Debt Securities) Regulations, 2008.
- b) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- c) 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 except as per Note-1 .

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& 4 and as per Note-2

- 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

**G. SOUNDARRAJAN**  
Practicing Company Secretary  
ACS-13993-C.P. No. 4993  
P.R.No:2101/2022  
UDIN : A013993D000731534

Place : Coimbatore

Date : 8<sup>th</sup> August 2022

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.



**Note - 1**

As per Regulation 33 of LODR, the listed entity shall submit the Audited financial results for the financial year ended on 31-03-2021 and Unaudited financial results for the quarter ended on 30-06-2021 to the stock exchanges within the stipulated time

The company had submitted the said results to the exchanges and complied with the requirements with certain delay

Delay had occurred due to certain factors beyond the Company's control.

Among them was a delay in execution of documents for Restructuring the debts of the Company and its effect in the financial statements for the year ended 31<sup>st</sup> March 2021, to comply with Indian Accounting Standard 10. The cause of delay was basically unprecedented and unforeseen situation thrust upon by Covid-19 pandemic and national lockdown.

Stock Exchanges (NSE & BSE) had imposed fines aggregating to ₹ 9,97,100/-

The company has submitted request to the exchanges with a plea for full waiver of said fines, detailing the related events thoroughly.

The delay has been condoned by both the Stock Exchanges vide their orders dated 12<sup>th</sup> July 2022 (NSE) and 19<sup>th</sup> July 2022 (BSE) and fines levied has been waived in full.

**Note - 2**

SBI & others ( lender banks ) sanctioned resolution plan (RP) for restructuring of debt. As per RP the Company has completed the issue of the following securities on preferential basis on 27-08-2021:

- a) 49,67,926 equity shares to lender banks-on preferential basis by part conversion of secured loan
- b) 9,748-0.1% secured unlisted non-cumulative redeemable & non- convertible debentures at a face value of ₹ 1,00,000 each - (NCDs)
- c) 14,366-0.1% secured unlisted non cumulative redeemable debentures at a face value of ₹ 1,00,000 each - (OCDs)
- d) the company has created charge for NCDs & OCDs on 08-10-2021.

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

Date : 8<sup>th</sup> August 2022

**G. SOUNDARRAJAN**  
Practicing Company Secretary  
ACS-13993-C.P. No. 4993  
P.R.No:2101/2022  
UDIN : A013993D000731534

**ANNEXURE 6**
**TO BOARD'S REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**
**MANAGEMENT DISCUSSION AND ANALYSIS**
**Industry Scenario and Development**
**Global Sugar Outlook**

The estimation of Global sugar production as per the International Sugar Organization (ISO) is 170.473 million tons with a marginal increase of 1.433 million tons from the previous season. The consumption is expected to grow by 2.007 million tons from the previous season; it is now pegged at 173.025 million tons. The overall global deficit is anticipated to be around 0.574 million tons. The stock at the end of the sugar season 2021-22 is projected to be at 94.185 million tons as against the previous year stock of 96.72.

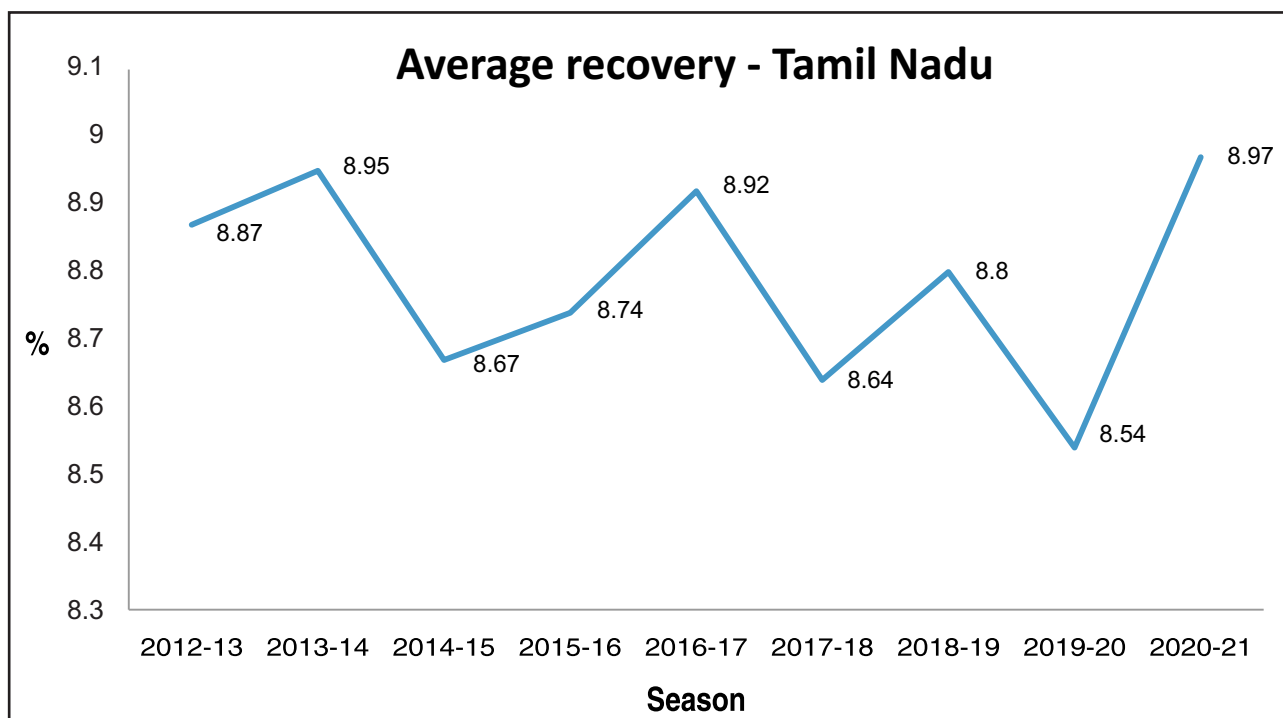
**Sugar Sector in India**

It is estimated that the sugar production for the sugar season 2021-22 is around 36 million tons, up by 4.78 million tons from the previous year. Domestic consumption is estimated at 27.5 million tons compared to 26.55 million tons of the previous year. With the exports of around 10 million tons, the closing stock is expected to be in around 6.68 million tons as compared to the opening stock of 8.18 million tons.

**Sugar Sector in Tamil Nadu**

The average rainfall for Tamil Nadu was better than the preceding years and therefore cane availability, yield and recovery showed an improvement, resulting in a positive impact on the capacity utilization. The cane availability and the capacity utilization from 2011-12 seasons are illustrated below :

Sugar season	Cane Crushed (in lakh tons)	Sugar Production (in lakh tons)	Capacity Utilisation %
2011-12	254.55	23.79	99
2012-13	214.57	19.07	84
2013-14	157.60	14.13	61
2014-15	140.50	12.18	55
2015-16	155.86	13.61	61
2016-17	119.04	10.65	46
2017-18	81.42	7.00	31
2018-19	108.54	9.55	39
2019-20	92.20	7.89	32
2020-21	97.85	8.78	38
2021-22 (upto July-22)	109.25	9.24	42



- Though there has been an improvement in the cane availability, sugar production and capacity utilization over the last year, it is still below the peak that has been achieved in the State.
- The positive aspect has been the marked improvement in the average recovery of the State, which is the highest in the last 9 years. Albeit it is well below the national average.
- With low capacity utilization, there is a big gap between Fair and Remunerative Price (FRP) payable and Revenue Sharing Formula (RSF) value which mills are unable to bridge.
- Current market price for sugar is around ₹ 3400/- per quintal. At 8.97% average sugar recovery, the RSF value (@ 75% of realization from sugar sales), and works out to ₹ 2550 per ton of cane. But FRP payable is ₹ 2755 per ton of cane at 9.5% recovery. The gap between FRP payable and RSF value is ₹ 205 per ton of cane.
- The capacity utilization is less than 45% which has resulted in the 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. TN sugar mills will have to pay FRP at 9.5% irrespective of the actual sugar recovery even if lower than 9.5%. In TN sugar mills will have to pay for 95 Kgs of sugar equivalent whereas actually they recover only 89.7 Kgs.
- The loss works out to ₹ 180.2 per ton of cane crushed.

The good monsoon from 2019 to 2021 has revitalized the agricultural operations in the state and the sugar sector too has benefitted and our company has recorded a 36% increase in cane crushing from 9.41 lakh tons in financial year 2020-21 to 12.78 Lakh tones in financial year 2021-22.

### Government measures in the Sugar Industry

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

#### a) Ethanol

The Central Government has an ambitious target of achieving 20% blending of locally produced Ethanol with petrol by

2025. To enable this, it allowed the sugar mills to produce ethanol from Cane Juice by amending the provisions of Sugarcane Control Act, 1966. Further, the Central Government also has been announcing source based attractive prices for ethanol. This would certainly reduce the burden of overstocking of sugar and thereby improve the liquidity of sugar mills in the ensuing years.

#### **b) Tamil Nadu State Sugarcane Policy**

During the year, the Tamil Nadu (TN) Government paid a transitional production subsidy of ₹ 42.50 per MT and special incentive of ₹ 150/- per MT of Sugarcane, directly to the bank account of all farmers who had supplied sugarcane during 2020-21 sugar season.

Further, the Tamil Nadu (TN) Government has also announced a special incentive of ₹ 195/- per MT of Sugarcane to the eligible farmers supplying sugarcane during 2021-22 sugar season.

#### **Opportunities :**

Due to lower production in Brazil, World Sugar prices are firming up. This provides an opportunity for the sugar mills to export more volume thereby easing the pressure of the domestic market, and which helps to improve the average realization.

Increased focus in Ethanol blending can offset the glut in sugar production, thereby ensuring prices are stable.

#### **Threats**

Sugar business is cyclical and is highly dependent on the monsoon. Pricing of sugarcane is under the legislative control of the Central Government. The sugar price realizations are not just in line with the fundamentals of actual demand and supply but are also driven by market sentiments.

Delay in payment by the TANGEDCO for the export of power from the Co-generation plant at Gingee, poses a challenge in the cash flows of the company.

#### **Sugarcane Price**

The Central Government has increased the 2021-22 season's FRP to ₹ 290/- per quintal for a basic recovery rate of 10% providing a premium of ₹ 2.90 per quintal for each 0.1 % increase in recovery over and above 10% and reduction in FRP at the same rate for each 0.1% decrease in the recovery rate till 9.5%. However, in case of the mill with a recovery of lower than 9.5%, the price has been fixed at ₹ 275.5 per quintal for the 2021-22 season.

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 company has continued to export power to third party customers from the power plant at Mundiampakkam. This has ensured receipt of timely payment and support the working capital requirement. During the year, the Tamil Nadu Electricity Regulatory Commission (TNERC) has issued an order to the effect of imposing additional surcharge of 70 paise per unit of power exported to third party. The Company could negotiate with third party customers for partly sharing this additional burden. This was represented to TNERC through South Indian Sugar Mills Association (TN) for waiver in the tariff order expected to be issued for the period 2022-2024.

#### **Ethanol**

The Central Government has fixed higher ethanol price for sugarcane and its byproducts derived from different stages of production under the Ethanol Blended Petrol (EBP) Program for the forthcoming sugar season 2021-22 during Ethanol Supply Year (ESY) 2021-22 from 1<sup>st</sup> December 2021 to 30<sup>th</sup> November 2022 :

1. Ethanol from C heavy molasses increased from ₹ 45.69 per liter to ₹ 46.66 per liter
2. Ethanol from B heavy molasses increased from ₹ 57.61 per liter to ₹ 59.08 per liter
3. Ethanol from sugarcane juice / sugar / sugar syrup increased from ₹ 62.65 per liter to ₹ 63.45 per liter.

### **Outlook**

The country is set to produce 36 million tons in the current season 2021-22. With an export possibility of 10 million tons and a consumption figure standing at 27.5 million tons, would leave the industry with a closing stock at 6.68 million tons. As there would be a squeeze in the closing stock compared to the last year, there is a distinct possibility that sugar prices are likely to stay firm, which would have a positive bearing on the prospects of the industry in the coming year.

### **Risks Analysis**

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

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

### **Sugarcane Availability and Sugar Recovery**

Sugarcane is the main raw material in sugar mills which is monsoon dependent and 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, sugar recovery and affect our business. The sugar industry continues to be regulated by State Governments by other controls viz., reservation of cane area and fixation of sugarcane price.

### **Risk Mitigation**

- Micro level continuous yield improvement activities to obtain a higher yield per acre focusing on Low yielding farmers and villages.
- Promoting high sucrose yielding varieties for better sugar recovery.
- Maintaining above 90% of the area with high yield varieties for better cane and sugar productivity.
- Implementing activities like trash shredding, trash mulching and organic manure application to improve soil fertility.
- Close monitoring of nursery development, supply of good quality seeds, fertilizers, micro nutrients and growth promoting inputs, among others as a part of cane development activities.
- More Focus on areas with better ground water availability.
- Promoting wider row planting, timely mechanized inter cultural operation and mechanical harvesting.
- Implementation of good agronomical s and pest management practices.
- Promoting drip irrigation.
- Testing new improved varieties of cane with the support of Sugarcane Breeding Institute and Tamil Nadu Agricultural University.
- Continuous monitoring of cane planting and harvesting schedule.
- Implementation of better Ratoon management practices.
- Developing local and outside cane harvest work force for timely harvest and supply.
- Support farmers with timely updated information on technical and entrepreneurial subjects for yield and quality improvement of sugarcane.

### **Sugar Price Realization Risk**

The price volatility in sugar trade could have an adverse effect during a year of over production coupled with higher cane price affecting profitability.

### **Risk mitigation**

To de-risk the challenges of cyclical in the sugar business, the Company has installed downstream plants for producing alcohol and co-generation of power by using byproducts of sugar production 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. Further to augment the distillery capacity utilization over and above the captive production of molasses the company is procuring the same from other factories in TN and from other states.

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

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 continued the monthly sugar release mechanism to control sugar supply to the domestic market for the 2021-22 season.
- b. The Government of India has also continued to fix the Minimum Selling Price (MSP) of ₹ 31/- per kg, below which the mills cannot sell sugar.
- c. An ambitious ethanol program with an attractive source based price announced by the Central Government.
- d. Export of sugar to the extent of 10 million tons permitted by the Central Government to clear the excess stock and stabilize the domestic sugar price.

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

Since the Company has been under monitoring period after implementing the debt restructuring by lenders with retrospective effect from 30.06.2020, 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.

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

### **Risk mitigation:**

All the lender banks have approved the debt restructuring proposal of the company with the beneficial terms which includes reduction in interest rate and the deferred repayment schedule to mitigate the liquidity crunch faced by the company. All the lender banks agreed to treat the date of implementation of the restructuring plan as 6<sup>th</sup> December 2021 for restructuring the debt of the Company with retrospective effect from 30<sup>th</sup> June 2020.

The Company has been in default of the soft loans received from Sugar Development Fund (SDF), Government of India, since the Financial Year ended 31<sup>st</sup> March 2016. The Government of India has in March 24, 2021, made an amendment to Rule 26 of the SDF Rules to take up restructuring of SDF loans of potentially viable sick sugar mills/undertakings with beneficial terms. Based on the application submitted by the company for restructuring the outstanding debt with SDF, an administrative approval dated May 20, 2022 accepting the debt restructuring in accordance with the aforesaid amendment has been issued by Department of Food and Public Distribution, Ministry of Consumer Affairs, Government of India.

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



The company has continued to export power to third party customers from the power plant at Mundiampakkam. This has ensured receipt of timely payment and supported the working capital requirement.

### 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 standard operating procedures and effective internal audit system to ensure smooth functioning of the company.

The Board, Audit Committee and the Key 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 31<sup>st</sup> March 2022 is 192 and the Non-Management Staff strength is 674. Industrial Relations have been cordial and there is no significant development. For the year, there has been 100% retention of Key Management Talent and staff attrition is at 10% as against the same at 13% in the previous year. The employees were imparted 521 man-days of learning through the year.

### Financial performance with respect to operational performance

#### Operational Performance

Particulars	Year ended		% Increase (Decrease)
	31.3.2022	31.3.2021	
Cane Crushed (MT)	12,78,164	9,40,684	35.87
Recovery %	9.01	8.64	0.37*
Sugar Production (MT)	1,15,109	81,282	41.62
Sugar Sales (MT)	95,595	67,953	40.68
Power Production (Lakh Kwh)	1,535	1,134	35.36
Power Export to Grid (Lakh Kwh)	974	673	44.73
Alcohol Production (Lakh Litres)	160.03	181.66	(11.88)

\* Absolute change

**Financial Performance- Segment Wise**

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

(₹ in Lakhs)

Particulars	31.3.2022	31.3.2021
<b>Sales Turnover</b>		
Sugar	<b>35,900.16</b>	24,829.66
Co-generation	<b>7,159.41</b>	6,314.12
Distillery	<b>10,281.05</b>	9,912.59
Less: Inter Segment revenue	<b>6,573.86</b>	4,693.83
Net Sales / Income from Operations	<b>46,766.76</b>	36,362.54
<b>Profit / (Loss) before tax</b>		
Sugar	<b>(3,457.57)</b>	(2,965.73)
Co-generation	<b>3,754.06</b>	1,874.27
Distillery	<b>2,653.24</b>	2,838.11
Less: I. Interest	<b>2,218.38</b>	2,924.78
ii. Other un-allocable expenditure	<b>991.41</b>	401.89
Add : Exceptional Income	-	-
Profit /(Loss) before tax	<b>(260.04)</b>	(1,580.01)

**Ratio's where there has been significant change for Financial Year (FY) 2020-21 to Financial Year 2021-22:**

Sl. No.	Key Profitability Ratios	FY 2021-22	FY 2020-21	Remarks
1.	EBITDA/Sales % (Operating Profit Margin)	<b>9.35%</b>	10.79%	Operating Profit Margin has marginally decreased due to increase in cost of raw materials.
2.	Net Profit Margin (%)	<b>-0.56%</b>	-4.51%	The improvement in Net Profit Margin is due to decrease in Interest cost by ₹ 7.07 crores for the year 2021-22. This is due to the concessions approved by lenders in the interest rates for the entire 12 months as against the same considered for 9 months in previous year with effect from 01.07.2020, vide deep debt restructuring scheme sanctioned by lenders of the company.
3.	Return on Net Worth	<b>-1%</b>	-52.41%	The company has exercised the option to disclose the Land held by it under PPE at fair value and accordingly the same has been revalued following the procedure laid down under the section 247 of Companies Act, 2013. The surplus arising in the process has been shown under other equity. The effect has been at ₹ 239 crores.

Sl. No.	Key Liquidity Ratios	FY 2021-22	FY 2020-21	Remarks
1.	Current Ratio	<b>0.94</b>	0.75	Improvement in the current ratio is due to improved scale of operation.
2.	Debtors Turnover Ratio	<b>15.36</b>	11.41	The level of value of Debtors as on 31 <sup>st</sup> March 2022 has been more or less same as compared to the same as on the previous year while the increase in sales during the year 2021-22 is up by 34% as compared to the previous year. This has led to an improvement in the Debtors turnover ratio.
3.	Inventory Turnover	<b>2.63</b>	2.86	It is more or less the same

Sl. No.	Key Capital Structure Ratios	FY 2021-22	FY 2020-21	Remarks
1.	Debt Equity Ratio	<b>1.72</b>	15.00	The company has exercised the option to disclose the Land held by it under PPE at fair value and accordingly the same has been revalued following the procedure laid down under the section 247 of Companies Act, 2013. The surplus arising in the process has been shown under other equity. The effect has been at ₹ 239 crores. During the year 2021-22, the company has also started repaying a certain percentage of principal as per terms of approved debt restructuring. These have led to improved debt equity ratio.
2.	Interest Coverage Ratio	<b>1.97</b>	1.29	The EBITDA has been at ₹ 43.69 crores in FY 2021-22 as against the same at ₹ 37.77 crores in the previous year. The interest charge has been recorded at ₹ 22.18 crores in the year 2021-22 as against the same at ₹ 29.25 crores in the previous year. This is due to effect has been given for the concessions approved by lenders in the interest rates for the entire 12 months as against the same considered for 9 months in previous year with effect from 01.07.2020, vide deep debt restructuring scheme sanctioned by lenders of the company. 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 on behalf of the Board

Place : Coimbatore  
Date : 8<sup>th</sup> August 2022

**R VARADARAJAN**  
Wholetime Director  
DIN 00001738

**SHEILENDRA BHANSALI**  
Director  
DIN 00595312

## INDEPENDENT AUDITOR'S REPORT

### To the Members of Rajshree Sugars & Chemicals Limited Report on the Financial Statements

#### Opinion

We have audited the Financial Statements of RAJSHREE SUGARS & CHEMICALS LIMITED ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, 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, 2022, 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
<p><b>1) Conversion of stock-in-trade into capital asset:</b></p> <p>The stock-in-trade consisting of land ₹ 444.65 Lakhs and building ₹ 97.24 Lakhs aggregating to ₹ 540.89 Lakhs converted into capital asset at cost as on 31.03.2022 and grouped under PPE as per the decision of the Board of Directors.</p>	<p>Our audit included the following procedures:</p> <ul style="list-style-type: none"> <li>- We read the Board Resolution dated 17<sup>th</sup> May 2022 approving the conversion of stock-in-trade into capital asset at cost.</li> <li>- Such conversion has been accounted by transferring the value of Stock to PPE and including it under other income in the Profit and Loss statement.</li> <li>- Information relating to the above is given in Note No.39(17) of notes to financial statements.</li> <li>- The capital asset so converted has been revalued. Refer point No.2 in key audit matter.</li> </ul>

Key Audit Matter	How our Audit Addressed the Key Audit Matter
<p><b>2) Revaluation of land:</b> Land held under PPE ₹ 1,292.46 Lakhs and land held as stock-in-trade and converted into capital assets ₹ 444.65 Lakhs aggregating in all to ₹ 1,737.11 Lakhs has been revalued. Fair value of the land has been determined as per Valuation Report obtained from the registered valuer duly appointed for the purpose. We consider the revaluation of land as above to be a key audit matter.</p>	<ul style="list-style-type: none"> <li>- We have read the Audit Committee minutes dated 18<sup>th</sup> April 2022, appointing a registered valuer as per the requirements of section 247 of the Companies Act 2013.</li> <li>- We have read the condensed report provided by the registered valuer dated 7<sup>th</sup> May 2022.</li> <li>- The Board has adopted the Fair Market value of the Land as provided by the valuer as at 31.03.2022 and recognized the revaluation surplus through other comprehensive income in "Fair Value Reserve" shown under 'Other Equity' as required by IndAS 16.</li> <li>- Information relating to the above is given in Note No.39(16) of notes to financial statements.</li> </ul>
<p><b>3) Restructured Borrowings :</b> Based on the restructuring proposal the Company executed Framework Restructuring Agreement (FRA) dated 12.07.2021 with all the lender banks . Pursuant thereto all legal formalities have been completed. Equity shares, Non-convertible Debentures, Optionally Convertible Debentures have been allotted to the Respective Bankers in partial Conversion of the Existing Debts. The Interest is Provided as per the FRA. The Repayment of the Loans and Debentures has been made as per the terms of the FRA.</p>	<ul style="list-style-type: none"> <li>- We have read the Framework Restructuring Agreement executed by the Company with the lender banks and the approval from the stock exchange dated 09.08.2021 for the Preferential Issue of equity shares. The modification of the charge created for the purpose has been verified. The Interest is accounted as per the FRA .</li> <li>- Payment of the Interest and the Installment is made as per the FRA is verified. The lender banks are in the process of recording the outstanding figures as per FRA. However they have recognized the payment made by the company. Accordingly there exist a difference in the balance as per the books and the Bank statements.</li> </ul>

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

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

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 financial 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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, we have to state that the company has not paid any Managerial Remuneration during the Year other than the sitting fees. The sitting fees paid is within the limit prescribed under section 197(5) of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - 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.



- iv. a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v. a) The company has not declared or paid any dividend during the year.
2. As required by the Companies (Auditor's Report) Order, 2020 ("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 Registration No.001496S

**V. INDIRA**  
Membership No.200817  
Partner, Auditor  
UDIN 22200817AJCAWY5131

Place : Coimbatore  
Date : 17<sup>th</sup> May 2022

## **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, 2022 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, 2022, 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 Registration No.001496S

**V. INDIRA**  
Membership No.200817  
Partner, Auditor  
UDIN 22200817AJCAWY5131

Place : Coimbatore  
Date : 17<sup>th</sup> May 2022

## **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 Property, Plant and Equipment and Intangible Assets:
  - a) A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and relevant details of right-of-use assets.  
B) The Company has maintained proper records showing full particulars of intangible assets.
  - b) The Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals having regard to size of the company and nature of its assets. No material discrepancies were noticed on such verification.
  - c) Based on our examination of the property tax receipts and lease agreement for land on which building is constructed, registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title in respect of self-constructed buildings and title deeds of all other immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee), disclosed in the financial statements included under Property, Plant and Equipment are held in the name of the Company as at the balance sheet date.
  - d) The Company has exercised the option to revalue the class of asset - Land held by it to reflect the fair value. The revaluation has been done complying with the requirements provided in the section 247 of the Act. The amount of increase due to revaluation is Rs.23,892.97 Lakhs. The Company has not revalued any other Property Plant and Equipment (including Right of Use Assets) and intangible assets during the year.
  - e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- ii) A. The stocks of finished goods, stores, spares and raw materials of the Company have been physically verified by the management during the year at reasonable intervals and the coverage and procedure of such verification by the Management is appropriate. In our opinion, no material discrepancies were noticed.  
B. The Company has not been sanctioned any working capital limits, at any points of time during the year, from banks or financial institutions on the basis of security of current assets.
- iii) The Company has not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties.
- iv) The Company has not advanced any loans, to its directors or any other person in whom the directors are interested, made any investments 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 and 186 of the Act.
- v) According to the information and explanations given to us the Company has not accepted any deposit or amounts which are deemed to be deposits.
- 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 Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- b) There were no undisputed amounts payable in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it in arrears as at March 31, 2022 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, 2022 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

viii) In our opinion, there are no transactions that are not recorded in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

- ix)
  - a) The company has not defaulted in the repayment of loans and other borrowings or payment of interest to its lenders after entering into the Framework Restructuring Agreement with them. In respect of borrowings from Sugar Development Fund, the details of default in Repayment are as given in Note No 39(3) of the Notes to the Financial Statements.
  - b) The company is not a declared willful defaulter by any bank or financial institution or other lender.
  - c) The company has not availed any term loans during the year.
  - d) The company has not raised any funds on short term basis.
  - e) The company has no investments in subsidiaries, joint ventures and associate companies.
- x)
  - a) The company has not raised money by initial public offer or further public offer (including debt instruments) during the year.
  - b) The Company has made a Preferential Allotment of equity shares and optionally convertible debentures towards conversion of secured loans as per the restructuring agreement during the year. The requirement of Section 42 and Section 62 of the Companies Act, 2013 have been duly complied in this regard. No funds have been raised by Private Placement of securities.
- xi)
  - A) No material frauds by the company or on the company has been noticed or reported during the course of our audit.
  - B) The company has not received any whistle-blower complaints during the year.
- xii) The Company is not a Nidhi 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 financial statements as required by the applicable accounting standards.
- xiv)
  - A) The company has an internal audit system commensurate with the size and nature of its business.

- B) We have considered the reports of the Internal Auditors for the period under audit to the extent the same has a bearing on the Financial Statement.
- xv) The company has not entered into non-cash transactions with directors or persons connected with them.
- xvi) A) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.  
B) The company has not conducted any Non-Banking Financial or Housing Finance activities.  
The company is not a Core-Investment-Company (CIC) as defined in the regulations made by the Reserve Bank of India.
- xvii) The company has not incurred cash loss during the financial year and in the immediately preceding financial year.
- xviii) There has been no resignation of the statutory auditors during the year.
- xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.
- We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx) The requirement of compliance with Corporate Social Responsibility in terms of Section 135 of the Companies Act, 2013 is not applicable to the Company.

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

**V. INDIRA**  
Membership No.200817  
Partner, Auditor  
UDIN 22200817AJCAWY5131

Place : Coimbatore  
Date : 17<sup>th</sup> May 2022

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022**

(₹ in Lakhs)

PARTICULARS	Note	31.3.2022	31.3.2021
<b>Non-current assets</b>			
Property, plant and equipment	2	<b>61,132.35</b>	42,606.67
Right of use	3	<b>29.45</b>	54.40
Capital work in progress	2	<b>89.66</b>	124.37
Investment properties	4	<b>10.72</b>	11.11
Other intangible assets	2	<b>24.17</b>	24.17
<b>Financial assets</b>			
Other financial assets	5	<b>222.66</b>	141.65
Deferred Tax Assets (Net)	6	<b>4,868.06</b>	5,463.65
Other non-current assets	7	<b>468.53</b>	470.75
<b>Total non-current assets</b>		<b>66,845.60</b>	48,896.77
<b>Current assets</b>			
Inventories	8	<b>17,749.93</b>	12,232.49
Financial assets			
i. Trade receivables	9	<b>3,043.50</b>	3,066.31
ii. Cash and cash equivalents	10	<b>253.05</b>	209.36
iii. Bank balances other than cash and cash equivalents	11	<b>0.92</b>	0.86
iv. Other financial assets	12	<b>653.44</b>	812.53
Current tax asset - Net	13	<b>82.83</b>	250.28
Other current assets	14	<b>775.44</b>	657.68
Asset classified as held for sale	15	<b>4,383.49</b>	1,449.35
<b>Total current assets</b>		<b>26,942.60</b>	18,678.86
<b>Total Assets</b>		<b>93,788.20</b>	67,575.63

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

(Continued...)

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

**V. Indira**  
 Membership No:200817  
 Auditor, Partner  
 UDIN : 22200817AJCAWY5131

 Place : Coimbatore  
 Date : 17<sup>th</sup> May 2022

**Sheilendra Bhansali**  
 Director  
 DIN 00595312

**C S Sathiyarayanan**  
 Chief Financial Officer

**R Varadarajan**  
 Wholetime Director  
 DIN 00001738

**M Ponraj**  
 Company Secretary



**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2022 (Continued)**

(₹ in Lakhs)

PARTICULARS	Note	31.3.2022	31.3.2021
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	<b>3,313.56</b>	2,816.77
Other Equity	17	<b>22,798.67</b>	234.62
<b>Total equity</b>		<b>26,112.23</b>	3,051.39
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
I. Borrowings	18	<b>38,845.71</b>	39,643.17
ii. Lease Liabilities	3	<b>11.85</b>	38.19
Provisions	19	<b>59.16</b>	55.30
<b>Total non-current liabilities</b>		<b>38,916.72</b>	39,736.66
<b>Current liabilities</b>			
Financial liabilities			
I. Borrowings	20	<b>3,846.37</b>	3,514.27
ii. Trade payables	21		
a. Total outstanding dues of micro enterprises and small enterprises		<b>470.24</b>	154.71
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		<b>15,826.27</b>	14,324.59
iii. Other financial liabilities	22	<b>2,228.37</b>	2,625.55
iv. Lease Liabilities	3	<b>23.56</b>	22.88
Other current liabilities	23	<b>6,303.26</b>	4,017.97
Provisions	19	<b>61.18</b>	127.61
<b>Total current liabilities</b>		<b>28,759.25</b>	24,787.58
<b>Total liabilities</b>		<b>67,675.97</b>	64,524.24
<b>Total equity and liabilities</b>		<b>93,788.20</b>	67,575.63

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

**V. Indira**  
 Membership No:200817  
 Auditor, Partner  
 UDIN : 22200817AJCAWY5131

Place : Coimbatore  
 Date : 17<sup>th</sup> May 2022

**Sheilendra Bhansali**  
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 DIN 00595312

**C S Sathiyarayanan**  
 Chief Financial Officer

**R Varadarajan**  
 Wholetime Director  
 DIN 00001738

**M Ponraj**  
 Company Secretary

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2022**

(₹ in Lakhs)

<b>PARTICULARS</b>	<b>Note</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
<b>Income</b>			
Revenue from operations	24	<b>46,766.76</b>	36,362.54
Other income	25	<b>1,170.14</b>	999.54
<b>Total income</b>		<b>47,936.90</b>	37,362.08
<b>Expenses</b>			
Cost of materials consumed	26	<b>38,380.72</b>	30,762.08
Changes in inventories of work-in-progress, Stock-in -Trade and finished goods	27	<b>(5,256.77)</b>	(5,312.07)
Employee benefit expenses	28	<b>3,385.82</b>	3,130.01
Finance costs	31	<b>2,218.36</b>	2,924.78
Depreciation and amortisation expense	29	<b>2,410.77</b>	2,431.85
Other expenses	30	<b>7,058.04</b>	5,005.44
<b>Total expenses</b>		<b>48,196.94</b>	38,942.09
<b>Profit/(loss) before exceptional items and tax</b>		<b>(260.04)</b>	(1,580.01)
Exceptional items		-	-
<b>Profit/(loss) before tax</b>		<b>(260.04)</b>	(1,580.01)
Income tax expense/(benefit)	32		
Current tax		-	-
Deferred tax		<b>57.58</b>	95.85
<b>Income tax expense/(benefit)</b>		<b>57.58</b>	95.85
<b>Profit/(Loss) for the year</b>		<b>(317.62)</b>	(1,675.86)
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or (loss)</i>			
1. Addition to fair value reserve on revaluation of PPE		<b>22,116.95</b>	-
2. Addition to fair value reserve on Revaluation of PPE on conversion of Stock in trade to PPE		<b>3,659.93</b>	-
3. Reversal of fair value reserve on disposal / Impairment of PPE		<b>(1,883.91)</b>	-
4. Remeasurement of post employment benefit obligations		<b>23.50</b>	111.52
Income tax relating to these items	32	<b>(538.01)</b>	(34.79)
<b>Other comprehensive income/(loss) net of tax</b>		<b>23,378.46</b>	76.73
<b>Total comprehensive income/(loss) for the period</b>		<b>23,060.84</b>	(1,599.13)
Earnings/(Loss) per equity share of ₹10/- each (Amount in ₹)			
Basic earnings/(loss) per share	38	<b>(0.96)</b>	(5.25)
Diluted earnings/(loss) per share	38	<b>(0.96)</b>	(5.25)

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

**V. Indira**  
Membership No:200817  
Auditor, Partner  
UDIN : 22200817AJCAWY5131

Place : Coimbatore  
Date : 17<sup>th</sup> May 2022

**Sheilendra Bhansali**  
Director  
DIN 00595312

**C S Sathiyarayanan**  
Chief Financial Officer

**R Varadarajan**  
Wholetime Director  
DIN 00001738

**M Ponraj**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2022

₹ in Lakhs

PARTICULARS	31.3.2022	31.3.2021
<b>Cash flow from operating activities</b>		
<b>Profit / (Loss) before income tax</b>	<b>(260.04)</b>	<b>(1,580.01)</b>
Adjustments for:		
Depreciation and amortisation expense	2,410.77	2,431.85
(Gain)/loss on disposal of property, plant and equipment	(148.58)	(386.29)
Loss on discarded asset	-	89.60
Derecognition of Finance Lease	-	-
Finance costs	2,212.41	2,924.78
ROU asset adjustments due to revision in rental agreements	3.47	81.07
Lease liabilities adjustments due to revision in rental	(6.28)	(92.69)
Finance cost on right of use asset	5.95	9.24
<b>Change in operating assets and liabilities</b>		
(Increase)/Decrease in trade receivables	22.81	1,368.74
(Increase) / Decrease in inventories	(6,058.33)	(4,965.10)
Increase / (Decrease) in trade payables	1,817.21	(390.62)
Increase / (Decrease) in other financial assets	159.04	(598.78)
(Increase) / Decrease in other non-current assets	2.22	3.62
(Increase) / Decrease in other current assets	(117.77)	238.55
Increase / (Decrease) in provisions	(39.07)	(106.67)
Increase / (Decrease) in security deposits	(81.01)	9.48
Increase / (Decrease) in other current liabilities	2,285.29	2,798.92
<b>Cash generated from operations</b>	<b>2,208.10</b>	<b>1,835.68</b>
Income taxes paid	167.46	(48.47)
<b>Net cash inflow from operating activities</b>	<b>2,375.56</b>	<b>1,787.21</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(61.91)	(134.13)
Proceeds from sale of property, plant and equipment	830.33	2,025.34
<b>Net cash outflow from investing activities</b>	<b>768.42</b>	<b>1,891.21</b>
<b>Cash flows from financing activities</b>		
Proceeds from Borrowings	(1,524.06)	(1,749.58)
Interest paid	(1,556.85)	(2,895.83)
Payment of Lease liabilities	(19.38)	(27.31)
Financial Liability reclassified	-	697.00
<b>Net cash inflow / (outflow) from financing activities</b>	<b>(3,100.29)</b>	<b>(3,975.72)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>43.69</b>	<b>(297.30)</b>
Cash and cash equivalents at the beginning of the financial year	209.36	506.66
<b>Cash and cash equivalents at the end of the year</b>	<b>253.05</b>	<b>209.36</b>

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

**V. Indira**  
Membership No:200817  
Auditor, Partner  
UDIN : 22200817AJCAWY5131

Place : Coimbatore  
Date : 17<sup>th</sup> May 2022

**Sheilendra Bhansali**  
Director  
DIN 00595312

**C S Sathiyarayanan**  
Chief Financial Officer

**R Varadarajan**  
Wholetime Director  
DIN 00001738

**M Ponraj**  
Company Secretary

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH 2022 (₹ in Lakhs)**

**i) Equity Share Capital**

Particulars	₹ in Lakhs
Balance as at March 31, 2020	2,816.77
Changes in equity share capital during the year	-
Balance as at March 31, 2021	2,816.77
Changes in equity share capital during the year	496.79
<b>Balance as at March 31, 2022</b>	<b>3,313.56</b>

**ii) Other Equity**

Particulars	Reserves and Surplus					Equity component of compound financial liability	Other Reserves Share Option Outstanding Reserve	Total
	Securities Premium Account	General Reserve	Capital Reserve	Fair value Reserve	Retained Earnings			
<b>Balance as at March 31, 2020</b>	<b>1,359.94</b>	<b>7,575.90</b>	<b>158.70</b>	-	<b>(7,964.52)</b>	-	<b>6.72</b>	<b>1,136.75</b>
Profit for the period	-	-	-	-	(1,675.86)	-	-	(1,675.86)
Other comprehensive income	-	-	-	-	76.73	-	-	76.73
Share option outstanding reserve to retained earnings	-	-	-	-	6.72	-	(6.72)	-
Transfer to Retained Earnings on disposal	-	-	-	-	-	-	-	-
Recognition of financial liability to be settled through entity's own equity instruments	-	-	-	-	-	697.00	-	697.00
<b>Balance as at March 31, 2021</b>	<b>1,359.94</b>	<b>7,575.90</b>	<b>158.70</b>	-	<b>(9,556.92)</b>	<b>697.00</b>	-	<b>234.62</b>
Profit for the period	-	-	-	-	(317.62)	-	-	(317.62)
Share option outstanding reserve to retained earnings	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	23,892.97	(514.51)	-	-	23,378.46
Transfer to Retained Earnings on disposal	-	-	-	-	-	-	-	-
Fresh issue of shares during the year	200.21	-	-	-	-	-	-	200.21
Recognition of financial liability to be settled through entity's own equity instruments	-	-	-	-	-	(697.00)	-	(697.00)
<b>Balance as at March 31, 2022</b>	<b>1,560.15</b>	<b>7,575.90</b>	<b>158.70</b>	<b>23,892.97</b>	<b>(10,389.06)</b>	-	-	<b>22,798.67</b>

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

**V. Indira**

Membership No:200817

Auditor, Partner

UDIN : 22200817AJCAWY5131

Place : Coimbatore

Date : 17<sup>th</sup> May 2022

**Sheilendra Bhansali**

Director

DIN 00595312

**R Varadarajan**

Wholetime Director

DIN 00001738

**C S Sathiyarayanan**

Chief Financial Officer

**M Ponraj**

Company Secretary

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### Company overview

RAJSHREE SUGARS & 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<sup>st</sup> March 2022 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.

#### 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. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statement.

#### 1.5 Revenue recognition

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

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

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Revenue is measured based on transaction price, which is the fair value of the consideration received or receivable, stated net of discounts, returns and Goods and 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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 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.



## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

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

### 1) Adoption of Revaluation Model:

The management adopted revaluation model for its land, and determined that these constitute separate class of assets under Ind AS 113, based on the nature, characteristics and risks of the asset.

Fair value of the land is determined by using the market approach. As at the date of revaluation, Value is restated based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017.

Valuations are performed with sufficient frequency to ensure that the carrying amount of a revalued asset does not differ materially from its fair value.

A revaluation surplus is recorded in Other Comprehensive Income and credited to the asset revaluation surplus in equity. However, to the extent that it reverses a revaluation deficit of the same asset previously recognized in profit or loss, the increase is recognized in profit and loss. A revaluation deficit is recognized in the statement of profit and loss, except to the extent that it offsets an existing surplus on the same asset recognized in the asset revaluation reserve.

An annual transfer from the asset revaluation reserve to retained earnings is made for the difference between depreciation based on the revalued carrying amount of the asset and depreciation based on the asset's original cost. Additionally, accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred directly to retained earnings.

### 2) Cost Model

Property, plant and equipment, other than land measured through revaluation model, 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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 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 the 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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 1.15.4. Cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit for the year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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

### i) Initial Recognition:

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, debt instruments and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

### ii) Subsequent measurement:

All financial liabilities are subsequently measured at amortized cost using the effective interest rate method.

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortized cost at the end of the subsequent accounting period.

Amortized cost is calculated by taking into account any discount or premium on issue of funds, and transaction costs that are an integral part of the Effective Interest Rate("EIR").

Any fees, paid or received, transaction costs and other premiums or discounts that are included in the calculation of the effective interest rate are amortized over the expected life of the financial instrument.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The carrying amount of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest rate method. Interest expense that is not capitalized as part of costs of an asset is included in the "Finance costs" in Statement of Profit and Loss.

### iii) **De-recognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender :

- a. on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss.
- b. with no substantially different terms, or the terms of an existing liability are not substantially modified, such an exchange or modification is treated as modification of original liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss or amortized as expenses over the period of time.

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.

### 1.16.1. **Debt Securities:**

The Optionally Convertible Debentures ("OCD") and Non-Convertible Debentures ("NCD") issued by the Company are Financial Liability because the issuer has an obligation to transfer financial assets to the holder of the debt securities.

The OCDs and NCDs are issued as a part of exchange of existing loan under restructuring agreement. The terms are substantially modified on such exchange i.e. 10% test is passed and the principle of "extinguishment accounting" are applied.

The old loan is de-recognized and the debt securities issued are recognized at fair value. The difference between the carrying value and the fair value of debt securities is charged to the profit or loss account.

The company has incurred expenses with respect to loan syndication fees and Commitment fees, which relate to restructuring when it was unlikely that the restructuring arrangement will be entered into, are charged to profit and loss account.

The debt securities are subsequently measured at amortized cost using the effective interest rate method. The value of redemption is reduced from carrying value of the debt securities.

### 1.16.2. **Borrowings**

As per the restructuring plan sanctioned, the borrowings are exchanged with the existing borrower for substantially modified terms. The 10% test is passed and the principle of "extinguishment accounting" are applied.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The old loan or borrowings are de-recognized and the new loan or borrowings are recognized at fair value. The difference between the carrying value and the fair value of new loan or borrowings is charged to the profit or loss account.

The company has incurred expenses with respect to loan syndication fees and Commitment fees, which relate to restructuring when it was unlikely that the restructuring arrangement will be entered into, are charged to profit and loss account. The loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

### 1.16.3. 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.

### 1.17. Segment reporting

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

### 1.18. Leases

#### The Company as a lessee

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

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

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

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

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.



## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

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 2021-22.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 2. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

	Land	Buildings	Plant & Equipment	Furniture and fixtures	Vehicles	Office Equipment	Electrical Equipment	Tools & Equipment	Lab Equipment	Total	SAP Software	Total of PPE and Intangible Assets	Capital Work-in Progress
<b>Year ended March 31, 2021</b>													
<b>Gross carrying amount</b>													
Cost as at April 1, 2020	9,185.37	14,563.36	60,615.42	196.34	704.66	177.76	507.49	100.41	139.74	86,190.54	483.34	86,673.88	102.23
Additions	21.10	-	84.83	0.12	0.05	1.74	3.77	-	0.36	111.99	-	111.99	134.13
Disposal/reversal	1,602.65	376.30	3.84	-	23.66	0.15	-	-	-	2,006.61	-	2,006.61	111.99
<b>Closing gross carrying amount</b>	<b>7,603.83</b>	<b>14,187.06</b>	<b>60,696.41</b>	<b>196.46</b>	<b>681.05</b>	<b>179.35</b>	<b>511.26</b>	<b>100.41</b>	<b>140.10</b>	<b>84,295.92</b>	<b>483.34</b>	<b>84,779.26</b>	<b>124.37</b>
<b>Accumulated depreciation</b>													
Opening accumulated depreciation	-	5,780.68	30,764.04	163.51	558.99	161.83	472.87	89.71	117.81	38,109.43	459.17	38,568.60	-
Depreciation charged 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	-
<b>Closing Accumulated Depreciation</b>	<b>-</b>	<b>5,943.16</b>	<b>32,694.23</b>	<b>170.77</b>	<b>573.79</b>	<b>165.28</b>	<b>476.56</b>	<b>91.59</b>	<b>124.51</b>	<b>40,239.90</b>	<b>459.17</b>	<b>40,699.07</b>	<b>-</b>
Less : Asset classified as held for sale#	1,449.35	-	-	-	-	-	-	-	-	1,449.35	-	1,449.35	-
<b>Net carrying amount - 31.03.2021</b>	<b>6,154.47</b>	<b>8,243.90</b>	<b>28,002.18</b>	<b>25.69</b>	<b>107.26</b>	<b>14.07</b>	<b>34.70</b>	<b>8.81</b>	<b>15.59</b>	<b>42,606.66</b>	<b>24.17</b>	<b>42,630.84</b>	<b>124.37</b>
<b>Year ended March 31, 2022</b>													
<b>Gross carrying amount</b>													
Cost as at April 1, 2021	7,603.83	14,187.06	60,696.41	196.46	681.05	179.35	511.26	100.41	140.10	84,295.92	483.34	84,779.26	124.37
Additions	7.60	-	77.22	0.75	-	0.47	9.70	0.14	0.75	96.62	-	96.62	162.05
Additions due to Revaluation*	23,892.97	-	-	-	-	-	-	-	-	23,892.97	-	23,892.97	-
Addition due to Reclassification of Stock in Trade**	443.64	97.24	-	-	-	-	-	-	-	540.89	-	540.89	-
Disposal/reversal	(665.86)	-	(5.32)	-	(27.71)	-	-	-	-	(698.89)	-	(698.89)	(196.76)
<b>Closing gross carrying amount</b>	<b>31,282.19</b>	<b>14,284.31</b>	<b>60,768.30</b>	<b>197.21</b>	<b>653.34</b>	<b>179.82</b>	<b>520.96</b>	<b>100.54</b>	<b>140.85</b>	<b>108,127.51</b>	<b>483.34</b>	<b>108,610.85</b>	<b>89.66</b>
<b>Accumulated depreciation</b>													
Opening accumulated depreciation	-	5,943.16	32,694.23	170.77	573.79	165.28	476.56	91.59	124.51	40,239.90	459.17	40,699.07	-
Depreciation charged during the year	-	420.00	1,933.88	6.42	16.48	2.96	3.21	1.18	4.76	2,388.90	-	2,388.90	-
Disposals	-	-	(2.10)	-	(15.03)	-	-	-	-	(17.14)	-	(17.14)	-
<b>Closing Accumulated depreciation</b>	<b>-</b>	<b>6,363.16</b>	<b>34,626.00</b>	<b>177.19</b>	<b>575.24</b>	<b>168.24</b>	<b>479.78</b>	<b>92.78</b>	<b>129.27</b>	<b>42,611.66</b>	<b>459.17</b>	<b>43,070.83</b>	<b>-</b>
Less: Asset classified as held for sale #	3,774.58	605.55	0.07	1.13	-	1.28	0.88	-	-	4,383.49	-	4,383.49	-
<b>Net carrying amount - 31.03.2022</b>	<b>27,507.60</b>	<b>7,315.59</b>	<b>26,142.23</b>	<b>18.88</b>	<b>78.10</b>	<b>10.30</b>	<b>40.30</b>	<b>7.76</b>	<b>11.58</b>	<b>61,132.35</b>	<b>24.17</b>	<b>61,156.52</b>	<b>89.66</b>

#Refer Note No 39 (15)

\*Refer Note No 39 (16)

\*\*Refer Note No 39 (17)

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

The fair value measurement will be classified under level 3 fair value hierarchy.

Asset	Valuation technique	Significant unobservable inputs
Freehold land	Market approach	The value of land was determined based on condition, location, demand and supply in and around and other infrastructure facilities available at and around the said plot of land.
		Land which was based on government promoted industrial estates, was appraised on the present fair market value depending on the condition of the said estates, its location and availability of such plots in the said industrial estate.

### Information of Revaluation Model

As at 01st April 2021	Amount
Measurement recognized in reserves	
1. Existing Assets	-
2. Reclassification of Stock-in-trade to PPE	3,659.93
3. Net Addition due to Revaluation	20,233.05
Less: Depreciation	-
Less: Disposed / impairment off	-
<b>As at 31st March 2022</b>	<b>23,892.97</b>

If land were measured using the cost model. The carrying amounts would be as follows :

Net Book Value	As at 31 <sup>st</sup> March 2022	As at 31 <sup>st</sup> March 2021
<b>Cost</b>		
Freehold Land	7,946.70	-
	<b>7,946.70</b>	-
<b>Accumulated Depreciation</b>		
Freehold Land	-	-
	-	-
<b>Net Carrying amount</b>		
Freehold Land	7,946.70	-
	<b>7,946.70</b>	-

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

Capital Work-In-Progress (CWIP) ageing schedule for the year ended 31.03.2022 and 31.03.2021 is as follows:

Particulars	Amount in CWIP for the period of 2021-22				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	89.66	-	-	-	89.66
<b>Total</b>	<b>89.66</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>89.66</b>

Particulars	Amount in CWIP for the period of 2020-21				
	Less than 1 Year	1-2 years	2-3 years	More than 3 Years	Total
Projects in Progress	24.23	-	-	100.15	124.37
<b>Total</b>	<b>24.23</b>	<b>-</b>	<b>-</b>	<b>100.15</b>	<b>124.37</b>

**3 Right of Use (ROU)**

Particulars	Carrying value of ROU Assets for the year ended 31.03.2022			31.03.2021		
	Category of ROU Asset		Total	Category of ROU Asset		Total
	Land & Building	Plant		Land & Building	Plant	
Balance as at 01.04.2021	54.40	-	54.40	128.04	30.46	158.50
Adjustments due to revision in rental agreements	(3.47)	-	(3.47)	(50.61)	(30.46)	(81.07)
Less : Depreciation	21.49	-	21.49	23.03	-	23.03
<b>Balance as at 31.03.2022</b>	<b>29.45</b>	<b>-</b>	<b>29.45</b>	<b>54.40</b>	<b>-</b>	<b>54.40</b>

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 31.03.2022 is as follows:

Particulars	Amount	Amount
Balance as at 01.04.2021	61.07	171.83
Adjustments due to revision in rental agreements	(6.28)	(92.69)
Less: Reduction in lease liability	19.38	18.07
<b>Balance as at 31.03.2022</b>	<b>35.42</b>	<b>61.07</b>

The weighted average incremental borrowing rate applied to lease liabilities as at April 01, 2021 is 13%. ₹ 5.95 lacs (₹ 9.23 lacs) has been recognized as expense in the Profit and Loss A/c.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 4. Investment Properties

Particulars	31.3.2022	31.3.2021
<b>LAND - Cost</b>		
Balance at the beginning of the year	5.28	5.28
Additions / ( Disposal )	—	—
<b>Balance at the close of the year (A)</b>	<b>5.28</b>	<b>5.28</b>
<b>BUILDING</b>		
<b>Cost</b>		
Balance at the beginning of the year	10.25	10.25
Additions / ( Disposal )	—	—
Balance at the close of the year	10.25	10.25
<b>Accumulated depreciation</b>		
Balance at the beginning of the year	4.42	4.03
Additions / (Disposal)	0.39	0.39
Balance at the close of the year	4.81	4.42
<b>Net Block ( B )</b>	<b>5.44</b>	<b>5.83</b>
<b>Net Block ( A ) + ( B )</b>	<b>10.72</b>	<b>11.11</b>

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

Particulars	31.3.2022	31.3.2021
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 :

Particulars	31.3.2022	31.3.2021
Within one year	16.50	16.50
Later than one year but not later than 5 years	16.50	33.00
<b>Total</b>	<b>33.00</b>	<b>49.50</b>

#### (iii) Fair Value

Particulars	31.3.2022	31.3.2021
Investment property	29.22	11.11

#### Estimation of fair value

The fair values of investment properties have been determined based on the valuation by a registered valuer as defined under rule 2 of Companies (Registered Valuers and Valuation) Rules, 2017, for the location at which the property is located adjusted for the depreciated value of buildings.

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>5 Other financial assets (non-current)</b>		
Deposit - maturity more than 12 months	<b>108.00</b>	2.96
Security Deposits	<b>114.66</b>	138.69
<b>Total Other financial assets (non-current)</b>	<b>222.66</b>	141.65
<b>6 Deferred tax assets / (liabilities)</b>		
The balance comprises temporary differences attributable to:		
Depreciation	<b>(8,048.20)</b>	(8,309.95)
<b>Total deferred tax liabilities</b>	<b>(8,048.20)</b>	(8,309.95)
Set-off of deferred tax assets pursuant to set-off provisions		
Unabsorbed Depreciation and losses	<b>7,960.69</b>	8,989.45
Others including Disallowance u/s 43B	<b>3,320.81</b>	3,149.39
Minimum Alternate Tax credit - (MAT) entitlement	<b>1,634.76</b>	1,634.76
<b>Total deferred tax assets</b>	<b>12,916.26</b>	13,773.60
<b>Net deferred tax assets / ( Liability)</b>	<b>4,868.06</b>	5,463.65

Particulars	Depreciation	Unabsorbed Depreciation and Losses	Others including Disallowance u/s 43B	Minimum Alternate tax credit - (MAT)	Total
Balance as at March 31, 2020	(8,645.76)	8,992.77	3,286.68	1,960.59	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)	8,989.45	3,149.39	1,634.76	5,463.65
Charged/(credited):					
- to profit or loss	(261.75)	483.42	(164.09)	-	57.58
- to other comprehensive income	-	545.34	(7.33)	-	538.01
<b>Balance as at March 31, 2022</b>	<b>(8,048.20)</b>	<b>7,960.69</b>	<b>3,320.81</b>	<b>1,634.76</b>	<b>4,868.06</b>

Deferred tax asset as shown above has been created, 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.

<b>7 Other non-current assets</b>		
Capital advances	-	-
Land Purchase Advance - paid to Director	<b>465.00</b>	465.00
Prepaid Rent	<b>3.53</b>	5.75
<b>Total other non-current assets</b>	<b>468.53</b>	470.75

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>8 Inventories</b>		
Raw material at cost	-	100.10
Work-in-progress at cost	<b>1,358.62</b>	1,078.01
Finished Goods-at Cost / Net Realisable Value	<b>14,747.19</b>	9,230.15
Stock In Trade - Properties at Cost*	-	540.89
Stock In Trade - Others at Cost	<b>414.50</b>	285.48
Stores & Spares at cost	<b>1,229.62</b>	997.87
<b>Total Inventories</b>	<b>17,749.93</b>	12,232.49
*Converted to Capital asset as on 31.03.2022		
<b>9 Trade receivables</b>		
<b>Unsecured and considered good</b>		
Trade receivables	<b>3,043.50</b>	3,066.31
Less : Allowance for credit losses	-	-
<b>Total trade receivables</b>	<b>3,043.50</b>	3,066.31
Includes due from companies / firms where directors are interested	-	-

Particulars	As at	
	31.3.2022	31.3.2021
<b>Current</b>		
Trade Receivables - Considered good - Unsecured	3,043.50	3,066.31
Less: Allowance for expected credit loss	-	-
Trade Receivables - Considered good - Unsecured	3,043.50	3,066.31
Trade Receivables - Credit Impaired - Unsecured	-	-
Less: Allowance for credit impairment	-	-
Trade Receivables - Credit Impaired - Unsecured	-	-

Trade receivables ageing schedule for the year ended as on March 31, 2022							
Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade receivables - considered good	-	1,964.05	127.05	153.08	448.78	350.54	3,043.50
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	-	<b>1,964.05</b>	<b>127.05</b>	<b>153.08</b>	<b>448.78</b>	<b>350.54</b>	<b>3,043.50</b>



**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

Trade receivables ageing schedule for the year ended as on March 31, 2021							
Particulars	Not due	Less than 6 months	6 months to 1 year	1-2 years	2-3 years	More than 3 Years	Total
Undisputed Trade receivables - considered good	-	2,155.63	142.73	227.62	205.60	334.73	3,066.31
Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>2,155.63</b>	<b>142.73</b>	<b>227.62</b>	<b>205.60</b>	<b>334.73</b>	<b>3,066.31</b>

Note : Receivables of more than 3 years represent differential GST amount on Alcohol sales receivable from the Customer.

PARTICULARS	31.3.2022	31.3.2021
<b>10 Cash and cash equivalents</b>		
Balances with banks		
- in current accounts	226.27	184.43
- in cash credit and loan accounts	6.49	-
- in deposit with banks	5.00	5.00
Cash on hand	15.29	19.93
<b>Total cash and cash equivalents</b>	<b>253.05</b>	<b>209.36</b>
<b>11 Bank Balances other than cash &amp; cash equivalents</b>		
Unpaid Dividend accounts	0.40	0.40
Deposits with maturity of more than 3 months but less than 12 months	0.52	0.46
<b>Total bank balances other than cash &amp; cash equivalents</b>	<b>0.92</b>	<b>0.86</b>
<b>12 Other financial assets (current)</b>		
<b>Unsecured, considered good</b>		
Income receivable	626.27	785.36
Interest receivable on Excise Duty Loan	27.17	27.17
<b>Total Other financial assets (current)</b>	<b>653.44</b>	<b>812.53</b>
<b>13 Current Tax Assets (Net)</b>		
Income tax refund due / TDS	82.83	250.28
<b>Total Current Tax Assets</b>	<b>82.83</b>	<b>250.28</b>
<b>14 Other current assets</b>		
Staff and other advance	37.69	24.37
Advance to suppliers	283.86	210.85
Advance Sales Tax	20.17	20.18
Balance with indirect tax authorities	162.61	179.14
Prepaid Expenses	271.11	223.14
<b>Total other current assets</b>	<b>775.44</b>	<b>657.68</b>

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2022	31.3.2021
<b>15 Assets classified as held for sale</b>		
<b>Freehold Land #</b>		
Opening	1,449.35	-
Additions during the year	3,600.00	1,449.35
Sale during the year	(665.86)	-
Closing Balance	4,383.49	1,449.35
Total assets classified as held for sale	4,383.49	1,449.35
# Refer Note No 39 (15)		

### 16 Equity share capital

Authorised equity share capital

	Number of shares	₹ in lakhs
Balance as at March 31, 2020	3,00,00,000	3,000.00
Increase during the year	70,00,000	700.00
Balance as at March 31, 2021	3,70,00,000	3,700.00
Increase during the year	-	-
<b>Balance as at March 31, 2022</b>	<b>3,70,00,000</b>	<b>3,700.00</b>

#### (i) Movements in equity share capital

Balance as at March 31, 2020	2,81,67,680	2,816.77
Increase during the year	-	-
Balance as at March 31, 2021	2,81,67,680	2,816.77
Increase during the year	49,67,926	496.79
<b>Balance as at March 31, 2022</b>	<b>3,31,35,606</b>	<b>3,313.56</b>

#### Terms and rights attached to equity shares :

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

#### Shareholding of promoter

Promoter Name	Number of shares	% of Total Shares
Ms. Rajshree Pathy	1,13,17,313	34.15%

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

Promoter Group	Number of shares	% of Total Shares
Mr. Aditya Krishna Pathy	4,88,303	1.47%
Ms. Aishwarya Pathy	2,18,674	0.66%
M/s. RSCL Properties Private Limited	14,49,331	4.37%

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

**March 31, 2022**

Promoter Name	Number of shares	% of Total Shares
Ms. Rajshree Pathy	1,13,17,313	34.15%
	<u>1,13,17,313</u>	<u>34.15%</u>

**March 31, 2021**

Promoter Group	Number of shares	% of Total Shares
Ms. Rajshree Pathy	1,13,17,313	40.18%
RSCL Properties Private Limited	14,49,331	5.15%
	<u>1,27,66,644</u>	<u>45.32%</u>

PARTICULARS	31.3.2022	31.3.2021
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**17 Other Equity**

**1) Reserves and Surplus**

Securities premium reserves	1,560.15	1,359.94
General reserve	7,575.90	7,575.90
Capital reserve	158.70	158.70
Fairvalue reserve	23,892.98	-
Retained earnings	(10,389.06)	(9,556.92)
<b>Total reserves and surplus</b>	<u>22,798.67</u>	<u>(462.38)</u>

**a) Securities premium reserves**

Opening balance	1,359.94	1,359.94
Additions during the year	200.21	-
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<u>1,560.15</u>	<u>1,359.94</u>

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>b) Capital reserves</b>		
Opening balance	158.70	158.70
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<u>158.70</u>	<u>158.70</u>
<b>c) General reserve</b>		
Opening balance	7,575.90	7,575.90
Additions during the year	-	-
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<u>7,575.90</u>	<u>7,575.90</u>
<b>d) Fair value Reserve</b>		
<b>Opening balance</b>	-	-
<b>Addition :</b>		
1. Addition to fair value reserve on revaluation of Land	22,116.96	-
2. Addition to fair value reserve on Revaluation of PPE on conversion of Stock in trade to PPE	3,659.92	-
3. Reversal of fair value reserve on disposal / Impairment of PPE	(1,883.91)	-
Deductions/Adjustments during the year	-	-
<b>Closing balance</b>	<u>23,892.97</u>	<u>-</u>
<b>e) Retained earnings</b>		
Opening balance	(9,556.92)	(7,964.52)
Net profit/(loss) for the year	(317.62)	(1,675.85)
Reversal of Fair value reserve on disposal of Property	-	-
Items of other comprehensive income/(loss) recognised directly in retained earnings		
- Remeasurements of post-employment benefit obligation, net of tax	(514.52)	76.73
Appropriations / Adjustments	-	6.72
<b>Closing balance</b>	<u>(10,389.06)</u>	<u>(9,556.92)</u>
<b>2) Other Reserve</b>		
<b>Share option outstanding reserve</b>		
Balance as at March 31, 2020	-	6.72
Balance as at March 31, 2021	-	6.72
Less: Withdrawal during the year	-	6.72
Recognition of financial liability to be settled through entity's own equity instruments	-	697.00
<b>Total other equity 17(1) &amp; 17(2)</b>	<u>22,798.67</u>	<u>234.62</u>

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

- i) General reserve: Part of retained earnings was earlier utilised for declaration of dividends as per the erstwhile Companies Act, 1956. This is available for distribution to share holders.
- ii) Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.
- iii) Securities Premium: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.
- iv) Capital Reserve: Comprises of amount forfeited on lapse of share warrants, the same is not available for distribution.
- v) Fair Value Reserve : Fair value reserve is credited when property, plant and equipment's are revalued at fair value and debited on retirement or Impairment or disposal of assets. The reserve is utilised in accordance with the requirements of IndAS 16.

PARTICULARS	31.3.2022	31.3.2021
<b>18 Borrowings (non-current)</b>		
<b>Secured</b>		
<b>Term Loans</b>		
From Banks	15,341.64	39,643.17
Debentures		
0.1%, 9,748, Secured, Unlisted, Non-cumulative Redeemable & Non convertible debentures	9,466.34	—
0.1%, 14,366, Secured, Unlisted, Non-cumulative Redeemable & Optionally convertible debentures	14,037.73	—
<b>From Other parties :</b>		
Sugar Development Fund	—	—
Refer Note No.39(1) for terms of the borrowing		
<b>Unsecured</b>	—	—
<b>Total borrowings (non-current)</b>	<b>38,845.71</b>	<b>39,643.17</b>
<b>19 Provisions</b>		
<b>Provision for employee benefits</b>		
<b>Current</b>		
Leave Encashment	2.60	2.32
Gratuity Contribution	58.58	125.29
<b>Total Current Provisions</b>	<b>61.18</b>	<b>127.61</b>
<b>Non-current</b>		
Gratuity Contribution	59.16	55.30
<b>Total Non-current Provisions</b>	<b>59.16</b>	<b>55.30</b>

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>20 Borrowings</b>		
<b>Current - Secured</b>		
Current maturities of long term debt	3,846.37	3,514.27
<b>Total borrowings (Current)</b>	<u>3,846.37</u>	<u>3,514.27</u>
<b>21 Trade payables</b>		
<b>Current</b>		
Total outstanding due of Micro Enterprises - Refer Note No.39(5)	470.24	154.71
Total outstanding due of creditors other than Micro & Small enterprises	15,826.27	14,324.59
<b>Total trade payables</b>	<u>16,296.51</u>	<u>14,479.30</u>

Particulars	As at	
	31.3.2022	31.3.2021
Outstanding dues of MSME	470.24	154.71
Outstanding dues of creditors other than MSME	15,826.27	14,324.59
	<u>16,296.51</u>	<u>14,479.30</u>

Trade receivables ageing schedule for the year ended as on March 31, 2022						
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Outstanding dues of MSME	-	470.24	-	-	-	470.24
Outstanding dues of creditors other than MSME	-	13,225.82	30.93	7.13	2,562.40	15,826.27
<b>Total</b>	-	<b>13,696.06</b>	<b>30.93</b>	<b>7.13</b>	<b>2,562.40</b>	<b>16,296.51</b>

Trade receivables ageing schedule for the year ended as on March 31, 2021						
Particulars	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 Years	Total
Outstanding dues of MSME	50.08	102.35	2.28	-	-	154.71
Outstanding dues of creditors other than MSME	-	11,531.85	3.17	0.60	2,788.96	14,324.59
<b>Total</b>	<b>50.08</b>	<b>11,634.20</b>	<b>5.46</b>	<b>0.60</b>	<b>2,788.96</b>	<b>14,479.30</b>

**Note :** Trade payable more than 3 years in 2021-22 and 2020-21 represent provision for committed liability of Goodwill payment to farmers and Disputed Liability on Power Imported from state Electricity Board.

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>22 Other financial liabilities (current)</b>		
Interest Accrued & Due on Loans	2,227.98	2,625.15
Unpaid Dividend	0.40	0.40
<b>Total other financial liabilities (current)</b>	<u>2,228.37</u>	<u>2,625.55</u>
<b>23 Other current liabilities</b>		
Advance received from Customers	3,619.36	1,166.37
Land sale advance	1,362.41	1,780.66
Statutory dues payables	1,321.49	1,070.95
<b>Total other current liabilities</b>	<u>6,303.26</u>	<u>4,017.97</u>
<b>24 Revenue from operations</b>		
Sale of products	46,737.12	34,996.53
Other operating revenue	29.64	1,366.01
<b>Total revenue from operations</b>	<u>46,766.76</u>	<u>36,362.54</u>
<b>25 Other income</b>		
Rental Income	29.94	24.67
Interest income	92.66	51.43
Interest on Income Tax Refund	148.98	-
Profit on Sale of Assets	153.12	396.00
Miscellaneous income	204.55	527.44
Conversion of Stock in Trade into Capital Asset	540.89	-
<b>Total other income</b>	<u>1,170.14</u>	<u>999.54</u>
<b>26 Cost of Materials Consumed</b>		
Raw Materials at the beginning of the year	100.10	636.14
Add: Purchases	38,280.62	30,226.04
Less: Raw Materials at the end of the year	-	100.10
<b>Total Cost of Materials Consumed</b>	<u>38,380.72</u>	<u>30,762.08</u>
<b>27 Changes in inventories of work-in-progress, Stock-in-Trade and finished goods</b>		
<b>Opening Balance</b>		
Work-In-Progress	1,078.01	205.51
Finished Goods	9,230.14	4,790.57
Traded Goods	540.89	540.89
<b>Total Opening Balance</b>	<u>10,849.04</u>	<u>5,536.97</u>



**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

<b>PARTICULARS</b>	<b>31.3.2022</b>	<b>31.3.2021</b>
<b>Closing Balance</b>		
Work-In-Progress	<b>1,358.62</b>	1,078.01
Finished Goods	<b>14,747.19</b>	9,230.14
Traded Goods	-	540.89
<b>Total Closing Balance</b>	<b>16,105.81</b>	10,849.04
<b>Total Changes in inventories of work-in-progress, Stock-in -Trade and finished goods</b>	<b>(5,256.77)</b>	(5,312.07)
<b>28 Employee benefit expense</b>		
Salaries, wages and bonus	<b>2,841.04</b>	2,705.09
Contribution to provident and other funds	<b>237.95</b>	231.24
Staff welfare expenses	<b>306.83</b>	193.68
<b>Total employee benefit expense</b>	<b>3,385.82</b>	3,130.01
<b>29 Depreciation and amortisation expense</b>		
Depreciation of property, plant and equipment and Amortisation of intangible assets	<b>2,388.90</b>	2,408.43
Depreciation on right of use assets	<b>21.49</b>	23.03
Depreciation on Investment property	<b>0.39</b>	0.39
<b>Total depreciation and amortisation expense</b>	<b>2,410.77</b>	2,431.85
<b>30 Other expenses</b>		
Consumption of Stores and Spares	<b>791.58</b>	511.41
Consumption of Packing Materials	<b>523.09</b>	327.95
Power & Fuel	<b>1,703.06</b>	1,270.41
Building rent	<b>21.97</b>	22.01
Repairs		
Building	<b>26.17</b>	18.51
Machinery	<b>899.72</b>	562.85
Insurance Premium	<b>177.71</b>	195.00
Licence Fees & Tax	<b>552.11</b>	394.71
Cartage & Freight	<b>305.49</b>	273.67
Payment to Auditors	<b>14.25</b>	8.06
Cost Audit fees	<b>1.79</b>	1.71
Contribution to Chief Minister's Relief Fund	<b>5.00</b>	-
Managerial Remuneration	-	12.81
Miscellaneous Expenses	<b>2,036.10</b>	1,406.33
<b>Total other expenses</b>	<b>7,058.04</b>	5,005.43

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>Note 30 (a) Details of payment to auditors</b>		
<b>Payment to auditors</b>		
As auditor:		
Audit fee	7.00	7.00
<b>In other capacities</b>		
Taxation matters	6.25	0.50
Company law matters	-	0.20
Certification fees	1.00	0.05
<b>Total payment to auditors</b>	<b>14.25</b>	<b>7.75</b>
<b>31 Finance Cost</b>		
Interest expense	2,162.56	2,922.51
Other borrowing costs	55.80	2.27
<b>Total Finance cost</b>	<b>2,218.36</b>	<b>2,924.78</b>
<b>32 Income tax expense</b>		
<b>(a) Income tax expense</b>		
<b>Current tax</b>		
Current tax on profits for the year	-	-
Adjustments for current tax of prior periods	-	-
<b>Total current tax expense</b>	<b>-</b>	<b>-</b>
<b>Deferred tax</b>		
Decrease / (increase) in deferred tax assets	(425.84)	431.64
(Decrease) / increase in deferred tax liabilities	483.42	(335.80)
<b>Total deferred tax expense/(benefit)</b>	<b>57.58</b>	<b>95.84</b>
<b>Income tax expense</b>	<b>57.58</b>	<b>95.84</b>
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:</b>		
Profit before income tax expense	(260.04)	(1,580.01)
Tax at the Indian tax rate of 31.20%	(81.13)	(492.96)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Adjustments on account of sale of assets	5.24	3.14
Impact of Difference in Depreciation not considered in opening Deferred Tax	15.83	369.28
opening Deferred Tax	117.64	(109.45)
MAT credit of earlier years reversed (not available for carried forward)	-	325.84
<b>Income tax expense</b>	<b>57.58</b>	<b>95.84</b>

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**
**33 Employee benefit obligations**

	<b>March 31, 2022</b>		<b>Total</b>
	<b>Current</b>	<b>Non-current</b>	
Leave Encashment	<b>2.60</b>	-	<b>2.60</b>
Gratuity Contribution	<b>58.58</b>	<b>59.16</b>	<b>117.74</b>
<b>Total employee benefit obligations</b>	<b>61.18</b>	<b>59.16</b>	<b>120.34</b>
		March 31, 2021	
Leave Encashment	2.32	-	2.32
Gratuity Contribution	125.28	55.30	180.58
<b>Total employee benefit obligations</b>	<b>127.61</b>	<b>55.30</b>	<b>182.90</b>

**(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 :**

(₹ in lakhs)

PARTICULARS	TYPE OF PLAN		Earned Leave (Funded)		
			Gratuity (Funded)	(Funded)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
<b>A. Expense recognised in Income Statement</b>					
1. Current Service cost		46.61	46.13	10.70	10.93
2. Interest expense		69.47	67.97	-	-
3. Interest (Income on plan asset)		(57.40)	(45.04)	-	-
4. Net interest		12.07	22.93	-	-
5. Immediate recognition of (gain) / losses		-	-	-	-
6. Defined Benefits cost included in Statement of Profit & Loss		58.69	69.06	10.70	10.93
<b>B. Expense recognised in Other Comprehensive Income (OCI)</b>					
1. Actuarial (gain) / Losses on DBO					
a) Due to Experience		33.13	2.05	-	(48.99)
b) Due to Change in Financial Assumptions		(27.29)	1.86	-	-
c) Due to Change in demographic assumptions		2.56	-	-	-
2. Return on plan assets (Greater) / Less than Discount rate		(31.90)	(118.18)	-	(4.24)
3. Total actuarial (gain) / loss included in OCI		(23.50)	(114.27)	-	(53.23)
<b>C. Net Asset / (Liability) recognised in the Balance Sheet</b>					
1. Present value of benefit obligation		1,050.50	1,021.65	71.12	66.66
2. Fair value of plan assets		932.77	844.11	68.52	64.34
3. Funded Status (Surplus / Deficit)		(117.73)	(177.54)	(2.60)	(2.32)
4. Net Asset / (Liability) recognised in Balance Sheet		(117.73)	(177.54)	(2.60)	(2.32)

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

**(iii) Defined Benefit Plan : (Contd...)**

PARTICULARS	TYPE OF PLAN	Gratuity (Funded)		Earned Leave (Funded)	
		31.03.2022	31.03.2021	31.03.2022	31.03.2021
D.	Change in Present value of the obligation during the year				
1.	Present value of the obligation at the beginning of the year	1,021.65	995.22	66.66	123.03
2.	Current service cost	46.61	46.13	10.45	10.93
3.	Interest cost	69.47	67.97	-	-
4.	Benefits paid	(95.65)	(91.59)	(10.42)	(18.30)
5.	Actuarial (gain) / loss on obligation				
a)	Due to Experience	33.13	2.05	6.47	(48.99)
b)	Due to Change in Financial Assumptions	(27.29)	1.86	(2.04)	-
c)	Due to Change in demographic assumptions	2.56	-	-	-
6.	Present value of obligation at end of the year	1,050.50	1,021.65	71.12	66.66
E.	Reconciliation of opening & closing values of Plan Assets				
1.	Fair value of plan assets at the beginning of the year	844.11	659.48	64.34	60.10
2.	Interest Income 57.40	45.04	4.18	-	-
3.	Contributions made	95.00	113.00	-	-
4.	Benefits paid	(95.65)	(91.59)	-	-
5.	Actuarial (gain) / loss on plan assets	31.90	118.18	-	4.24
6.	Fair value of plan assets at the end of the year	932.77	844.11	68.52	64.34
F.	Actuarial Assumptions				
1.	Discount rate	6.80%	6.83%	6.80%	6.80%
2.	Salary escalation	4.00%	4.00%	4.00%	4.00%
3.	Attrition rate	For service 4 years and below, 18% per annum; For service 5 years and above, 2% per annum			
4.	Expected rate of return on plan assets	6.80%	6.83%	6.80%	-
5.	Mortality rate	Indian Assured Lives Mortality (2006-08) Ult			

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2022	31.3.2021
(iv) Sensitivity analysis		
Projected Benefit Obligation on Current Assumptions	1,050.50	1,021.65
Delta Effect of +1% Change in Rate of Discounting	55.83	(58.58)
Delta Effect of -1% Change in Rate of Discounting	62.68	66.02
Delta Effect of +1% Change in Rate of Salary Increase	64.11	67.23
Delta Effect of -1% Change in Rate of Salary Increase	(58.01)	(60.61)
Delta Effect of +1% Change in Rate of Employee Turnover	13.70	12.57
Delta Effect of -1% Change in Rate of Employee Turnover	(15.11)	(13.88)

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 (ALM) 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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

PARTICULARS	31.3.2022	31.3.2021
<b>Financial instruments and risk management</b>		
<b>34 Fair value measurements</b>		
<b>Financial instruments by category</b>		
	<b>Amortised Cost</b>	
<b>Financial assets</b>		
Loans - Deposits of more than 12 months	108.00	2.96
Trade Receivables	3,043.50	3,066.31
Cash and cash equivalents and other bank balances	253.97	210.22
Other financial assets	876.09	954.18
<b>Total financial assets</b>	<b>4,281.56</b>	<b>4,233.67</b>
	<b>Amortised Cost</b>	
<b>Financial liabilities</b>		
Borrowings	48,801.84	49,357.94
Trade payables	16,296.50	14,479.30
Other financial liabilities	0.40	0.40
<b>Total financial liabilities</b>	<b>65,098.74</b>	<b>63,837.64</b>

### (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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### Fair value of assets carried at amortised cost.

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

### 35 Financial risk management

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

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

#### (A) Credit risk

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

For trade receivables, the primary source of credit risk is that these are unsecured. The Company sells the products to customers only when the collection of trade receivables is certain and whether there has been a significant increase in the credit risk on an on-going basis is monitored throughout each reporting period. As at the balance sheet date, based on the credit assessment the historical trend of low default is expected to continue. An impairment analysis is performed at each reporting date on an individual basis for major clients. Any recoverability of receivables is provided for based on the impairment assessment. Historical trends showed as at the transition date, 31<sup>st</sup> March 2017 and 31<sup>st</sup> 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.

#### *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.



**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

**Contractual maturities of financial liabilities:**

	Less than 6 months	6 months to 1 year	Between 1 & 2 years	Between 2 & 5 years	Above 5 years	Total
<b>March 31, 2022</b>						
<b>Non-derivatives</b>						
Long term loans	3,118.76	727.61	1,994.74	10,099.62	27,051.20	42,991.93
Short term Borrowings	–	–	–	–	–	–
Trade payables	16,296.51	–	–	–	–	16,296.51
Other financial liabilities	0.40	–	–	–	–	0.40
Lease liabilities	11.35	12.21	8.67	3.18	–	35.42
<b>Total non-derivative liabilities</b>	<b>19,427.01</b>	<b>739.82</b>	<b>2,003.41</b>	<b>10,102.80</b>	<b>27,051.20</b>	<b>59,324.25</b>
<b>March 31, 2021</b>						
<b>Non-derivatives</b>						
Long term loans	107.94	885.32	988.53	6,523.52	33,112.15	41,617.46
Short term Borrowings	3,514.27	–	–	–	–	3,514.27
Trade payables	14,479.30	–	–	–	–	14,479.30
Other financial liabilities	0.40	–	–	–	–	0.40
Lease liabilities	–	–	–	–	–	–
<b>Total non-derivative liabilities</b>	<b>18,101.91</b>	<b>885.32</b>	<b>988.53</b>	<b>6,523.52</b>	<b>33,112.15</b>	<b>59,611.43</b>
<b>March 31, 2020</b>						
<b>Non-derivatives</b>						
Long term loans	47,789.14	3,752.25	7,562.49	8,049.81	–	67,153.69
<b>Total non-derivative liabilities</b>	<b>47,789.14</b>	<b>3,752.25</b>	<b>7,562.49</b>	<b>8,049.81</b>	<b>–</b>	<b>67,153.69</b>

**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).

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

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

	<b>March 31, 2022</b>	March 31, 2021
Net debt	<b>44,920.45</b>	45,783.00
Total equity	<b>26,112.23</b>	3,051.39
<b>Net debt to equity ratio</b>	<b>1.72</b>	15.00

### (b) Dividends

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

## 37 Share based payments

### (a) Employee Stock Option Plan

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

	March 31, 2022		March 31, 2021	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	55.40	1.25	55.40	2.19
Granted during the year	-	-	-	-
Exercised during the year	55.40	-	-	-
Forfeited during the year	55.40	(1.25)	55.40	(0.94)
				<b>1.25</b>

## 38 Earnings per share

### (a) Basic earnings per share

Basic earnings/(loss) per share attributable to the equity holders of the Company	<b>(0.96)</b>	(5.25)
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	<b>(317.62)</b>	(1,675.86)
<b>Weighted average number of equity shares used as the denominator in calculating basic earnings per share</b>	<b>33,135,606</b>	31,893,625

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

PARTICULARS	31.3.2022	31.3.2021
<b>(b) Diluted earnings per share</b>		
Diluted earnings/(loss) per share attributable to the equity holders of the Company	<b>(0.96)</b>	(5.25)
Profit/(loss) attributable to equity holders of the company used in calculating basis earnings per share	<b>(317.62)</b>	(1,675.86)
Adjustments		
Used in calculating diluted earnings per share	-	-
Profit attributable to equity holders of the company used in calculating diluted earnings per share	<b>(317.62)</b>	(1,675.86)
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	<b>33,135,606</b>	31,893,625

**39 OTHER ADDITIONAL INFORMATION**

**1. Details of Borrowings :**

- 1) The Company has complied with all the Conditions Precedent (CP) for implementation of the approved debt restructuring plan as per the provisions contained in Framework Restructuring Agreement (FRA) executed on 12<sup>th</sup> July 2021. All the lender banks agreed to treat the date of implementation of the restructuring plan as 6<sup>th</sup> December 2021.
- 2) During the year, the company has been regular in repayment of principal and payment of interest as per the schedule provided in the FRA.
- 3) Similarly, the company has provided the Interest as per the provisions of FRA.
- 4) The banks could only partially effected the restructuring terms in their respective books as few of them have migrated into a new software programme. However, they have recognized the entire payment made by the company.
- 5) The Company has been in default of the soft loans received from Sugar Development Fund (SDF), Government of India, since the Financial Year ended 31<sup>st</sup> March 2016.

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 Department of Food and Public Distribution has issued the operational guidelines on January 3, 2022 for restructuring of SDF Loans under Rule 26 of the SDF Rules.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

On 3rd March 2022, the Company has submitted application through online, for restructuring of the SDF loans, under the aforesaid operational guidelines. On 28<sup>th</sup> March 2022, The Committee for Rehabilitation (CFR) of the said Ministry has considered Company's application and recommended the restructuring for the consideration of the Standing Committee on SDF.

On 22<sup>nd</sup> April 2022, the Standing Committee of the Ministry, in the 144<sup>th</sup> meeting of SDF, has approved the recommendation of the Rehabilitation Committee for restructuring the debt outstanding of the company as on 28<sup>th</sup> February 2022. The sanction letter of the scheme is awaited.

### 2. Rate of Interest and Maturity Profile of Long Term borrowings :

Banks	8.20%	0.10%	Total
	TL, WCTL & FITL*	OCD & NCD	
2022-23	915.16	270.03	1,185.19
2023-24	1,724.71	270.03	1,994.74
2024-25	1,886.62	270.03	2,156.65
2025-26	2,854.46	270.03	3,124.49
2026-27	2,397.29	2,421.19	4,818.48
2027-28	2,467.68	2,518.97	4,986.65
2028-29	2,308.36	2,518.97	4,827.33
2029-30	1,702.56	15,234.85	16,937.41
	<b>16,256.84</b>	<b>23,774.10</b>	<b>40,030.94</b>

\* TL - Term Loan; WCTL - Working Capital Term Loan; FITL - Funded Interest Term Loan

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

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

**3) Period and Amount of Continuing Default in respect of Aforesaid Loans is as detailed below :**

Name of the Lender	Amount of Default (Principal)	Period of default	Remarks
Sugar Development Fund - Cogen	211.00	From June 2016	The restructuring proposal of the Company has been approved by SDF. The sanction letter is awaited. Please refer note no. 39(1) for more details.
-do-	211.00	From December 2016	
-do-	211.00	From June 2017	
Sugar Development Fund - Distillery	405.64	From March 2016	
-do-	405.64	From September 2016	
-do-	405.64	From March 2017	
-do-	405.64	From September 2017	
-do-	405.62	From March 2018	
<b>TOTAL</b>	<b>2,661.18</b>		
Sugar Development Fund	2,227.98	Overdue interest as on 31.03.2022	As above
<b>TOTAL</b>	<b>2,227.98</b>		
<b>Grand Total</b>	<b>4,889.16</b>		

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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 4) Security Details for the Borrowings :

#### (i) Rupee Term Loan (RTL), Tranche A Non-Convertible Debentures (NCDs), Tranche A Optionally Convertible Debentures (OCDs) and Funded Interest Term Loan (FITL) for State Bank of India is secured by:

- a. First pari passu charge over all fixed assets of the Borrower ("the Company") (except the fixed assets over which an exclusive charge is created in favour of Axis Bank Limited, Sugar Development Fund, ICICI Bank Limited and State Bank of India).
- b. First pari passu charge over the cogeneration Receivables of Unit II and Unit III.
- c. Second pari passu charge over all current assets of the Borrower (except the current assets set out in Section (b) above)
- d. First pari passu pledge over the Pledged Shares.  

"Pledged Shares" means, at the date of the Framework Restructuring Agreement (FRA) i.e. 12<sup>th</sup> July 2021, 1,34,73,621 Equity Shares of the Borrower held by the Pledgors (Promoter and Promoter Group) which are pledged to secure the Outstanding Obligations in accordance with the terms of the Share Pledge Agreement, and such additional Equity Shares such that the Pledged Shares shall at all times constitute 100% of the total Equity Shares of the Borrower held by the Promoters at any time.
- e. Unconditional and irrevocable Personal Guarantee of the Personal Guarantor (Ms.Rajshree Pathy, Promoter / Chairperson of the Company)
- f. Irrevocable Corporate Guarantee provided by RSCL Properties Private Limited (RPPL), to the extent of the Value of the Pledged Shares held by RPPL. It is further clarified that the Secured Parties shall have no independent rights under the Corporate Guarantee in the event that they are able to enforce their rights and recover the Value of the Pledged Shares under the Share Pledge Agreement.
- g. First pari passu charge over the Fixed Deposit amount of ₹ 108 lakhs .
- h. First pari passu charge on the following immovable properties:
  - A. 80 Cents land situated at TS No. 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore, Tamil Nadu;
  - B. Land and building (Bio Control Unit at Unit 1) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Tamil Nadu; and
  - C. Residential Flat No.2 at Door No. 9 Sathayanarayana Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu.
- i. First ranking exclusive charge on fixed assets of the Borrower situated at the co-generation plant of Unit II situated at Mundiampakkam, Tamil Nadu.
- j. First pari passu charge on all the fixed assets of the Borrower situated at Unit III, which fixed assets shall be charged to State Bank of India and Sugar Development Fund on a pari passu basis.
- k. First pari passu charge on non-agricultural land admeasuring 1 acre and cents 15-1/6 in Udthagamandalam, Tamil Nadu (including the building with a built-up area of 300 sq. ft.), belonging to Ms.Rajshree Pathy, Chairperson / Promoter of the Company.

#### (ii) Working Capital Term Loans (WCTL) for State Bank of India is secured by:

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

- a. Second pari passu charge over all fixed assets of the Borrower (except the fixed assets over which an exclusive charge is created in favour of Axis Bank Limited, Sugar Development Fund, ICICI Bank Limited and State Bank of India).
- b. First pari passu charge over the cogeneration Receivables of Unit II and Unit III.
- c. First pari passu charge over all current assets of the Borrower (except the current assets set out in Section (b) above).
- d. First pari passu pledge over Pledged Shares.
- e. Unconditional and irrevocable Personal Guarantee to be provided by the Personal Guarantor.
- f. Irrevocable Corporate Guarantee to be provided by RPPL, limited to the extent of the Value of the Pledged Shares held by RPPL. It is further clarified that the Secured Parties shall have no independent rights under the Corporate Guarantee in the event that they are able to enforce their rights and recover the Value of the Pledged Shares under the Share Pledge Agreement.
- g. First pari passu charge over the Fixed Deposit amount of Rs.108 lakhs
- h. Second pari passu charge on the following immovable properties:
  - A) 80 Cents land situated at TS No. 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore, Tamil Nadu;
  - B) Land and building (Bio Control Unit at Unit 1) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Tamil Nadu; and
  - C) Residential Flat No.2 at Door No. 9 Sathayanarayana Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu.
- i. First ranking exclusive charge on fixed assets of the Borrower situated at the co-generation plant of Unit II situated at Mundiampakkam, Tamil Nadu.
- j. First pari passu charge on all the fixed assets of the Borrower situated at Unit III, which fixed assets shall be charged to State Bank of India and Sugar Development Fund on a pari passu basis.
- k. First pari passu charge on non-agricultural land admeasuring 1 acre and cents 15-1/6 in Udhagamandalam, Tamil Nadu (including the building with a built-up area of 300 sq. ft.), belonging to Ms.Rajshree Pathy, Chairperson / Promoter of the Company.

### **(iii) RTL, Tranche D NCDs, Tranche D OCDs and FITL for Bank of India, UCO Bank and Federal Bank Limited is secured by:**

- a. First pari passu charge over all fixed assets of the Borrower (except the fixed assets over which an exclusive charge is created in favour of Axis Bank Limited, Sugar Development Fund, ICICI Bank Limited and State Bank of India).
- b. First pari passu charge over the cogeneration Receivables of Unit II and Unit III.
- c. Second pari passu charge over all current assets of the Borrower (except the current assets set out in Section(b) above).
- d. First pari passu pledge over the Pledged Shares.
- e. Unconditional and irrevocable Personal Guarantee to be provided by the Personal Guarantor.
- f. Irrevocable Corporate Guarantee to be provided by RPPL, limited to the extent of the Value of the Pledged



## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Shares held by RPPL. It is further clarified that the Secured Parties shall have no independent rights under the Corporate Guarantee in the event that they are able to enforce their rights and recover the Value of the Pledged Shares under the Share Pledge Agreement.

- g. First pari passu charge over the Fixed Deposit amount of Rs.108 lakhs
- h. First pari passu charge on the following immovable properties :
  - A. 80 Cents land situated at TS No. 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore, Tamil Nadu;
  - B. Land and building (Bio Control Unit at Unit 1) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Tamil Nadu; and
  - C. Residential Flat No.2 at Door No. 9 Sathayanarayana Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu.
- i. First pari passu charge on non-agricultural land admeasuring 1 acre and cents 15-1/6 in Udhagamandalam, Tamil Nadu (including the building with a built-up area of 300 sq. ft.), belonging to Ms.Rajshree Pathy, Chairperson / Promoter of the Company.
- j. Second pari passu charge on all fixed assets of the Borrower situated at Unit III.

### (iv) WCTL for Bank of India and UCO Bank is secured by:

- a. Second pari passu charge over all fixed assets of the Borrower (except the fixed assets over which an exclusive charge is created in favour of Axis Bank Limited, Sugar Development Fund, ICICI Bank Limited and State Bank of India).
- b. First pari passu charge over the cogeneration Receivables of Unit II and Unit III.
- c. First pari passu charge over all current assets of the Borrower (except the current assets set out in Section (b) above).
- d. First pari passu pledge over the Pledged Shares.
- e. Unconditional and irrevocable Personal Guarantee to be provided by the Personal Guarantor.
- f. Irrevocable Corporate Guarantee to be provided by RPPL, limited to the extent of the Value of the Pledged Shares held by RPPL. It is further clarified that the Secured Parties shall have no independent rights under the Corporate Guarantee in the event that they are able to enforce their rights and recover the Value of the Pledged Shares under the Share Pledge Agreement.
- g. First pari passu charge over the Fixed Deposit amount of ₹ 108 lakhs .
- h. Second pari passu charge on the following immovable properties:
  - A. 80 Cents land situated at TS No. 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore, Tamil Nadu;
  - B. Land and building (Bio Control Unit at Unit 1) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Tamil Nadu; and
  - C. Residential Flat No.2 at Door No. 9 Sathayanarayana Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu.
- i. First pari passu charge on non-agricultural land admeasuring 1 acre and cents 15-1/6 in Udhagamandalam,

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

Tamil Nadu (including the building with a built-up area of 300 sq. ft.), belonging to Ms.Rajshree Pathy, Chairperson / Promoter of the Company

- j. Second pari passu charge on all fixed assets of the Borrower situated at Unit III.

### (v) RTL, Tranche B OCDs, Tranche B NCDs and FITL for ICICI Bank Limited is secured by:

- a. First pari passu charge over all fixed assets of the Borrower (except the fixed assets over which an exclusive charge is created in favour of Axis Bank Limited, Sugar Development Fund, ICICI Bank Limited and State Bank of India).
- b. First pari passu charge over the cogeneration Receivables of Unit II and Unit III.
- c. Second pari passu charge over all current assets of the Borrower (except the current assets set out in Section (b) above).
- d. First pari passu pledge over the Pledged Shares.
- e. Unconditional and irrevocable Personal Guarantee to be provided by the Personal Guarantor.
- f. Irrevocable Corporate Guarantee to be provided by RPPL, limited to the extent of the Value of the Pledged Shares held by RPPL. It is further clarified that the Secured Parties shall have no independent rights under the Corporate Guarantee in the event that they are able to enforce their rights and recover the Value of the Pledged Shares under the Share Pledge Agreement.
- g. First pari passu charge over the Fixed Deposit amount of ₹ 108 lakhs .
- h. First pari passu charge on the following immovable properties:
  - A. 80 Cents land situated at TS No. 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore, Tamil Nadu;
  - B. Land and building (Bio Control Unit at Unit 1) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Tamil Nadu; and
  - C. Residential Flat No.2 at Door No. 9 Sathayanarayana Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu.
- i. First ranking exclusive charge on the following immovable properties:
  - A. 7.295 Acres Land at Pallipuram Village, Allepey District, Kerala; and
  - B. Registered Office (Uffizi) of the Borrower in Coimbatore, Tamil Nadu.
- j. First pari passu charge on non-agricultural land admeasuring 1 acre and cents 15-1/6 in Udhagamandalam, Tamil Nadu (including the building with a built-up area of 300 sq. ft.), belonging to Ms. Rajshree Pathy, Chairperson / Promoter of the Company.
- k. Second pari passu charge on all fixed assets of the Borrower situated at Unit III.

### (vi) RTL Tranche C NCDs, Tranche C OCDs and FITL for Axis Bank Limited is secured by:

- a. First pari passu charge over all fixed assets of the Borrower (except the fixed assets over which an exclusive charge is created in favor of Axis Bank Limited, Sugar Development Fund, ICICI Bank Limited and State Bank of India).
- b. First pari passu charge over the cogeneration Receivables of Unit II and Unit III.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

- c. Second pari passu charge over all current assets of the Borrower (except the current assets set out in Section (b) above).
- d. First pari passu pledge over the Pledged Shares.
- e. Unconditional and irrevocable Personal Guarantee to be provided by the Personal Guarantor.
- f. Irrevocable Corporate Guarantee to be provided by RPPL, limited to the extent of the Value of the Pledged Shares held by RPPL. It is further clarified that the Secured Parties shall have no independent rights under the Corporate Guarantee in the event that they are able to enforce their rights and recover the Value of the Pledged Shares under the Share Pledge Agreement.
- g. First pari passu charge over the Fixed Deposit amount of Rs.108 lakhs
- h. First pari passu charge on the following immovable properties:
  - A. 80 Cents land situated at TS No. 613/2(Part), TS Ward 10, Krishnarayapuram Village, Coimbatore North Taluk, Coimbatore, Tamil Nadu;
  - B. Land and building (Bio Control Unit at Unit 1) situated at Gullapuram Village, Periyakulam Taluk, Theni District, Tamil Nadu; and
  - C. Residential Flat No.2 at Door No. 9 Sathayanarayana Avenue, Raja Annamalaipuram, Chennai, Tamil Nadu.
- i. First ranking exclusive charge on the immovable property being property number 186, Golf Link situated in New Delhi.
- j. First pari passu charge on non-agricultural land admeasuring 1 acre and cents 15-1/6 in Udthagamandalam, Tamil Nadu (including the building with a built-up area of 300 sq. ft.), belonging to Ms.Rajshree Pathy, Chairperson / Promoter of the Company.
- k. Second pari passu charge on all fixed assets of the Borrower situated at Unit III.

### (vii) Term Loan - SDF :

Term loan SDF aggregating to ₹ 2,661.17 lakhs as on 31.03.2022 along with Interest of ₹ 2,227.98 lakhs/- as on 31.03.2022 are secured by First Pari passu charge on the Fixed/Immovable assets of unit III (Sugar, Cogeneration and Distillery).

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

	<b>31.3.2022</b>	31.3.2021
5) 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	470.23	104.63
Interest due on above and the unpaid interest	–	–
Interest paid	6.70	4.53
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	–	–
6) Capital and other commitments:		
Estimated amount of contracts remaining to be executed on capital account and not provided for:	–	–
7) The future minimum lease payments for properties held on lease for operating purpose are		
a) Not later than one year	–	6.92
b) Later than 1 year and not later than 5 years	–	0.60
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
Note : Assets classified as ROU Asset not included.		
8) The company held one machinery on lease for operating purpose and the future minimum lease payments are as under:		
a) Not later than one year	12.00	12.00
b) Later than 1 year and not later than 5 years	7.00	19.00
c) Later than 5 years	–	–
d) Lease payments recognized in the Statement of Profit & Loss.	9.00	10.00
9) Future minimum lease rentals receivables with respect to leased out properties are as under:		
a) Not later than one year	24.38	24.02
b) Later than 1 year and not later than 5 years	19.42	43.80
c) Later than 5 years	–	–
d) Lease receipts recognized in the Statement of Profit & Loss	16.50	24.36
10) Borrowing costs capitalized	0.31	–
11) Borrowing costs included in Capital Work in progress	2.21	–

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 12) Contingent Liabilities not provided for

a) Claims against the company not acknowledged as debt:

- i) In the case of eligibility of exemption on molasses captively consumed and eligibility of cenvat credit availed on molasses procured from other Units in Unit III for the period from April 2013 to March 2014, the Commissioner of Central Excise, Pondicherry has confirmed demand of ₹ 550.40 Lakhs with interest and penalty of ₹ 10.00 Lakhs against which the company has preferred an appeal before CESTAT. The department has further issued notices for demand of ₹ 1197.71 Lakhs (April 2014 to March 2016), ₹ 80.38 Lakhs (April 2012 to June 2012) and ₹ 896.83 Lakhs (April 2016 to June 2017) which are yet to be adjudicated by the department. The department has also issued a notice for demand of ₹ 456.45 Lakhs towards Cenvat credit availed on Distillery capital goods on the same grounds as the other notices. This notice is also pending for adjudication before the Commissioner of Central Excise, Pondicherry.
- ii) 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 the Company (RSCL) to the alleged cane dues pursuant to the above direction of the Court.

The Hon'ble Justice T S Sivagnanam by order dt.13<sup>th</sup> 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 11<sup>th</sup> March 2015 and 13<sup>th</sup> March 2015 ( 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.

- iii) Superintending Engineer (Theni) had issued demand letters to Unit 1 dated 23/05/2019 and 3/08/2019 for ₹ 186.93/- lakhs 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 ₹ 134.62/- lakhs and ₹ 176.61/- lakhs respectively. As in the aforesaid appeal before APTEL interim order is in force, RSCL moved

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

applications in the said appeal bringing to the knowledge of the Tribunal the precipitative actions being contemplated by the TANGEDCO. The applications are pending.

- iv) IFCI Limited, nodal agency of Sugar Development Fund (SDF) has filed an application before Debt Recovery Tribunal (DRT)-1, Chennai against the company claiming ₹ 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.
- v) Recompensate amount payable as per Debt Restructuring Scheme as at the close of the year ending 31.03.2022 is ₹ 64.94 /- Crores.
- vi) The Government of Tamilnadu notified the State Advised Price (SAP) of ₹ 2,650/ per MT of sugarcane for the sugar seasons 2013-14 and 2014-15 and ₹ 2,850/- for sugar season 2015-16 & 2016-17. The Company has accounted the cane purchase at the rate of ₹ 2,350/- per MT (for the cane procured during Apr 2014 to Sep 2014) and at the rate of ₹ 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 ₹ 2,425/- per MT. All the private mills in Tamilnadu are disputing the SAP, and the case is pending before the High Court of Madras. The total disputed price involved is ₹ 17,790 Lakhs (₹ 17,790 lakhs).

### 13) 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 ₹ 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.

### 14) 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 6<sup>th</sup> 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 ₹ 391.50 lakhs (31.03.2021 ₹ 35.57 lakhs). Though the Asset is revalued the realization is based on the outcome of the Judgement.

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.

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 15) ASSET HELD FOR SALE :

- i) The Company is owning a residential property at 186, Golf Link Road in New Delhi . The company has entered into an agreement for sale of the aforesaid property on 29<sup>th</sup> March 2022 with a prospective buyer for a consideration of ₹ 36 crores out of which the buyer has paid an advance of ₹ 4 crores which has been appropriated towards repayment of term loan by the Axis Bank. The asset is reclassified from PPE (Non-current Assets) to asset held for sale (current assets) in the books of accounts for the financial year 2021-22. The difference between the consideration as said above and the Value carried in the books is recognised as reversal of fair value under other comprehensive income.
- ii) The total consideration of the property at Vilankurichi Road, Thanneerpandal, Peelamedu, Coimbatore of ₹ 38 crores has been received in full in December 2020. ICICI Bank held the exclusive charge on this property and the entire amount has been remitted to ICICI Bank. Sale Deed has been executed for a part of the property 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.

### 16) Revaluation of Lands classified under PPE :

Lands classified under PPE as on 31<sup>st</sup> March 2022 have been revalued subsequent to the said date by appointing an accredited valuer as prescribed under section 247 of the Companies Act 2013. This is in conformity to the provision in Ind AS 16 as to Revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The difference between the fair value and the carrying value has been recognized as addition to fair value reserve on revaluation of PPE under other comprehensive income.

### 17) Land Reclassified as Capital Asset :

Lands classified under Current Assets as Stock-in- Trade as on 31<sup>st</sup> March 2022 have been reclassified into PPE as land and Building. These lands have been revalued subsequent to the said date by appointing an accredited valuer as prescribed under section 247 of the Companies Act 2013. The difference between the fair value of the land and the cost has been recognised as addition to fair value reserve on reclassification of stock-in-trade to PPE under other comprehensive income.

### 18) Non-Convertible Debentures :

As per terms of the Debt Restructuring plan approved by the lenders and in terms of provision in Framework Restructuring Agreement (FRA) executed on 12<sup>th</sup> July 2021, the company has, on 27<sup>th</sup> August 2021, issued and allotted 9,748 0.1% Secured, Unlisted, Non-Cumulative, Redeemable & Non-Convertible Debentures (NCD) of face value of ₹ 1 lakh each, for a total value of ₹ 97.48 crores, to the lender banks on part-conversion of their secured loans, on preferential / private placement basis.

The coupon rate applicable is at 0.1% p.a payable annually on March 31<sup>st</sup> of each year starting from Financial year 2021-22.

Each NCD of face value of ₹ 1 lac is to be redeemed in prescribed percentage to face value (at 1% each for first 5 years, 23%, 24%, 24% and 24% respectively in next 4 years) annually on March 31<sup>st</sup> of each year from Financial year 2021-22 to 2029-30. The cut-off date of the debt restructuring approved by the lenders has been 30.06.2020. The coupon amount



## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

applicable from the cut-off date to the date of allotment is to be paid as redemption premium payable on the last scheduled redemption date (i.e. March 31, 2030) or an early redemption date (i.e. any date, prior to the scheduled redemption date, on which any of the NCDs are redeemed by the Borrower).

### Optionally Convertible Debentures :

As per terms of the Debt Restructuring plan approved by the lenders and in terms of provision in Framework Restructuring Agreement (FRA) executed on 12<sup>th</sup> July 2021, the company has, on 27<sup>th</sup> August 2021, issued and allotted 14,366 0.1% Secured, Unlisted, Non-Cumulative, Redeemable & Optionally-Convertible Debentures (OCD) of face value of ₹ 1 lakh each, for a total value of ₹ 143.66 crores, to the lender banks on part-conversion of their secured loans, on preferential / private placement basis.

The coupon rate applicable is at 0.1% p.a payable annually on March 31<sup>st</sup> of each year starting from Financial year 2021-22.

Each OCD of face value of ₹ 1 lakh is to be redeemed at 1% annually on March 31<sup>st</sup> of each year from Financial year 2021-22 to 2029-30. In case the entire amount has not been repaid at the end of FY 2030, the lenders shall have the option during the period of March 16, 2030 to March 31, 2030, subject to compliance with Applicable Laws, either to roll over as OCD (issue of new series) for redemption in 4 years, in equal instalments (or) convert into Cumulative Redeemable Preference Shares (CRPS) redeemable in 4 years in equal instalments.

### Equity Shares :

As per terms of the Debt Restructuring plan approved by the lenders and in terms of provision in Framework Restructuring Agreement (FRA) executed on 12<sup>th</sup> July 2021, the company has allotted 49,67,926 equity shares at a face value of ₹ 10 per share and a premium of ₹ 4.03 per share on 27<sup>th</sup> August 2021 to Lenders. Further, the issue of shares is subject to a Lock-in-period of 12 months from the date of allotment for sale by lenders. The Company/Promoters have the right to buy-back the shares if select to do so and also have the Right of First Refusal (ROFR) in case lenders select to sell the shares to third party (i.e.,) a sale notice is to be issued by lenders to the Company/Promoters to convey intention to exercise the ROFR Offer and to acquire the Offered Securities indicated in the Sale Notice; or (ii) to allow the Lender to proceed to sell the Offered Securities to the third party.

### 19) CSR activities

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

Amount spent by the company during the year - NIL

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

**20) Transactions with Related Parties**

Particulars	Key Management Personnel	Relatives of Key Management personnel	Other Related Parties
<b>Purchase of Goods</b>			
Mr. Aditya Krishna Pathy		4.69 (15.95)	
RSCL Properties Private Limited			17.98 (19.64)
Greenplus Manures LLP			8.64 (6.45)
Sri Krishna Potable Products Private Limited			3.65 (18.32)
Rajshree Biosolutions LLP			33.86 (35.86)
Ms. Aishwarya Pathy		8.01 (11.39)	
Rajshree Spinning Mills Limited			3.68 (24.90)
<b>Sale of goods</b>			
Rajshree Biosolutions LLP			18.94 (40.91)
<b>Remuneration paid*</b>			
Mr. R. Varadarajan			
- Short term Employment Benefits	- (23.15)		
- Post Employment Benefits	- (0.05)		
Mr. V.B. Gopal Krishnan			
- Short term Employment Benefits	- (8.27)		
- Post Employment Benefits	- (0.04)		
Mr. C.S. Sathiyarayanan			
- Short term Employment Benefits	22.68 (7.94)		
- Post Employment Benefits	0.22 (0.22)		
Mr.M.Ponraj			
- Short term Employment Benefits	8.66 (7.98)		
- Post Employment Benefits	0.22 (0.22)		
<b>Sitting fee paid</b>			
Mr.R.Varadarajan	1.40(-)		
Ms.Rajshree Pathy	1.00(-)		
Dr.P.Surularayanarasami	0.50(-)		
Mr.Sheilendra Bhansali	1.40(-)		
Mr.K.Ilango	1.40(-)		
Mr.S.Vasudevan	1.40(-)		
Mr.S.Krishnaswami	1.00(-)		
<b>Receiving of Services</b>			
Aloha Tours & Travels (India) Private Limited			0.08 (0.02)
Major Corporate Services (India) LLP			284.84 (248.85)

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

**NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)**

## Transactions with Related Parties (Contd...)

Particulars	Key Management Personnel	Relatives of Key Management personnel	Other Related Parties
<b>Services Rendered</b>			
Rajshree Biosolutions LLP			0.38 (0.26)
<b>Lease rent received</b>			
Rajshree Biosolutions LLP			19.68 (19.53)
Major Corporate Services India LLP			0.14 (0.58)
Rajshree Spinning Mills Limited			0.25 (0.23)
Lavik Foodworks LLP			- (0.26)
Lavik Estates Limited			3.04 (2.19)
COCCA Art & Design Institute Private Limited			0.25 (0.23)
Argead Enterprises Private Limited			0.25 (0.23)
Lavik Holdings Private Limited			0.25 (0.85)
Petal Home LLP			0.24 (0.23)
Raj Fabrics & Accessories Cbe Limited			0.24 (0.23)
G.V.Memorial Trust			0.14 (0.13)
<b>Bio-fertiliser received for supply to farmers of the company (less returns)</b>			
Rajshree Biosolutions LLP			122.32 (82.92)
<b>Purchase of uniform cloth materials</b>			
The Lakshmi Mills Company Limited			8.42 (-)
<b>Outstanding as at 31<sup>st</sup> March 2022</b>			
Payable	- (-)	5.30 (3.59)	179.84 (137.91)
Receivable	465.00 (465.00)	0.20(-)	9.81(10.34)

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### Notes:

#### Names of Related parties and description of relationship

- a) Holding Companies : None
- b) Subsidiaries : None
- c) Fellow Subsidiaries : None
- d) Associates : None
- e) Key Management Personnel
  - 1) Ms. Rajshree Pathy, Chairperson
  - 2) Mr. R. Varadarajan, Wholetime Director
  - 3) Mr. Raja M.J Abdeen, Director (ceased to be director on 27th October 2021)
  - 4) Dr. P. Surulinarayanasami, Director
  - 5) Mr. Sheilendra Bhansali, Director
  - 6) Mr. K. Ilango, Director
  - 7) Mr. S. Vasudevan, Director
  - 8) Mr. S. Krishnaswami, Director
  - 9) Mr. V.B. Gopal Krishnan, Chief Financial Officer (relieved on 16<sup>th</sup> May 2020)
  - 10) Mr. C.S. Sathiyarayanan, Chief Financial Officer (appointed on 12<sup>th</sup> November 2020)
  - 11) 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
  - 17) CAI Industries Private Limited
  - 18) Rajshree Automotive Private Limited

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 21) Analytical Ratios

Particulars	Numerator	Denominator	31.03.2022			31.03.2021			
			Numerator	Denominator	Ratio	Numerator	Denominator	Ratio	% Variance
1 Current Ratio	Current Assets	Current Liabilities	26,942.61	28,759.25	0.94	18,678.87	24,787.59	0.75	24.32%
2 Debt-Equity ratio*	Total Debt	Shareholders Equity	44,920.45	26,112.23	1.72	45,783.00	3,051.39	15.00	88.53%
3 Debt Service coverage Ratio**	Earnings available for debt service	Debt Service	4,260.25	2,473.36	1.72	–	–	–	–
4 Return on Equity(ROE)	Net Profits after taxes	Average Shareholder's Equity	(317.62)	14,581.81	-0.02	(1,675.86)	3,502.46	(0.48)	95.45%
5 Inventory Turnover Ratio	Sales	Average Inventory	46,766.76	12,609.10	3.71	36,362.54	7,760.68	4.69	(0.21)
6 Trade Receivables Turnover Ratio	Revenue	Average Trade Receivable	46,766.76	3,054.91	15.31	36,362.54	3,674.80	9.90	0.55
7 Trade Payables Turnover Ratio	Purchases	Average Trade Payables	41,530.09	15,387.90	2.70	32,372.80	14,598.66	2.22	21.71%
8 Net capital turnover ratio***	Revenue	Working Capital	46,766.76	2,566.85	18.22	36,362.54	(4,659.37)	(7.80)	333.46%
9 Net profit ratio	Net Profit	Revenue	(317.62)	46,766.76	-0.01	(1,675.86)	36,362.54	(0.05)	3.93%
10 Return on Capital Employed(ROCE)	Earning before interest and taxes	Capital Employed	1,902.52	66,164.62	0.03	1,342.50	43,370.74	0.03	-0.22%
11 Return on Investment	–	–	–	–	–	–	–	–	–

\* Increase in Shareholder's Equity due to Revaluation Reserve

\*\*There are no Corrospoding Denominator figures in the previous Financial year due to Restructuring of Bank Loans

\*\*\*Increase is due to change in working capital and increase in sales

### 22) Relationship with Struck-off Companies

Name of Struck off Company	Nature of transactions	Transactions during the year March 31, 2022	Balance outstanding at the end of the year as at March 31, 2022
* There are no transactions / Receivables / Payables with Struck Off companies	Nil	–	–

## NOTES TO THE FINANCIAL STATEMENTS (₹ in Lakhs)

### 23) Information about segment: Primary segment – Business segments.

Particulars	31.3.2022					31.3.2021				
	Sugar	Cogen	Distillery	Others	Total	Sugar	Cogen	Distillery	Others	Total
<b>REVENUE</b>										
External Sales	31,710.90	4,774.81	10,281.05	-	46,766.76	21,873.86	4,576.09	9,912.59	-	36,362.54
Inter-segment Sales	4,189.26	2,384.60	-	-	6,573.86	2,955.80	1,738.03	-	-	4,693.83
<b>Total Revenue</b>	<b>35,900.16</b>	<b>7,159.41</b>	<b>10,281.05</b>	<b>-</b>	<b>53,340.62</b>	<b>24,829.66</b>	<b>6,314.12</b>	<b>9,912.59</b>	<b>-</b>	<b>41,056.37</b>
<b>RESULT</b>										
Segment result	(3,457.57)	3,754.06	2,653.24	-	2,949.75	(2,965.73)	1,874.27	2,838.11	-	1,746.65
Unallocated corporate exps.					991.41					290.37
Operating Profit					1,958.34					1,456.28
Interest Expenses					2,218.38					2,924.78
Interest Income					-					-
Income Taxes / Deferred tax					57.58					97.58
Profit from ordinary activities					(317.62)					(1,675.86)
Extraordinary loss / profit - Net					-					-
<b>Net Profit</b>					<b>(317.62)</b>					<b>(1,675.86)</b>
<b>OTHER INFORMATION</b>										
Segment assets	70,074.00	12,674.40	11,039.80	-	93,788.20	40,218.84	12,901.56	12,313.12	1,449.35	66,882.87
Unallocated corporate assets					-					541.00
Total Assets					93,788.20					67,423.87
Segment liabilities	60,348.71	1,165.31	6,161.95	-	67,675.97	51,054.31	3,537.53	7,999.98	1,780.66	64,372.48
Unallocated corporate liabilities					-					-
Total Liabilities					67,675.97					64,372.48
Capital Expenditure					-					-
Depreciation	1,080.71	774.57	555.49	-	2,410.77	1,103.12	773.72	555.01	-	2,431.85
Non-cash expenses other than depreciation					2,410.77					2,431.85

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.

### 24) Previous year figures have been regrouped wherever necessary to confirm to current year's classification.

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

**V. Indira**  
 Membership No:200817  
 Auditor, Partner  
 UDIN : 22200817AJCAWY5131

Place : Coimbatore  
 Date : 17<sup>th</sup> May 2022

**Sheilendra Bhansali**  
 Director  
 DIN 00595312

**C S Sathiyarayanan**  
 Chief Financial Officer

**R Varadarajan**  
 Wholetime Director  
 DIN 00001738

**M Ponraj**  
 Company Secretary



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CIN : L01542TZ1985PLC001706