

Sri Sarvaraya Sugars Limited



**Annual Report
2019 - 2020**



Trophy as the Game Changer for 2019



Trophy for being part of Coca-Cola 1Bn Journey

Sri Sarvaraya Sugars Limited

Board of Directors

Dr.N.R.Sivaswamy	(Independent Director) (Till 18.05.2020)
Dr.K.Mohan Naidu	(Independent Director) (Till 26.06.2020)
Sri.M.Subbarayudu	(Independent Director) (Till 15.02.2020)
Sri.R.Sudhakar Choudary	(Independent Director)
Sri.P.S. Kumar	(Independent Director) (From 12.02.2020)
Sri.G.V.R.S.Manian	(Independent Director) (From 12.02.2020)
Sri.V.S.N.Murthy	(Independent Director) (From 12.02.2020)
Smt.Lakshmmi Subramanian	(Non-Executive Director) (From 12.02.2020)
Smt.Rajarajeswaramma Sribalusu	(Managing Director)
Dr.S.B.P.P.Rammohan	(Joint Managing Director)
Sri.S.B.P.S.Krishna Mohan	(Joint Managing Director)
Sri.S.B.P.Madan Mohan	(Executive Director)
Sri.S.B.P.Anand Mohan	(Executive Director)
Sri.Sanjay Sribalusu	(Director-Operations)

Audit Committee

Dr.N.R.Sivaswamy
Dr.K.Mohan Naidu
Sri.R.Sudhakar Choudary
Sri.P.S.Kumar *
Sri.G.V.R.S.Manian *
Smt.Lakshmmi Subramanian *

Nomination & Remuneration Committee

Dr.N.R.Sivaswamy
Dr.K.Mohan Naidu
Sri.R.Sudhakar Choudary
Sri.P.S.Kumar *
Smt.Lakshmmi Subramanian *

Stakeholders Relationship Committee

Sri.R.Sudhakar Choudary
Smt.Lakshmmi Subramanian *
Smt. Rajarajeswaramma Sribalusu
Sri.S.B.P.Anand Mohan

CSR Committee

Sri.S.B.P.Madan Mohan
Sri.R.Sudhakar Choudary
Sri.S.B.P.Anand Mohan
Smt. Lakshmmi Subramanian *
Sri.V.S.N.Murthy *

***From 12.02.2020**

Statutory Auditors

C.V.Ramana Rao & Co.
Chartered Accountants
Visakhapatnam

Cost Auditor

Narasimha Murthy & Co.
Cost Accountants
Hyderabad

Secretarial Auditor

Mrs.SriVidhya Narasimhan
Practising Company Secretary

Chief Financial Officer

Sri.K.Sridhar

Company Secretary

Sri.P.R.Krishnan

Sr. General Manager

Sri.G.Koteswara Rao

Bankers

Bank of Baroda, Kakinada, Rajahmundry, Chelluru, Ramachandrapuram, Chennai
Indian Bank, Kakinada, Chennai
Central Bank of India, Rajahmundry
State Bank of India, Commercial Branch, Kakinada
Andhra Bank, Kakinada
Bank of India, Visakhapatnam
Standard Chartered Bank, Hyderabad
ICICI Bank Ltd., Rajahmundry

Registrar & Transfer Agents

Integrated Share Registry
Management Services (P) Ltd.
Kences Towers, II Floor
No.1, Ramakrishna Street
North Usman Road
T.Nagar, Chennai 600 017
Tel. No.: 044-28140801-03
Fax: 044-28142479
E-mail: corpserve@integratedindia.in

Company Registered Office

12, Ethiraj Salai
Egmore
Chennai 600 008
Tel. No. 044-28276182
E-mail: chennai@srisarvarayasugars.in
Website: www.srisarvarayasugars.in
CIN: U01115TN1956PLC003435

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Registered Office: No.12, Ethiraj Salai, Egmore, Chennai 600 008

DIRECTORS' REPORT

To the Members:

Your Directors have pleasure in presenting the Sixty Second Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2020.

RESULTS OF OPERATIONS

The Company during the year achieved a turnover of Rs.61,398.98 Lakhs, as against Rs.56,171.51 Lakhs of the previous year. The net profit for the year has been Rs 3,568.36 Lakhs as compared to Rs 958.42 Lakhs of the previous year. The performance summary is presented below:

PERFORMANCE

₹ (lakhs)

Particulars	2019-2020	2018-2019
Revenue from Operations	59,459.33	55,397.63
Other Income	1,939.65	773.88
Total Income	61,398.98	56,171.51
Total expenses	55,695.14	53,920.86
Profit/(Loss) before Interest and Depreciation	10,858.80	7,952.75
Less: Interest	2,354.72	2,905.58
Profit before Depreciation	8,504.08	5,047.17
Less: Depreciation	2,800.24	2,795.92
Profit/ (Loss) before Tax	5,703.84	2,251.25
Exceptional Item- Electricity Duty	(110.18)	15.80
Tax Expenses – Current year		
Deferred Tax	2,245.66	1,277.03
Net Profit for the year	3,568.36	958.42
Add: Surplus at the beginning of year	7,440.31	6,665.62
Total Surplus	11,008.66	7,624.04
Adjustments:		
Transfer to Reserves	9,00.00	0.00
Proposed Dividend	228.61	152.40
Dividend Tax	0	31.33
Surplus at the end of the year	9,880.05	7,440.31

Performance of Business Segments:

The business of your Company falls under two segments, Sugar and Beverages.

Sugar Division:

Sugar Unit operations have been suspended from the crushing season 2019-20 due to non-availability of sufficient sugar cane to take up crushing operations. (Quantity crushed during previous season 0.74 Lakh Tons).

Distillery:

During the year under review, 98.88 Lakh Bulk Litres of Ethanol was produced as against 89.83 Lakh Bulk Litres of Ethanol during the previous year. 11.99 Lakh Kgs. of Liquefied CO₂ was produced during the year under review, as against 15.08 Lakh Kgs. during the previous year.

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Co-Generation:

During the year under review, the Co-Gen Unit produced 37.68 lakh units of power for internal consumption only and no power was exported during the year

Beverage Division:

Carbonated Beverages & Juices:

The Vemagiri, Kesavaram and Gopalapuram Units sold 193.60 Lakh cases of Carbonated and Non-Carbonated Soft Drinks during the financial year 2019-2020 as against 180.27 Lakh cases during the previous financial year

Packaged Drinking Water:

The Sathupally Unit sold 17.87 Lakh cases of Packaged Drinking Water during the financial year 2019-2020 as against 26.28 Lakh cases during the previous financial year. The Unit stopped production operations from 16.12.2019 to install a new Filling Line to expand the capacity from 120 BPM to 400 BPM.

AWARDS & RECOGNITION:

Beverage Division:

2019-20

- Best Performance in Single Serve in India FBO 2019 H1
- Recognised with a Trophy as the Game Changer for 2019
- Recognised with a Memento for being part of Coca-Cola 1Bn Journey

Transfer to Reserves:

During the year the Company has transferred Rs.900 Lakhs to General Reserves from the retained earnings after making provision for the payment of dividend.

Dividend:

The Board, in its meeting held by Video Conference on 29th June 2020 has recommended a Dividend of Rs 7.50 per Equity share of Rs.10/- each on the enhanced share capital for the financial year ended 31st March, 2020. The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting to be held on 24th September, 2020. The outflow by payment of dividend for the Current year is Rs.228.61Lakhs as against Rs.152.40 Lakhs in the previous year.

The Register of Members and Share Transfer Books will remain closed from 18th September 2020 to 24 September 2020 (both days inclusive) for the purpose of payment of Dividend for the Financial Year ended 31st March 2020.

Share Capital

During the year under report, there was reclassification of the Authorized Share Capital of Rs. 10 Crores of the Company by increasing the Equity Share Capital from Rs.3.0 Crores to Rs.7.0 Crores and reducing the Preference Share Capital from Rs.7.0 Crores to Rs.3.0 Crores. This reclassification was for the purpose of increasing the paid up Equity Share Capital by issue of Bonus shares during the year, in the ratio of two Equity shares for every Equity share. Accordingly the paid up Share Capital of the Company stands increased to Rs.3,04,80,840/-.

Listing of Shares

During the current year, the Equity Shares have been listed at the Metropolitan Stock Exchange of India Ltd.

Subsidiaries, Associates and Joint Venture Companies:

The Company does not have any subsidiary, associate and joint venture companies.

Directors Responsibility Statement:

Pursuant to the requirement of Section 134(5) of the Act, the Directors hereby confirm:

1. That in the Preparation of Final Accounts, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. That they had selected such Accounting Policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period;

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3. That they had taken proper and sufficient care for the 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 fraud and other irregularities;
4. That they had prepared the Annual Accounts on a Going Concern basis.
5. That they laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating properly; and
6. That they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors:

Sri.S.B.P.Anand Mohan and Sri.Sanjay Sribalusu, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

During the financial year 2019-2020, Sri.M.Subbarayadu resigned from the Company and during the current year 2020-2021 Dr K. Mohan Naidu and Dr. N R Sivaswamy resigned from the company. The Board conveyed its appreciation for their valuable services during their tenure as Directors of the Company.

During the year, the following were appointed as Additional Directors:

Name of the Director	In the category of
Sri.P.S.Kumar	Independent Director
Sri.G.V.R.S.Manian	Independent Director
Sri.V.S.N.Murthy	Independent Director
Smt.Lakshmmi Subramanian	Non-Executive Director

Reappointment of Sri.Sanjay Sribalusu as Director (Operations)

The Board of directors in its meeting held on 29th June 2020 has subject to the approval of the shareholders in the Annual General Meeting approved the reappointment of Sri.Sanjay Sribalusu, Director (Operations) for a further term of five years and the same is taken in the Notice of Annual General Meeting as item no.5.

The Key Management Personnel of the Company are as under:

1. Smt.Rajarajeswaramma Sribalusu - Managing Director
2. Dr.S.B.P.P.Rammohan - Joint Managing Director
3. Sri.S.B.P.S Krishna Mohan - Joint Managing Director
4. Sri.S.B.P.Madan Mohan - Executive Director
5. Sri.S.B.P.Anand Mohan - Executive Director
6. Sri.Sanjay Sribalusu - Director (Operations)
7. Sri.K.Sridhar - Chief Financial Officer

Number of Meetings of the Board

During the year, six Meetings of the Board of Directors were held. The details of the Meetings of the Board are provided in the Corporate Governance Report attached with this Report.

Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and of the Listing Agreement, the Board has carried out Annual Performance Evaluation of its own performance, the Directors individually as well the evaluation of the working of its Audit, Nomination & Remuneration and Stakeholder Committees. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

Evaluation of Executive Directors by Independent Directors Meeting

During the year under review, the Independent Directors met on 12th February 2020, inter alia to:

- i) Review the performance of Non-Independent Directors and the Board as a whole\

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- ii) Review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors
- iii) Assess the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties

The above policies are available in the website of the company www.srisarvarayasugars.in

Independent Directors' Declaration

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulation 2015 in respect of financial year ended 31st March 2020, which has been relied on by the Company and placed at the Board Meeting.

Policy on Directors appointment and remuneration and other details

The Company's policy on Directors appointment and remuneration and other matters provided in Section 178(3) of the Act read with Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 has been disclosed at **Annexure I**

Board Diversity

The Company recognizes that building a Board of diverse and inclusive culture is integral to its success. The Board considers that its diversity, including gender diversity, is a vital asset to the business. The Board has adopted a Board diversity policy which sets out the approach to diversity of the Board of Directors.

Nomination and Remuneration Policy

The Company has a Nomination and Remuneration Policy for appointment and remuneration of the Directors, Key Managerial Personnel and Senior Executives of the Company including criteria for determining qualifications, positive attributes, independence of a Director and other related matters as required under Section 178(3) of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and is also available on the Company's website (www.srisarvarayasugars.in).

Whistle Blower Policy/Vigil Mechanism

The Company has framed a whistle blower policy. Directors and employees have full access to the Chairman of the Audit Committee to report their genuine and serious concerns and is also available on the Company's website(www.srisarvarayasugars.in).

Internal financial control systems and their adequacy

The Company has formulated a Framework on Internal Financial Controls and laid down Policies and procedures commensurate with the Size and nature of its operations pertaining to financial reporting. In accordance with Rule 8(5) (viii) of Companies (Accounts) Rules, 2014, the Company has adequate internal control systems to monitor business processes, financial reporting and compliance with applicable regulations and they are operating effectively. The systems are periodically reviewed by the Audit Committee of the Board for identification of deficiencies and necessary time bound actions are taken to improve efficiency at all the levels. The Committee also reviews the observations forming part of internal auditors' report, key issues and areas of improvement, significant processes and accounting policies.

Internal Auditors

M/s. Brahmayya & Co., Chartered Accountants, are the Independent Internal Auditors of the Company. The Audit Committee determines the scope of internal Audit in line with regulatory and business requirements.

Reporting of frauds by Auditors

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

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Committees of the Board:

With a view to have more focused attention on various business aspects and better accountability, the Board has constituted the following Committees:

- o Audit Committee
- o Nomination and Remuneration Committee
- o Corporate Social Responsibility Committee
- o Stakeholders' Relationship Committee.

The Board Committees meet at regular intervals; take necessary steps to perform their duties entrusted by the Board. The details pertaining to the composition of the various Committees is also available on the Company's website (www.srisarvarayasugars.in).

Code of Conduct for Directors and Senior Management

The Board of Directors had adopted a Code of Conduct for the Board Members and employees of the Company. This Code helps the Company to maintain the Standard of Business Ethics and ensure compliance with the legal requirements of the Company.

The Code is aimed at preventing any wrong doing and promoting ethical conduct at the Board and by employees. The Compliance Officer is responsible to ensure adherence to the Code by all concerned and is available on the Company's website (www.srisarvarayasugars.in).

The Code lays down the standard of conduct which is expected to be followed by the Directors and the designated employees in their business dealings and in particular on matters relating to integrity in the work place, in business practices and in dealing with stakeholders.

All the Board Members and the Senior Management personnel have confirmed compliance with the Code.

Statutory Auditors:

At the Annual General Meeting (AGM) held on 26th September 2018 the Members approved appointment of Messrs. C V Ramana Rao & Co., Chartered Accountants (Firm Registration No.002917S) as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that Annual General Meeting till the Annual General Meeting to be held during the calendar year 2023

Auditor's Report

M/s.C.V.Ramana Rao & Co., Chartered Accountants, Visakhapatnam (Firm Registration No.002917S) have been appointed as the Auditors of the company in the Annual General Meeting held on 26th September 2018 for five years and their term will expire at the conclusion of the AGM in 2023.

Qualification in Auditors Report

"Attention is invited to Note No.15A to the accompanying Ind AS financial statements, regarding advances given to two partnership firms, which are distributors of aerated water products of the company and recoverable as on 31st March 2020 amounting to Rs.1762.33 Lakhs, which in the opinion of the Board of Directors are fully recoverable. We are unable to express an opinion on the same."

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effect, if any, of the matter described in the "Basis for Qualified Opinion paragraph" below, the accompanying 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 31st March, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements:

a) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

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Board's reply to the Qualified Opinion

Your Directors are certain of recovery of the amounts given, and the matter is continuously being followed up with the parties. It is expected that the amount will be repaid to the Company in the current year.

Cost Auditors:

M/s. Narasimha Murthy & Co., were appointed as the Cost Auditors of the Company to conduct Cost Audit of Sugar, Distillery, Industrial Alcohol and Electricity Units.

Secretarial Auditor:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed Mrs. Srividhya Narasimhan, Practising Company Secretary to undertake the Secretarial Audit of the Company for the financial year ended 31st March 2020.

The Report of the Secretarial Auditors is provided in **ANNEXURE- II** to this Report.

Qualification in Secretarial Report

There are no material qualifications in the Secretarial Report.

Risk Management:

Risk Management is an integral part of the business process. Pursuant to Section 134(3)(n) of the Companies Act, 2013, the Company has identified the following risks and efforts are made to minimize the risks taking control measures.

Sugar Price Risk: Due to the domestic Sugar surplus, there could be a fall in sugar prices. However, since the company has suspended Cane crushing, the low sugar prices are not expected to affect profitability. The Company has taken steps towards cost reduction measures. It proposes to optimize production in distillery and co-generation of power. Lower sugar prices would however benefit the Beverage Division, thus partially mitigating any impact of lower sugar prices on the Sugar Division.

Raw Material Availability: The availability of molasses in the Southern states is a cause for concern. The Beverage Division does not foresee any shortage of Raw Material.

Raw Material Pricing: Availability of Molasses and the resultant increase in price could affect the Distillery. The Beverage Division does not foresee any significant change.

Particulars of loans, guarantees or investments

There have been no loans, guarantees and investments given or made by the Company under Section 186 of the Act 2013 during the financial year 2019 – 2020.

Related Party Transactions:

All related party transaction statements containing the nature and value are placed at every meeting of the Audit Committee and the Board for review and approval. All transactions with related parties entered during the period were in the ordinary course of business and on an arm's length basis. The value of such transactions is well within the threshold limits prescribed under Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014. There are no materially significant related party transactions made by the Company with its Promoters, Directors, Key Managerial Personnel or their relatives which may have a potential conflict with the interest of the Company.

Particulars of Contracts or arrangement with related parties referred to in Section 188(1) of the Companies Act, 2013, in the prescribed Form AOC-2, is appended as Annexure to the Board's Report.

Corporate Social Responsibility (CSR):

As per the Companies Act, 2013 during the year ended 31st March 2020 the Company was required to spend Rs.52 lakhs towards CSR activities. The Company has spent Rs.51.49 Lakhs, which is short of the requirements under the Companies Act, 2013 by Rs.0.51 lakhs. The projects currently undertaken by the Company are in the areas of Education, Environment, Public Welfare, Health and Women Empowerment, mostly covered within the ambit of Schedule VII of the Companies Act, 2013. The shortfall of Rs.0.51 Lakhs will be spent during the current year 2020-2021

The Annual Report on our CSR activities are appended as **ANNEXURE-III** to the Board's Report, under Section 149 (6) of the Companies Act, 2013

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Extract of Annual Return

The extract of the Annual Return in the prescribed Form MGT-9 is annexed to and forms part of this Report. Refer to **ANNEXURE- IV**

Particulars of Employees

During the financial year under review, none of the top ten employees in terms of remuneration drew remuneration of Rs.10.20 million or more per annum or Rs.0.85 million or more per month, hence there is nothing to report with respect to information required pursuant to Section 197(12) of the Act read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013 and is not applicable.

Disclosure requirements:

As per SEBI Listing Regulations, the Corporate Governance Report with the Auditors' Certificate thereon, and the Management Discussion and Analysis are attached, which forms part of this report. The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and is of the view that such systems are adequate and operating effectively.

Policies

The Company has adopted the following policies and the same are available in the website of the company www.srisarvarayasugars.in

- i) Code of conduct for Directors and Senior Management
- ii) Whistle Blower Policy/ Vigil Mechanism
- iii) Policy of Directors' Appointment and remuneration
- iv) Policy on determining materiality of events
- v) Policy on documents preservation and archival
- vi) Terms of appointment of independent directors
- vii) Nomination & Remuneration policy
- viii) Policy on related party transactions
- ix) Policy on sexual harassment of women at work place (prevention, prohibition and redressal) Act 2013
- x) CSR Policy

Policy on Insider Trading

On December 31, 2018, the Securities and Exchange Board of India amended the Prohibition of Insider Trading Regulations, 2015, prescribing various new requirements with effect from 1st April 2019. In line with the amendments, your Company has adopted an amended Code of Conduct to regulate, monitor and report trading by Designated Persons and their Immediate Relatives under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. This Code of Conduct also includes code of practices and procedures for fair disclosure of unpublished price sensitive information which has been made available on the Company's website(www.srisarvarayasugars.in).

Policy on sexual harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013

The Company has zero tolerance for Sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of Sexual Harassment at work place in line with the requirements of the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder which has been made available on the Company's website (www.srisarvarayasugars.in).

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the financial year, there was one meeting of the Committee held on 12th February 2020.

Your Directors state that during the year under review, there was no case filed pursuant to the Sexual Harassment of the Woman at the Workplace (Prevention, Prohibition and Redressal) Act, 2013

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Public Deposits:

During the year, the Company accepted deposits of Rs.541.34 Lakhs and repaid Rs.424.05 Lakhs. As on 31.3.2020, deposits of Rs.976.21 Lakhs are outstanding including unclaimed deposits. There have been no defaults in repayment of deposits or payment of interest.

The Circular in Form DPT-1 inviting / accepting unsecured deposits from shareholders along with the rating assigned for our Fixed Deposit is annexed herewith.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo:

The particulars relating to the Conservation of Energy, Technology Absorption, Research and Development, Foreign Exchange earnings and outgo as required under Section 134 (3) (m) of the Companies Act, 2013 read with Rule 8 (3) of the Companies (Accounts) Rules, 2014 are given in Form A **ANNEXURE V** forming part of this Report.

Research and Development (R & D)

The particulars of Research and Development activities are given in Form B in **Annexure V** forming part of this report.

Details of Significant and Material Orders Passed by The Regulators or Courts or Tribunals impacting the Going Concern Status and Company's Operations in Future:

There were no material changes and events during the financial year.

Material changes after 31st March 2020

Due to the Corona Virus Pandemic, the Central Government in March 2020 directed all Sugar factories having captive distilleries to manufacture Hand Sanitizers using Ethanol as per the formulation of the World Health Organization (WHO). The Govt. of India also advised all State Governments to issue a separate License to manufacture Hand Sanitizers on priority, using Ethanol or Iso-propyl Alcohol in the formulation of Hand Sanitizers. Accordingly your company commenced manufacturing of Hand Sanitizers from April 2020.

The COVID-19 outbreak in India and across the globe continues to cause general business disruption. While the disruption is currently continuing as on date and expected to be temporary, there is considerable uncertainty around the duration of its prevalence, containment and reversal. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including duration and spread of the outbreak, the future impact on the customers, employees and vendors, all of which are uncertain and cannot be predicted. The Company has evaluated the impact of this pandemic on its business operations and based on its review and current indicators of future economic conditions, there is no significant impact on its year end financial results.

CORPORATE GOVERNANCE REPORT, MANAGEMENT DISCUSSION & ANALYSIS AND OTHER INFORMATION REQUIRED UNDER THE COMPANIES ACT, 2013 AND SEBI (LODR) REGULATIONS 2015

As per provisions of the SEBI (LODR) Regulations 2015, Management Discussion and Analysis report and Corporate Governance Report with certificate thereon are attached as **ANNEXURE VI** and form part of this report.

Acknowledgement:

The Directors thank the various Departments of the Central and State Governments, Bank of Baroda, Indian Bank, Central Bank of India, State Bank of India, Andhra Bank, ICICI Bank Ltd., Standard Chartered Bank and Sugar Development Fund for the support and cooperation extended throughout the year.

The Directors also thank all employees of the Company for their sincere and hard work during the year

Place: Chennai

Date: 12.08.2020

By Order of the Board

For Sri Sarvaraya Sugars Limited

(S.B.P.S. Krishna Mohan)
Jt. Managing Director
DIN: 00806989

(Dr. S.B.P.P. Rammohan)
Jt. Managing Director
DIN : 00586641

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ANNEXURE- I

The information required under Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 is as follows:

Particulars of Remuneration

1. The number of time of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.

S.No.	Name of the Director	Director Remuneration (Rs.)	Median Employee's Remuneration (Rs.)	Number of Times
1	Smt. Rajarajeswaramma Sri Balusu	10825117	293951	36.83
2	Dr. S.B.P.P. Rammohan	11609136	293951	39.49
3	Sri. S.B.P.S. Krishna Mohan	11251391	293951	39.28
4	Sri. S.B.P. Madan Mohan	10799533	293951	36.74
5	Sri. S.B.P. Anand Mohan	9119815	293951	31.02
6	Sri. Sanjay SriBalusu	6510236	293951	22.15

Non- Executive Directors remuneration and * Ratio to Median Remuneration

Dr. N.R.Sivaswamy*

Dr. K.Mohan Naidu*

Sri. R.Sudhakar Choudary*

Sri. M.Subbarayadu*

Sri. P.S.Kumar*

Sri. G.V.R.S.Manian*

Sri. V.S.N.Murthy*

Smt. Lakshmmi Subramanian*

*For this purpose sitting fees has not been considered as remuneration. During the year, the Board gave its approval for increase in the sitting fees paid to the Directors. The actual payment of sitting fee is based on the number of meetings attended by the Director.

Sri. M. Subbarayadu resigned on 15th February 2020. Sri. P.S. Kumar, Sri. G.V.R.S. Manian, Sri. V.S.N. Murthy and Smt. Lakshmmi Subramanian were appointed as Directors from 12th February 2020

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

Name of Person	Designation	% increase
Smt. Rajarajeswaramma Sri Balusu	Managing Director	41.15
Dr. S.B.P.P.Rammohan	Jt. Managing Director	75.77
Sri. S.B.P.S.Krishna Mohan	Jt. Managing Director	72.26
Sri.S.B.P.Madan Mohan	Executive Director	52.41
Sri. S.B.P.Anand Mohan	Executive Director	63.17
Sri. SanjaySribalusu	Director (Operations)	31.51
Sri. K.Sridhar	Chief Financial Officer	-1.23%
Sri. P.R.Krishnan	Company Secretary	Nil

3. The percentage increase in the median remuneration of employees in the financial year: 1.47%

4. The number of permanent employees on the rolls of Company: 1254

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

The average increase in salaries of employees other than managerial personnel in 2019-20 was 1.86%.

Percentage increase in the managerial remuneration (Senior Leadership Team) for the year was*

(*Increment yet to be finalized)

6. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy of the Company.

Place: Chennai
Date: 12.08.2020

By Order of the Board
For Sri Sarvaraya Sugars Limited
(S.B.P.S. Krishna Mohan) (Dr. S.B.P.P. Rammohan)
Jt.Managing Director Jt. Managing Director
DIN: 00806989 DIN : 00586641

Sri Sarvaraya Sugars Limited

ANNEXURE II

Secretarial Audit Report for the Financial Year ended 31.03.2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Sri Sarvaraya Sugars Limited

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Sri Sarvaraya Sugars Limited (hereinafter called the company). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

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

I have also examined the following

- (a) all the documents and records made available to us and explanation provided by Sri Sarvaraya Sugars Limited ("the Entity"),
- (b) website of the entity,
- (c) books, papers, minute books, forms and returns filed with the Ministry of Corporate Affairs and other records maintained by Sri Sarvaraya Sugars Limited ("the Company") for the financial year ended on 31st March, 2020 according to the provisions as applicable to the Company during the period of audit and subject to the reporting made hereinafter and in respect of all statutory provisions listed hereunder:
 - i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. Foreign Exchange Management Act 1999 and the Regulations Act By-laws framed there under to the extent of current Account transactions and Import of Machinery
 - iii. Companies (Acceptance of Deposits) Rules, 2014 and the amendments.
 - iv. The SEBI (Registrars to an issue and Share Transfer Agents) Regulation, 1993 regarding the Companies Act, 2013 and dealing with client.
 - v. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
 - vi. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

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

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

I further report that as the Company got itself recently listed on Metropolitan Stock Exchange with effect from 21st April, 2020 vide its letter dated 17th April, 2020 the following provisions are not applicable to the Company during the Audit Period as on 31.03.2020:

1. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011
2. The Securities and Exchange Board of India (Prohibition of insider trading) Regulations, 2015
3. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015

Sri Sarvaraya Sugars Limited

4. The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014 and the Employees Stock Option Scheme, 2007 approved under the provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
5. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
6. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998
7. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
5. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

It is reported that during the period under review, the Company has been complying with the provisions of the Act, Rules, Regulations and Guidelines, as mentioned above.

In my opinion and as identified and informed by the Management, the following laws are specifically applicable to the Company as the company is a manufacturer of Sugar, and Distillery operations and manufacture of Beverages:

S.No	Particulars of the Act/Rules
INDUSTRY SPECIFIC ACT – SUGAR	
1.	The Andhra Pradesh Excise (Possession, Import, Export, Transport of Molasses-Conditions of Licence and Permits) Rules, 2008 (M-II)
2.	The Andhra Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1961
3.	The Essential Commodity Act, 1995
4.	The Andhra Pradesh Scheduled Commodities Dealers (Licensing, Storage and Regulation) Order, 2016
5.	The Telangana Sugarcane (Regulation of Supply and Purchase) Act, 1961
6.	The Sugarcane Act, 1934
7.	Levy Sugar Price Equalisation Fund Act, 1976
8.	The Food Safety and Standards (Packaging and Labelling) Regulation, 2011
9.	The Food Safety and Standards (Food Recall Procedure) Regulations, 2017
DISTILLERY UNIT	
10.	The Andhra Pradesh Excise Act, 1968
11.	The Andhra Pradesh Distillery Rules, 1970
12.	The Andhra Pradesh Distillery (Manufacture of Spirits) Rules, 2006
13.	The Andhra Pradesh Rectified Spirit Rules, 1971
14.	The Legal Metrology Act 2009 The Andhra Pradesh Legal Metrology (Enforcement) Rules, 2010 The Legal Metrology (Packaged Commodities) Rules, 2011
BOTTLING UNIT	
15.	The Bureau of Indian Standards Act, 2016 The Bureau of Indian Standards Rules, 2018
16.	The Legal Metrology Act 2009The Andhra Pradesh Legal Metrology (Enforcement) Rules, 2010The Legal Metrology (Packaged Commodities) Rules, 2011
17.	The Indian Contract Act, 1872
18.	The Food Safety and Standards (Packaging and Labelling) Regulation, 2011
19.	The Food Safety and Standards (Alcoholic Beverages) Regulations, 2018
20.	The Atomic Energy Act 1962 and Atomic Energy (Radiation Protection) Rules 2004

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21.	The Boilers Act, 1923
22.	The Boiler Operation Engineers Rules, 2011
COMMON ACT AND RULES	
23.	The Environment (Protection) Act, 1986 – The Environment (Protection) Rules, 1986
24.	The Water (Prevention and Control of Pollution) Act, 1974 and AP rules 1976
25.	The Air (Prevention and Control of Pollution) Act, 1981 and AP rules 1982
26.	The Hazardous Wastes (Management and Handling) rules, 1989 – Hazardous and Other Wastes (Management and Transboundary Movement) Rule, 2016
27.	The Public Liability Insurance Act, 1991 and Public Liability Insurance Rules, 1991 amended 1993
28.	The E-Waste (Management) Rules, 2016
29.	The Solid Waste (Management and Handling) Rules, 2000
30.	The Plastic Waste (Management and Handling) Rules, 2011
31.	The Electricity Act 2003 Central Electricity Authority (Measures relating to safety and electric supply) Regulations 2010 The Intimation of Accidents (Form and Time of Service of Notice) Rules, 2005
32.	The Bio Medical Waste Management Rules 2016 if first aid room is available at the premises
33.	The Private Security Agencies (Regulation) Act, 2005 & AP Rules 2008
34.	The Andhra Pradesh Fire Service Act, 1999
35.	The Motor Vehicles Act 1988 and A.P Motor Vehicles Rules 1989
36.	The Petroleum Act, 1934 and Rules 1976
37.	The Ozone Depleting Substances (Regulation and Control) Rules, 2000
38.	The Copyright Act, 1957
39.	The Trade Marks Act, 1999
40.	The Andhra Pradesh Building Rules, 2017
41.	Telangana - The Andhra Pradesh Building Rules -2012
42.	The Andhra Pradesh Water, Land and Trees Act, 2004
43.	The Telangana Water, Land and Trees Act, 2002
44.	The Andhra Pradesh Poisons (Possession and Sale) Rules, 2016
45.	The Telangana Public Safety (Measures) Enforcement Act, 2013 (CCTV)
46.	The Andhra Pradesh Public Safety (Measures) Enforcement Act, 2013 and Rules 2014 (CCTV)
47.	The Food Safety and Standards Act - 2006 and The Food Safety and Standards (Licensing and Registration of Food Businesses) Regulations, 2011
48.	The Static and Mobile Pressure Vessels (Unfired) Rules, 2016
49.	The Gas Cylinders Rules, 2016
50.	The Information Technology Act, 2000
51.	The Factories Act, 1948 and Andhra Pradesh Factories Rules, 1950

Sri Sarvaraya Sugars Limited

I further report that, based on the information provided by the Company, its officers and authorized representatives during the conduct of the periodical audit, in my opinion, adequate systems and control mechanism exist in the Company to monitor and ensure compliance with other applicable general laws including Labour laws, HR Laws which may be applicable from time to time.

I further report that the compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Statutory financial auditor and other designated professionals.

I further report that

The company is well constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors during the period under review and were carried in compliance with the provision of the Act.

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

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

I further report that during the audit period no events have occurred, which have a major bearing on the Company's affairs, except the following:

1. The Company had reclassified the authorized share capital of the Company as Rs.10,00,00,000/- (Rupees Ten Crores only) comprising of 70,00,000 (Seventy Lakhs) Equity shares of Rs.10/- (Rupees Ten only) each and 3,00,000 (Three Lakhs) Preference Shares of Rs.100/- (Rupees one hundred only) each through Postal Ballot dated 20.12.2019 by cancelling the unissued preference capital from Rs 7 crore to Rs 3 crore
2. The Company had capitalized Rs.2,03,20,560 (Rupees Two Crore three lakh twenty thousand five hundred and Sixty) forming part of retained profit through allotment of 20,32,056 Equity Shares of Rs.10 (Rupees Ten) each to Rs.2,03,20,560 (Rupees Two Crore three lakh twenty thousand five hundred and Sixty) by way of bonus issue to the existing shareholder's in the ratio of 2:1 i.e. Two Equity shares for every one equity share held in the Company as approved in the Postal Ballot dated 20.12.2020.
3. The Company during the year under review had transferred 10,079 Equity Shares of Rs.10 each aggregating to Rs.100,790 (Rupees one lakh seven hundred and ninety) to Investor Education and Protection Fund for the period 2009-2010 and has transferred 1,060 Equity Shares of Rs.10 each aggregating to Rs.10,600 (Rupees ten thousand and Six Hundred) to Investor Education and Protection Fund for the period 2010-2011
4. During the year under review, the Company has sold 81.04 acres of land out of 85.72 acres of land situated in Mundlamuru Gram Panchayat, Darsi Sub Registrar Office, Mundlamuru Mandal, Prakasam District, Andhra Pradesh which was approved by the Shareholders in the Annual General Meeting held on 26.09. 2018.
5. The Company yet to spend Rs.0.51 Lakhs out of Rs.52.00 Lakhstowards Corporate Social Responsibility.
6. A Long-term supply agreement with M/s. Aurobindo Pharma for supply of Ethanol was entered on 19-02-2020

Events after the end of financial year and before signing of this report:

1. The Company's Shares was listed in MSEI (Metropolitan Stock Exchange of India Limited) with effect from 21st April 2020.
2. By Postal Ballot dated 5th May 2020 Mr. G.V.R.S.Manian, Mr. V.S.N Muthy and Mr. P.S.Kumar were appointed as Independent Directors, and Mrs.Lakshmmi Subramanian as Non -Executive Director, all effective from 12th Feb 2020.
3. The Company has entered in to the manufacturing of Sanitizer under the Brand Name 'Santez' pursuant to the direction of Ministry of Home Affairs due to COVID-19.

Place: Chennai

Date: 1stAugust, 2020

Narasimhan Srividhya
Practising Company Secretary
CP No. 14058
ACS No.: 34428
UDIN: A034428B000543849

Sri Sarvaraya Sugars Limited

ANNEXURE-A

The Members

Sri Sarvaraya Sugars Limited

1. Maintenance of secretarial record 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 the random test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, we 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. Where ever 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 the management. My examination was limited to the verification of procedures on a random 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.

Narasimhan Srividhva

Practising Company Secretary

CP No. 14058

ACS No.: 34428

UDIN: A034428B000543827

Place: Chennai

Date: 01.08.20

Sri Sarvaraya Sugars Limited

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

To,
SRI SARVARAYA SUGARS LIMITED
No.12, Ethiraj Salai,
Egmore, Chennai - 600 008.

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sri Sarvaraya Sugars Limited CIN U01115TN1956PLC003435 having its registered office at No.12, Ethiraj Salai, Egmore, Chennai-600 008 (hereinafter referred to as 'the Company'). produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

S.No	Name of Director	DIN	Date of Original Appointment in Company
1	Smt. Rajarajeswaramma Sribalusu	00760782	11/12/1990
2	Dr. Sri Balusu Prabhakara Pattabhi Rammohan	00586641	28/03/2013
3	Sri. Balusu Prabhakara Sarvaraya Krishna Mohan	00806989	28/03/2013
4	Sri. Santoshkumar Parvataneni	00267280	12/02/2020
5	Sri. Sudhakarchowdary Ravi	02791808	02/04/2018
6	Sri. Gopalakrishnan Venkatarama Subramanian	05131755	12/02/2020
7	Sri. Suryanarayana Murty Vaddadi	00021952	12/02/2020
8	Sri. Sribalusu Prabhakara Madan Mohan	06592268	15/05/2013
9	Sri. Sribalusu Prabhakara Anand Mohan	01195434	23/06/1982
10	Mrs. Lakshmi Subramanian	00001439	12/02/2020
11	Sri. Sanjay Sribalusu	06604420	15/05/2013

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Chennai
Date: 01.08.20

Narasimhan Srividhva
Practising Company Secretary
CP No. 14058
ACS No.: 34428
UDIN: A034428B000543827

Sri Sarvaraya Sugars Limited

ANNEXURE-III

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken:
The Company has been giving back to Society even before the statutory requirement of CSR was introduced. It now continues its past involvement with Education, Health, Environment and Rural Development. The Company's CSR Policy is to address the following:

- i) Provision of access to basic necessities such as clean drinking water and sanitation to the underprivileged.
- ii) Maintain environmental and ecological balance.
- iii) Support education for the underprivileged.
- iv) Support rural infrastructure development

2. Composition of the CSR Committee:

- a) Sri.S.B.P.Madan Mohan
- b) Sri.R.Sudhakar Choudary
- c) Mrs.Lakshmmi Subramanian
- d) Sri.S.B.P.Anand Mohan

3. Average Net Profit of the Company for last three financial years:	Rs.	2871.35 Lakhs
4. Prescribed CSR Expenditure (2% of amount in Item 3 above):	Rs.	57.43 Lakhs
5. Unspent amount of 2018-19	Rs.	0.51 Lakhs
6. Details of CSR spent during the financial year:		
(a) Total amount spent for the financial year:	Rs.	51.49 Lakhs
(b) Amount unspent, if any:	Rs.	0.51 Lakhs
(c) Manner in which the amount spent during the financial year is detailed below:		

BOTTLING UNIT - VEMAGIRI

Rs.in Lakhs

S.No.	CSR Project / Activity	Activity Sector	Location	Amount (₹)	Amount spent on
1	Notebooks for Primary School Students	Education	Various Primary Schools	0.54	24.07.2019
2	200 LPH RO System	Education	Sri Sarvaraya Harikatha Pathasala, Kapileswarapuram	2.71	16.07.2019
3	Sarvaraya Merit Awards -X Class students	Education	Z.P.P.H.School, Vemagiri	0.98	15.08.2019
4	Financial Aid	Animal Welfare	Blue Cross of India	0.75	19.09.2019
5	Waste Bins - Nilkamal	Environmental	Andhra Pradesh Welfare Department	6.49	11.11.2019
6	Plastic Waste Bins - Frame	Environmental	East & West Godavari Districts	6.76	21.11.2019

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7	Renovation of Sri Sarvaraya Veda Patasala	Education	Kapileswarapuram	8.74	21.03.2020
8	S.S Lunch Plates to Students	Education	Z.P.H.School, Torredu, Rajamahendravaram (Rural)	0.35	07.02.2020
9	Ophthalmic Ultrasound Scanner AB-SCAN	Medical	Divine Eye Foundation, 9-113/2, Kadium Road, Vemagiri-533125	8.40	10.02.2020
			Total	35.72	

BOTTLING UNIT – KESAVARAM

S.No.	CSR Project / Activity	Activity Sector	Location	Amount (₹)	Amount spent on
1	Note books for Primary School Students	Education	Kesavaram, Sampatnagaram and Kondagunturu	0.83	24.07.2019
2	Sarvaraya Merit Awards -X Class students	Education	Z.P.H.School, D.Kesavaram & Z.P.P.H.School, Sampathnagaram	0.45	15.08.2019
3	Borewell	Education	Sampathnagaram High School	1.57	11.11.2019
4	Iron grill and Doors for School varena	Education	M.P.P.School,D.Kesavaram	0.76	26.02.2020
5	Cement used -2 Toilets & 3 Urinals (spent upto 31.03.20)	Education	M.P.P.Elementary School, Sampathnagaram	0.39	21.03.2020
			Total	4.00	

BOTTLING UNIT – GOPALAPURAM

S.No.	CSR Project / Activity	Activity Sector	Location	Amount (₹)	Amount spent on
1	Note books for Primary School Students	Education	Gopalapuram, P.Kannapuram & Gunnampalli	0.30	24.07.2019
2	De-silting of Gollavanikunta Pond	Environmental	Sarabhapuram	4.54	27.09.2019
3	Air-conditioners & Refrigerators	Hospital	Govt. Hospital, Bhimadole	1.26	14.11.2019
4	Connect to Andhra-CSR Fund mobilization	Education	Eluru, West Godavari District	0.50	20.02.2020
5	Drainage construction	Environmental	P.Kannapuram	3.00	05.03.2020
			Total	9.60	

Sri Sarvaraya Sugars Limited

BOTTLING UNIT – SATHUPALLY

S.No.	CSR Project / Activity	Activity Sector	Location	Amount (₹)	Amount spent on
1	Note books for Primary School Students	Education	Z.P.H.School, Sathupally	0.63	24.07.2019
2	Sarvaraya Merit Awards- X Class students	Education	Z.P.H.School, Sathupally	0.23	21.08.2019
3	Plastic Waste Bins - Frame	Environmental	Khammam District	1.07	21.11.2019
			Total	1.93	
			Total – Beverage Division	51.25	

SUGAR UNIT – CHELLURU

S.No.	CSR Project / Activity	Activity Sector	Location	Amount (₹)	Amount spent on
1	Repairs to Water Tank	Rural Development	Chelluru	0.18	14.06.2019
2	Food Expenses for COVID-19 affected people	COVID-19	Ramachandrapuram	0.06	31.03.2020
			Total – Sugar Division	0.24	
			Total - Company	51.49	

S.B.P. Madan Mohan
(Chairman, CSR Committee)

Sri Sarvaraya Sugars Limited

ANNEXURE - IV EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2020

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

I. REGISTRATION AND OTHER DETAILS:

i) CIN	U01115TN1956PLC003435
ii) Registration Date	14-09-1956
iii) Name of the Company	SRI SARVARAYA SUGARS LIMITED
iv) Category/Sub-Category of the Company	Public Company Limited by Shares
v) Address of the Registered office and contact details	SRI SARVARAYA SUGARS LIMITED 12, Ethiraj Salai, Egmore, Chennai - 600 008. Tel: 044-28276182 Email: chennai@srisarvarayasugars.in
vi) Whether listed company	No
vii) Name, Address and Contact details of Registrar and Transfer Agent, if any	Integrated Registry Management Services (P) Limited 2 nd Floor, "Kences Towers" No.1, Ramakrishna Street, North Usman Road, T.Nagar, Chennai- 600 017.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

The entire business activities contributing 10% or more of the total turnover of the Company shall be stated:

S.No	Name and Description of Main Products/services	NIC Code of the Product/service	% to Total Turnover of the Company
1	Aerated Drinks	11041	88.46
2	Sugar	10721	2.97
3	Electricity	35106	0
4	Industrial Alcohol & others	11019	7.857

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES —NIL

S.No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1	Nil	Nil	Nil	Nil	Nil

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				%
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	712373	-	712373	70.11	22220669	—	2220669	70.11	0
b) Central Govt.									
c) State Govt(s)									
d) Bodies Corp.									

Sri Sarvaraya Sugars Limited

e) Banks/FI										
f) Any Other										
Sub-total (A)(1)	712373	-	712373	70.11	2220669	-	2220669	70.11		0
(2) Foreign										
a) NRIs –										
Individuals	24685	3165	27850	2.74	83550		83550	2.74		0
b) Other –										
Individuals										
c) Bodies Corp.										
d) Banks/ FI										
e) Any Other...										
Sub-total (A)(2)	24685	3165	27850	2.74	83550		83550	2.74		0
Total										
Shareholding										
of Promoter	737058	3165	740223	72.85	2220669	-	2220669	72.85		0
(A)=(A)(1)+(A)(2)	737058	3165	740223	72.85	2220669	-	2220669	72.85		0
B. Public										
Shareholding										
1. Institutions										
a) Mutual Funds										
b) Banks/FI										
c) Central Govt.										
d) State Govt(s)										
e) Venture Capital Funds										
f) Insurance Companies										
g) FIIS										
h) Foreign Venture Capital Funds										
Others (specify)										
Sub-total (B)(1)		—	—	—	—	—	—	—		—
2. Non-Institutions										
a) Bodies Corp.										
i) Indian	150000	21150	171150	16.85	453000	21150	474150	15.56		0
ii) Overseas										
b) Individuals										
i) Individual Shareholders holding nominal share capital up to Rs.1 lakh	22528	70548	93076	9.16	55767	52106	107873	3.54		0
ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh	0	0	0	0	36180	0	36180	1.18		0
c) Others (specify Trust)	0	1500	1500	0.15	0	1500	1500	0.05		0

Sri Sarvaraya Sugars Limited

IEPF SSSL UNCLAIMED SHARE ACCOUNT	10079	0	10079	0.99	33417	0	33417	0.99	0
					174295	0	174295	0	0
Sub-total (B)(2)	182607	93198	275805	27.20	660712	22650	683362	22.42	0
Total Public Shareholding (B)=(B)(1)+(B)(2)	182607	93198	275805	27.20	752659	74756	827415	27.15	0
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	919665	96363	1016028	100.00	2973328	74756	3048084	100	0

V. SHAREHOLDING OF PROMOTERS

S. No.	Name of the Shareholder	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	% Change in share holding during the year
1	Sri.S.B.P.Anand Mohan	97200	9.57	-	291600	9.57	0	0
2	Sri.S.B.P.S.Krishna Mohan	110046	10.83	-	330138	10.83	0	0
3	Sri.S.B.P.Madan Mohan	76983	7.58	-	230949	7.58	0	0
4	Smt.Y.A.S.Ramalakshmi Devi	72648	7.15	-	217944	7.15	0	0
5	Dr.S.B.P.P.Rammohan	110573	10.88	-	331719	10.88	0	0
6	Smt.SribalasuRanganayaki	59727	5.88	-	179181	5.88	0	0
7	Smt.AshaRammohan	42000	4.13	-	126000	4.13	0	0
8	Smt.Usha Sarvarayalu	51082	5.03	-	153246	5.03	0	0
9	Smt.Radhika Mohan	3600	0.35	-	10800	0.35	0	0
10	Ms.Perna Mohan	2850	0.28	-	8550	0.28	0	0
11	Smt.Priyadarsini Ananda Mohan	3600	0.35	-	10800	0.35	0	0
12	Mr.S.B.P.S.Ajay	24895	2.45	-	74685	2.45	0	0
13	Mr. Rajeev Mohan	1500	0.15	-	4500	0.15	0	0
14	Mrs.NithyaRammohan	3165	0.31	-	9495	0.31	0	0
15	Mr.S.B.P.V.C.Sanjay	24685	2.43	-	74055	2.43	0	0
16	Sri.Y.Satyajit Prasad	650	0.06	-	1950	0.06	0	0
17	Smt.Archana Prasad Kilaru	33390	3.29	-	100170	3.29	0	0
18	Mr.GauravSarvaraya Kilaru	20000	1.97	-	60000	1.97	0	0
19	Mr.S.B.Sanjeev Mohan	1629	0.16	-	4887	0.16	0	0
	Total	740223	72.92	-	2220669	72.85	0	0

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VI. CHANGE IN PROMOTERS' SHAREHOLDING (PLEASE SPECIFY, IF THERE IS NO CHANGE)

Sl.No.	Name of the Shareholder	Share holding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
1	Sri.S.B.P.Anand Mohan Opening Balance 01.04.2019 Date wise Increase/(Decrease) Promoters Shareholding During the year – Issue of Bonus shares Closing Balance as on 31.03.2020	97200	9.57	291600	9.57
2	Sri.S.B.P.S.Krishna Mohan Opening Balance 01.04.2019 Date wise Increase/(Decrease) Promoters Shareholding During the year – Issue of bonus shares Closing Balance as on 31.03.2020	110046	10.83	330138	10.83
3	Sri.S.B.P.Madan Mohan Opening Balance 01.04.2019 Date wise Increase/(Decrease) Promoters Shareholding During the year – Issue of bonus shares Closing Balance as on 31.03.2020	76983	7.58	230949	7.58
4	Dr.S.B.P.P.Rammohan Opening Balance 01.04.2019 Date wise Increase/(Decrease) Promoters Shareholding During the year – by Issue of bonus shares Closing Balance as on 31.03.2020	110573	10.88	331719	10.88
5	Mr.SanjaySribalusu Opening Balance 01.04.2019 Date wise Increase/(Decrease) Promoters Shareholding During the year – Issue of bonus shares Closing Balance as on 31.03.2020	24685	2.43	74055	2.43

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VII) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs AND ADRs):

Sl.No.	Name of the Shareholder	Opening Balance		Decrease / Increase	Closing Balance	
		Shares	%		Shares	Shares
1	K C P SUGAR AND INDUSTRIES CORPORATION LIMITED Opening Balance as on 1/04/2019 28/02/2020 Closing Balance as on 31/03/2020	150000	14.763	300000	450000	14.763
2	KIRLOSKAR INVESTMENTS & FINANCE LTD. Opening Balance as on 1/04/2019 Closing Balance as on 31/03/2020	21000	2.066		21000	0.689
3	PRASHANT SHRIMAL Opening Balance as on 1/04/2019 Closing Balance as on 31/03/2020	15000	1.476		15000	0.492
4	VELAGAPUDI LAKSHMANA INDIRA DUTT Opening Balance as on 1/04/2019 28/02/2020 Closing Balance as on 31/03/2020	12000	1.181	24000	36000	1.181
5	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY Opening Balance as on 1/04/2019 04/10/2019 28/02/2020 Closing Balance as on 31/03/2020	10079	0.992	1060 22278	33417	1.096
6	GOGINENI VIJAYA LAKSHMI Opening Balance as on 1/04/2019 Closing Balance as on 31/03/2020	6000	0.590		6000	0.197
7	BOLLA BULI RAMAIAH Opening Balance as on 1/04/2019 Closing Balance as on 31/03/2020	3000	0.295	-3000	0	0.000
8	DWIBHASHYAM VENKATA SRIRAMA MURTY Opening Balance as on 1/04/2019 Closing Balance as on 31/03/2020	3000	0.295		3000	0.098
9	CHUNDRU SUBBALAKSHMI Opening Balance as on 01/04/2019 Closing Balance as on 31/03/2020	2800	0.275		2800	0.092

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10	CH. S.V.H.S.PRASAD Opening Balance as on 1/04/2019 28/02/2020 Closing Balance as on 31/03/2020	2850	0.280	1500	4350 4350	0.142 0.142
11	SRI SARVARAYA SUGARS LIMITED UNCLAIMED SHARES Opening Balance as on 1/04/2019 06/03/2020 20/03/2020 Closing Balance as on 31/03/2020	0	0.000	177712 -3417	177712 174295 174295	5.830 5.718 5.718
12	DEEPAK ARORA Opening Balance as on 1/04/2019 24/05/2019 28/02/2020 Closing Balance as on 31/03/2020	0	0.000	1680 3360	1680 5040 5040	0.055 0.165 0.165

VIII. SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sl.No.	Name of the Director	Share holding at the beginning of the year		Cumulative Shareholding at the year end	
		No. of Shares	% of total shares of the company	No. of Shares	% of total Shares of the company
1	Dr.S.B.P.P.Rammohan Opening Balance 01.04.2019 Date wise Increase/ (decrease) in shareholding Issue of bonus shares 28.02.2020 Closing Balance 31.3.2020	110573 221146	10.88	— 331719	— 10.88
2	Sri.S.B.P.S.Krishna Mohan Opening Balance 01.04.2019 Date wise Increase/ (decrease) in shareholding Issue of bonus shares 28.02.2020 Closing Balance 31.03.2020	110046 220092	10.83	— 330138	— 10.83
3	Sri.S.B.P.Madan Mohan Opening Balance 01.04.2019 Date wise Increase/ (decrease) in shareholding Issue of bonus shares 28.02.2020 Closing Balance 31.3.2020	76983 153966	7.58	— 230949	— 7.58
4	Sri.S.B.P.Anand Mohan Opening Balance 01.04.2019 Date wise Increase/ (decrease) in shareholding Issue of Bonus shares 28.02.2020 Closing Balance 31.3.2020	97200 194400	9.57	— 291600	— 9.57

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5	Sri. Sanjay Sribalusu Opening balance 01.04.2019 Date wise Increase/ (decrease) in shareholding Issue of bonus shares 28.02.2020 Closing Balance 31.3.2020	24685 49370	2.43	— 74055	— 2.43
6	Sri.R.Sudhakar Choudary Opening Balance 01.04.2019 Date wise Increase/ (decrease) in Shareholding Issue of Bonus shares 28.02.2020 Closing Balance 31.03.2020	348 696	0.03	— 1044	— 0.03

IX. INDEBTEDNESS

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

	Secured Loans excluding deposits ₹	Unsecured Loans ₹	Deposits ₹	Total Indebtedness ₹
Indebtedness at the beginning of the Financial Year				
i) Principal Amount	16794.09		858.92	1765.30
ii) Interest due but not paid	49.46		3.96	53.42
iii) Interest accrued but not due	4.16		110.43	114.28
Total (i+ii+iii)	16847.71	-	973.20	17820.91
Change in Indebtedness during the Financial Year				
· Addition	1551.70		552.15	2103.85
· Reduction	2973.24		424.05	3397.29
Net Change	-1421.54		-128.10	-1293.45
Indebtedness at the end of the Financial Year				
i) Principal Amount	15347.80		976.21	16324.01
ii) Interest due but not paid			3.76	3.76
iii) Interest accrued but not due	18.37		121.33	199.70
Total (i+ii+iii)	15426.17		1101.30	16527.47

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X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Sl. No.	Particulars of Remuneration	Smt Rajarajeswaramma Sribalusu Managing Director ₹	Dr. S.B.P.P. Rammohan Joint Managing Director ₹	Sri S.B.P.S. Krishna Mohan Joint Managing Director ₹	Sri S.B.P. Madan Mohan Executive Director ₹	Sri S.B.P. Anand Mohan Executive Director ₹	Sri Sanjay Sri Balusu Director - Operations ₹	Total Amount ₹
1	Gross Salary							
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	89,14,938	93,10,979	89,53,234	90,91,540	74,11,822	48,37,762	4,85,20,275
	b) Value of Perquisites u/s17(2) Income-Tax Act,1961							
	c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	—	—	—	—	—	—	—
2	Stock Option	—	—	—	—	—	—	—
3	Sweat Equity	—	—	—	—	—	—	—
4	Commission	10,24,933	10,24,933	10,24,933	10,24,933	10,24,933	10,24,933	61,49,598
	a. % of profit	—	—	—	—	—	—	—
	Others, ex gratia	8,85,246	12,73,224	12,73,224	6,83,060	6,83,060	6,47,541	54,45,355
5	Others, please specify	—	—	—	—	—	—	—
	Total (A)	1,08,25,117	1,16,09,136	1,12,51,391	1,07,99,533	91,19,815	65,10,236	6,01,15,228

B. Remuneration to other Directors:

Sl. No.	Particulars of Remuneration	Name of Directors							Total ₹
		Dr.N.R. Sivaswamy	Sri.R.Sudhakar Choudary	Sri.V.S.N. Murthy	Dr.K. Mohan Naidu	Sri. M. Subbarayudu	Sri.P.S. Kumar	Mrs. Lakshmmi Subramanian	
	Independent Directors								
	· Fee for attending Board/ Committee Meetings	1,00,000	2,15,000	20,000	50,000	0	20,000	20,000	4,45,000
	· Commission	—	—	—	—	—	—	—	—
	· Others, please specify	—	—	—	—	—	—	—	—
	Total (1)	1,00,000	2,15,000	20,000	50,000	0	20,000	20,000	4,45,000
	Total Managerial Remuneration								6,05,60,228

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C. Remuneration to Key Managerial Personnel other than MD/Manager/Whole-time Director

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross Salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 b) Value of perquisites u/s 17(2) Income-tax Act, 1961 c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	—	3,60,000	24,92,803	29,52,803
2	Stock Option				
3	Sweat Equity				
4	Commission - a % of profit - others, specify...				
5	Others, please specify				
	Total	-	3,60,000	24,92,803	28,52,803

D. Details of Top Ten Employees of the Company in terms of remuneration drawn pursuant to Section 197 of the Companies Act 2013 read with Rule 5(2)(a) of the Companies (Appointment & Remuneration of Managerial Personnel) Amendment Rules 2016

Sr. No.	Name	Designation	Qualification	Age	Remuneration received ₹	Experience No. of years	Date of commencement of employment & nature of employment, whether contractual or otherwise	Last employment
1	Yegalapati Venkata Dorayya	Vice President	M.Com.	78	51,76,896	45	21/11/1974 Regular	Kirlampudi Sugars, Pithapuram
2	Kothagundu Sridhar	CFO	M.Com, ICWAI	49	24,92,803	6	19/12/2013 Regular	A.P.Paper Mills Ltd., Rajahmundry
3	Navadu Venu Madhava Rao	Sales Manager	B.Sc., E.P.B.M	47	21,29,255	11	09/10/2008 Regular	Zydus Cadila Health Care, Srikakulam
4	Patamsetti V.Seshagiri Rao	Factory Manager	B.Tech. (Mechanical)	56	19,92,883	27	11/03/1993 Regular	Nil
5	G.V.V.Satyanarayana	Factory Manager	B.Tech. (Mechanical)	53	20,72,056	7	15/07/2013 Regular	Jaymahesh Sugars Ltd., Pawarwadi
6	Meka Kusu Kumar	Production Manager	B.Tech (Electronics)	53	16,88,720	25	24/02/1995 Regular	ICB Limited, Mumbai
7	Karri Krishna Murthy	Manager-H.R	M.B.A (H.R)	56	16,89,737	22	16/06/1997 Regular	Safepack Polymers Ltd., Chityala, Nalgonda Dist.

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8	Gummadi Koteswara Rao	Sr. General Manager	M.Sc. Tech.	52	17,34,010	25	01/03/1995 Regular	Nil
9	Kodavati Surya Bhaskara Rao	Quality Assurance Manager	B.Sc.	70	14,98,622	41	01/10/1979 Regular	Nil
10	Edala Mohana Rao	Quality Assurance Manager	B.Sc.	57	13,60,869	33	05/02/1987 Regular	Nil

XI

- a) Number of Times of the remuneration of each director to the median employee's remuneration for the financial year and such other details as prescribed is as given below:

SI No.	Name of the Director	Director Remuneration (₹)	Median employee's remuneration (₹)	Number of Times
1	Smt.RajarajeswarammaSribalusu	1,08,25,117	2,93,951	36.83
2	Dr.S.B.P.P.Rammohan	1,16,09,136	2,93,951	39.49
3	Sri.S.B.P.S.Krishna Mohan	1,12,51,391	2,93,951	39.28
4	Sri.S.B.P.Madan Mohan	1,07,99,533	2,93,951	36.74
5	Sri.S.B.P.Anand Mohan	91,19,815	2,93,951	31.02
6	Sri.Sanjay Sri Balusu	65,10,236	2,93,951	22.15

- b) The percentage increase/decrease in the median remuneration of employees in the Financial Year: 1.47
c) Number of Permanent Employees on the rolls of the Company: 1254
d) Average increase in Managerial remuneration is at par with increase in remuneration of employees other than managerial personnel and there is/are no exceptional circumstances for increase in the managerial remuneration: 1.86
e) If remuneration is as per the remuneration policy of the Company: Yes

XII. PENALTIES /PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/NCLT / COURT)	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding			—N I L—		
B. DIRECTORS Penalty Punishment Compounding			—N I L—		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding			—N I L—		

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FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transaction under third proviso thereto.

Details of Contracts or Arrangements or transactions not at arm's length basis:

SI. No.	Particulars	Details
a)	Name(s) of the related party & nature of relationship	Nil
b)	Nature of contracts/arrangements/transaction	Nil
c)	Duration of the contracts/arrangements/transaction	Nil
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Nil
e)	Justification for entering into such contracts or arrangements or transactions	Nil
f)	Date of approval by the Board	Nil
g)	Amount paid as advances, if any	Nil

Details of contracts or arrangements or transactions at Arm's length basis:

SI. No.	Particulars	Details	
a)	Name(s) of the Related party	Southern Agencies	Sri Godavari Transports
b)	Nature of Relationship	Some Directors or their family members are Partners in the Firm	Some Directors or their family members are Partners in the Firm
c)	Nature of contracts/arrangements/transaction	Purchase of Furniture, Paints and Cooling Equipment Maintenance Services	Transport Services
d)	Duration of the contracts/arrangements/transaction	Quarterly	Quarterly
e)	Total Value of transaction	1,20,69,126	2,16,44,905*
f)	Date of approval by the Board	30.05.2019, 08.08.2019, 26.09.2019, 11.11.2019 30.12.2019 and 12.02.2020	30.05.2019, 08.08.2019, 26.09.2019, 11.11.2019 30.12.2019 and 12.02.2020
g)	Amount paid as advances, if any	Nil	Nil

* out of this Rs. 50,97,398 belongs to last year.

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

Particulars	Units	For the year ended 31.03.2020	For the year ended 31.03.2019
A) POWER AND FUEL CONSUMPTION			
1 ELECTRICITY			
(a) Purchased Units			
Quantity	Kwh	13,12,000	13,52,000
Cost per Unit *	Rs.	11.77	11.48
Total Amount	Rs.	1,54,37,443	1,55,21,716
(b) Own Generation			
i) Through Diesel Generator	Kwh	-	-
Units per Liter of Diesel Oil	Kwh	-	-
Cost per Unit	Rs.	-	-
ii) Through Steam Turbine/Generator	Kwh	37,67,882	1,40,89,136
Units per Liter of Fuel Oil/Fire Wood	-	-	-
Cost per Tonne of Bagasse per Unit	Rs.	7.09	6.05
Power Transferred to other units excluding Co-Gen Auxilleries	Units	38,40,061	63,57,320
2) COAL			
Quantity	Tonnes	9,008	15,957
Total Cost	Rs.	3,12,90,027	5,79,11,948
Average Cost	Rs.	3,473.53	3,629.25
3) CANE TRASH			
Quantity	Tonnes	637	350
Total Cost	Rs.	22,47,220	11,98,436
Average Cost	Rs.	3,525	3,420
4) RICE HUSK			
Quantity	Tonnes	497	602
Total Cost	Rs.	11,68,248	28,77,690
Average Cost	Rs.	2,351	4,779
B) CONSUMPTION PER UNIT OF PRODUCTION OF SUGAR			
Products		Current Year	Previous Year
Electricity	KWH	-	55.87
Furnace Oil			
Coal (Specify Quantity)			
Others (Specify)			

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FORM B (See Rule 2)

FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO TECHNOLOGY ABSORPTION, ADAPTATION & INNOVATION

Technology Absorption, Adaptation and Innovation:

As part of R&D department, we are doing the following activities.

1. **Organic Manure production:** Producing Bhoo Shakthi (Premium Organic manure), Bhoo Shakthi Plus (Super Premium Enriched Organic manure) and Vermi Shakthi (Vermi compost) and selling the products in the state of Andhra Pradesh and Telangana. We plan to expand our product sales to other states, viz., Tamil Nadu and Karnataka.

2. **Vesicular Arbuscular Mycorrhiza (VAM) production & supply:**VAM is a beneficial fungus that is associated with plant roots including sugarcane via a symbiotic association whereby both the host plant and the fungus benefit. The fungus once added to the soil reaches out and covers the root system thus serving as an extension of the root and also penetrates the root to form minute structures in between the cells from where the nutrients are exchanged with the plant cells.

The VAM symbiosis results in marked increase in crop growth and development, particularly sugarcane. They nourish the plant by mobilizing the insoluble forms of nutrients like phosphorous from soil. The host plants obtain fertilizer nutrients from the Mycorrhizal fungus while the fungus obtains some food material from the plant.

For 2019-20 season we had supplied 15 MTs of VAM to our Bhoo Shakthi (Organic manure) production in order to use it as one of the inputs for production of Bhoo Shakthi. We also introduced this to retail market in 5 Kgs packets under the brand name of VAM Guard.

3. **Trash baling activities:** In 2019-20 season we have done paddy trash baling of 200 acres and for next year (i.e. 2020-21) we plan to bale in 500 acres.

4. **Future plan of action:**
 - a. Impart the technologies and know how to farmers and offer solutions to their problems.
 - b. Planning to start the production of various kinds of vegetable seedlings (with existing infrastructure) viz., Chilli, Tomato, Brinjal, Cauliflower, Broccoli, etc., and supply them to vegetable growing farmers in our coastal area.
 - c. Plan to tie up with Andhra Pradesh State Horticulture department for production of exotic vegetables (Viz., Capsicum, Broccoli, Red cabbage, etc.) in controlled conditions (planning to establish poly houses with subsidies provided by the State Government).

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ANEXURE - VI REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 34 of SEBI (LODR) Regulations with the Stock Exchanges)

1. Company's Philosophy on Corporate Governance Code

Sri Sarvaraya Sugars Ltd., believes in continuous good corporate governance and always strives to achieve performance at all levels by adhering to corporate governance practices, such as:

- Fair and Transparent Business Practice
- Effective Management Control by the Board
- Adequate representation of Promoter, Executive and Independent Directors
- Legal and Statutory compliances in its true spirit
- Promote ethical and responsible decision making

2. Board of Directors

The Board has the optimum combination of Executive and Non-Executive Directors and the composition of the Board is in conformity with Clause 34 of the SEBI (LODR) Regulations, 2015. As on date of this report, the Board of Directors of the Company comprises of six Executive Directors and five Non-Executive Directors, of which four are Independent Directors. The Executive Directors are Smt.Rajareswaramma Sribalusu, Managing Director, Dr.S.B.P.P.Rammohan, Sri.S.B.P.S.Krishna Mohan, Jt. Managing Directors, Sri.S.B.P.Madan Mohan, Sri.S.B.P.Anand Mohan, Executive Directors and Sri.Sanjay Sri Balusu, Director (Operations). The strength of the Board as on March 31, 2020 was eleven Directors including one Non-Executive Director, independent Director as Chairman, Managing Director, Joint Managing Directors, Executive Directors and Independent Directors.

Board Meetings

During the financial year 2019-2020, six Board Meetings were held and did not exceed 120 days between any two meetings.

Composition of Board:

The Board of Directors consists of eminent individuals drawn from Management, Financial, Technical and Agriculture fields. The Board has an adequate combination of Executive and Non-Executive Independent Directors. During the year the Board was reconstituted with new Independent/Non-Executive Directors.

The composition of the Board of Directors meets with the requirement of the Companies Act, 2013. As on 31st March 2020 the Board comprised of the following persons:

Category	Name of Director
Promoter/Executive Director	Smt.Rajarajeswaramma Sribalusu, Managing Director Dr.S.B.P.P.Rammohan, Joint Managing Director Sri.S.B.P.S.Krishna Mohan, Joint Managing Director Sri.S.B.P.Madan Mohan, Executive Director Sri.S.B.P.Anand Mohan, Executive Director Sri.Sanjay SriBalusu, Director (Operations)
Independent / Non-Executive Directors	Dr.N.R.Sivaswamy Dr.K.Mohan Naidu Sri.P.S.Kumar Sri.G.V.R.S.Manian Sri.V.S.N.Murthy Sri.R.Sudhakar Choudary Smt.Lakshmmi Subramanian

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As required under Section 149 of the Companies Act, 2013, as on date, Smt.Rajarajeswaramma Sribalusu, Managing Director and Smt.Lakshmmi Subramanian are the Woman Directors on the Board of the Company.

During the year, Sri.M.Subbarayadu resigned due to ill health and age reasons. During the current year Dr.K.Mohan Naidu and Dr.N.R.Sivaswamy resigned for the similar reasons.

During the year the Board appointed Sri.P.S.Kumar, Sri.G.V.R.S.Manian, Sri.V.S.N.Murthy as Independent Directors and Smt.Lakshmmi Subramanian as Non-Executive Director and the Board is having the requisite number of Independent Directors as per the requirements of Companies Act 2013 and the provisions of SEBI Regulations, having independent director as the Chairman for the Board Meetings.

Number of Meetings of the Board

During the year six (6) Meetings were held as per the details given below:

Sl. No.	Date of Board Meeting
1.	30.05.2019
2.	08.08.2019
3.	26.09.2019
4.	11.11.2019
5.	30.12.2019
6.	12.02.2020

The Meetings of the Board were held periodically and 120 days has not lapsed between two meetings as prescribed under Section 173(1) of the Companies Act, 2013.

The details of attendance of each Director at the Board Meetings along with the number of meetings held during theyear:

Name of the Director	No. of Board Meetings held	No. of Board Meetings attended
Sri.S.B.P.Madan Mohan	6	6
Sri.S.B.P.S. Krishna Mohan	6	4
Dr.S.B.P.P.Rammohan	6	6
Sri.Sanjay SriBalusu	6	6
Sri.S.B.P.Anand Mohan	6	6
Smt.Rajarajeswaramma Sribalusu	6	6
Sri.R.Sudhakar Choudary	6	6
Dr.N.R.Sivaswamy***	6	5
Dr.K.Mohan Naidu**	6	2
Sri.M.Subbarayudu*	6	0
Sri.G.V.R.S.Manian	1	1
Sri V.S.N.Murthy	1	1
Sri.P.S. Kumar	1	1
Smt.Lakshmmi Subramanian	1	1

*resigned on 15.02.2020

**resigned on 26.06.2020

***resigned on 18.05.2020

Sri Sarvaraya Sugars Limited

Board Procedure

The Board has complete access to all the relevant information within the Company. The date and place of the meeting are advised to all the Directors well in advance and the agenda papers are sent to the Board of Directors in compliance with the provisions of the Companies Act 2013, Secretarial Standards and the Listing Regulations. The agenda papers which provide all relevant adequate material information, explanatory notes, etc., are circulated to the Directors to facilitate meaningful, informed and free discussion to recommend inclusion of any other matter in the agenda for discussion.

All Board and Committee meetings are governed by structured agenda notes which are backed by comprehensive background along with the relevant attachments. Senior management of the Company will be invited to attend the Board meetings and provide clarifications as and when required. Minutes of the Board and Committees, resolutions passed by circulations will be circulated to all the Board and Committee members within the time lines prescribed under the Companies Act 2013 and other regulatory guidelines.

Directors attendance at the last Annual General Meeting

All the Directors of the Company except Sri.M.Subbarayudu and Dr.K.Mohan Naidu attended the last Annual General Meeting of the Company held on 26th September 2019.

The details of the Directors regarding their other Directorship and Membership in Committees in other Companies are as under:

Directors' Shareholding & Other Directorship and Membership as on 31.3.2020

Name of Director	No. of shares held in the Company	No. of other Directorship/ Partnership/ Membership
Dr.N.R.Sivaswamy	-	--
Sri.S.B.P.Madan Mohan	230949	Partner: Southern Agencies Partner: Sri Godavari Transports Trustee: Kapileswarapuram Kothavuru Annasatram
Sri.S.B.P.S.Krishna Mohan	330138	Managing Director: Sarvaraya Textiles Ltd. Partner: Southern Agencies Partner: Sri Godavari Transports Trustee: Kapileswarapuram Kothavuru Annasatram
Dr.S.B.P.P.Rammohan	331719	Managing Director: Sarvaraya Textiles Ltd. Partner: Southern Agencies Trustee: Sarvaraya Educational Trust Trustee: Kapileswarapuram Kothavuru Annasatram
Sri. Sanjay Sribalusu	74055	-
Sri.S.B.P.Anand Mohan	291600	Partner: Southern agencies Relative Partner:Sri Godavari Transports Trustee: Kapileswarapuram Kothavuru Annasatram
Smt. Rajarajeswaramma Sribalusu	-	Managing Trustee: Sarvaraya Educational Trust Trustee: Kapileswarapuram Kothavuru Annasatram
Sri R.SudhakarChoudary	1044	Trident Sugars Limited Farm Tech Engineering Pvt Ltd.

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Sri P.S.Kumar	-	The KCP Limited KCP Vietnam Industries Limited
Sri G.V.R.S.Manian	-	Nil
Sri V.S.N. Murthy	-	Sarvaraya Textiles Limited Kallam Textiles Limited
Smt.Lakshmmi Subramanian	-	PCR Investments Limited Indo National Limited Dr. Agrawal Eye Hospitals Ltd Dynavision Limited

Familiarization Programme

Independent Directors are familiarized with their roles, rights and responsibilities in the Company as well as with the nature of industry and business model of the Company by providing all material at the time of their appointment as Directors and through presentation of economy & industry overview, key regulatory development strategy and performance which are made to the Directors from time to time. In compliance with the requirements of listing Regulations your Company has an appropriate programme for newly inducted Directors and ongoing familiarization programs with respect to the strategy, industry overview, performance, operations of the Company, the organization structure and their roles, rights and responsibly as a Director.

The Directors are also encouraged to attend the training programs being organized by various Regulator/ bodies/ institutions.

Board Committees

Composition of Committees

The Audit Committee, Nomination & Remuneration Committee and the Stakeholders Relationship Committees are constituted with the Independent Directors as the Chairman.

Women Directors

As required under Section 149 of the Companies Act, 2013, Smt. Rajarajeswaramma Sribalusu, Managing Director and Smt.Lakshmmi Subramanian are the Women Directors on the Board of the Company.

Audit Committee:

As required under section 177(8), the Audit Committee comprises of 4 Non-Executive Directors of which 3 are Independent Directors. The Committee was chaired by a Non-Executive Independent Director, with requisite qualification. In the opinion of the Board of Directors, all the members of Audit Committee are financially literate and also have accounting or related financial management experience. During the year the committee was reconstituted adding Sri.P.S.Kumar, Sri.G.V.R.S.Manian and Smt.Lakshmmi Subramanian as the members.

The Audit Committee monitors and provides effective observation of the financial control and reporting process, review the financial reporting process, internal audit process, adequacy of internal control systems, review of performance of Statutory Auditors, recommending appointment of Statutory, Internal Auditors and Cost Auditors, recommending the Audit fees and Cost Audit fees and also payment for other services.

The composition of the Audit Committee and particulars of meetings attended by the members of Audit Committee are given below:

Name of the Director	No. of Meetings held	No. of Meetings attended
Dr. N.R. Sivaswamy	4	3
Sri. M. Subbarayudu	4	0
Dr. K. Mohan Naidu	4	2
Sri. R. Sudhakar Choudary	4	4

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Sri. P.S. Kumar*	1	1
Sri. G.V.R.S.Manian*	1	1
Smt. Lakshmmi Subramanian*	1	1

*appointed on 12.2.2020

During the year ended on 31.03.2020, four meetings of the Audit Committee were held on 30th May 2019, 8th August 2019, 11th Nov 2019 and 12th February 2020, The Chairman of the Audit Committee has the accounting or related financial management expertise.

Whole-Time Directors, Statutory Auditors, Internal Auditor, CFO and Company Secretary have also attended the Audit Committee meetings when invited by the Committee.

The Audit Committee reviewed the quarterly, half-yearly and annual financial statements of the Company before submission to the Board of Directors. The Committee also reviewed Internal Audit Reports, related party transactions, etc., from time to time. It has also taken on record the appointment of Statutory Auditors, Internal Auditors and Cost Auditors and recommended to the Board the remuneration payable to them.

The role of Audit Committee and terms of reference specified by the Board to the Audit Committee are wide enough to cover the mandatory items, as required, under clause 49 of the Listing Agreement.

- Review of the Company's financial reporting process, the financial statements and financial / risk management policies.
- Review Quarterly, Half-yearly and Annual Financial Accounts of the Company and discuss with Auditors.
- To meet and review with External and Internal Auditors the Internal Control Systems and to ensure their compliance.
- To review matters as required under the terms of Listing Agreement.
- To investigate matters referred to it by the Board.

Nomination and Remuneration Committee

The Board has reconstituted the Nomination and Remuneration Committee with independent/ non-executive directors to look after the appointment, promotions and payment of remuneration to the working Directors and Senior Executives of the Company. The Committee consisted of Dr.N.R.Sivaswamy as Chairman, and Dr.K.Mohan Naidu and Sri.R.Sudhakar Choudary as Members. Dr.N.R.Sivaswamy and Dr.K.Mohan Naidu resigned during the current year and the committee was reconstituted, adding Sri.P.S.Kumar and Smt.Lakshmmi Subramanian as the members.

Date	Total members	Attendance by number of members
08.08.2019	3	2
12.02.2020	3	2

a) Composition:

The Nomination & Remuneration Committee is composed with Independent/Non-Executive Directors as per the requirements

As all decisions regarding the remuneration of Executive and Non-Executive Directors are taken by the Nomination and Remuneration Committee of the Company.

b) Remuneration Policy:

Remuneration to Managing/Executive Directors is paid as per their terms of appointment duly approved by the Shareholders. Commission to the Directors is paid as approved by the Board within the limits prescribed under the Companies Act, 2013

Evaluation of Directors and the Board

The Company has in place a Board evaluation framework setting out the process and the criteria for the performance evaluation by the Nomination & Remuneration Committee of the Board. The said process is in line with the provisions of the Companies Act, 2013 Listing Regulations and as per the Guidance Note on Board evaluation issued by SEBI, which formulated the methodology and criteria evaluation of the individual Directors including Independent Directors and Non-Independent Directors, Managing Director, Chairperson, Committees of the Board and the Board as a whole.

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The performance evaluation is carried out by the Board of Directors on the basis of criteria provided in the evaluation process to the Board as a whole, to Committees of the Board, to Managing Director, to Independent Directors and to Chairman (being an Independent Director of the Board, evaluation was carried out by the Board of Directors). The Independent Directors also held a separate meeting on 12th February 2020 and the following were carried out: Review of the remuneration payable to Managing Director, performance of Non-Independent Directors and the Board as a whole, Assessment of quality, quantity and timelines of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Stakeholders Relationship Committee

The Companies Act 2013 and the Listing Regulations requires that Stakeholders Relationship Committee is to be constituted to consider and resolve the grievances of security holders. The Board of the Company has constituted a Stakeholders Relationship Committee with an Independent Director as its Chairman in tune with the Corporate Governance requirements under listing requirements.

The terms of reference of the committee, inter alia, include the following

- To play a more pro-active role with regard to complaints/ grievances resolved by the RTA and secretarial department of the company
- The Committee also reviews and monitors redressal of complaints received from security holders such as shareholders and any other security with reference to non- receipt of dividend, annual report, transfer of shares or issue of duplicate shares, dematerialization, transmission of securities.

The Committee is having the following directors as at 31.3.2020 as its members and meets as and when required to consider transfers/ transmissions and investor grievances.

Sri. R.Sudhakar Choudary	Chairman
Smt. Lakshmmi Subramanian	Member
Smt. Rajarajeswaramma Sribalusu	Member
Sri. S.B.P.Anand Mohan	Member

During the year, the Committee had meetings on 12th August 2019, 16th Sept 2019, 11th November 2019, 18th December 2019, 12th February 2020 and 12th March 2020.

- The Company has no transfers pending at the close of the financial year.

Number of complaints received from the Investors during the year 2019-2020 and their status are as follows.

No. of Complaints received	8
No. of Complaints disposed of	8
No. of Complaints pending at the year end	0

Key Managerial Personnel ('KMP'):

The day-to-day management of the Company rests with the Managing Director assisted by Joint Managing Directors and Executive Directors. Sri.K.Sridhar is the Chief Financial Officer and the Company Secretary of the Company is the Compliance Officer.

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General Body Meetings

The location and time of Annual General Meetings (AGM) held during the last 3 years are as follows:

AGM	Date	Time	Venue	No. of Special Resolutions Passed
61 st AGM	26-09-2019	11.30 A.M	Registered Office: 12 Ethiraj Salai Chennai 600 008	6
60 th AGM	26-09-2018	11.00 AM	Registered Office: 12 Ethiraj Salai Chennai 600 008	6
59 th AGM	27.09.2017	11.00 A.M	Registered Office: 12 Ethiraj Salai Chennai 600 008	1

Special Resolutions passed in previous 3 AGMS:

The Company has passed the following Special Resolutions during the last three Annual General Meetings.

AGM 2019

1. Reappointment of Smt.Rajarajeswaramma Sribalusu as Managing Director for further term of five years.
2. Approval for payment of remuneration to Dr.S.B.P.P.Rammohan, Joint Managing Director for the remaining tenure of service
3. Approval for payment of remuneration to Sri.S.B.P.S.Krishna Mohan, Joint Managing Director for the remaining tenure of service
4. Approval for payment of remuneration to Sri.S.B.P.Madan Mohan, Executive Director for the remaining tenure of service
5. Approval for payment of remuneration to Sri.S.B.P.Anand Mohan, Executive Director for the remaining tenure of service
6. Approval of variation in remuneration to Sri.Sanjay Sribalusu, Director (Operations) for the remaining tenure of service

AGM 2018

1. Reappointment of Dr.N.R.Sivaswamy, who was more than 70 years old, as Independent Director for further term of five years
2. Reappointment of Dr.K.Mohan Naidu who was more than 70 years old, as Independent Director for further term of five years
3. Reappointment of Sri.M.Narasimha Rao who was more than 70 years old as an Independent Director for further term of five years
4. Reappointment of Sri.M.Subbarayudu who was more than 70 years old as Independent Director for further term of five years
5. Reappointment of Smt. Rajarajeswaramma Sribalusu, 92 years, as Managing Director for the remaining term
6. To sell, transfer, convey or otherwise dispose of Company's immovable properties.

Details of Directors seeking appointment/reappointment in the forthcoming Annual General Meeting and their brief profile are given in the Notice & Explanatory statement.

AGM 2017

1. Appointment of Sri.Sanjay Sribalusu as Director (Operations), who was Non-Resident, for 3 years

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POSTAL BALLOTS DURING THE YEAR 2019- 20

Date of issue of Postal Ballot	Resolutions passed	Date of declaring results
11.11. 2019	Ordinary Resolution: Reclassification of Authorized share Capital Special Resolution: Issue of Bonus shares	20.12.2019
12.03.2020	Special Resolutions: Appointment of Sri.P.S.Kumar as Independent Director Appointment of Sri.V.S.N.Murthy as Independent Director Ordinary Resolutions: Appointment of Sri.G.V.R.S.Manian as Independent Director Appointment of Smt.Lakshmmi Subramanian as Non-Executive Director	05.05.2020

Certification

As required under Clause 49 of the Listing Agreement, a Certificate duly signed by Dr. S.B.P.P. Rammohan, Joint Managing Director of the Company was placed at the Meeting of the Board of Directors held on 12th August 2020.

Means of Communication

- The Annual, Half yearly and Quarterly results are forthwith being submitted to the Stock Exchanges where shares are listed and are available on their website.
- Management discussion and analysis forms part of the Annual Report.
- The Audited results for every quarter and for the year ended 31st March 2019-2020 are published in Financial Express (in English) and Maalai Sudar (in Tamil)

General Shareholder Information

- The 62nd Annual General Meeting of the Company will be held on 24th September, 2020 at the Registered Office at 12, Ethiraj Salai, Chennai / by Video Conference/ OVAC at 11.30 AM.
- Date of Book Closure: The Register of Members and Share Transfer Book of the Company will remain closed from 18th September 2020 to 24th September 2020 (both days inclusive).
- Financial Calendar: April 1, 2020 to March 31, 2021

Reporting for:	with Limited Review
• Quarter ending June 30, 2020	14 th August, 2020
• Quarter ending September 30, 2020	14 th November, 2020
• Quarter ending December 31, 2020	14 th February, 2021
• Year ending March 31, 2021	30 th May, 2021(Audited)
• Annual General Meeting	On or before 30 th September 2021

Listing on Stock Exchanges : Metropolitan Stock Exchange of India Limited, Mumbai.

Sri Sarvaraya Sugars Limited

Distribution Schedule as on 31/03/2020

S. No.	Category of Shares	Holders	% to Holders	Shares	% to Shares
1	upto 5000	202	89.38	98000	3.22
2	5001-10000	4	1.77	29085	0.95
3	10001-20000	3	1.33	36600	1.20
4	20001-30000	1	0.44	21000	0.69
5	30001-40000	2	0.88	69417	2.28
6	50001-100000	3	1.33	208740	6.85
7	100001 AND ABOVE	11	4.87	2585242	84.82
	Total	226	100	3048084	100

Shareholding Pattern as at 31st March 2020

S. No.	Category	Shares	% to Capital
1	BODIES CORPORATE	4,74,150	15.56
2	IEPF	33,417	1.10
3	PROMOTER	22,20,669	72.85
4	RESIDENT INDIAN	1,44,053	4.73
5	SSSL UNCLAIMED SHARES SUSPENSE ACCOUNT	1,74,295	5.72
6.	TRUST	1,500	0.05
	Total	30,48,084	100.00

Dematted Shares

No. of share holders	%	Demat Shares	% of Shareholding
64	28.32	2973328	97.55

Location of Plants:

Sugar, Distillery and Electricity Units

Chelluru 533261
Rayavaram Mandal
East Godavari District
Andhra Pradesh

v Aerated Water Units

Vemagiri 533 125
East Godavari District
Andhra Pradesh

Kesavaram 533 341
East Godavari District
Andhra Pradesh

Sri Sarvaraya Sugars Limited

Gopalapuram 534 425
DwarakaThirumala Mandal
West Godavari District
Andhra Pradesh

Packaged Drinking Water Unit

Sathupally 507 303
Khammam District
Telangana

Investor Correspondence:

Company Secretary & Compliance Officer
Sri Sarvaraya Sugars Ltd.
12, Ethiraj Salai, Chennai 600 008
Phone: 044 28276182
Email: krishnan.pr@srisarvarayasugars.in

(or)

Integrated Registry Management
Services (P) Limited
Kences Towers, 2nd Floor,
No.1, Ramakrishna Street
North Usman Road
T.Nagar
Chennai 600 017
Email: yuvraj@integratedindia.in
Phone: 044-28140801-03

DECLARATION

We, Jt. Managing Directors of Sri Sarvaraya Sugars Limited do hereby declare that the Company has duly complied with requirement relating to the Code of Conduct as laid down in Clause 49 (I) (D) of the Listing Agreement with the Stock Exchanges.

(S.B.P.S. Krishna Mohan)
Jt. Managing Director
DIN: 00806989

(Dr. S.B.P.P. Rammohan)
Jt. Managing Director
DIN : 00586641

Sri Sarvaraya Sugars Limited

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OUTLOOK

SUGAR:

India has become the largest producer and largest consumer of Sugar in the World. But the industry lacks sustainability due to increased production and the resultant continued down trend in sugar prices due to demand and supply mismatch in the country. The production during 2019-20 season is around 27 million tons and total sugar available in the country would be about 41 million tons including 14 million tons of opening balance for 2019-2020 sugar season. There would be a carry forward stock of around 11 million tons for the forth coming crushing season 2020-21 after considering export of around 5 million tons and domestic consumption of approximately 24 million Tons. There is no increase in domestic consumption and it is almost the same as in last year. The industry continues to be under stress after passing through tough times on account of continuous surplus production resulting in low sugar prices for more than eight consecutive years.

The production details indicate that sugar production is higher for the sixth consecutive season even though the Southern States recorded low sugar production. The Central Government has taken some steps to stop sugar prices from falling further by fixing a quota to each mill, to export six million tons of sugar and to maintain four million tons of sugar as buffer stock. The Central Government will bear the interest subvention of 12% for five years and 1.50% towards warehousing and insurance charges on these buffer stocks. Since the prevailing sugar prices in international markets are not viable for the mills to export sugar to other countries; in order to encourage exports to reduce sugar stocks in the country, the Central Government has announced an incentive on exports up to Rs.1,045/- per quintal towards transport and warehousing expenses. Further, the Central Government is also planning to enhance the ex-mill minimum selling price for sugar to Rs.33/- per Kg from Rs.31/- per kg and also introduced monthly release mechanism to stabilise sugar prices. These steps taken by the Central Government have not really helped the Sugar Industry.

Sugar mills in the Country have been facing considerable hardship during the last few years due to unviable sugar prices caused by the sugar glut not only in our country but also in other parts of the world. Most of the factories in the country did not recover their losses but only increased their debt. even with increased sugar prices during 2016-17 season, due to lack of raw material (Sugar cane), especially in states like Andhra Pradesh, Telangana and Tamil Nadu. Sugar Cane availability for the sea Majority of the factories in the Southern part of the country have stopped their crushing operations due to lack of raw material (Sugar cane), especially in states like Andhra Pradesh, Telangana and Tamil Nadu. Sugar Cane availability for the season 2020-21 has increased in Uttar Pradesh, Maharashtra and Karnataka when compared to the sugar season 2019-20. The estimated sugar production for the sugar season 2020-21 would be 30.5 million tons, a record production for seventh consecutive year. Due to the outbreak of Pandemic COVID-19, the sugar consumption in the country has reduced, with sugar prices low but stable.

Sugar being an essential commodity, the Central Government is always trying to control the sugar prices and bring in controls like buffer stock, release mechanism and also fix the minimum sale price at Rs.33/- which is not economically viable. Further, the Government of India is also expected to increase the FRP for sugar cane for the season 2020-21 to Rs.2850/- from Rs.2750/- per Ton of Sugarcane at 10% recovery. The Sugar industry continues to face hardship to pay their sugar cane dues, due to uneconomical sugar price and controls brought in by GOI. It appears that the turmoil in the Sugar Industry is likely to continue at least for the next two to three years.

DISTILLERY

ETHANOL BLENDING PROGRAM:

The Central Government is very keen on implementing the National Bio-fuel Policy 2018 with which the Ethanol Blended Petrol (EBP) programme is to achieve 10% by 2022 and 20% by 2030. OMCs called EOI for the quantity to meet the 10% blending Programme, but the contracted quantity to supply during December 2019 to November 2020 was only around 5.07%. To achieve the target of 10% and to increase ethanol production in the country, the Central Government has

Sri Sarvaraya Sugars Limited

announced financial assistance by way of soft loans through banks to enhance the capacities of existing Ethanol plants and to install new Ethanol plants with incineration boilers to meet Pollution norms. The scheme consists of the Central Government providing interest subvention for five years with one year moratorium on such loans. Only a few sugar mills could get the loan sanctioned because most of the sugar mills accounts had been classified as NPA and Banks are unwilling to lend even if the Central Government is willing to pay the interest.

To reduce sugar production and encourage Ethanol Blended Petrol (EBP), the Central Government has increased the prices of Ethanol in the OMC's tender from December 2019 to November 2020; for Ethanol derived out of C-Heavy molasses at Rs.43.75/- per litre (previous year it was Rs.43.46/-), Ethanol derived out of B-heavy molasses at Rs.54.27/-per litre (previous year it was Rs.52.43/-) and Ethanol derived out of direct sugarcane juice at Rs. 59.48/- per litre (previous year it was Rs. 59.13/-). In spite of the increase in Ethanol price, most of the sugar mill based distilleries are unwilling to enter into an agreement to supply Ethanol under EBP as the molasses prices had gone up and they prefer to either sell molasses directly or supply Ethanol to Pharma companies at a higher price than what the OMC's are willing to pay. Sugar mills having distilleries in South India are badly affected due to non-availability of molasses. Due to scarcity, molassesprices have increased substantially and is not viable to supply Ethanol to OMCs or even to Pharma companies. This scenario is likely to continue in future as there is no improvement in Sugarcane availability in the Southern states. Hence, the only alternative for the sugar mills having distilleries is to convert to grain based distilleries since the existing back end equipment will be suitable for grain based operation. Only the front end machinery is to be added to convert the existing molasses based distilleries to grain based distilleries.

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To the Members of
Sri Sararaya Sugars Limited

CERTIFICATE Pursuant to Clause 49 (V) of the Listing Agreement

- a) We have reviewed Financial Statements and Cash Flow Statement for the year ended 31.03.2020 and that to the best of our knowledge and belief
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain 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) There are, to the best of our knowledge and belief, 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 accept that it is our responsibility to establish and maintain internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to the financial reporting and have disclosed to the Auditors and the Audit Committee, wherever applicable:
- a. Deficiencies in the design or operation of internal controls, if any, when come to our notice, we take steps or propose to take steps to rectify those deficiencies.
- b. Significant changes in internal control
- c. Significant changes in accounting policies and that the same have been disclosed in the notes to the financial statements
- d. Instances of significant fraud of which we have been aware and the involvement therein, if any of the management or an employee having a significant role in the company's internal control system.

(S.B.P.S. Krishna Mohan)
Jt. Managing Director
DIN: 00806989

(Dr. S.B.P.P. Rammohan)
Jt. Managing Director
DIN : 00586641

Sri Sarvaraya Sugars Limited

CERTIFICATE ON CORPORATE GOVERNANCE UNDER THE LISTING REGULATIONS

To,
The Members of Sri Sarvaraya Sugars Limited

- a. The Certificate issued in accordance with the terms of my engagement letter dated 29th June 2020.
- b. I have examined the compliance of conditions of Corporate Governance by Sri Sarvaraya Sugars Limited (the Company), for the year ended 31* March 2020. as stipulated in the Regulations 17-27. clauses (b) to (i) of Regulation 46(2) and paragraphs C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations'), as amended, pursuant to the Listing Agreement of the Company with the Stock Exchanges,

Management 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 procedures to ensure the compliance with the conditions of Corporate Governance stipulated in the SEBI Listing Regulations.

Auditor's Responsibility

My examination is limited to review of 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.

Opinion

In my opinion and to the best of my Information and according to the explanations given to me. I certify that the Company has complied with the conditions of Corporate Governance regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. as amended.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with wtiich the management has conducted the affairs of the Company.

Place: Chennai

Date: 01.08.2020

Narasimhan Srividhva
Practising Company Secretary
CP No. 14058
ACS No.: 34428
UDIN: A034428B000543849

Sri Sarvaraya Sugars Limited

INDEPENDENT AUDITORS' REPORT

To
The Members of
Sri Sarvaraya Sugars Limited,
CHENNAI.

Report on the Audit of the Ind AS Financial Statements:

Qualified Opinion

We have audited the accompanying financial statements of **Sri Sarvaraya Sugars Limited**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2020, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Statement of Cash Flow and the Statement of Changes in Equity 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, except for the possible effect, if any, of the matter described in the "Basis for Qualified Opinion paragraph" below, the accompanying financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

Attention is invited to Note No. 15A to the accompanying Ind AS financial statements, regarding advances given to two partnership firms, which are distributors of aerated water products of the company and recoverable as on 31st March, 2020 amounting to Rs.1762.33 Lakhs, which in the opinion of the Board of Directors are fully recoverable. We are unable to express an opinion on the same.

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 ethical 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 qualified opinion.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The above specified reports are expected to be made available to us after the date of this auditor's report.

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 during the course of our audit or otherwise appears to be materially misstated.

When we read the above specified reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Sri Sarvaraya Sugars Limited

Management's Responsibility for the Ind AS 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 is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility:

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

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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- 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.

Sri Sarvaraya Sugars Limited

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

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

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

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

Report on Other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, based on our audit we report that:
 - a) We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 the Statement of Other Comprehensive income, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.
 - f) On the basis of the written representations received from the directors as on 31st March, 2020 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
 - g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - h) 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:

Sri Sarvaraya Sugars Limited

The remuneration paid to the Directors by the company is in accordance with the provisions of the sec.197.

- i) 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 does not have any pending litigations that would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There is no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company..

Place: Visakhapatnam
Date: 29.06.2020

For C V Ramana Rao & CO.,
Chartered Accountants
Firm Registration Number: 002917S

(G. RAJASEKHAR)
Partner
Membership Number: 236023
UDIN:20236023AAAAAV2668

Sri Sarvaraya Sugars Limited

Annexure A to Independent Auditors' Report:

The **Annexure A** referred to in our Independent Auditor's report of even date, to the members of **Sri Sarvaraya Sugars Limited**, Chennai for the year ended 31 March, 2020. We report that:

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- b) The property, plant and equipment have been physically verified by the management during the period in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties, some of which are lodged with the company's Bankers as security, are held in the name of the Company.
- ii) Physical verification of inventory has been conducted during the period by the management at reasonable intervals. According to the information furnished to us, no material discrepancies have been noticed on such verification.
- iii) The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Therefore, clauses (iii) (a), (iii) (b) and (iii) (c) of the order are not applicable to the Company and hence not commented upon.
- iv) The company has neither given any loans to the directors or any other persons in whom any of the directors is interested nor given/provided any guarantee/security in connection with any loan taken by directors or such other persons as per the provisions of section 185 of the Companies Act, 2013. The investments, which were made by the company in earlier years, do not exceed the limits prescribed under section 186 of the Companies Act, 2013.
- v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of sections 73 to 76, other applicable provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014 with regard to the deposits accepted from the public. According to the information furnished to us, no Order has been passed on the company by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal for non-compliance with the provisions of Sections 73 to 76 of the Companies Act, 2013.
- vi) We have broadly reviewed the books of account and records maintained by the company pursuant to the rules made by the Central Government for the maintenance of the cost records under sub-section (1) of section 148 of the Companies Act, 2013 in respect of Sugar, Distillery, Co-generation of Power units at Chelluru and Bottling units at Vemagiri, Kesavaram, Gopalapuram and Sathupally of the Company and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- vii) a) According to the information and explanations given to us and on the basis of examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts are payable in respect of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax or cess and other material statutory dues which were in arrears as at 31st March 2020 for a period of more than six months from the date they became payable.

- b) According to the information and explanations given to us, there are no dues of duty of customs which have not been deposited with the appropriate authorities on account of any dispute as at 31st March 2020. However, the following dues of Income tax, Sales tax, Service-tax, duty of excise and value added tax have not been deposited by the Company on account of disputes:

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Name of the Statute	Nature of the Dues	*Amount (₹ in Lakhs)	Period to which the matter relates	Forum where the dispute is pending
Central Excise Act, 1944	Irregular availment of MODVAT	0.78	Jul 1995 to Sep 1995	Asst Commissioner of Central Excise, Rajahmundry
Central Excise Act, 1944	Irregular availment of MODVAT	0.40	May 1995 to June 1995	CESTAT, Bangalore
Central Excise Act, 1944	Non maintenance of separate books for inputs & input services	473.73	Apr 2003 to Dec 2007	Hon'ble High court of A.P.
APGST Act	Sales tax demands	8.55	AY 1995-96	Hon'ble High court of A.P.
Value Added Tax Act	Sales tax demands	67.15	AY 2005-06	AP STAT, Visakhapatnam
Value Added Tax Act	Sales tax demands	2.21	AY 2010-11	AP STAT, Visakhapatnam
Value Added Tax Act	Sales tax demands	8.68	AY 2011-12 to 2012-13	ADC (CT), Visakhapatnam
Value Added Tax Act	Sales tax demands	38.85	Dec 2012 to Sep 2015	ADC (CT), Vijayawada
Value Added Tax Act	Sales tax demands	1.27	April 2011 to November 2012	ADC (CT), Vijayawada
Local Areas Act, 2001	Payment of Entry tax	0.98	2015-2016	JC (ST) Hyderabad, Rural Division
Andhra Pradesh Motor Vehicle Taxation Act, 1963	Payment of Life tax on Fork lifters	5.32	-	Hon'ble High Court of AP
Andhra Pradesh Motor Vehicle Taxation Act, 1963	Payment of Life tax on Fork lifters	22.76	-	Hon'ble High Court of AP and Telangana
Income Tax Act, 1961	Income tax dues	246.73	AY 2006-07 to 2014-15	JCIT (OSD), Kakinada
Sugarcane Regulation Act, 1976	Purchase Tax	59.45	1998-99	Cane Development Commissioner, Vijayawada
Electricity Act, 2003	Cess on sale of power	299.04	2003-04 Onwards	Hon'ble Supreme Court of India

*Net of deposits.

- viii) According to the information and explanations given to us and as per the books and records examined by us, the company has not made any delays in repayment of its dues to banks and did not have any outstanding dues to financial institutions. The company has not borrowed any amounts from government and by way of issue of debentures.
- ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments), whereas term loans raised during the financial year under report have been applied for the purposes for which they were raised.
- x) During the course of our examination of the books of account and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

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- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For C V Ramana Rao & CO.,
Chartered Accountants
Firm Registration Number: 002917S

(G. RAJASEKHAR)
Partner
Membership Number: 236023
UDIN:20236023AAAAAV2668

Place: Visakhapatnam
Date: 29.06.2020

Sri Sarvaraya Sugars Limited

Annexure B to Independent Auditors' Report

Report on the Internal Financial Controls 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 Sri Sarvaraya Sugars Limited, Chennai ("the Company") as of 31st March, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company.
- ii. 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

Sri Sarvaraya Sugars Limited

- iii. 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, 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 31st March, 2020, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Visakhapatnam
Date: 29.06.2020

For C V Ramana Rao & CO.,
Chartered Accountants
Firm Registration Number: 002917S

(G. RAJASEKHAR)
Partner
Membership Number: 236023
UDIN:20236023AAAAAV2668

Sri Sarvaraya Sugars Limited

BALANCE SHEET AS AT 31st MARCH 2020

₹ in Lakhs

Particulars	Note No.	ASAT 31st March, 2020	ASAT 31st March, 2019
ASSETS			
A. Non-Current Assets			
Property, plant and equipment	2	41,271.43	43,325.21
Capital work-in-progress	3	4,580.90	1,362.52
Right of Use Assets	4 & 49	18.39	-
Intangible assets	5	16.72	5.58
Financial Assets			
Investments	6	3.28	20.74
Loans and advances	7	280.99	288.04
Other financial assets	8	-	92.18
Other non-current assets	9	316.74	181.84
Sub Total (A)		46,488.45	45,276.11
B. Current Assets			
Inventories	10	6,626.95	6,587.24
Biological assets	11	-	4.53
Financial Assets			
Trade receivables	12	1,352.15	2,194.17
Cash and cash equivalents	13	206.36	88.30
Bank balances other than cash and cash equivalents	14	245.83	387.32
Other financial assets	15	386.62	717.66
Other current assets	16	2,993.22	2,431.77
Sub Total (B)		11,811.13	12,410.99
Total Assets (A+B)		58,299.58	57,687.10
EQUITY AND LIABILITIES			
A. Equity			
Equity share capital	17	304.80	101.60
Other equity		20,787.85	17,756.85
Sub Total (A)		21,092.65	17,858.45
B. Non-Current Liabilities			
Financial Liabilities			
Borrowings	18	4,996.61	5,711.87
Other financial liabilities	19	2,499.04	2,480.71
Lease Liabilities	49	15.14	-
Provisions	20	312.09	273.08
Deferred tax liabilities (Net)	21	5,063.97	3,855.93
Sub Total (B)		12,886.85	12,321.59

Sri Sarvaraya Sugars Limited

₹ in Lakhs

Particulars	Note No.	ASAT 31st March, 2020	ASAT 31st March, 2019
C. Current liabilities			
Financial Liabilities			
Borrowings	22	9,157.71	9,448.89
Trade payables	23	4,464.63	7,293.83
Other financial liabilities	24	5,829.84	6,100.07
Other current liabilities	25	4,035.76	3,931.34
Lease Liabilities	49	3.82	-
Provisions	26	655.90	523.38
Income tax liabilities (net)	27	172.42	209.55
Sub Total (C)		24,320.08	27,507.06
Total Equity and Liabilities (A+B+C)		58,299.58	57,687.10

The accompanying notes form an integral part of the financial statements

As per our report of even date annexed

For C.V. Ramana Rao & Co.

Chartered Accountants

Firm Registration Number: 002917 S

(G. Rajasekhar)

Partner

Membership Number: 236023

Place: Visakhapatnam

Date: 29.06.2020

On behalf of Board of Directors

S.B.P.Madan Mohan
Executive Director

Rajarajeswaramma Sribalusu
Managing Director

S.B.P.Anand Mohan
Executive Director

S.B.P.P.Rammohan
Joint Managing Director

Sanjay Sribalusu
Director (Operations)

S.B.P.S.Krishna Mohan
Joint Managing Director

K.Sridhar
Chief Financial Officer

Krishnan P.R
Secretary

Sri Sarvaraya Sugars Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2020

₹ in Lakhs

PARTICULARS	Note No.	FOR THE YEAR ENDED 31st March, 2020	FOR THE YEAR ENDED 31st March, 2019
INCOME			
I. Revenue from operations	28	59,459.33	54,645.89
II. Other income	29	1,939.65	1,525.63
III. Total Income (I+II)		61,398.98	56,171.52
IV. Expenses			
Cost of materials consumed	30	27,007.43	27,372.15
Purchases of stock-in-trade	31	8,159.67	6,184.35
Changes in inventories of finished goods, work-in-progress and stock-in-trade	32	389.88	(316.51)
Manufacturing expenses	33	5,500.21	5,670.97
Employee benefits expenses	34	6,545.44	6,598.91
Finance costs	35	2,301.08	2,905.58
Depreciation and amortization expenses	36	2,800.26	2,795.93
Other expenses	37	2,991.17	2,708.89
Total Expenses		55,695.14	53,920.27
V. Profit before extraordinary items & tax (III-IV):		5,703.84	2,251.25
VI. Exceptional Items (Acquisition of Land & Buildings by NHAI)	38	(110.18)	15.80
VII. Profit before tax (V-VI)		5,814.02	2,235.45
VIII. Tax expenses	39	2,245.66	1,277.03
IX. Profit for the year (VII-VIII)		3,568.36	958.42
X. Other comprehensive income	40		
A i) Items that will not be reclassified to profit or loss		(221.82)	35.87
ii) Income tax relating to items that will not be reclassified to Profit or Loss		71.41	(13.28)
B i) Items that will be reclassified to profit or loss		-	-
ii) Income tax relating to items that will be reclassified to Profit or Loss		-	-
XI. Total comprehensive income (IX + X)		3,417.95	981.01
XII. Earnings per share (Face value Rs 10 each) (Basic and diluted)	42	117.07	31.44

The accompanying notes form an integral part of the financial statements

As per our report of even date annexed

On behalf of Board of Directors

For C.V. Ramana Rao & Co.

Chartered Accountants

Firm Registration Number: 002917 S

S.B.P.Madan Mohan
Executive Director

Rajarajeswaramma Sribalusu
Managing Director

S.B.P.Anand Mohan
Executive Director

S.B.P.P.Rammohan
Joint Managing Director

(G. Rajasekhar)

Partner

Membership Number: 236023

Sanjay Sribalusu
Director (Operations)

S.B.P.S.Krishna Mohan
Joint Managing Director

Place: Visakhapatnam

Date: 29.06.2020

K.Sridhar
Chief Financial Officer

Krishnan P.R
Secretary

Sri Sarvaraya Sugars Limited

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2020

a) Equity Share Capital

Equity shares of Rs 10 each issued, subscribed and fully paid	Nos.	₹ in Lakhs
Balance as at 1 st April, 2019	1,016,028	101.60
Changes in Equity share capital during the year	2,032,056	203.21
Balance as at 31st March, 2020	3,048,084	304.81

b) Other Equity

₹ in Lakhs

Particulars	Attributable to the equity holders			Total
	Reserves and Surplus		Items of Other comprehensive income (OCI)	
	General Reserve	Retained Earnings	Fair Value Through OCI	
Balance as at 1st April, 2019	10,089.39	7,781.78	(114.33)	17,756.84
Other comprehensive income for the year	-	-	(150.40)	(150.40)
Comprehensive income for the year	-	3,568.35	-	3,568.35
Transfer to general reserve	900.00	(900.00)	-	-
Capitalisation for issue of Bonus shares (Ref: Note.No. 17.1)	(203.21)	-	-	(203.21)
Dividends paid	-	(152.40)	-	(152.40)
Corporate Dividend Tax	-	(31.33)	-	(31.33)
Balance as at 31st March, 2020	10,786.18	10,266.40	(264.73)	20,787.85

Note on - General Reserve

The General Reserve is created from time to time by appropriating profits from retained earnings. The General Reserve is created by transfer from one component of equity to another and accordingly it is not reclassified to the Statement of profit and loss.

Note on- Retained Earnings

Retained earnings generally represents the undistributed profit/ amount of accumulated earnings of the company.

Note on - Other Comprehensive Income

Other Comprehensive Income (OCI) represents the balance in equity for items to be accounted under OCI and comprises of items that will not be reclassified to profit and loss:

- The Company has made an irrevocable election to present the subsequent fair value changes of investments in OCI. This reserve represents the cumulative gains and Losses arising on the revaluation of equity instruments measured at fair value including tax effects. The company transfers restated fair value amounts from this reserve.
- The actuarial gains and losses along with tax effects arising on defined benefit obligations have been recognised in OCI.

Sri Sarvaraya Sugars Limited

STATEMENT OF CASH FLOWS

₹ in Lakhs

	FOR THE YEAR ENDED	
	31 st March, 2020	31 st March, 2019
<u>Cash flow from operating activities:</u>		
Net Profit Before Tax	5,814.02	2,235.45
<u>Adjustments for:</u>		
Depreciation and amortisation	2,800.26	2,795.93
Finance costs	2,297.31	2,905.58
Dividend from investments	(0.02)	-
Interest income	(47.99)	(56.02)
Profit on sale of Assets	(200.50)	(37.93)
Loss on sale of Assets	0.61	1.16
Net value of discarded Assets	124.10	163.65
Tools written off	2.69	0.36
Stores written off	15.93	13.61
Unwinding cost on decommissioning liability	3.78	3.46
Remeasurement of Defined benefits for Leave encashment	37.49	29.42
Remeasurement of Defined benefits for Gratuity	166.87	11.42
Irrecoverable advances written off	-	40.15
Excess provisions for earlier years written back	(69.91)	(15.55)
Provision For Bad & Doubtful Debts	4.97	-
	5,135.59	5,855.24
Operating Profit before working capital changes	10,949.61	8,090.69
<u>Adjustments for:</u>		
(Increase)/Decrease in Trade receivables	837.05	120.57
(Increase)/Decrease in Inventories	(35.18)	(1,481.02)
(Increase)/Decrease in long term loans and advances	7.06	10.69
(Increase)/Decrease in other non current assets	(42.72)	75.93
(Increase)/Decrease in other current assets	(230.42)	508.14
Increase/(Decrease) in Trade payables	(2,899.11)	1,428.64
Increase/(Decrease) in other long term liabilities	18.33	112.88
Increase/(Decrease) in other current liabilities	(347.18)	1,257.86
	(2,692.17)	2,033.69
Cash generated from operations	8,257.44	10,124.38
Direct taxes paid (net of refunds)	966.21	989.21
Net cash used in operating activities (A)	7,291.23	9,135.17

Sri Sarvaraya Sugars Limited

	FOR THE YEAR ENDED			
	31 st March, 2020		31 st March, 2019	
Cash Flow from Investing Activities:				
Purchase of Property, plant & equipment	(1,591.71)		(2,057.86)	
Purchase of Intangible assets	(14.47)		-	
Change in Capital work-in-progress	(3,218.37)		393.08	
Sale of Property, plant & equipment	936.90		241.41	
Dividend income	0.02		-	
Interest income	47.99		56.02	
Net cash used for investing activities (B)		(3,839.64)		(1,367.35)
Cash flow from financing activities:				
Proceeds/(repayment) from short-term borrowings (Net)	(291.18)		(3,810.56)	
Proceeds/(repayment) from long-term borrowings (Net)	(715.27)		(694.69)	
Effect of changes in foreign exchange rates	(6.48)		(33.42)	
Finance Costs including payment of lease liability	(2,278.35)		(2,905.58)	
Dividends paid (including Dividend Distribution Tax)	(183.74)		(122.49)	
Net cash generated from financing activities (C)		(3,475.02)		(7,566.74)
Net increase/ (Decrease) in cash and cash equivalents (A+B+C)		(23.43)		201.08
Cash and Cash Equivalents at the beginning of the period		88.30		146.61
Other Bank Balances at the beginning of the period		387.32		127.93
Total		475.62		274.54
Cash and Cash Equivalents at the closing of the period		206.36		88.30
Other Bank Balances at the closing of the period		245.83		387.32
Total		452.19		475.62

As per our report of even date annexed

For C.V. Ramana Rao & Co.

Chartered Accountants

Firm Registration Number: 002917 S

(G. Rajasekhar)

Partner

Membership Number: 236023

Place: Visakhapatnam

Date: 29.06.2020

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On behalf of Board of Directors

S.B.P.Madan Mohan
Executive Director

Rajarajeswaramma Sribalusu
Managing Director

S.B.P.Anand Mohan
Executive Director

S.B.P.P.Rammohan
Joint Managing Director

Sanjay Sribalusu
Director (Operations)

S.B.P.S.Krishna Mohan
Joint Managing Director

K.Sridhar
Chief Financial Officer

Krishnan P.R
Secretary

Sri Sarvaraya Sugars Limited

Note 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Corporate information

Sri Sarvaraya Sugars Limited ("the company"), is a public limited company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and has its registered office at 12, Ethiraj Salai, Egmore, Chennai-600008. The securities of the company are in the process of being listed in Metropolitan Stock Exchange of India Limited.

The Company is engaged in the business of manufacturing sugar, industrial alcohol, generation of power, carbonated and non-carbonated soft drinks, packaged drinking water and others.

The financial statements for the year ended 31st March, 2020 was approved for issue by the Board of Directors of the Company on 29th June, 2020 and is subject to the adoption by the shareholders in the ensuing Annual General Meeting.

1.2 Statement of Compliance with Ind AS

These financial statements are the standalone financial statements prepared in accordance with Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016 and therefore Ind ASs issued, notified and made effective till the financial statements are authorized have been considered for the purpose of preparation of these financial statements and guidelines issued by the Securities and Exchange Board of India (SEBI).

1.3 Basis of preparation of financial statements

All the Ind AS issued and notified by the Ministry of Corporate Affairs under section 133 of the Act read with rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter till the financial statements are approved for issue by the Board of Directors have been considered in preparing these financial statements.

The financial statements including notes thereon are presented in Indian Rupees ("Rupees" or "Rs."), which is the Company's functional and presentation currency. All amounts disclosed in the financial statements including notes thereon have been rounded off to the nearest lakhs upto two decimal points as per the requirement of Schedule III to the Act, unless stated otherwise.

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

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102 – Share-based Payment, leasing transactions that are within the scope of Ind AS 17 – Leases, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 – Inventories or value in use in Ind AS 36 – Impairment of Assets.

1.4 Current and non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification as per the Company's normal operating cycle and other criteria set out in Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements based on the nature of products and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

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An asset is treated as current by the Company when:

- a) it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle
- b) it holds the asset primarily for the purpose of trading
- c) it expects to realise the asset within twelve months after the reporting period; or
- d) the asset is cash or a cash equivalent (as defined in Ind AS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

An liability is treated as current by the Company when:

- a) it expects to settle the liability in its normal operating cycle
- b) it holds the liability primarily for the purpose of trading
- c) the liability is due to be settled within twelve months after the reporting period; or
- d) it does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

1.5 Use of estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in the relevant notes. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are effected 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 statements.

Following are the key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

A Depreciation and impairment on property, plant and equipment:

Property, plant and equipment are depreciated as per policy described on note no. 1.6 based on estimated useful lives in accordance with Schedule II of the Companies Act, 2013, taking into account the estimated residual value, wherever applicable. The company reviews its carrying value of its Tangible Assets whenever there is objective evidence that the assets are impaired. In such situation asset's recoverable amount is estimated which is higher of asset's or cash generating units (CGU) fair value less cost of disposal and its value in use. In assessing value in use the estimated future cash flows are discounted using pre-tax discount rates which reflect the current assessment of time value of money. In determining fair value less cost of disposal, recent market realizations are considered or otherwise in absence of such transactions appropriate valuations are adopted. The Company reviews the estimated useful lives of the assets regularly in order to determine the amount of depreciation and amount of impairment expense to be recorded during any reporting period. This reassessment may result in change estimated in future periods.

B Impairment allowances on trade receivables:

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determines the amount of impairment allowance as a result of the inability of the customers to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the trade receivables

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and historical write-off experience. If the financial conditions of the trade receivable were to deteriorate, actual write-offs would be higher than estimated.

C Income taxes:

The Company's tax jurisdiction is India. Significant judgments are involved in determination of taxability of certain income and deductibility of certain expenses during the estimation of the provision for income taxes.

D Defined benefit obligation (DBO):

Critical estimate of the DBO involves a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate, anticipation of future salary increases etc. as estimated by Independent Actuary appointed for this purpose by the Management. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

E Provision for de-commissioning:

The company has recognised a provision for decommissioning obligations associated with the leased premises on which the plant is super structured. In determining the fair value of the provision, assumptions and estimates are made in relation to discount rates, the expected cost to dismantle and remove the plant from the site and the expected timing of those costs.

F Provisions and Contingencies:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

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

The carrying amounts of provisions and liabilities and estimation for contingencies are reviewed regularly and revised to take account of changing facts and circumstances.

1.6 Property, Plant and Equipment (PPE) and Capital work-in-progress (CWIP)

a) All Property, plant and equipment including land are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

- i) The cost of an asset includes the purchase price, including import duties and non-refundable taxes and any directly attributable costs of bringing an asset to the location and condition of its intended use. Financing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for intended use are also included to the extent they relate to the period upto such assets are ready for their intended use. Foreign Exchange variations arising on long term borrowings are capitalised to property, plant & equipment.
- ii) Subsequent expenditure incurred on existing property, plant and equipment are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repair and maintenance costs are recognised in the Statement of Profit and Loss when incurred. The present value of the expected cost for the decommissioning of an asset after its use, if any, is included in the cost of the respective asset if the recognition criteria for a provision is met.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. The cost and related accumulated depreciation are eliminated from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

- iii) Advances paid towards the acquisition of Property, Plant and Equipment outstanding at each Balance Sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under capital work-in-progress.

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- iv) Property, plant and equipment and capital work in progress are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs of a qualifying asset, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognised in profit or loss as incurred.
 - v) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss.
 - vi) The estimated useful lives, residual values and depreciation method are reviewed at-least at the end of each financial year and are adjusted, wherever appropriate. Spare parts, standby equipments and service equipments are recognised in accordance with Ind AS 16 'Property, Plant and Equipment', when they meet the definition of property, plant and equipment.
 - vii) An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.
- b) Depreciation methods, estimated useful lives and residual value
- i) Depreciation on tangible fixed assets is provided in the following manner using the rates arrived based on the useful lives of assets specified in Part C of Schedule II thereto of the Companies Act, 2013 or useful lives of assets estimated by the management based on technical advice in cases where a useful life different than the useful lives indicated in Part C of Schedule II of the Companies Act, 2013:
 - a) In respect of Plant & Machinery and Electrical Installations, at all its units and Bottles and Crates in Bottling Units at Vemagiri and Kesavaram under Straight Line Method.
 - b) In respect of all other assets at bottling units of Kesavaram and Gopalapuram under Straight Line Method.
 - c) In respect of all other assets at all other units under Written Down Value Method.
 - ii) Based on technical evaluation, the management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which it expects to use these assets based on technical obsolescence, nature of assets, estimated usage of the assets, operating conditions of the asset and manufacturers warranties, maintenance and support period, etc. Hence, the useful lives for these assets is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013 on the date of retirement or disposal.

Category of Assets	Estimated useful life (in years)
1. Non Factory Buildings (other than RCC frame structure)	40
2. Carpeted Roads - RCC	15
3. Electrical Installations	15
4. Computers	5
5. Fork lifters	10
6. Sales Generating Assets like Refrigerators, Bottle coolers, Stabilizers etc	7
7. Glass Bottles 200ML	5
8. Glass Bottles 250/300ML	10
9. Plastic Crates	13
10. Fountains	7

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iii) The residual value of all fixed assets has been considered as 5% of the historical cost of the asset, except in case of all sizes of glass bottles for which the management expects the residual value as 40% of the historical cost based on the average realisation on sale of such glass bottle scrap, based on technical evaluation.

iv) Assets costing up to Rs.5,000/- are fully depreciated in the year in which they are put to use.

c) Expenditure during construction period

Directly attributable expenditure (including finance costs relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as expenditure during construction pending for allocation to the assets and are shown under CWIP. CWIP is stated at the amount expended upto balance sheet date on assets or property, plant and equipment that are not yet ready for their intended use.

d) Decommissioning liability

The Company records a provision for decommissioning costs towards site restoration activity. Decommissioning costs are provided at the present value of future expenditure using a current pre-tax rate expected to be incurred to fulfill decommissioning obligations and are recognized as part of the cost of the underlying assets. Any change in the present value of the expenditure, other than unwinding of discount on the provision, is reflected as adjustment to the provision and the corresponding asset. The change in the provision due to the unwinding of discount is recognized in the Statement of Profit and Loss.

e) Intangible assets

i) Intangible assets acquired separately are measured on initial recognition at cost. Cost includes all direct costs relating to acquisition of Intangible assets and borrowing cost relating to qualifying assets. Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

ii) The useful lives of intangible assets are assessed as either finite or indefinite. There are no intangible assets assessed with indefinite useful life.

iii) Intangible assets with finite lives are amortised over the useful economic life. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

iv) Intangible assets i.e., Computer software which is not an integral part of hardware are amortized on a straight-line basis for a useful life of five years as estimated by the management.

f) Impairment

Tangible and Intangible assets which are subject to depreciation or amortisation are reviewed for impairment, whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. 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). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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. If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, an impairment loss is recognised by reducing the carrying amount of the asset (or cash-generating unit) to its recoverable amount.

Impairment losses recognized in the earlier periods are assessed at each reporting date for any indication that the loss has decreased or no longer exists. When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had such impairment

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loss not been recognised for the asset (or cash-generating unit) in prior years. Any reversal of an impairment loss is recognised immediately in statement of profit and loss.

1.7. Leases

With effect from 01.04.2019, the company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17. The accounting policy adopted for lease are given below;

When company is a lessee

The Company's lease asset classes primarily consist of leases for land, buildings and equipments. 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 asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or company's incremental borrowing rate, if that implicit rate cannot be readily determined. Generally, the company uses its weighted average incremental borrowing rate as the discount rate.

Lease payments comprises of the following for determination lease liability:

- > Fixed payments, including in-substance fixed payments.
- > Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date.
- > Amounts expected to be payable under a residual value guarantee; and
- > The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

When company is a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately.

The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

For operating leases, rental income is recognized on a straight-line basis over the term of the leases.

Short-term leases and leases of low-value assets

The company has elected not to recognize right-of-use assets and lease liabilities for short term leases of real estate properties that have a lease term of 12 months. The company recognizes the lease payments associated with these leases as operating expenses on a straight-line basis over the lease term.

1.8. Inventories

i) Finished Goods:

- a) Sugar, Industrial Alcohol, carbonated and non-carbonated soft drinks, Packaged Drinking Water, Co2 gas, traded goods and Bio Compost are valued at lower of cost and net realisable value after providing for obsolescence, if any.
- b) Molasses and Bagasse which are by-products are valued at estimated realisable value.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

The cost of inventories are determined on weighted average basis. Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of the inventories. Such write downs are recognised in the Statement of Profit and Loss. When the reason for a write-down of the inventories ceases to exist, the write-down is reversed.

Net realisable value (NRV) is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

ii) Work in Process is valued at estimated cost of production.

iii) Materials-in-transit -Raw materials, Stores & spare parts, Consumable tools are valued at cost.

Cost includes expenses of procurement, GST, excise and customs duties and is net of credit under GST, Cenvat and VAT schemes, rebates and discounts.

iv) Scrap is valued at estimated realisable value.

v) Obsolete, slow moving and defective inventories are identified from time to time and, where necessary, a provision is made for such inventories.

vi) Spare parts, stand-by equipment and servicing equipment are recognised in accordance with this Ind AS-16 when they meet the definition of Property, Plant and Equipment. Otherwise, such items are classified as inventory. Spare parts, stand by equipment and servicing equipment are stated at the lower of cost or net realisable value.

1.9. Biological assets

Biological assets comprise Standing crops of sugarcane and seedlings

Biological assets are measured at fair value less estimated costs to sell. Changes in fair value are recognized in the Statement of Profit and Loss. The fair value of these assets excludes the land upon which the crops are planted or the items of PPE utilised in the upkeep of planted areas. The biological process starts with preparation of land for planting, seedlings and ends with the harvesting of crops.

For biological assets, where little biological transformation has taken place since the initial cost was incurred (for example seedlings planted immediately before the balance sheet date), such biological assets are measured at cost

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i.e. the total expenses incurred on such plantation upto the balance sheet date. When harvested, cane is transferred to inventory at fair value less costs to sell.

1.10. Cash and cash equivalents

Cash and cash equivalents in the balance sheet include cash on hand and at bank, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash which are subject to an insignificant risk of changes in value and are held for meeting short-term cash commitments.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consists of short term deposits, as defined above, net of outstanding bank overdraft as they are being considered as integral part of the Company's cash management.

1.11. Non-current assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell and disclosed separately in balance sheet. Liabilities associated with assets classified as held for sale are estimated and disclosed separately in the balance sheet. Property, plant and equipment once classified as held for sale/ distribution to owners are not depreciated or amortised.

Non-current assets that ceases to be classified as held for sale are measured at lower of (i) its carrying amount before the asset was classified as held for sale, adjusted for depreciation that would have been recognised had that asset not been classified as held for sale, and (ii) its recoverable amount at the date when the disposal group ceases to be classified as held for sale.

1.12. Trade receivables

Receivables are initially recognized at fair value, which in most cases approximates the nominal value of consideration receivable. If there is a subsequent indication that those assets may be impaired, they are reviewed for impairment and an allowance is recognized.

1.13. Dividend distribution to equity holders

Dividends paid / payable along with applicable taxes are recognised when it is approved by the shareholders. In case of interim dividend it is recognised when it is approved by the Board of Directors. A corresponding amount is accordingly recognised directly in equity.

1.14. Trade payables

Trade Payables are recognized for amounts to be paid for goods or services acquired in the ordinary course of the business whether billed by the supplier/service provided or not. Trade payables are classified as current liabilities.

1.15. Provisions, contingent assets and contingent liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

Where an inflow of economic benefits is probable, the Company discloses a brief description of the nature of the contingent assets at the end of the reporting period, and, where practicable, an estimate of their financial effect. When the realisation of income is virtually certain, then the related asset is no longer a contingent asset, and is recognised as an asset.

Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

1.16. Revenue recognition

Revenue is recognised to the extent it is probable that economic benefits would flow to the Company and the revenue can be reliably measured, regardless of when the revenue proceeds is received from customers.

Revenue is measured at the fair value of the consideration received or receivable and net of returns, trade allowances rebates and amounts collected on behalf of third parties and excluding taxes, levies or duties collected on behalf of the government/ other statutory bodies.

a) *Sale of products:*

Sale of products is recognized, when significant risks and rewards of ownership pass to the dealer / customer, as per terms of contract and it is probable that the economic benefits associated with the transaction will flow to the Company.

b) *Rendering of services:*

Revenue from services is recognised when the services are rendered in accordance with the specific terms of contract and when collectability of the resulting receivable is reasonably assured.

c) *Interest income:*

Interest income from debt instruments is recognized using the effective interest rate method and is accrued on a time basis. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying value of a financial asset. While calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options), but does not consider the expected credit losses.

d) *Dividend income:*

Dividends are recognized in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of dividend can be reliably measured.

e) *Unbilled income:*

Unbilled income represents the value of services rendered but not yet been invoiced on the reporting date due to contractual terms.

f) Insurance and other claims/refunds are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

g) All other income are accounted for on accrual basis.

h) Inter Division transfers are eliminated in financial statements.

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The Company earns revenue primarily from sale of:

Sugar

Carbonated and non-carbonated soft drinks

Packaged drinking water

Industrial alcohol

Revenue is recognized upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Company expects to receive in exchange for those products or services.

- In respect of fixed-price material contracts, revenue is recognized using percentage-of-completion method ('POC method'). When there is uncertainty as to measurement or ultimate collectability, revenue recognition is postponed until such uncertainty is resolved.
- Other income is comprised primarily of interest income, claims & Incentives, dividend income, scrap sales
 - Interest income is recognized using the effective interest method.
 - Dividend income is recognized when the right to receive payment is established.
 - All other income are accounted for on accrual basis.

Contract asset and contract liability

- Contract assets are recognized when there is excess of revenue earned over billings on contracts. "Contract assets" the company classifies as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.
- Advances received from customers ("contract liability") is recognized when there is billings or receipts in excess of revenues.

Incremental costs of obtaining a contract are recognized as assets and amortized over the term of the contract

The company accounts for volume discounts and pricing incentives to customers as a reduction of revenue based on the ratable allocation of the discounts/ incentives to each of the underlying performance obligation that corresponds to the progress by the customer towards earning the discount/ incentive. If it is probable that the criteria for the discount will not be met, or if the amount there of cannot be estimated reliably, then discount is not recognized until the payment is probable and the amount can be estimated reliably. The company recognizes changes in the estimated amount of obligations for discounts in the period in which the change occurs

The Company disaggregates revenue from contracts with customers by industry verticals, by geographies and nature of services.

1.17. Government grants

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Grants from the government are recognized at their fair value where there is a reasonable assurance that the Company will comply with the conditions attaching to them and the grants will be received.

Government grants related to PPE are treated as deferred income (included under non-current liabilities with current portion considered under current liabilities) and are recognized and credited in the Statement of Profit and Loss on a systematic and rational basis over the estimated useful life of the related asset and included under "Other Income".

Government grants related to revenue nature are recognized on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate and are adjusted with the related expenditure. If not related to a specific expenditure, it is taken as income and presented under "Other Income".

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Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the company with no future related costs are recognized in profit or loss in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

1.18 Expenses

All expenses are accounted for on accrual basis.

1.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. Borrowing costs consist of interest and other costs that the company incurs in connection with the borrowing of funds. Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred. The Company suspends capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

1.20. Employee benefits

(i) 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 upto 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.

(ii) Other long term employee benefit:

The liabilities for earned leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of the expected future payments to be made in respect of services provided by employee upto 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. Re-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.

(iii) Post-employment obligation:

The Company operates the following post-employment schemes:

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

Gratuity obligation:

The liability or asset recognized in the balance sheet in respect of defined benefit pension and gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by Actuaries using the projected unit credit method.

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The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on the Government Bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

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 (net-off deferred tax). They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

Provident Fund and Employees' state Insurance Scheme:

Eligible employees of the company receive benefits from a provident fund and Employees' State Insurance scheme which is a defined benefit plan. Both the eligible employee and the company make monthly contributions to the Provident Fund and Employees' State Insurance equal to a specified percentage of the covered employee's salary.

Superannuation:

Certain employees of the company are participants in a defined contribution plan. The Company has no further obligations to the Plan beyond its monthly contributions which are periodically contributed to a trust fund, the corpus of which is invested with the Life Insurance Corporation of India.

1.21. Foreign currency transactions and translation

a) 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'). i.e. in Indian rupee (INR) and all values are rounded off to nearest lakhs except where otherwise indicated.

b) Transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency spot rate prevailing at the date the transaction first qualifies for recognition.

- (i) Foreign currency monetary assets and liabilities such as cash, receivables, payables, etc., are translated at year end exchange rates.
- (ii) Non-monetary items denominated in foreign currency such as investments, fixed assets, etc., are translated using the exchange rate at the date of the initial transaction.
- (iii) Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the year in which they arise.

1.22. Prior period items

In case prior period adjustments are material in nature the Company prepares the restated financial statement as required under Ind AS 8 - "Accounting Policies, Changes in Accounting Estimates and Errors". Immaterial items pertaining to prior periods are shown under respective items in the Statement of Profit and Loss.

1.23. Exceptional items

Items of income or expense from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the Company are disclosed as Exceptional items in the Statement of Profit & Loss.

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1.24. Income taxes

The income tax expense (income) for the period is the tax payable on the current period's taxable income based on the applicable income tax rate and as per the provisions of the Income Tax Act, 1961.

The current income tax is the amount of income taxes payable in respect of the taxable profit (tax loss) for a period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Minimum alternative tax ('MAT') paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and asset can be measured reliably.

1.25. Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

1.26. Earnings per share

The basic earnings per share are computed by dividing the net profit/(loss) after tax for the period from continuing operations attributable to equity shareholders by the weighted average number of equity shares outstanding during the year as per IND AS-33.

Diluted earnings per share are computed by dividing the net profit/(loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares which could be issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are determined as at the end of each period presented. Dilutive potential equity shares are determined independently for each period presented.

1.27. Cash flow statement

Cash flows are reported using the indirect method, whereby profit/loss before tax 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 flows. The cash flows from operating, investing and financing activities of the Company are segregated.

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1.28. Segment reporting

Operating segments are defined as components of our entity for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance, the company's chief operating decision maker ("CODM") is the Managing Director.

The company has identified business segments as reportable segments taking into account the nature of services, the differing risks and returns, the organisational structure and the internal reporting system. The business segments comprise 1) Sugar, Industrial Alcohol, Co2 & Captive power and 2) Aerated waters & PRP foods.

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly attributable to each reporting segment have been allocated on the basis of associated revenue of the segment. All other expenses which are not attributable or allocable to segments have been disclosed as un-allocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as un-allocable. Property, Plant and equipment that are used interchangeably among segments are not allocated to reportable segments.

1.29. Claims

Claims against the Company not acknowledged as debts are disclosed after a careful evaluation of the facts and legal aspects of the matter involved.

1.30. Financial Instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss (FVTPL) 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 and loss are recognised immediately in Statement of Profit and Loss.

a) Financial assets

All regular way purchase or sale of financial assets are recognised and derecognised on a trade date basis. Regular way purchase 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.

Subsequent measurement

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets:

- i) Financial assets measured at amortised cost
- ii) Financial assets measured at fair value through profit or loss (FVTPL)
- iii) Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets measured at amortised cost

A financial asset is measured at amortised cost, if both the following conditions are met:

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- i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- ii) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. EIR is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the EIR, transaction costs and other premiums or discounts) through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

The EIR amortisation is included in other income in the statement of profit and loss. The losses arising from impairment are recognised in the statement of profit and loss. This category generally applies to trade and other receivables, loans, etc.

Financial assets measured at FVTPL

FVTPL is a residual category for financial assets in the nature of debt instruments. Financial assets included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit and loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Equity instruments measured at FVTOCI

On initial recognition, the company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Investment Revaluation Reserve' through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments

A financial asset is held for trading if:

- i) it has been acquired principally for the purpose of selling it in the near term; or
- ii) on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-making; or
- iii) it is a derivative that is not designated and effective as a hedging instrument or a financial guarantee.

The company has equity investments which are not held for trading. The company has elected the FVTOCI irrevocable option for both of these investments. Dividends on these investments in equity instruments are recognized in profit or loss when the company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognized in profit or loss are included in the 'Other income' line item..

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- i) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.
- ii) Financial assets that are debt instruments and are measured as at FVTOCI
- iii) Lease receivables under Ind AS 116

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- iv) Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.
- v) Loan commitments which are not measured as at FVTPL
- vi) Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade receivables or contract revenue receivables and all lease receivables resulting from transactions within the scope of Ind AS 116. Further, a large number of minor receivables are grouped into homogeneous groups and assessed for impairment collectively. Individual trade receivables are written off when management deems them not to be collectible.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime Expected Credit Loss (ECL) at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers all contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument and Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is reflected under the head 'other expenses' in the profit and loss. The balance sheet presentation for various financial instruments is described below:

- i) Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables. ECL is presented as an allowance, which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- ii) Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- iii) Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL and as at amortised cost.

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Financial liabilities at amortised cost

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the profit or loss.

For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ loss are not subsequently transferred to profit and loss. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

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NOTE 2: PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

S. No.	Description	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK			
		Cost up to 01.04.2019	Additions/ Adjustments	Deductions/ Adjustments	Cost up to 31.03.2020	Up to 01.04.2019	For the Year	Deductions/ Adjustments	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
1	Land	2,390.01	12.35	427.31	1,975.05	-	-	-	-	1,975.05	2,390.01
2	Buildings	15,340.13	367.51	27.02	15,680.62	3,835.76	514.57	13.93	4,336.40	11,344.22	11,504.37
3	Plant and Equipment*	37,806.66	404.09	374.67	37,836.08	14,369.21	1,249.48	263.59	15,355.10	22,480.98	23,437.45
4	Furniture and Fixtures	5,786.81	434.02	84.93	6,135.90	4,626.01	469.73	78.33	5,017.41	1,118.49	1,160.80
5	Office Equipment	184.57	6.01	5.17	185.41	133.58	12.30	5.03	140.85	44.56	50.99
6	Vehicles	1,092.84	28.02	44.54	1,076.32	896.40	37.73	42.35	891.78	184.54	196.44
7	Crates & Glass Bottles	6,689.42	346.18	618.42	6,417.18	2,104.27	511.57	322.25	2,293.59	4,123.59	4,585.15
	Total	69,290.44	1,598.18	1,582.06	69,306.56	25,965.23	2,795.38	725.48	28,035.13	41,271.43	43,325.21

Note 2A : Disclosure about carrying value of temporarily idle property, plant and equipment

Due to wide spread of COVID 19 pandemic throughout the World including India, has led to Nationwide Lockdown with effect from 24.03.2020 and since bottling units products of the company are not essential goods as specified in Govt's relaxations, all the property, plant & equipment as on 31.03.2020 of the bottling units of the company have temporarily kept idle from 24.03.2020 till 31.05.2020. WDV of the idle property, plant & equipment as on 31.03.2020 is Rs.348.44 Crores

*Accounting of exchange differences for long term monetary items in foreign currency

Additions to fixed assets is inclusive of loss in foreign currency loan on settlement & restatement of outstanding long term specific foreign borrowings for acquisition of imported machinery of **Rs.26.23 lakhs** (Previous year net of gain of Rs.37.84 lakhs)

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Notes to financial statements for the year ended 31st March, 2020

Note No 3: CAPITAL WORK IN PROGRESS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Capital works under progress		4,432.45	
Expenditure incidental to construction awaiting allocation to fixed assets		148.45		139.57
Total		4,580.90		1,362.52

Note No 3A: EXPENDITURE INCIDENTAL TO CONSTRUCTION AWAITING ALLOCATION

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	a. Balance at the beginning of the year		139.57	
b. Net expenditure incurred during the year:				
Staff cost	8.50		-	
Rent	0.29		-	
Insurance	0.10	8.88	-	-
Expenditure awaiting allocation to fixed assets		148.45		139.57

Note No.3B: Borrowing costs capitalised during construction period to property, plant & equipment during the year for specific borrowings amounting to Rs.7.69 Lakhs

Note No.3C: The capitalization rate used to determine the amount of borrowing costs eligible for capitalization is 1.9% p.a for foreign supplier's credit.

Note 4: Right of Use Assets

₹ in Lakhs

S. No.	Description	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
		Cost up to 01.04.2019	Additions/ Adjustments	Deductions/ Adjustments	Cost up to 31.03.2020	Up to 01.04.2019	For the Year	Deductions/ Adjustments	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
1	Buildings	-	19.94	-	19.94	-	1.55	-	1.55	18.39	-
	Total	-	19.94	-	19.94	-	1.55	-	1.55	18.39	-

Note 5: Intangible Assets

₹ in Lakhs

S. No.	Description	GROSS BLOCK				ACCUMULATED AMORTISATION				NET BLOCK	
		Cost up to 01.04.2019	Additions/ Adjustments	Deductions/ Adjustments	Cost up to 31.03.2020	Up to 01.04.2019	For the Year	Deductions/ Adjustments	Up to 31.03.2020	As at 31.03.2020	As at 31.03.2019
1	Computer software	8.16	14.47	-	22.63	2.58	3.33	-	5.91	16.72	5.58
	Total	8.16	14.47	-	22.63	2.58	3.33	-	5.91	16.72	5.58

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Note No 6: NON CURRENT INVESTMENTS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Investments measured at Fair Value through Other Comprehensive Income			
i) Quoted				
In Equity shares fully paid up of Rs 10 each				
Andhra Bank (3,044 Equity shares (PY 3,044 Equity shares))	0.28		0.98	
Indian Bank (6,975 Equity shares (PY 6,975 Equity shares))	3.01		19.76	
		3.28		20.74
ii) Unquoted				
In Equity shares, fully paid up of Rs 100 each				
Pan Chrome Chemicals Private Limited (250 Equity shares (PY250 Equity shares))	0.25		0.25	
Lord Shoe Makers Private Limited (2,400 Equity shares (PY 2,400 Equity shares))	24.47			24.47
In Equity shares, fully paid up of Rs 10 each				
East Coast Salt & Chemicals Limited (3,56,269 Equity shares (PY 3,56,269 Equity shares))	38.43			38.43
Sarvaraya Textiles Limited (1,54,624 Equity shares (PY 1,54,624 Equity shares))	25.46			25.46
	88.60		88.60	
Less: Impairment in value of Investments	88.60	-	88.60	-
Total		3.28		20.74
Note No:				
a) Aggregate amount of quoted investments				20.74
b) Market value of quoted investments				20.74
c) Aggregate amount of unquoted investments				88.60
d) Aggregate provision for diminution in value of investments				88.60
Investments are carried at fair value through other comprehensive income				

Reasons for Investments designated to measure at FVTOCI:

The Company has elected an irrevocable option of classifying at fair value through Other Comprehensive Income as they are not held primarily for trading.

Note No 7: NON CURRENT LOANS AND ADVANCES

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Unsecured, considered good			
Security deposits		280.24		286.77
Loans		0.75		1.27
Total		280.99		288.04

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Note No 8: NON FINANCIAL CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Bank deposits with maturity period of more than 12 months	-		92.18
Total				92.18

Note No 9: OTHER NON CURRENT ASSETS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Unsecured, considered good, otherwise stated and recoverable in cash or kind or for value to be received			
Capital advances		295.68		151.85
Prepaid expenses		21.06		29.99
Total		316.74		181.84

Note No 10: INVENTORIES

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Raw materials		2,531.01	
Work-in-progress		85.68		146.85
Finished goods		843.11		1,389.92
Stock-in-trade		548.75		330.65
Stores and spares		2,433.98		2,360.69
Packing materials		176.15		209.46
Material-in-transit		8.28		37.33
Total		6,626.95		6,587.24

Note No 11: BIOLOGICAL ASSETS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Reconciliation of changes in book value of biological assets:			
Opening balance		4.53		2.35
Changes in fair value		-		7.11
Decrease due to consumption		4.53		4.93
Closing balance		-		4.53

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Note No 12: TRADE RECEIVABLES

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Unsecured and considered good	1,352.15		2,194.17
Unsecured and considered doubtful	56.12		53.02	
	1,408.27		2,247.18	
Less: Provision for doubtful debts	56.12		53.02	
		1,352.15		2,194.17
Total		1,352.15		2,194.17

No trade receivables are due from directors or other officers of the company or any of them either severally or jointly with any other person or trade receivable due by firms or private companies respectively in which any director is a partner or a director or a member.

Note No 13: CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Balances with banks in current accounts		202.95	
Cash on hand		3.41		5.28
Total		206.36		88.29

Note No 14: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Margin money deposits (with remaining maturity period of more than three months but less than 12 months)		215.66	
Earmarked balances with banks (Unpaid Dividends)		30.17		25.44
Total		245.83		387.32

Note No 14A: The above Margin money deposits include those maintained as required under the Companies Act in respect of Public deposits and Bank guarantees issued to suppliers of the company and the said margin money deposits cannot be utilised by the company till redemption of the contracts entered with suppliers.

Note No 15: OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Claims receivable		339.75	
Accrued income		17.66		21.20
Loans		29.21		21.94
Total		386.62		717.66

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Note No 16: OTHER CURRENT ASSETS

₹ in Lakhs

Particulars	As at		As at	
	31-03-2020		31-03-2019	
Unsecured, considered good and recoverable in cash or kind or for value to be received				
Advances recoverable:				
Considered Good	2,061.80		2,066.97	
Considered doubtful	45.96		50.77	
	2,107.76		2,117.75	
Less: Provision for doubtful advances	45.96		50.77	
		2,061.80		2,066.97
Prepaid expenses		157.63		115.07
Balances with Statutory Authorities		519.94		32.64
Income Tax refunds receivable		130.73		95.97
Taxes and duties paid under protest		123.12		121.11
Total		2,993.22		2,431.77

Note No 16A: Advances recoverable include interest free advances made to two partnership firms which are distributors for Company's aerated water products, for incurring capital expenditure by way of creating infrastructure to develop the market and increase the turnover for the company's products, amounting to **Rs.1,762.33 lakhs** (PY: 1,762.33 lakhs) which in the opinion of the Board of Directors are fully recoverable.

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Note No 17: EQUITY SHARE CAPITAL

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	No. of Shares	₹	No. of Shares	₹
a. Authorised				
Equity Shares of Rs.10/- each	7,000,000	700.00	3,000,000	300.00
Redeemable Cumulative Preference Shares of Rs.100/- each (Carrying Preference dividend of not exceeding 15%, as may be determined by the Board at the time of issue)	300,000	300.00	700,000	700.00
		1,000.00		1,000.00
b. Issued, Subscribed & Paid-Up				
Equity Shares of Rs.10/- each fully paid up	3,048,084	304.80	1,016,028	101.60
TOTAL	3,048,084	304.80	1,016,028	101.60

Note 17.1: During the year the Company has issued bonus equity shares to share holders in the ratio of 2:1

Note No 17A: Details of shareholders holding more than 5% equity shares in the Company

Name of the Share Holder	As at 31-03-2020		As at 31-03-2019	
	% of Share Holding	No. of Shares	% of Share Holding	No. of Shares
M/s. K C P Sugar and Industries Corporation Limited	14.76%	450,000	14.76%	150,000
Dr S B P P Rammohan	10.88%	331,719	10.88%	110,573
Sri S B P S Krishna Mohan	10.83%	330,138	10.83%	110,046
Sri S B P Madan Mohan	7.58%	230,949	7.58%	76,983
Sri S B P Anand Mohan	9.57%	291,600	9.57%	97,200
Smt.Y A S Ramalakshmi Devi	7.15%	217,944	7.15%	72,648
Smt.S B Radhika	5.88%	179,181	5.88%	59,727
Smt. Usha Sarvarayulu	5.03%	153,246	5.03%	51,082

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Note No 17B: Reconciliation between opening and closing number of equity shares:

Equity shares of Rs. 10 each issued, subscribed and fully paid :

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹	Nos.	₹	Nos.
Balance as at the beginning of the year	1,016,028	101.60	1,016,028	101.60
Add: Bonus Equity Shares of Rs.10/-each	2,032,056	203.21	-	-
Balance as at the end of the year	3,048,084	304.81	1,016,028	101.60

Note No 17C: Rights, Preferences and Restrictions attached to Equity Shares including declaration of dividend

The company has only one class of equity shares having face value of Rs 10/- per share with one vote per each equity share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive the remaining assets of the company in proportion to the number of equity shares held by the shareholders, after distribution of all preferential creditors.

Note No 17D: In respect of the year ended 31st March, 2020, the Board of Directors has proposed a dividend of Rs.7.50/- per equity share, subject to approval by the shareholders at the ensuing Annual General Meeting after which dividend would be accounted and paid out of the retained earnings available for distribution in accordance with the provisions of the Act and for the year ended 31st March, 2019 the company paid dividend of Rs.15 per equity share as approved by the shareholders in its respective Annual General Meeting.

Note No 18: BORROWINGS

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹	Nos.	₹	Nos.
1. Secured:				
From Scheduled Banks: (Refer to Note No 52)				
a. SOFT Loans	66.00		118.48	
b. Other Term Loans	3,276.19		4,812.66	
c. Suppliers' Credit	1,089.45		263.67	
		4,431.64		5,194.81
d. Non- current Maturities of hypothecation loans		0.55		3.19
2. Unsecured deposits:				
From Directors		257.01		192.01
From Public		307.41		321.86
Total		4,996.61		5,711.87

Note No 19: OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	₹	Nos.	₹	Nos.
Interest accrued but not due on Public deposits		33.31		62.76
Deposits refundable		2,465.73		2,417.95
Total		2,499.04		2,480.71

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Note No 20: PROVISIONS (LONG TERM)

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Employee benefits:			
Compensated absences		267.39		232.16
Provision for decommissioning liability		44.70		40.92
Total		312.09		273.08

Note No 21: DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Deferred tax liabilities		6,130.96	
Less: Deferred tax assets		1,066.99		1,923.00
Deferred tax liability (Net)		5,063.97		3,855.93

Note No 21A: MOVEMENT IN DEFERRED TAX LIABILITIES/ASSETS BALANCES

₹ in Lakhs

Particulars	As at 31-03-2019	Recognised in P/L account	Recognised in OCI	As at 31-03-2020
	I. Deferred tax liabilities in relation to:			
Timing difference between book and tax depreciation on Property, plant and equipment	5,769.63	357.22		6,126.85
Other timing differences	9.30	(5.19)		4.11
Total deferred tax liabilities	5,778.93	352.03		6,130.96
II. Deferred tax assets in relation to:				
Items covered under section 43B of the Income Tax Act, 1961	880.84	(114.05)	71.41	838.20
Items covered under section 40(a)(ia) of the Income Tax Act, 1961		15.22		15.22
Voluntary retirement scheme expense	25.90	(20.14)		5.76
MAT credit entitlement (*)	668.67	(568.21)		100.46
Unabsorbed depreciation	311.33	(253.92)		57.41
On provision for doubtful debts and advances	36.27	13.68		49.94
Total deferred tax assets	1,923.01	(359.21)	71.41	1,066.99
Deferred tax liability (Net)	3,855.93	711.24	(71.41)	5,063.97

(*) MAT credit utilised during the year amounting to Rs.568.21 Lakhs

Note No 21B: The company has adequate profits in the past and the management is of the view that there will be taxable profits in the future. In view of these, the company has recognised deferred tax asset in its books of account.

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Note No 22: BORROWINGS (SHORT TERM)

₹ in Lakhs

Particulars	As at	
	31-03-2020	31-03-2019
1. Secured:		
Cash Credit from Banks		
Bank of Baroda	4,144.15	4,421.18
State Bank of India	191.70	202.84
Indian Bank	2,196.35	2,215.33
Central Bank of India	762.19	783.88
Andhra Bank	1,451.54	1,480.60
Sugar and Distillery Units:	8,745.92	9,103.84
Cash Credit from Bank of Baroda, Indian Bank, State Bank of India, Central Bank of India and Andhra Bank (Consortium Members) are secured by pari-passu first charge on current assets and pari-passu second charge on fixed assets of Sugar and Distillery Units and Bottling Units at Vemagiri, Kesavaram and Sathupally.		
Beverage Division:		
Cash Credit from Bank of Baroda is secured by exclusive first charge on current assets and second charge on fixed assets of Bottling Units at Vemagiri, Kesavaram and Sathupally.		
Co-generation Unit		
Cash Credit from Andhra Bank has exclusive first charge on current assets including receivables. All the above credit facilities have been guaranteed by the Managing Director of the Company in her personal capacity.		
2. Unsecured deposits:		
From Directors	225.00	110.00
From Public	186.79	235.05
Total	9,157.71	9,448.89

Note No 23: TRADE PAYABLES

₹ in Lakhs

Particulars	As at	
	31-03-2020	31-03-2019
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,464.63	7,293.83
Total	4,464.63	7,293.83

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Note No 24: CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

Particulars	As at		As at	
	31-03-2020		31-03-2019	
Current maturities of long term debts		1,563.42		1,705.29
Current maturities of Suppliers' credit		603.62		552.02
Current maturities of hypothecation loans		2.64		6.56
Overdue installments on borrowings		-		228.38
Interest accrued and due on term borrowings		-		49.46
Interest accrued but not due on term borrowings		78.37		4.16
Interest accrued and due on Public deposits		3.76		3.96
Interest accrued but not due on public deposits		88.03		47.56
Creditors for capital expenditure		803.80		1,047.88
Liability for salary, wages and allowances		1,852.81		1,580.54
Accrued expenses		803.23		848.82
Unclaimed dividends		30.17		25.44
Total		5,829.84		6,100.07

Note No 25: OTHER CURRENT LIABILITIES

₹ in Lakhs

Particulars	As at		As at	
	31-03-2020		31-03-2019	
Advances from customers		1,620.30		420.17
Statutory dues payable		2,260.87		3,190.75
Others		154.59		320.41
Total		4,035.76		3,931.34

Note No 26: PROVISIONS (SHORT TERM)

₹ in Lakhs

Particulars	As at		As at	
	31-03-2020		31-03-2019	
Provision for employee benefits				
Gratuity (Funded)	622.48		488.71	
Compensated absences	33.42		34.67	
		655.90		523.38
Total		655.90		523.38

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Note No 27: INCOME TAX LIABILITIES (NET)

₹ in Lakhs

Particulars	As at 31-03-2020		As at 31-03-2019	
	Current tax liabilities			
Provision for Income tax	966.21		496.43	
Income tax payables	246.73		246.73	
Less: Current tax assets		1,212.94		743.16
Advance payment of Direct Taxes	1,035.00		530.00	
Income Tax deducted at source	5.52		3.61	
		1,040.52		533.61
Net		172.42		209.55

Note No 28: REVENUE FROM OPERATIONS

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	(a) Sale of Manufactured Goods:			
Sugar	419.02		1,545.94	
Industrial alcohol	4,728.58		3,934.20	
Aerated waters & PRP foods	42,801.28		39,087.76	
Packaged drinking water	2,466.62		3,801.18	
Power	-		188.21	
Co2 Gas	64.61		85.16	
Bio compost	299.52		19.04	
Others including biological assets	3.60		30.06	
		50,783.23		48,691.55
(b) Other operating revenues:				
i. Sale of trading goods				
Aerated waters & PRP foods	5,086.07		3,922.24	
Packaged Drinking Water	2,243.17		563.31	
HSD oil & motor spirit	1,345.02		1,458.23	
ii. Profit on sale of coal	1.84		10.56	
		8,676.10		5,954.34
Total		59,459.33		54,645.89

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Note 28 (A): Revenue disaggregation by industry vertical is as follows:

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Fixed price manufacturing contracts		50,360.63	
Variable price manufacturing contracts		422.62		1,764.21
Fixed price Trading contracts		8,676.09		5,954.34
Total		59,459.34		54,645.89

Note 28 (B): Revenue disaggregation by geography is as follows:

₹ in Lakhs

Particulars *	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Southern region of India		59,040.32	
Eastern region of India		419.02		1,545.94
Northern region of India		-		188.21
Total		59,459.34		54,645.89

(*) Company earns revenue only from INDIA & Geographical regional wise revenue is allocated based on the goods sent to the location of the customers.

Note 28 (C): Reconciliation of revenue recognized with the contracted price is as follows:

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Contracted price with customers		66,464.88	
Less: Amounts adjusted for Discounts, refunds etc		7,005.54		5,929.38
Total		59,459.34		54,645.89

Note 28 (D): Changes in advances received from customers (Contract liability) are as follows:

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Balance at the beginning of the year		420.17	
Amounts received during the year		4,704.45		619.20
Less: Revenue recognised during the year		3,504.32		382.94
Balance at the end of the year		1,620.30		420.18

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Note No 29: OTHER INCOME

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Interest received from: Banks	20.01		19.15	
On Income tax refunds	-		10.29	
Others	27.98		26.59	
		47.99		56.03
		56.03		38.84
Dividend income		0.02		-
Government grants received		3.42		30.54
Claims Received		1,605.91		1,240.14
Rent received		3.78		4.59
Profit on sale of assets		90.31		37.93
Miscellaneous receipts		118.31		140.84
Excess provisions made for earlier years written back		69.91		15.56
Total		1,939.65		1,525.63

Note No 30: CONSUMPTION OF MATERIALS

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Opening stock		2,112.35		1,354.57
Add: Purchases (Net)		27,426.08		28,129.93
		29,538.43		29,484.50
Less: Closing stock		2,531.01		2,112.35
		27,007.43		27,372.15

Note No 30A: VALUE OF IMPORTS OF RAW MATERIALS CALCULATED ON C I F BASIS

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Imported Coal		231.02		201.21

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Note No 30B: COMPARISON BETWEEN CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS DURING THE FINANCIAL YEAR

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Value Rs.	%	Value Rs.	%
Raw materials				
i) Imported	231.02	0.86	201.21	0.74
ii) Indigenous	26,776.41	99.14	27,170.94	99.26
Total	27,007.43	100.00	27,372.15	100.00

Note No 30C: PARTICULARS OF RAW MATERIALS CONSUMED

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Value Rs.	%	Value Rs.	%
A. Imported:				
1. Coal	231.02		201.21	
Total (A)		231.02		201.21
B. Indigenous:				
1. Sugarcane	-		2,309.59	
2. Distillery molasses (Other than own Production)	2,446.42		1,578.24	
3. Aerated waters & soft drinks				
(a) Essence	9,430.36		8,688.48	
(b) Fruit juice & pulp	446.61		538.12	
(c) Sugar	6,004.66		5,311.51	
(d) Preforms	5,013.62		4,730.15	
(e) Plastic closures	744.74		567.78	
(f) Co2 gas	261.18		229.12	
(g) Crowns	612.50		593.81	
(h) Labels	218.76		199.40	
(i) Bags	15.86		12.12	
(j) Laminates	417.49		349.88	
4. Packaged drinking water				
(a) Essence	199.77		298.49	
(b) Preforms	668.01		1,131.37	
(c) Plastic closures	105.78		156.99	
(d) Labels	37.61		54.54	
5. Biomass	34.82		30.00	
6. Coal	85.39		385.26	
7. Others	32.83		6.09	
Total (B)		26,776.41		27,170.94
Total (A+B)		27,007.43		27,372.15

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Note No 31: PURCHASES OF STOCK-IN-TRADE

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Aerated waters & soft drinks		6,865.19	
H S D oil & motor spirit		1,294.48		1,418.53
Total		8,159.67		6,184.35

Note No 32: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	A) Closing Stock:			
Finished goods	843.11		1,389.92	
Stock-in-trade	548.75		330.65	
Work -in-progress	85.68		146.85	
Total (A)		1,477.54		1,867.42
B) Opening Stock:				
Finished goods	1,389.92		1,299.24	
Stock-in-trade	330.65		96.69	
Work -in-progress	146.85		154.99	
Total (B)		1,867.42		1,550.92
Net (increase) / decrease in stocks (B-A)		389.88		(316.51)

Note No 33: MANUFACTURING EXPENSES

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Consumption of stores and spare parts		1,095.21	
Packing materials consumed		1,342.73		1,440.69
Power & fuel		1,436.61		1,488.82
Repairs & maintenance				
Plant and machinery	812.80		714.60	
Buildings	293.48		311.48	
Others	337.24		284.87	
		1,443.52		1,310.95
Lease rent on Plant and Machinery		68.63		115.21
Insurance		70.51		58.43
Research & development expenses		24.38		27.19
Tools written off		2.69		0.36
Stores written off		15.93		13.60
Total		5,500.21		5,670.97

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Note No 33A: VALUE OF IMPORTS OF COMPONENTS AND SPARE PARTS CALCULATED ON C I F BASIS: ₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Capital Goods		2,289.26	
Stores and Spares		389.71		206.97

Note No 33B: COMPARISON BETWEEN CONSUMPTION OF SPARE PARTS AND COMPONENTS DURING THE FINANCIAL YEAR ₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Spare parts and components (debited to respective heads of account)			
i) Imported	389.71	15.99	206.97	7.79
ii) Indigenous	2,048.22	84.01	2,449.44	92.21
Total	2,437.93	100.00	2,656.41	100.00

Note No 34: EMPLOYEE BENEFIT EXPENSES ₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Salaries and wages		5,121.77	
Contribution to provident and other funds		401.66		504.72
Contribution to gratuity fund		136.84		152.11
Staff welfare expenses		296.41		320.06
Remuneration to whole time directors		588.76		388.89
Total		6,545.44		6,598.91

Note No 35: FINANCE COSTS ₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Interest paid on:			
Working capital loans	1,247.96		1,560.96	
Term loans	901.56		987.05	
Others	131.19		313.77	
		2,280.71		2,861.78
Interest expense on lease liability		1.10		-
Other borrowing costs		15.48		40.34
Unwinding cost on decommissioning liability		3.79		3.46
Total		2,301.08		2,905.58

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Note No 36: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Depreciation and amortisation of property, plant and equipment		2,795.38	
Amortization of intangible assets		3.33		1.63
Amortization of Right to use assets		1.55		-
Total		2,800.26		2,795.93

Note No 37: OTHER EXPENSES

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
	Rent		6.08	
Rates and taxes		407.70		149.32
Directors' fees and expenses		11.18		14.44
Legal and professional charges		57.99		61.86
Auditors' remuneration towards:				
As Auditor		10.00		10.00
For Tax audit		2.25		2.50
For Company law matters		8.04		3.00
For Other services		3.17		4.62
Cost audit fees		4.14		4.18
Commission on sales		0.52		0.94
Advertising and sales promotion		919.57		811.20
Selling & distribution expenses		683.36		770.42
Travelling and conveyance		270.01		235.97
Vehicles maintenance		53.59		62.35
Communication expenses		12.95		18.23
Bank charges		53.63		57.33
Security charges		140.03		134.45
Donations		8.50		6.00
Administrative expenses		143.31		93.50
Printing and stationery		13.99		15.58
Expenditure on corporate social responsibility		51.49		42.46
Loss on sale of assets		0.61		1.16
Irrecoverable advances written off		-		40.15
Net value of assets discarded		124.10		163.65
Provision for Doubtful Debts & Advances		4.96		-
Total		2,991.17		2,708.89

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Note No 37A: EXPENDITURE IN FOREIGN CURRENCY

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Consultancy Fees		4.95		-
Interest on suppliers' credit		12.25		25.43
Total		17.20		25.43

Note No 38: EXCEPTIONAL ITEMS

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
<i>Income:</i> Acquisition of Land & Buildings by NHA		(110.19)		-
<i>Expenditure:</i> Paid towards Voluntary Retirement Scheme		-		15.80
Total		(110.19)		15.80

Note No 39: TAX EXPENSES

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Current tax: For the year	1,534.42		496.43	
For earlier years	-		492.78	
		1,534.42		989.21
Deferred tax	711.24		784.26	
MAT credit entitlement	-		(496.43)	
		711.24		287.83
Total		2,245.66		1,277.04

Note No 39A: RECONCILIATION OF EFFECTIVE TAX EXPENSES TO THE ACCOUNTING PROFIT

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Profit before tax	5,814.01		2,235.45	
Applicable tax rate to the Company as per normal provisions	34.944%		34.944%	
Computed tax expense (A)		2,031.65		781.16
Adjustments for:				
Income exempt for tax purpose		(38.51)		-
Expenses not allowed under income tax		579.35		59.74
Expenses that are allowed under payment basis		(433.96)		74.79
Change in depreciation		(585.14)		(1,241.89)
CSR expenses		17.99		14.84
Other adjustments		(36.96)		0.03
Net adjustments (B)		(497.23)		(1,092.49)

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Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
Tax (Loss) as per normal provisions of Income Tax Act (C=A+B)		1,534.42		(311.33)
Applicable tax rate to the Company as per MAT provisions		21.5488%		21.5488%
MAT profit	980.12		489.91	
Increase/(decrease) in MAT tax expenses on account of:				
Exempted income U/s.10 except 10(38)	(23.75)		-	
Other adjustments	0.81		0.75	
1/5th of transition amount u/s 115JB (2C)	4.69		5.78	
MAT tax provision under 115JB (D)		961.87		496.43
Income Tax for earlier years (E)		-		492.78
Tax Expenses recognised in Statement of Profit and Loss [(Higher of C and D) + E]		1,534.42		989.21

Note No 39B: Tax rate changes

- The tax rate used for the years ended 31st March, 2020 and 31st March, 2019 in reconciliations above is the corporate tax rate of 34.944% (Previous year 34.944 %) payable by corporate entities in India on taxable profits under the Indian tax law.
- The MAT tax rate used for the years ended 31st March, 2020 and 31st March, 2019 in reconciliations above is of 17.472% (Previous year 21.549%) payable by corporate entities in India on taxable profits under the Indian tax law. Pursuant to Taxation Law (Amendment) Ordinance, 2019 basic MAT tax rate decreased from 18.5% to 15%.
- Pursuant to Taxation Law (Amendment) ordinance, 2019 issued by Ministry of Law and Justice (Legislative Department) on 20 September 2019 which is effective 1 April 2019, domestic companies have the option to pay corporate income tax rate at 22% plus applicable surcharge and cess (New tax rate) as permitted under section 115BAA of the Income tax Act subject to certain conditions.

The company has decided not to opt for the new tax rate for the financial year 2019-20, in view of the MAT credit entitlement available for future years.

Note No 40: OTHER COMPREHENSIVE INCOME

₹ in Lakhs

Particulars	For the year ended 31.03.2020		For the year ended 31.03.2019	
A i) Items that will not be reclassified to profit or loss				
Re-measurements loss of the defined benefit plans		(204.36)		38.03
Net Gain/(Loss) on FVTOCI equity instruments		(17.46)		(2.15)
ii) Income tax relating to items that will not be reclassified to Profit or Loss		71.41		(13.28)
B i) Items that will be reclassified to profit or loss				
Fair value changes on investments		-		-
ii) Income tax relating to items that will be reclassified to Profit or Loss		-		-
Total (A+B)		(150.41)		22.59

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Note No 41:

Balances appearing under Trade receivables, Trade payables, Loans & advances, deposits recoverable/ payable as per the books of the company are subject to confirmation and reconciliation. The adjustments, if any, on confirmation and reconciliation of such accounts will be made in the said year.

Note No 42: EARNING PER SHARE

Particulars	This Year	Previous Year
a) Net profit after tax attributable to Equity Shareholders (Rs.in Lakhs)	3,568.36	958.42
b) Weighted average number of equity shares outstanding	3,048,084	3,048,084
c) Earning Per Share of par value Rs 10/- per share Basic and diluted (Rs)	117.07	31.44

Note No 42A: WEIGHTED AVERAGE NUMBER OF EQUITY SHARES IS AS FOLLOWS:

Particulars	This Year	Previous Year
Weighted average number of Equity shares for calculating basic EPS	10,16,028	10,16,028
Equity shares allocated for Share warrants (Refer Note No.42B)	20,32,056	20,32,056
Weighted average number of Equity shares for calculation of diluted EPS	30,48,084	30,48,084

Note No 42B: The weighted average number of shares takes into account the weighted average effect of changes in equity share transactions during the year due to bonus issue of equity shares. Previous year weighted average equity shares is also restated to that effect. There have been no other transactions involving Equity shares or potential Equity shares between the reporting date and the date of authorisation of these financial statements.

Note No 43: CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Lakhs

Particulars	This Year	Previous Year
<i>I. Claims against the Company not acknowledged as debts:</i>		
(a) Guarantees executed remaining unexpired	247.25	305.33
(b) Disputed sales tax demands (Amount paid Rs.31.67 Lakhs Previous period Rs.25.46 Lakhs) paid under protest is grouped under "Other Current Assets"	183.36	153.82
(c) Disputed Central excise and alleged wrong utilisation of CENVAT of service tax demands. (Amount paid Rs.Nil , Previous period Rs 1.06 Lakhs) paid under protest is grouped under "Other Current Assets"	29.25	119.70
(d) Disputed customs duty on coal imported, against which an amount of Rs. 80.81 Lakhs (Previous period Rs 80.81 Lakhs) paid under protest is grouped under "Other Current Assets"	80.81	80.81
(e) Disputed State excise demands on captive power generation (from July 2003 to March 2018) net of amount paid in the previous year as per Hon'ble Supreme Court orders, charged to Profit & Loss Account of the previous year as extra-ordinary item.	227.09	227.09
(f) Demand raised by Competition commission of India demand, disputed by the company (Amount paid under protest Rs.7.18 Lakhs -Previous period Rs.7.18 Lakhs is grouped under "Other Current Assets")	71.86	71.86

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Note No 43: CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Lakhs

Particulars	This Year	Previous Year
(g) Disputed transitional credit under GST in respect of sugar cess paid in earlier years on the sugar imported before the Commissioner of Customs and Central Excise, Visakhapatnam	-	49.25
II. Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given)	1,751.29	768.85

The amounts shown in (I) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities. In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.

Note No 44:

Based on the information/documents available with the Company, details as per the requirement of section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 with respect to trade payables and payable to suppliers of capital goods as at 31st March, 2020 & 31st March, 2019 are as follows:

₹ in Lakhs

Description	Trade Payables	Payable to suppliers of capital goods	Total
(a) The principal amount and interest due thereon remaining unpaid	-	-	-
(b) The amount of interest paid by the Company in terms of section 16, of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of payment made to the suppliers beyond the appointed day during the year	-	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-	-
(d) The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-
(e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-	-

Note No 45: DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 37:- PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

(i) Nature of provision

Provision for contingencies

Provision for contingencies represent provision towards various claims made/anticipated in respect of duties and taxes and other litigation claims against the Company based on the Management's assessment.

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(ii) Movement in provisions

₹ in Lakhs

Particulars	Decommissioning cost	Provision for doubtful debts	Provision for doubtful advances
Balance as at 31st March, 2019	40.92	53.02	50.77
<i>Charged/ (credited) to profit/loss account</i>			
Additional provision recognised	3.45	4.97	-
Unused amounts reversed	-	1.87	4.81
Unwinding of discount on provisions	0.33	-	-
Balance as at 31st March, 2020	44.70	56.12	45.96
Non-current	44.70	-	-
Current	-	56.12	45.96

It is not possible to estimate the timing/uncertainties relating to utilisation /reversal from the provision for contingencies. Future cash outflow in respect of the above is determinable only upon Court decision/out of Court settlement/disposal of appeals. The Company does not expect any reimbursement in respect of above provisions.

Note No 46:

The Company is eligible to receive Government grant by way of interest subvention on term loans taken from various banks under Scheme for Extension of Financial Assistance to Sugar Undertakings (SEFASU) and SOFT loans and subsidy under Pradhan Mantri Rozgar Yojana (PMRY). Accordingly, the Company has recognised these Government grant in the following manner:

₹ in Lakhs

Particulars	Treatment in Accounts	This Year	Previous Year
Revenue related Government Grants:	Shown as separate line item as "Government grants received" under Other Income		
PMRY Subsidy		3.03	3.35
Interest on term loans		0.39	27.19

Note No 47: CORPORATE SOCIAL RESPONSIBILITY EXPENSES (CSR)

As per Section 135 (1) of the Companies Act, 2013 read with Schedule VII and guidelines issued by Department of Public Enterprise (DPE), the Company is required to spend, in every financial year, atleast two percent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy.

₹ in Lakhs

Particulars	This Year	Previous Year
a) Gross amount required to be spent by the Company during the year	52.00	44.44
b) Amount spent during the year on :		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	51.49	42.46

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The various heads under which the CSR expenditure were incurred in cash is detailed as follows: ₹ in Lakhs

Description of CSR activities	Relevant clause of Schedule VII to the Act	This Year	Previous Year
a) Eradicating hunger, poverty and malnutrition, making available safe drinking water and promoting health care including preventive health care	Clause (i)	9.72	-
b) Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects	Clause (ii)	18.97	7.19
c) Ensuring environmental sustainability	Clause (iv)	22.61	-
d) Rural development projects	Clause (x)	0.18	35.27
Total		51.49	42.46

Note No 48: Details of Research and Development expenditure recognised as an expense ₹ in Lakhs

Particulars	This Year	Previous Year
a) Capital	-	-
b) Revenue	24.38	27.19
Total	24.38	27.19

Note No 49: Movement in Right of use assets is as follows:

₹ in Lakhs

Particulars	Balance as at 01.04.2019	Additions	(Deletions)	Amortization	Balance as at 31.03.2020
Building	-	19.94	-	1.55	18.39
Total	-	19.94	-	1.55	18.39

Note 49A: Transition to the lease accounting from 1st April, 2019

With effect from 1st April, 2019, the Company has adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April, 2019 using the modified retrospective method. Consequently, the Company accounted the lease liability at the present value of the lease payments discounted at the weighted average incremental borrowing rate and the right of use asset at its carrying amount. Comparatives as at the year ended March 31, 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting policies for year ended March 31, 2019.

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is 12%.

Note 49B: The impact on account on adoption of Ind AS 116 as on 1st April, 2019 is as follows :

On transition, the adoption of the new accounting standard, impact on the financial statements is not material due to election of practical expedients on initial application such as not applying the exemption to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term and low value items on the date of initial application.

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The following table discloses the impact on adoption of Ind AS116 on the financial statements during the year:

Particulars	₹ in Lakhs
Increase in lease liability by	19.94
Increase in rights of use assets by	19.94
Decrease in Retained earnings	-
Increase/(Decrease) in finance cost by	1.10
Increase/(Decrease) in Amortisation expense by	1.55

Note No 49C: The following is the movement in the lease liabilities during the year ended March 31, 2020:

Particulars	₹ in Lakhs
Lease commitments as at March 31, 2019	-
Add/(less): on account of adoption of Ind AS 116	-
Lease liabilities as on April 1, 2019	-
Add/(less): new lease contracts entered during year	19.94
Add: Finance cost accrued during the period	1.10
Less: Payment of lease liabilities	2.09
Balance as on March 31, 2020	18.95

Note No 49D: The following is the break-up of current and non-current lease liabilities as at March 31, 2020

Particulars	₹ in Lakhs
Current lease liabilities	3.82
Non-current lease liabilities	15.14
Total	18.95

Note No 49E: The following provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 (Undiscounted)

Particulars	₹ in Lakhs
Less than one year	3.82
One year to five years	15.14
More than five years	-
Total	18.95

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Note No 49F: Amounts recognised in profit or loss for the financial year 2019-20 on adoption of Ind AS 116

Particulars	₹ in Lakhs
Interest on lease liabilities	1.10
Amortisation of Right of use assets	1.55
Variable lease payments not included in the measurement of lease liabilities	-
Income from sub-leasing right-of-use assets	-
Expenses relating to short-term leases	68.63
Expenses relating to leases of low-value assets	4.99

Note No 49G: Lease committed but not commenced as on March 31, 2020

During the year the company entered into a lease contract for lease of Plant & Equipment for a period of 5 years at a yearly lease rentals of Rs.372.84 Lakhs. The above lease will be commenced from April, 2020.

Note No 50: Details of Unhedged Exposure in Foreign Currency Denominated Monetary items

The Foreign Currency Exposures that have not been specifically hedged by a Derivative Instrument or otherwise are given below:

Particulars	Euro	₹ in Lakhs
As at 31st March, 2020		
Suppliers' Credit	20,47,663	1,693.08
Interest Payable	10,180	8.43
Capital Creditors	1,76,999	146.50
Trade Payables (Goods)	5,500	4.55
Trade Payables (Services)	14,500	12.00
As at 31st March, 2019		
Suppliers' Credit	10,66,050	828.03
Interest payable	2,612	2.03

Note No 51: Details of hedged Foreign Currency Exposure Denominated Monetary items

The foreign currency exposures have been specifically hedged by a derivative Instrument or otherwise are given below:

Particulars	USD	₹ in Lakhs
As at 31st March, 2020		
Trade Payable (Forward Contract)	-	-
As at 31st March, 2019		
Trade Payable (Forward Contract)	8,64,000	620.56

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Note No 52:

A) Nature of securities:

1. State Bank of India, Central Bank of India are secured by pari passu first charge on Property, Plant and Equipment (PPE) of Sugar and Distillery units of the Company including land and all buildings and structures now standing thereon or to be erected hereafter and the plant and machinery attached to the earth or permanently fastened to anything attached to the earth, both present and future and second charge on all the current assets of Sugar and Distillery units of the company.
2. All other Term loans are secured by first charge on all the movable & immovable properties of, both present and future, excluding
 - a) First pari passu charge on plant and machinery at Gopalapuram unit being funded out of term loans from Standard Chartered Bank and Central Bank of India.
 - b) Exclusive charge on specific Plant and Machinery supplied under Supplier's credit to the supplier of the said Plant and Machinery at Gopalapuram unit.
 - c) Exclusive charge on specific Plant and Machinery supplied under Supplier's credit to the supplier of the said Plant and Machinery at Satupally unit. Security to be created for the supplier credit in respect of Satupally unit
 - d) Exclusive charge on plant and machinery at Distillery unit being funded out of term loan from Central Bank of India.
 - e) Exclusive charge on land and building of properties at Hyderabad and registered office on term loan from State Bank of India.
3. Besides all the above loans are subject to charges created or to be created in favour of the Company's Bankers on Current Assets for Securing borrowings for working capital requirements.
4. All the secured loans have been guaranteed by the Managing Director of the Company in her personal capacity.

Details of classification of Term Loans:

₹ in Lakhs

Particulars	As at 31.03.2020				
	Total outstanding	Non-current borrowings	other financial liabilities as current maturities	Over due installments	Interest Accrued and Due
Secured:					
Term Loans from Scheduled Banks:					
A. Under SOFT:					
State Bank of India	107.60	66.00	41.60	-	-
Central Bank of India	9.32		9.32	-	-
Total (A)	116.92	66.00	50.92	-	-
B. Other Term Loans:					
State Bank of India	1,617.47	1,379.97	237.50	-	-
Central Bank of India	1,108.71	733.71	375.00	-	-
Standard Chartered Bank	2,062.50	1,162.50	900.00	-	-
Total (B)	4,788.69	3,276.19	1,512.50	-	-
C. Supplier's Credit	1,693.08	1,089.45	603.62	-	-
D. Hypothecation of Vehicles	3.19	0.55	2.64	-	-
Unsecured:					
E. Public Deposits	976.21	564.42	411.79	-	-
GRAND TOTAL (A+B+C+D+E)	7,578.09	4,996.61	2,581.47	-	-

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Note 52B: DISCLOSURES ON REPAYMENT SCHEDULES OF THE ABOVE TERM LOANS:

₹ in Lakhs

Name of the Bank/Financial Institution	Amount of installment	Terms of Repayment	Repayment Commencing from
Sugar Unit			
A. SOFT Loans			
<i>Sugar Unit</i>			
State Bank of India	3.47	60 Monthly	October 2017
Central Bank of India	9.63	8 Half Yearly	October 2016
B. Other Term Loans:			
<i>Sugar Unit</i>			
State Bank of India	19.79	96 Monthly	March 2019
<i>Distillery Unit</i>			
Central Bank of India	18.75	60 Monthly	April 2018
<i>Gopalapuram Unit</i>			
Standard Chartered Bank	225.00	20 Quarterly	June 2017
Central Bank of India	12.50	60 Monthly	March 2018
C. Supplier's Credit			
<i>Gopalapuram Unit</i>			
Suppliers' Credit	287.15	10 Half Yearly	February 2016
<i>Sathupally Unit</i>			
Suppliers' Credit (Two installments totalling Rs.311.27 lakhs due in March, 2021)	155.64	9 Quarterly	March, 2021
D. Vehicle Loans			
<i>Sugar Unit</i>			
ICICI Bank Hypothecation Loan - Tractor Loan	0.18	60 Monthly	April 2015
ICICI Bank Hypothecation Loan - Car Loan	0.25	60 Monthly	July 2015

Note 52C: ASSETS PLEDGED AS SECURITY

The carrying amounts of assets pledged as security for current and non current borrowings are: ₹ in Lakhs

Particulars	As at 31-03-2020	As at 31-03-2019
Current financial assets		
Trade receivables	1,352.15	2,194.17
Non-financial assets		
Inventories	6,626.95	6,587.24
Non-current assets		
Land	1,975.05	2,390.01
Buildings	11,344.20	11,504.35
Plant and Equipment	22,480.98	23,437.45
Furniture and Fixtures	1,116.64	1,158.29
Office equipment	41.10	47.47
Vehicles	172.21	181.53
Crates & Glass Bottles	4,123.58	4,585.15

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Note No 53: EMPLOYEE BENEFITS

1. Defined Contribution Plans:

- Provident Fund/ Employees' Pension Fund
- Employees' State Insurance
- Superannuation

Contributions to Defined Contribution plans, recognized as expense for the year, are as under: ₹ in Lakhs

Particulars	This Year	Previous Year
Employer's Contributions to Provident and Pension Funds	348.53	412.71
Employer's Contributions to Employees State Insurance	29.29	40.84
Employer's Contributions to Superannuation	77.91	122.72

2. Defined Benefit Plans:

a. Compensated Absences: (Included as part of Salaries, Wages and Bonus)

Compensated benefits is payable to all the eligible employees of the Company on any type of separation from the Company on the leave balance as per the Company Rules subject to a maximum of 90 days. Benefits would be paid at the time of separation based on last drawn basic salary.

₹ in Lakhs

Particulars	This Year	Previous Year
Expenses charged to Statement of Profit and Loss	138.02	92.26

b. Gratuity:

The Company has a funded defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Payment of Gratuity Act, 1972. The Company makes annual contributions under a group gratuity plan to Life Insurance Corporation of India ("LIC") of an amount advised by LIC. The Company is not informed by LIC of the investments made by the LIC or the break-down of plan assets by type of investments. The expected rate of return on plan assets is based on the expectation of the average long-term rate of return expected on the insurer managed funds during the estimated term of the obligation.

The plan exposes the Company to actuarial risks such as interest rate risk, investment risk, longevity risk and inflation risk.

The following table set out the funded status of the gratuity, leave encashment and the amounts recognized in the Company's financial statements as at 31st March, 2020:

₹ in Lakhs

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This Year	Previous Year	This Year	Previous Year
Change in benefit obligation				
Defined Benefit obligation at beginning of the year	1,650.40	1,623.12	267.49	237.41
Interest Cost	117.49	117.73	16.31	14.68
Current Service Cost	125.02	123.33	66.38	51.27
Benefits paid	(157.72)	(149.88)	(86.86)	(88.32)
Actuarial loss / (gain) on obligation	162.41	(63.89)	37.49	47.72
Defined Benefit obligation at year end	1,897.60	1,650.41	300.81	262.76

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₹ in Lakhs

Particulars	Gratuity (Funded)	
	This Year	Previous Year
Change in plan assets		
Fair value of plan assets at beginning of the year	1,161.69	1,145.83
Expected return on plan assets	88.98	85.38
Contributions	186.62	80.72
Benefits paid	(157.72)	(149.88)
Actuarial loss / (gain) on plan assets	(4.45)	(0.36)
Fair value of plan assets as at the end of the year	1,275.12	1,161.69

EXPENSES RECOGNIZED IN THE STATEMENT OF PROFIT & LOSS

₹ in Lakhs

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This Year	Previous Year	This Year	Previous Year
Current Service Cost	125.02	119.77	66.38	51.27
Interest cost on benefit obligation (Net)	22.77	32.35	16.31	15.48
Actuarial (gain)/ loss	-	-	37.49	25.51
Expenses recognized in the statement of Profit & Loss	147.79	152.12	120.18	92.26

RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI) FOR THE YEAR

₹ in Lakhs

Particulars	Gratuity (Funded)	
	This Year	Previous Year
Actuarial (gain)/loss on Plan Obligations	162.41	(38.38)
Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss	4.45	0.36
Recognised in other comprehensive income	166.86	(38.02)

MATURITY PROFILE OF DEFINED BENEFIT OBLIGATION

₹ in Lakhs

Particulars	Gratuity (Funded)		Compensated absences (Unfunded)	
	This Year	Previous Year	This Year	Previous Year
Within the next 12 months	159.57	155.94	18.84	20.21
Between 2 and 5 years	793.83	722.28	97.34	87.50
Beyond 5 years	708.37	705.40	93.66	94.08

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QUANTITATIVE SENSITIVITY ANALYSIS FOR SIGNIFICANT ASSUMPTION IS AS BELOW:

₹ in Lakhs

Particulars	Gratuity (Funded)	
	This Year	Previous Year
(a) Effect of 0.5% change in assumed discount rate		
0.5% increase	(134.55)	(119.33)
0.5% decrease	148.63	131.20
(b) Effect of 0.5% change in assumed salary escalation rate	-	-
0.5% increase	(148.74)	(131.37)
0.5% decrease	134.38	119.13

Particulars	Compensated absences (Unfunded)	
	This Year	Previous Year
(a) Effect of 0.5% change in assumed discount rate		
0.5% increase	(72.68)	(63.37)
0.5% decrease	80.21	69.65
(b) Effect of 0.5% change in assumed salary escalation rate	-	-
0.5% increase	(80.18)	(69.66)
0.5% decrease	72.67	63.34

Particulars	Gratuity (Funded) & Compensated	
	This Year	Previous Year
Discount rate	6.23% to 6.62%	7.17% to 7.58%
Salary escalation	5.00% to 7.00%	5.00% to 7.00%

Notes:

- The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2020. The present value of the defined benefit obligation and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.
- The salary escalation rate is arrived after taking into consideration the seniority, the promotion and other relevant factors, such as, demand and supply in employment market.

Note No 54: SEGMENT INFORMATION

The Company's operations predominantly relate to manufacture of Sugar, production of Industrial Alcohol, carbonated and non-carbonated soft drinks, packaged drinking water, Co-Generation of power and others. Segment Revenue, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each of the segment as also amounts allocated on a reasonable basis.

The expenses, which are not directly attributable to the business segment, are shown as unallocated corporate cost. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively.

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The Managing Director has been identified as the Company's chief operating decision-maker (CODM) as defined by Ind AS 108 "Operating Segments".

The CODM evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by Business segments.

The CODM of the Group evaluates the segments based on their revenue growth, operating income and return on capital employed.

For management purposes, the Company is organised into business units based on its products and has two reportable segments as follows:

1. Sugar, Industrial Alcohol, Co2 & Captive power
2. Aerated waters & PRP foods

The following is an analysis of revenue and results from operations by reportable segments:

₹ in Lakhs

Particulars	Sugar		Aerated Waters & PRP foods		Total	
	This Year	Previous Year	This Year	Previous Year	This Year	Previous Year
Revenue:						
External Sales	6,862.19	7,271.39	52,597.15	47,374.50	59,459.33	54,645.89
Other Income	153.64	93.94	1,785.29	1,421.40	1,938.93	1,515.34
Total Revenue	7,015.83	7,365.33	54,382.44	48,795.90	61,398.26	56,161.23
Result:						
Segment result before interest & tax	295.59	(874.34)	8,377.94	6,513.13	8,673.53	5,638.79
Unallocated Corporate income	-	-	-	-	0.72	(10.29)
Unallocated Corporate expenses	-	-	-	-	(559.26)	487.48
Operating profit					8,114.98	5,141.03
Less: Finance costs					2,300.97	2,905.58
Profit before tax					5,814.01	2,235.45
Less: Tax expenses					2,245.67	1,277.03
Profit after tax					3,568.35	958.42
Add: Other comprehensive income					(150.40)	22.59
Total comprehensive income					3,417.95	981.01
Other Information:						
Segment Assets	10,537.53	12,063.98	47,552.49	45,433.45	58,090.02	57,497.44
Unallocated Corporate Assets	-	-	-	-	209.56	189.66
Total Assets					58,299.58	57,687.10
Segment Liabilities	17,362.72	18,677.24	19,659.90	21,534.06	37,022.62	40,211.30
Unallocated Corporate Liabilities	-	-	-	-	184.30	(382.65)
Total Liabilities					37,206.92	39,828.65
Capital employed	(12,699.74)	(9,247.54)	35,332.63	27,094.34	22,632.89	17,846.79
Capital expenditure	2.33	9.15	1,592.84	2,045.53	1,595.17	2,054.68
Depreciation	364.16	389.12	2,425.91	2,397.78	2,790.07	2,786.90
Non-cash expenditure other than depreciation	2.43	41.32	140.99	177.62	143.43	218.94

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Notes:

Geographical information:

The Company operated only in India during the year ended 31st March, 2020 and 31st March, 2019.

Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2020 and 31st March, 2019.

Note No 55: RELATED PARTY DISCLOSURES

A. Key Management Personnel:

Managing Director	————>	Smt. Rajarajeswaramma Sribalusu
Joint Managing Director	————>	Dr. S.B.P.P. Rammohan
Joint Managing Director	————>	Sri. S.B.P.S. Krishna Mohan
Executive Director	————>	Sri. S.B.P. Madan Mohan
Executive Director	————>	Sri. S.B.P. Anand Mohan
Director Operations	————>	Sri. Sanjay Sribalusu
Director	————>	Sri. Ravi Sudhakar Choudary

B. Relatives of Key Management Personnel:

Smt. Asha Rammohan	Wife of Dr. S.B.P.P. Rammohan
Smt. Nithya V Rammohan	Daughter of Dr.S .B.P.P. Rammohan
Smt. S.B. Radhika	Wife of Sri. S.B.P.S. Krishna Mohan
Sri. Sanjay Sribalusu	Son of Sri. S.B.P.S. Krishna Mohan
Sri. S.B.P.S. Ajay	Son of Sri. S.B.P.S. Krishna Mohan
Smt. Radhika Mohan	Wife of Sri. S.B.P. Madan Mohan
Miss. Prerna Mohan	Daughter of Sri. S.B.P. Madan Mohan
Smt. Priyadarsini Anand Mohan	Wife of Sri. S.B.P. Anand Mohan
Sri. S.B. Rajeev Mohan	Son of Sri. S.B.P. Anand Mohan
Sri. S.B. Sanjeev Mohan	Son of Sri. S.B.P. Anand Mohan
Smt. Y.A.S. Ramalakshmi Devi	Sister of four Whole Time Directors other than Managing Director

C. Enterprises over which Key Management Personnel and/or their relatives of such personnel exercise significant influence:

Southern Agencies
Sri Godavari Transports
Sarvaraya Educational Trust
Sri Sarvaraya Dharmica Vidya Trust
The Kapileswarapuram Kothavuru Annasatram

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₹ in Lakhs

Particulars	This Year	Previous Year
A. Transactions with the Key Managerial Personnel:		
1. Managerial remuneration:		
Smt. S.B.Rajarajeswaramma	108.25	76.69
Dr.S.B.P.P.Rammohan	116.09	66.05
Sri S.B.P.S.Krishna Mohan	112.51	65.32
Sri S.B.P.Madan Mohan	108.00	70.86
Sri S.B.P.Anand Mohan	91.20	55.89
Sri S.B.P.V.C.Sanjay	65.10	49.50
2. Public Deposits Received		
Smt. S.B.Rajarajeswaramma	230.00	13.40
Dr.S.B.P.P.Rammohan	-	8.01
Sri S.B.P.Anand Mohan	-	5.60
Sri Ravi Sudhakar Choudary	70.00	110.00
3. Public Deposits re-paid		
Smt. S.B.Rajarajeswaramma	-	10.00
Dr.S.B.P.P.Rammohan	-	5.96
Sri S.B.P.Anand Mohan	-	4.18
Sri Ravi Sudhakar Choudary	120.00	-
4. Interest paid on Public Deposits:		
Smt. S.B.Rajarajeswaramma	-	3.41
Dr.S.B.P.P.Rammohan	-	2.07
Sri S.B.P.Anand Mohan	-	1.43
Sri Ravi Sudhakar Choudary	6.75	-
5. Dividend paid:		
Dr.S.B.P.P.Rammohan	16.59	10.82
Sri S.B.P.S.Krishna Mohan	16.51	10.87
Sri S.B.P.Madan Mohan	11.55	7.46
Sri S.B.P.Anand Mohan	14.58	9.48
Sri S.B.P.V.C.Sanjay	3.70	2.37
6. Lease rent paid:		
Dr.S.B.P.P.Rammohan	-	4.14
Sri S.B.P.S.Krishna Mohan	4.37	8.33
B. Transactions with relatives of Key Management Personnel:		
1. Interest paid on Public Deposits to:		
Smt.Y.A.S.Ramalakshmi Devi	8.16	0.42
Sri S.B.P.S.Ajay	-	9.24
Smt.Nithya V Rammohan	-	1.28
2. Public Deposits Received		
Smt.Y.A.S.Ramalakshmi Devi	-	1.62
Sri S.B.P.S.Ajay	35.00	40.54
Smt.Nithya V Rammohan	-	4.94

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₹ in Lakhs

Particulars	This Year	Previous Year
3. Public Deposits re-paid		
Smt.Y.A.S.Ramalakshmi Devi	53.04	1.21
Smt.Nithya V Rammohan	-	3.68
Sri S.B.P.S.Ajay	-	26.33
3. Dividend paid to:		
Smt.Y.A.S.Ramalakshmi Devi	10.90	7.26
Smt.Asha Rammohan	6.30	4.20
Smt.S.B.Radhika	8.96	5.97
Smt.Radhika Mohan	0.54	0.36
Smt.Priyadarsini Anand Mohan	0.54	0.36
Sri S.B.P.S.Ajay	3.73	2.49
Smt.Nithya V Rammohan	0.47	0.32
Miss.Prerna Mohan	0.43	0.29
Sri S.B.Rajeev Mohan	0.23	0.15
Sri S.B.Sanjeev Mohan	0.24	0.16
4. Salaries & Allowances		
Sri Rajeev Mohan	25.36	8.41
C. Enterprises in which Key Management Personnel and/or their relatives have significant influence:		
1. Purchase of goods from:		
Southern Agencies	23.83	42.04
2. Purchase of fixed assets from:		
Southern Agencies	1.78	12.54
3. Services received from:		
Southern Agencies	151.17	119.02
Sri Godavari Transports	328.66	145.59
4. Donations given to:		
Sarvaraya Educational Trust	8.00	6.00
Balances as at the end of the year:		-
Trade payables:		
Southern Agencies	47.80	34.87
Sri Godavari Transports	95.53	21.90
Amounts payable to Key Management Personnel:		
Smt. S.B.Rajarajeswaramma	22.80	2.70
Dr.S.B.P.P.Rammohan	30.76	6.79
Sri S.B.P.S.Krishna Mohan	35.05	10.01
Sri S.B.P.Madan Mohan	20.30	2.64
Sri S.B.P.Anand Mohan	20.95	3.23
Sri S.B.P.V.C.Sanjay	16.77	1.93

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₹ in Lakhs

	This Year	Previous Year
Public Deposits including interest accrued but not due:		
Smt. S.B.Rajarajeswaramma	260.59	13.40
Dr.S.B.P.P.Rammohan	9.05	8.28
Sri S.B.P.Anand Mohan	6.18	5.66
Sri S.B.P.V.C.Sanjay	209.95	191.08
Sri Ravi Sudhakar Choudary	61.16	112.10
Smt.Y.A.S.Ramalakshmi Devi	-	62.58
Smt.S.B.Radhika	65.15	59.08
Sri S.B.P.S.Ajay	170.75	121.56
Smt.Nithya V Rammohan	5.58	5.11
Compensation to Key Management Personnel of the Company		
Short-term employee benefits	360.54	302.25
Post-employment benefits	240.61	82.06
	601.15	384.31

Note No 56: FINANCIAL INSTRUMENTS

Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as of 31st March, 2020 were as follows:

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Investments	-	-	-	3.28	-	3.28	3.28
Trade receivables	1,352.15	-	-	-	-	1,352.15	1,352.15
Cash and cash equivalents	206.36	-	-	-	-	206.36	206.36
Other bank balances	245.83	-	-	-	-	245.83	245.83
Loans and advances	-	280.98	-	-	-	280.98	280.98
Other financial assets	368.96	17.66	-	-	-	386.62	386.62
Total	2,173.30	298.64	-	3.28	-	2,475.22	2,475.22
Liabilities:							
Borrowings	14,154.33	-	-	-	-	14,154.33	14,154.33
Trade payables	4,464.63	-	-	-	-	4,464.63	4,464.63
Other financial liabilities	4,639.17	3,689.72	-	-	-	8,328.89	8,328.89
Total	23,258.13	3,689.72	-	-	-	26,947.85	26,947.85

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The carrying value and fair value of financial instruments by categories as of 31st March, 2019 were as follows:

₹ in Lakhs

Particulars	Amortized cost	Financial assets/ liabilities at fair value through profit or loss		Financial assets/ liabilities at fair value through OCI		Total carrying value	Total fair value
		Designated upon initial recognition	Mandatory	Designated upon initial recognition	Mandatory		
Assets:							
Investments:	-	-	-	20.74	-	20.74	20.74
Trade receivables	2,194.17	-	-	-	-	2,194.17	2,194.17
Cash and cash equivalents	88.30	-	-	-	-	88.30	88.30
Other bank balances	387.32	-	-	-	-	387.32	387.32
Loans	-	288.04	-	-	-	288.04	288.04
Other financial assets	788.64	21.20	-	-	-	809.84	809.84
Total	3,458.43	309.24	-	20.74	-	3,788.41	3,788.41
Liabilities:							
Borrowings	15,160.76	-	-	-	-	15,160.76	15,160.76
Trade payables	7,293.83	-	-	-	-	7,293.83	7,293.83
Other financial liabilities	4,963.62	3,617.16	-	-	-	8,580.78	8,580.78
Total	27,418.21	3,617.16	-	-	-	31,035.37	31,035.37

i) The management assessed that fair value of trade receivables, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

ii) The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

Long-term fixed-rate and variable-rate receivables/advances given are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual creditworthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.

The fair values of the Company's interest-bearing borrowings and loans are determined by using DCF method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31st March, 2018 was assessed to be insignificant.

iii) There are no financial instruments which require recurring fair value measurements and are classified as Level 3 of the fair value hierarchy.

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Note No 57: FAIR VALUE HIERARCHY

The Company has classified its financial instruments into three levels in order to provide an indication about the reliability of the inputs used in determining fair values.

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either

Level 3 – Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

The following table presents fair value hierarchy of assets measured at fair value as at 31st March, 2020

₹ in Lakhs

Particulars	As of 31st March, 2020	Level 1	Level 2	Level 3
Assets				
Investment in equity instruments	3.28	3.28	-	-
Security deposits	280.24	-	280.24	-
Loans	0.75	-	0.75	-
Accrued income	17.66	-	17.66	-
	301.93	3.28	298.65	-
Liabilities				
Accrued expenses	803.23	-	803.23	-
Creditors for Capital items	803.80	-	803.80	-
Unclaimed dividends	30.17	-	30.17	-
Due to staff	1,852.82	-	1,852.82	-
Interest accrued but not due	199.71	-	199.71	-
	3,689.73	-	3,689.73	-

The following table presents fair value hierarchy of assets measured at fair value as at 31st March, 2019

₹ in Lakhs

Particulars	As of 31st March, 2019	Level 1	Level 2	Level 3
Assets				
Investment in equity instruments	20.74	20.74	-	-
Security deposits	286.77	-	286.77	-
Loans	1.27	-	1.27	-
Accrued income	21.20	-	21.20	-
	329.98	20.74	309.24	-
Liabilities				
Accrued expenses	848.82	-	848.82	-
Creditors for Capital items	1,047.88	-	1,047.88	-
Unclaimed dividends	25.44	-	25.44	-
Due to staff	1,580.54	-	1,580.54	-
Interest accrued but not due	114.48	-	114.48	-
	3,617.16	-	3,617.16	-

The carrying amounts of the following financial assets and financial liabilities are a reasonable approximation of their fair values. Accordingly, the fair values of such financial assets and financial liabilities have not been disclosed separately.

- a) Financial Assets
Trade Receivables
Security Deposits

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- Loans
- Cash and Cash equivalents
- Bank balances other than Cash and Cash equivalents
- Accrued income

- b) Financial Liabilities
 - Borrowings
 - Trade Payables
 - Payable for Capital expenditure
 - Security Deposits
 - Due to staff

Valuation Technique used to determine fair value

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between knowledgeable and willing parties, other than in a forced or liquidation sale. The valuation techniques used to determine the fair values of financial assets and financial liabilities classified as level 2 include use of quoted market prices or dealer quotes for similar instruments and generally accepted pricing models based on a discounted cash flow analysis using rates currently available for debt on similar terms, credit risk and remaining maturities.

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Note No 58: FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance and support the Company's operations. The Company's principal financial assets comprise includes trade and other receivables, cash and cash equivalents that is derived directly from its operations. The Company also enters into derivative transactions such as foreign forward exchange contracts as a part of Company's financial risk management policies. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Company's activities expose it to a variety of financial risks such as market risk, credit risk and liquidity risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Company's activities makes it susceptible to various risks. The Company has taken adequate measures to address such concerns by developing adequate systems and practices. The Company's overall risk management program focuses on the unpredictability of markets and seeks to manage the impact of these risks on the Company's financial performance.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company has established Audit Committee and its constitution, quorum and scope is in line with the Companies Act, 2013, provisions of Listing Agreement as entered with the Stock Exchange/Regulations. The audit committee comprises of three non-executive independent directors nominated by the Board of Directors.

The Audit committee oversees how management ensures compliance of Internal Control Systems, compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

The Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and adhoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

The Audit committee also reviews the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by experienced firm of Chartered Accountants.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations resulting in a financial loss to the Company. Credit risk arises principally from the Company's receivables from trade receivables. Credit risk arises from cash held with banks and financial institutions, as well as credit exposure to clients, including outstanding accounts receivable. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The average credit period on sales of products is 30 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on a detailed study of credit worthiness and accordingly individual credit limits are defined/modified. The concentration of credit risk is limited due to the fact that the customer base is large.

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Given below is ageing of trade receivable spread by period of six months:

₹ in Lakhs

Particulars	As at 31-03-2020	As at 31-03-2019
Outstanding for more than 6 months	504.14	507.48
Others	848.01	1,686.68
Balance at the end of the year	1,352.15	2,194.16

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls.

The Company limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Company does not expect any losses from non-performance by these counterparties and does not have any significant concentration of exposures to specific industry sectors.

The Company maintains banking relationships with only creditworthy banks which it reviews on an on-going basis. Consequently, the credit risk on the bank deposits is not considered material.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company is exposed to interest rate risk arising mainly from debt. The Company is exposed to interest rate risk because the fair value of fixed rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates.

a) Foreign currency risk exposure from financial instruments are given below:

The Company is also exposed to foreign currency risk on certain transactions that are denominated in a currency other than the company's functional currency; hence exposures to exchange rate fluctuations arise. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. The Company holds derivative financial instruments such as foreign exchange forward contracts in certain cases to mitigate the risk of changes in exchange rate on foreign currency exposure.

a) Non-Derivatives instruments

₹ in Lakhs

Foreign currency payables	In Foreign Currency	In Indian Rupees
As at 31st March, 2020		
USD	-	-
EURO	22,54,843	1,701.51
As at 31st March, 2019		
USD	-	-
EURO	10,68,662	830.06

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b) Derivatives instruments

Derivative transactions are undertaken to act as economic hedges for the Company's exposures to various risks in foreign exchange markets and may / may not qualify or be designated as hedging

₹ in Lakhs			
Currency	Buy / Sell	In Foreign Currency	In Indian Rupees
As at 31st March, 2020 USD forward contract	-	-	-
As at 31st March, 2019 USD forward contract	Buy	8,64,000	620.56

c) The following tables demonstrate the sensitivity to a reasonably possible change in USD/EURO exchange rates for foreign currency risk from non derivative financial instruments with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities.

₹ in Lakhs		
Particulars	As at 31-03-2020	As at 31-03-2019
INR/USD - Increase by 2% (*)	-	12.41
INR/EURO - Increase by 2%	34.03	16.60
INR/USD - Decrease by 2% (*)	-	(12.41)
INR/EURO - Decrease by 2%	(34.03)	(16.60)

d) Commercial risk

The commercial risk is the risk due to the change in market prices of raw materials and finished goods and it is measured through sensitivity analysis by taking variance of 5%

Selling price risk

Particulars	Impact on profit	
	FY 2019-20	FY 2018-19
Increase in selling prices @ 5%		
Sugar	20.95	77.30
Carbonated and non-carbonated soft drinks	2,140.06	1,983.46
Packaged drinking water	123.33	190.06
Industrial alcohol	236.43	196.71
Decrease in selling prices @ 5%		
Sugar	(20.95)	(77.30)
Carbonated and non-carbonated soft drinks	(2,140.06)	(1,983.46)
Packaged drinking water	(123.33)	(190.06)
Industrial alcohol	(236.43)	(196.71)

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Raw Materials price risk

₹ in Lakhs

Particulars	Impact on profit	
	FY 2019-20	FY 2018-19
Increase in material prices @ 5%		
Sugarcane	-	115.48
Essence	481.51	449.35
Mango Pulp	22.33	26.91
Preforms	250.68	236.51
Crowns	30.63	29.69
Cartons	67.14	72.03
Molasses	122.32	78.91
Decrease in material prices @ 5%		
Sugarcane	-	(115.48)
Essence	(481.51)	(449.35)
Mango Pulp	(22.33)	(26.91)
Preforms	(250.68)	(236.51)
Crowns	(30.63)	(29.69)
Cartons	(67.14)	(72.03)
Industrial alcohol	(122.32)	(78.91)

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. As the Company has debt obligations with floating interest rates, exposure to the risk of changes in market interest rates are substantially dependent of changes in market interest rates.

As the company has no significant interest bearing assets, the income and operating cash flows are substantially independent of changes in market interest rates.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on the portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

₹ in Lakhs

Interest Rate	FY 2019-20	FY 2018-19
Increased by		
INR - Borrowings (50 basis points)	86.05	100.96
EURO - Borrowings (10 basis points)	2.00	1.21
Decreased by		
INR - Borrowings (50 basis points)	(86.05)	(100.96)
EURO - Borrowings (10 basis points)	(2.00)	(1.21)

Sri Sarvaraya Sugars Limited

vi) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Typically the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments but excludes non-financial liabilities such as tax liabilities and advance from customers and liabilities that will be settled in variable number of own equity instruments:

Liquidity risk

₹ in Lakhs

As at 31-03-2020	Less than 1 year	1 to 2 years	Above 2 to 5 years	Above 5 years
Borrowings	9,157.71	2,312.15	2,254.49	429.97
Trade payables	4,464.63	-	-	-
Other financial liabilities	5,833.66	56.70	2,457.48	-
Total	19,456.00	2,368.85	4,711.97	429.97

₹ in Lakhs

As at 31-03-2019	Less than 1 year	1 to 2 years	Above 2 to 5 years	Above 5 years
Borrowings	9,157.71	2,205.63	2,824.55	681.69
Trade payables	5,988.76	1,144.22	-	-
Other financial liabilities	5,829.85	41.56	2,457.48	-
Total	20,976.32	3,391.41	5,282.03	681.69

Capital Risk Management

The Company manages its capital to ensure that Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. Hence, the Company may adjust any dividend payments, return capital to shareholders or issue new shares. Total capital is the equity as shown in the statement of financial position. Management is continuously evolving strategies to optimize the returns and reduce the risks.

₹ in Lakhs

Particulars	As at 31-03-2020	As at 31-03-2019
Borrowings	14,154.33	15,160.76
Current maturities of debts outstanding	2,169.68	2,263.86
Total debt	16,324.01	17,424.62
Equity share capital	304.81	101.60
Other equity	20,787.85	17,756.85
Total equity	21,092.66	17,858.45
Net debt to equity ratio	77.39%	97.57%

Sri Sarvaraya Sugars Limited

Note No 59: According to an internal technical assessment carried out by the Company, there is no impairment in the carrying cost of cash generating units of the Company in terms of Indian Accounting Standard 36 'Impairment of Assets'.

Note No 60: The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year figures are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

Note No 61: Impact of COVID -19 Pandemic.

Due to spread of COVID 19 throughout the World including India has led to Nationwide Lockdown with effect from 24.03.2020 till 31.05.2020. Accordingly, in strict compliance with the directions issued by Central Government/State Government/ Municipal Corporations with a view to prevent and contain the spread of COVID-19, have posed challenges to the business of Beverage Division of Sri Sarvaraya Sugars Ltd. (the "Company"). The Company's operations were affected significantly from 23rd March 2020 till the 1st week of May 2020, when the lockdown was gradually lifted. The Company's Registered Office was fully shut during the period and continues to be closed, whereas beverage manufacturing facilities were partially shut during the period. The Distillery Unit was permitted to continue operation being a manufacturer of Ethanol, an essential product for the Pharmaceutical Industry. The Company has also started manufacturing Hand Sanitizer after necessary Licenses and approvals are obtained. There is no significant impact of the Covid-19 pandemic on the financial statements for the financial year 2019-20.

Note No 62: Amounts have been rounded off to the nearest lakhs upto two decimal points.

As per our report of even date annexed

For C.V. Ramana Rao & Co.

Chartered Accountants

Firm Registration Number: 002917 S

(G. Rajasekhar)

Partner

Membership Number: 236023

Place: Visakhapatnam

Date: 29.06.2020

On behalf of Board of Directors

S.B.P.Madan Mohan
Executive Director

Rajarajeswaramma Sribalusu
Managing Director

S.B.P.Anand Mohan
Executive Director

S.B.P.P.Rammohan
Joint Managing Director

Sanjay Sribalusu
Director (Operations)

S.B.P.S.Krishna Mohan
Joint Managing Director

K.Sridhar
Chief Financial Officer

Krishnan P.R
Secretary



Gopalapuram Bottling Unit



