

Sri Sarvaraya Sugars Limited



**Annual Report
2020 - 2021**



Coca-Cola Award for Extraordinary Performance of the Year 2020



Kesavaram Bottling Unit



Kinley Water Filler at Sathupally Bottling Unit

Sri Sarvaraya Sugars Limited

Board of Directors

| | |
|---------------------------------|--|
| Sri. P.S. Kumar | (Chairman) (Independent 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) |
| Sri. R. Sudhakar Choudary | (Independent Director) |
| Sri. G.V.R.S. Manian | (Independent Director) |
| Sri. V.S.N. Murthy | (Independent Director) |
| Mrs. Lakshmmi Subramanian | (Non-Executive Director) |
| Sri G. Raghavan | (Non-Executive Director) (From 15.12.2020) |

Audit Committee

Sri P.S.Kumar - Chairman
Sri.R.Sudhakar Choudary
Sri. G.V.R.S. Manian
Mrs. Lakshmmi Subramanian

Nomination & Remuneration Committee

Sri. R.Sudhakar Choudary-Chairman
Sri P.S.Kumar
Mrs. Lakshmmi Subramanian

Stakeholders Relationship Committee

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

CSR Committee

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

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

Sr.General Manager

Sri.G.Koteswara Rao

Company Secretary

Sri.P.R.Krishnan

Chief Financial Officer

Sri. K.Sridhar

Bankers

Bank of Baroda, Kakinada, Ramachandrapuram, Chelluru, Rajahmundry, Chennai
Indian Bank, Kakinada, Chennai
Central Bank of India, Rajahmundry
State Bank of India, Commercial Branch, Kakinada
Union 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: corpserv@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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Sri Sarvaraya Sugars Limited

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

DIRECTORS' REPORT

To the Members:

Your Directors have pleasure in presenting the Sixty Third Annual Report and Audited Accounts of the Company for the financial year ended 31st March, 2021.

RESULTS OF OPERATIONS

The Company during the year achieved a turnover of Rs 62,380.90 Lakhs as against Rs.61,398.98 Lakhs, of the previous year. The net profit for the year has been Rs 6,390.77 Lakhs as compared to Rs. 3,568.36 Lakhs of the previous year. The performance summary is presented below:

PERFORMANCE

₹ (lakhs)

| Particulars | 2020-2021 | 2019-2020 |
|--|-----------|-----------|
| Revenue from Operations | 60021.83 | 59459.33 |
| Other Income | 2359.07 | 1939.65 |
| Total Income | 62380.90 | 61398.98 |
| Total expenses | 54862.48 | 55695.14 |
| Profit/(Loss) before Interest and Depreciation | 12392.61 | 10858.80 |
| Less: Interest | 1864.95 | 2354.72 |
| Profit before Depreciation | 10527.66 | 8504.08 |
| Less: Depreciation | 3009.24 | 2800.24 |
| Profit/ (Loss) before Tax | 7518.42 | 5703.84 |
| Exceptional Item - Electricity Duty | 283.00 | (110.18) |
| Tax Expenses – Current year | | |
| Deferred Tax | 844.65 | 2245.66 |
| Net Profit for the year | 6390.77 | 3568.36 |
| Add: Surplus at the beginning of year | 9889.05 | 7440.31 |
| Total Surplus | 16270.82 | 11008.66 |
| Adjustments: | | |
| Transfer to Reserves | 4500.00 | 900.00 |
| Proposed Dividend | 304.81 | 228.61 |
| Dividend Tax | 0 | 0 |
| Surplus at the end of the year | 11,466.01 | 9,880.05 |

There is no change in the nature of Business during the year

Performance of Business Segments:

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

Sugar Division:

Sugarcane cultivation in coastal Andhra Pradesh has been reducing year after year as the farmers are not finding it remunerative anymore. Farmers have been migrating to other cash crops such as paddy, maize and Palm oil since their cropping periods are less than sugarcane and the cost of cultivation is far less than sugarcane. This phenomenon has been seen all over coastal Andhra Pradesh leading to over eight private sugar factories shutting operations in the last six years. Your Company's Sugar operations have not been an exception to this problem and hence Sugar manufacturing operations were suspended since 2019-20 season due to non-availability of sugar cane.

Sri Sarvaraya Sugars Limited

Further, the sugar prices have also been sluggish and remained constant over the past five years in spite of the Central Government permitting exports and also fixing the minimum support price of marketable sugar. These steps taken by the government have not helped in improving the sugar prices which have been uneconomical for factories to manufacture sugar in coastal Andhra Pradesh due to the high cost of sugarcane.

Continuous excess production of sugar in the country over domestic demand for the past several years have resulted in unremunerative sugar prices. The long term prospects for sugar operations in coastal Andhra are bleak and hence considering these factors your Directors thought it prudent to curtail the sugar operations and concentrate on other profitable ventures.

Distillery Division:

During the year under review, 93.68 Lakh Bulk Litres of Ethanol was produced as against 98.88 Lakh Bulk Litres of Ethanol during the previous year in spite of the many challenges in operation due to the COVID pandemic. Under the current year's review of Liquefied CO₂ 6.61 Lakh Kgs. was produced as against 11.99 Lakh Kgs. during the previous year.

Cogeneration Plant:

The Co-generation power plant (12.6 MW) has been non operational due to the non operation of the sugar plant. The smaller power plant of 1 MW was in operation and had produced power of 33.06 lakhs units (Previous year 37.68 lakhs units) for internal utilization only and there was no power export sale during the year. Export of power was not done due to unviable power tariffs prevailing in the market.

Beverage Division:

Carbonated Beverages & Juices:

The Vemagiri, Kesavaram and Gopalapuram Units sold 188.16 Lakh cases of Carbonated and Non-Carbonated Soft Drinks during the financial year 2020-2021 as against 193.60 Lakh cases during the previous financial year

Packaged Drinking Water:

The Sathupally Unit sold 0.37 Lakh cases of Packaged Drinking Water during the financial year 2020-2021 as against 17.87 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. Commercial production started from 22.04.2021.

AWARDS & RECOGNITION:

Beverage Division:

2020-2021

Trophy & Memento for "Extraordinary Performance of the Year 2020".

TRANSFER TO RESERVES:

During the year the Company has transferred Rs. 45.00 Crores 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 28th June 2021 has recommended a Dividend of 100% (Rs10.00 per Equity share of Rs.10/- each) for the financial year ended 31st March 2021. The proposal is subject to the approval of Shareholders at the ensuing Annual General Meeting to be held on September 27, 2021. The outflow by payment of dividend for the Current year is Rs.304.81 Lakhs as against Rs.228.61 Lakhs in the previous year.

CLOSURE OF REGISTER OF MEMBERS AND SHARE TRANSFER BOOKS:

The Register of Members and Share Transfer Books will remain closed from 21st September 2021 to 27th September 2021 (both days inclusive) for the purpose of payment of Dividend and Annual General Meeting for the Financial Year ended 31st March 2021.

TRANSFER OF UNCLAIMED/UNPAID AMOUNTS TO THE INVESTOR EDUCATION AND PROTECTION FUND("IEPF")

The details of unclaimed/ unpaid amounts of dividends for the years are given in para 15 of the Notice of the Annual General Meeting.

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SHARE CAPITAL

The paid up equity share capital as on March 31, 2021 was Rs.304.81 Lakhs. There were no additions and alterations to the share capital during the financial year.

LISTING OF SHARES

The Equity Shares have been listed at the Metropolitan Stock Exchange of India Ltd.

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 2020-2021.

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 to the Board's Report

PUBLIC DEPOSITS:

During the year, the Company accepted deposits of Rs.600.27 Lakhs and repaid Rs.428.83 Lakhs. As on 31.3.2021, deposits of Rs.1147.65 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 shall be published in the newspaper as on the date of the Annual General Meeting and the copy of same shall be sent separately to all the shareholders of the Company for their information.

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 the Distillery and Co-generation of power. Lower sugar prices would however benefit the Beverage Division.

Raw Material Availability:

The availability of molasses in the Southern states and consequently our Distillery 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 operations. The Beverage division does not foresee any significant change.

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.

POLICIES

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

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- i) Whistle Blower Policy/Vigil Mechanism
- ii) Policy of Directors' Appointment and Remuneration
- iii) Policy on determining materiality of events
- iv) Policy on documents preservation and archival
- v) Nomination & Remuneration policy
- vi) Policy on related party transactions
- vii) Policy on sexual harassment of women at workplace (prevention, prohibition and redressal) Act 2013
- viii) Corporate Social Responsibility Policy
- ix) Policy on code of conduct for prevention of Insider Trading and Fair Disclosure of unpublished Price Sensitive Information.

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

DISCLOSURE AS PER 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 workplace 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 2021.

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

PARTICULARS OF EMPLOYEES

During the financial year under review, none of the 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 and 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.

SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:

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

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**

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 are no significant material orders passed by the Regulators/Courts which would impact the going concern status of the Company and its future Operations.

MATERIAL CHANGES AND COMMITMENTS BETWEEN THE END OF FINANCIAL YEAR AND THE DATE OF THE REPORT

There are no material changes and commitments occurred between the end of the financial year of the Company to which the financial statements relate and the date of the report, affecting the financial position of the company.

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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 instance 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.

AUDITORS

1. STATUTORY AUDITORS:

At the Annual General Meeting (AGM) held on 26th September 2018 the Members approved appointment of M/s.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 given their report for the year ended 31st March 2021 with the following qualification.

Qualification in Auditors Report

"Attention is invited to Note 14A 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 2021 amounting to Rs.1742.33 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, 2021, 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.

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.

2. 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.

3. 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. Remuneration of Cost Auditors is being put forth as Item No.11 in the Notice of Annual General Meeting for the approval of shareholders.

4. 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 2021.

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

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QUALIFICATION IN SECRETARIAL AUDIT REPORT

There are no material qualifications in the Secretarial Audit Report.

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:

1. Audit Committee
2. Nomination and Remuneration Committee
3. Corporate Social Responsibility Committee
4. Stakeholder's 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).

AUDIT COMMITTEE, NOMINATION AND REMUNERATION COMMITTEE AND STAKEHOLDERS RELATIONSHIP COMMITTEE:

The details pertaining to the composition of the Audit committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee are given in the Corporate Governance Report which report forms part of this report.

CORPORATE SOCIAL RESPONSIBILITY (CSR):

As per the Companies Act, 2013 during the year ended 31st March 2021 the Company was required to spend Rs.57.94 lakhs towards CSR activities. The Company has spent Rs.58.53 Lakhs, which is in excess of the requirement by Rs.0.59 Lakhs.

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

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 to **ANNEXURE V** forming part of this Report.

RESEARCH AND DEVELOPMENT (R & D)

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

SECRETARIAL STANDARDS

During the year the Company has followed the applicable Secretarial Standards, i.e. SS-1 relating to "Meetings of the Board of Directors" and SS-2 relating to "General Meetings".

DIRECTORS AND KEY MANAGERIAL PERSONNEL

Directors:

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

During the year, Sri.G.Raghavan was appointed as Non-Executive Director on the Board with effect from 15th December, 2020 in place of Dr.K.Mohan Naidu, who ceased to be a Director from 26th June 2020.

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Reappointment of Directors

During the financial year 2020-21, Sri.Sanjay Sri Balusu, Director (Operations) was reappointed for further term of five years, from 12th August 2020 and confirmed by the Shareholders in the Annual General Meeting held on 24th September, 2020.

The Board of Directors in its meeting held on 28th June 2021 and in its meeting held on 11th August 2021 have subject to the approval of the Shareholders in the Annual General Meeting, approved the reappointment of the following Directors for a further term of five years and the same is taken in the Notice of Annual General Meeting;

- i) Dr.S.B.P.P.Rammohan, Jt. Managing Director
- ii) Sri.S.B.P.S.Krishna Mohan,Jt. Managing Director
- iii) Sri.S.B.P.Madan Mohan, Executive Director
- iv) Sri.S.B.P.Anand Mohan, Executive Director.

The Key Management Personnel of the Company are as under:

1. Smt.RajarajeswarammaSribalusu - 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.SanjaySribalusu - Director (Operations)
7. Sri.K.Sridhar - Chief Financial Officer
8. Sri.Krishnan Ramakrishnan Iyer -Company Secretary

POLICY ON DIRECTORS APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company's policy on Directors appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act are covered in Corporate Governance Report which forms part of this Report.

Further, information about Particulars of remuneration package of individual Directors 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**.

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).

APPROVAL FOR PAYMENT OF REMUNERATION IN TERMS OF SECTION 188 OF THE COMPANIES ACT 2013

Pursuant to the provisions of Section 188 of the Companies Act 2013, approval of the members is sought for payment of remuneration to Sri.S.B.Rajeev Mohan and Sri.S.B.P.S.Ajay, who are the relatives of Directors in excess of limit laid down in Section 188 of the Companies Act 2013 and the same is taken in the Notice of Annual General Meeting as item Nos. 9 and 10.

NUMBER OF MEETINGS OF THE BOARD AND BOARD'S COMMITTEE

During the year, seven Meetings of the Board of Directors were held.

The details of the Meetings of the Board and Board's Committees are provided in the Corporate Governance Report attached with this Report.

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.

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The Code is aimed at preventing any wrongdoing 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 workplace, in business practices and in dealing with stakeholders.

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

RELATIONSHIP BETWEEN DIRECTORS INTER-SE

Dr.S.B.P.P.Rammohan, Sri.S.B.P.S.Krishna Mohan, Joint Managing Directors and Sri.S.B.P.Madan Mohan and Sri.S.B.P.Anand Mohan, Executive Directors are brothers and Smt.RajarajeswarammaSribalusu is the Aunt of them. Sri Sanjay SriBalusu, Director (Operations) is son of Sri.S.B.P.S.Krishna Mohan, Jt.Managing Director.

EVALUATION OF EXECUTIVE DIRECTORS BY INDEPENDENT DIRECTORS MEETING

During the year under review, the Independent Directors met on 12th February 2021, inter alia to:

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

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.

INDEPENDENT DIRECTORS' DECLARATION

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) 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 2021, which has been relied on by the Company and placed at the Board Meeting.

SEPARATE MEETING OF THE INDEPENDENT DIRECTORS

As required under Clause VII of Schedule IV of the Companies Act, 2013, the Independent Directors held a Meeting on 12th February, 2021, without the attendance of Non-Independent Directors and members of Management.

FAMILIARISATION PROGRAM FOR INDEPENDENT DIRECTORS

During the year due to Covid pandemic no familiarization program could be given to the Independent Directors. However during the current year, the Company has planned for a familiarization program to the Independent Directors, on the regulations applicable to the Company.

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).

DIRECTORS RESPONSIBILITY STATEMENT:

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

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1. That in the Preparation of Annual Financial Statements for the year ended March 31st, 2021, the applicable Accounting Standards had been followed along with proper explanation relating to material departures;
2. That they had selected such Accounting Policies as mentioned in Notes to the Financial Statements 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;
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.

DETAILS OF ONE TIME SETTLEMENT WITH ANY BANK OR FINANCIAL INSTITUTION ALONG WITH THE REASONS THEREOF:

During the year under review there was no instance of one-time settlement with any Bank or Financial Institution.

DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016 (31 OF 2016) DURING THE YEAR ALONGWITH THEIR STATUS AS AT THE END OF THE FINANCIAL YEAR

There is no proceeding pending under the Insolvency and Bankruptcy Code, 2016.

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. and Standard Chartered Bank 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: 11.08.2021

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- 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

- The ratio 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 | Gross earnings 2020-21 | Median Salary | No of Times |
|--------|---------------------------------|---------------------------|---------------|-------------|
| 1 | Smt. Rajarajeswaramma Sribalusu | 1,58,21,839 | 3,12,523 | 50.63 |
| 2 | Dr. S.B.P.P. Rammohan | 1,50,87,268 | 3,12,523 | 48.28 |
| 3 | Sri. S.B.P.S. Krishna Mohan | 1,48,95,206 | 3,12,523 | 47.66 |
| 4 | Sri. S.B.P. Madan Mohan | 1,46,39,505 | 3,12,523 | 46.84 |
| 5 | Sri. S.B.P. Anand Mohan | 1,36,48,352 | 3,12,523 | 43.67 |
| 6 | Sri. Sanjay Sri Balusu | 97,04,566 | 3,12,523 | 31.05 |

Non- Executive Directors remuneration and * Ratio to Median Remuneration

Sri.R.Sudhakar Choudary*

Sri.P.S.Kumar*

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

Sri.V.S.N.Murthy*

Smt.Lakshmmi Subramanian*

Sri G. Raghavan*

*For this purpose sitting fees has not been considered as remuneration.The actual payment of sitting fee is based on the number of meetings attended by the Director.

Sri.G.Raghavan was appointed as Director from 15th December 2020

- 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 Sribalusu | Managing Director | 46.16 |
| Dr.S.B.P.P.Rammohan | Jt. Managing Director | 29.96 |
| Sri.S.B.P.S.Krishna Mohan | Jt. Managing Director | 32.39 |
| Sri.S.B.P.Madan Mohan | Executive Director | 35.56 |
| Sri.S.B.P.Anand Mohan | Executive Director | 49.66 |
| Sri.SanjaySribalusu | Director (Operations) | 49.07 |
| Sri.K.Sridhar | Chief Financial Officer | 38.10 |
| Sri.P.R.Krishnan | Company Secretary | 41.45 |

- The percentage increase in the median remuneration of employees in the financial year: 6.32
- The number of permanent employees on the rolls of Company: 1214
- 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 2020-2021 was 5.90%.
- Percentage increase in the managerial remuneration (Senior Leadership Team) for the year was (**Increment yet to be finalized)
- Affirmation that the remuneration is as per the remuneration policy of the Company: Yes
The Company affirms that the remuneration is as per the remuneration policy of the Company.

Place: Chennai

Date: 11.08.2021

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 31.03.2021

[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, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have 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, 2021 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;
 - vii. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. However, the Regulation 24A relating to Secretarial Compliance Report is not applicable to the Company for the period under review;
 - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

Sri Sarvaraya Sugars Limited

- (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (d) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client to the extent of securities issued.

We hereby report that

- a. The Listed Entity has complied with the provisions of the above Regulations and circulars/guidelines issued thereunder.
- b. The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/guidelines issued thereunder in so far as it appears from our examination of those records.
- c. There were no actions taken against the listed entity/its promoters/directors/material subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operation Procedures issued by SEBI through various circulars) under the aforesaid Acts/Regulations and circulars/guidelines issued thereunder.

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

- i) The Listing Agreements entered into by the Company with the Stock Exchanges, where the Securities of the Company are listed and the uniform listing agreement with the said stock exchanges pursuant to the provisions of the (SEBI Listing Obligations and Disclosure Requirements) Regulations, 2015
- ii) 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..

It is reported that during the period under review, the Company has been regular in 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 License and Permits) Rules, 2008 (M-II) |
| 2. | The Andhra Pradesh Sugarcane (Regulation of Supply and Purchase) Act, 1961— Not Applicable |
| 3. | The Essential Commodity Act, 1995 — Not Applicable |
| 4. | The Andhra Pradesh Scheduled Commodities Dealers (Licensing, Storage and Regulation) Order, 2016 — Not Applicable |
| 5. | The Telangana Sugarcane (Regulation of Supply and Purchase) Act, 1961 |
| 6. | The Sugarcane Act, 1934 — Not Applicable |
| 7. | Levy Sugar Price Equalisation Fund Act, 1976 — Not Applicable |
| 8. | The Food Safety and Standards (Packaging and Labelling) Regulation, 2011— Not Applicable |
| 9. | The Food Safety and Standards (Food Recall Procedure) Regulations, 2017— Not Applicable |
| 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 |

Sri Sarvaraya Sugars Limited

| | |
|-----------------------------|--|
| 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 2009 The Andhra Pradesh Legal Metrology (Enforcement) Rules, 2010 The 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 |
| 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 |

Sri Sarvaraya Sugars Limited

| | |
|-----|--|
| 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 |

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. Re-appointment of Sri.Sanjay Sri Balusu as Director (operations) for a period of 5 years with effect from 12.08.2020.
2. Renewal of Joint Development Agreement with M/s. S B Ventures Infra Pvt. Ltd. to build flats/villas in the Company's land admeasuring 3220 sq. yards at Giddy street Gandhinagar, Kakinada.
3. Appointment of SRI.G.RAGHAVAN as Non-Executive Director
4. By Postal ballot the new Articles of Association is replaced for the earlier Articles of Association.
5. Lease Agreement between Santez Healthcare Private Limited and Sri Sarvaraya Sugars Limited.

Place: Chennai

Date: 14-07-2021

Srividhya Narasimhan
Practising Company Secretary
CP No. 14058
ACS No.: 34428
UDIN:A034428C000629594

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.

Srividhya Narasimhan

Practising Company Secretary

CP No. 14058

ACS No.: 34428

UDIN : A034428C000629594

Place: Chennai

Date: 14.07.2021

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.

We 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 12 ETHIRAJ SALAI EGMORE, CHENNAI TN 600008 IN (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company and its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2021 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 | Mrs.LAKSHMMI SUBRAMANIAN | 00001439 | 12/02/2020 |
| 2 | Mr.SURYANARAYANA MURTY VADDADI | 00021952 | 12/02/2020 |
| 3 | Mr.SANTOSHKUMAR PARVATANENI | 00267280 | 12/02/2020 |
| 4 | Mr.SRI BALUSU PRABHAKARA PATTABHI RAMMOHAN | 00586641 | 28/03/2013 |
| 5 | MRS. RAJARAJESWARAMMASRIBALUSU | 00760782 | 11/12/1990 |
| 6 | Mr.SRI BALUSU PRABHAKARA SARVARAYA KRISHNAMOHAN | 00806989 | 28/03/2013 |
| 7 | Mr.SRIBALUSU PRABHAKARA ANAND MOHAN | 01195434 | 23/06/1982 |
| 8 | Mr.RAGHAVAN GOPALASWAMI | 01661856 | 16/12/2020 |
| 9 | Mr.SUDHAKARCHOWDARY RAVI | 02791808 | 02/04/2018 |
| 10 | Mr.GOPALAKRISHNAN VENKATARAMA SUBRAMANIAN | 05131755 | 12/02/2020 |
| 11 | Mr.SRIBALUSU PRABHAKARA MADAN MOHAN | 06592268 | 15/05/2013 |
| 12 | Mr.SANJAY SRIBALUSU | 06604420 | 15/05/2013 |

ensuring the eligibility of for the appointment / continuity of every Director the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our 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: 22.06.2021

Srividhya Narasimhan
Practising Company Secretary
CP No. 14058
ACS No.: 34428
UDIN : A034428C000496164

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

1. 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
- e) Sri.V.S.N. Murthy

2. Average Net Profit of the Company for last three financial years: Rs. 5009.76 Lakhs

3. Prescribed CSR Expenditure (2% of amount in Item 3 above): Rs. 100.20 Lakhs

4. Unspent amount of 2020-2021 Rs. 0.00 Lakhs

Details of CSR spent during the financial year:

- (a) Total amount spent for the financial year: Rs. 58.53 Lakhs

- (b) Amount unspent, if any: Rs. 0.00 Lakhs

- (c) Manner in which the amount spent during the financial year is detailed below:

DETAILS OF CSR EXPENDITURE INCURRED DURING THE YEAR 2020-21

BOTTLING UNIT - VEMAGIRI

| S.No. | CSR Project / Activity | Activity Sector | Location | Amount (₹) | Amount spent on |
|-------|--|-----------------|---|------------|-----------------|
| 1 | Grocery items for distribution to local Villagers | Covid-19 | Vemagiri Village & Railway hawkers, Rajamahendravaram | 271,872 | 21.04.2020 |
| 2 | Grocery items for distribution to local Villagers | Covid-19 | Vemagiri Village & Railway hawkers Rajamahendravaram | 141,600 | 22.04.2020 |
| 3 | Distribution of vegetables to poor rag picker families | Covid-19 | Satellite City area Rajamahendravaram | 11,000 | 23.04.2020 |
| 4 | Polythene covers for distribution of grocery items | Covid-19 | Vemagiri & Rajamahendravaram | 3,900 | 11.05.2020 |
| 5 | Food items for distribution to migrant workers | Covid-19 | Migrant workers | 26,430 | 18.05.2020 |

Sri Sarvaraya Sugars Limited

| | | | | | |
|----|--|-------------------|---|---------|------------|
| 6 | Food items for distribution to migrant workers | Covid-19 | Migrant workers | 12,973 | 18.05.2020 |
| 7 | Grocery items distributed to local Villagers | Covid-19 | Vemagiri Local villagers | 6,743 | 12.05.2020 |
| 8 | Grocery items distributed to local Villagers | Covid-19 | Vemagiri Local villagers | 11,200 | 16.05.2020 |
| 9 | Rental charges for Tent, etc. for distribution of food items | Covid-19 | Opposite to Factory | 5,500 | 06.06.2020 |
| 10 | Repairs to Raw water harvesting wells, filter beds and manhole | Rural Development | St. Anns' School, Rajamahendravaram | 18,130 | 03.06.2020 |
| 11 | Repairs to Raw water harvesting wells, filter beds and manhole | Rural Development | Sri Vignan Cotton School, Rajamahendravaram | 30,930 | 03.06.2020 |
| 12 | Repairs to Raw water harvesting wells, filter beds and manhole | Rural Development | Kendriya Vidyalaya-ONGC Base Complex, Rajamahendravaram | 9,600 | 03.06.2020 |
| 13 | Repairs to Raw water harvesting wells, filter beds and manhole | Rural Development | Pragathi Engineering College, Peddapuram | 9,700 | 03.06.2020 |
| 14 | Repairs to Raw water harvesting wells, filter beds and manhole | Rural Development | B.V.C Engineering College, Rajamahendravaram | 11,800 | 03.06.2020 |
| 15 | Grocery items for distribution to Railway hawkers & Counter sales boys | Covid-19 | Rajamahendravaram | 151,264 | 26.06.2020 |
| 16 | Grocery items for distribution to Railway hawkers & Counter sales boys | Covid-19 | Tadepalligudem | 24,300 | 18.07.2020 |
| 17 | Grocery items for distribution to Railway hawkers & Counter sales boys | Covid-19 | Nidadavole | 16,380 | 18.07.2020 |
| 18 | Grocery items for distribution to Railway hawkers & Counter sales boys | Covid-19 | Samalkota | 24,960 | 21.07.2020 |
| 19 | Relief Fund given to Covid Hospitals | Covid-19 | District Collector, East Godavari - Kakinada | 600,000 | 10.08.2020 |
| 20 | MM Apple TTP and Kinley Water to various Migrant Workers on National Highway | Covid-19 | NH-16 at Vemagiri Plant | 31,290 | 31.10.2020 |

Sri Sarvaraya Sugars Limited

| | | | | | |
|----|---|-------------------|---|------------------|--------------|
| 21 | Spares for 200 LPHRO System maintenance | Education | Sri Sarvaraya Harikatha Pathasala, Kapileswarapuram | 5,386 | 11.11.2020 |
| 22 | Renovation of Sri Sarvaraya Veda Pathasala buildings | Education | Kapileswarapuram | 1,176,912 | (Jan-Mar'21) |
| 23 | PET Bottle Shredder | Environmental | Rajamahendravaram | 330,000 | 11.03.2021 |
| 24 | 25Nos. Chairs supplied to Urban Health Centre, Eswar Nagar, Rajahmundry | Rural Development | Rajamahendravaram | 13,550 | 23.03.2021 |
| 25 | 25Nos. Chairs supplied to Urban Family Welfare Centre, Rajahmundry | Rural Development | Rajamahendravaram | 13,550 | 23.03.2021 |
| 26 | WasteBins – 50 Nos. | Environmental | Rajamahendravaram | 274,300 | 29.03.2021 |
| | | | Total | 3,233,269 | |

BOTTLING UNIT – KESAVARAM

| S.No. | CSR Project / Activity | Activity Sector | Location | Amount (₹) | Amount spent on |
|-------|---|-------------------|---|----------------|-----------------|
| 1 | Grocery items for distribution to local Villagers | Covid-19 | Kesavaram Village | 181,248 | 21.04.2020 |
| 2 | Grocery items for distribution to local Villagers | Covid-19 | Kesavaram Village | 132,400 | 22.04.2020 |
| 3 | Construction of Toilet & Urinals | Education | M.P.P.Elementary School, Sampathnagaram | 119,183 | 12.05.2020 |
| 4 | Grocery items for distribution to local Villagers | Covid-19 | Kesavaram Village | 7,600 | 16.05.2020 |
| 5 | Construction of Bus shelter at Railway station | Rural Development | Kesavaram Village | 183,083 | 04.03.2021 |
| | | | Total | 623,514 | |

BOTTLING UNIT – GOPALAPURAM

| S.No. | CSR Project / Activity | Activity Sector | Location | Amount (₹) | Amount spent on |
|-------|---|-----------------|---|------------|-----------------|
| 1 | Grocery items for distribution to local Villagers | Covid-19 | Gopalapuram, P.Kannapuram, Sarabhapuram, etc. | 259,654 | 12.05.2020 |
| 2 | Grocery items for distribution to local Villagers | Covid-19 | Gopalapuram, P.Kannapuram, Sarabhapuram, etc. | 179,280 | 14.05.2020 |
| 3 | 16x20 covers for distribution of grocery items | Covid-19 | Gopalapuram, P.Kannapuram, Sarabhapuram | 1,280 | 22.05.2020 |

Sri Sarvaraya Sugars Limited

| | | | | | |
|---|---|----------|---|------------------|------------|
| 4 | Grocery items for distribution to local Villagers | Covid-19 | Gopalapuram, P.Kannapuram, Sarabhapuram, etc. | 182,790 | 27.05.2020 |
| 5 | Grocery items for distribution to local Villagers | Covid-19 | Chaitanya Yuvajana Sangham, Gopalapuram | 14,900 | 10.07.2020 |
| 6 | Surgical Masks, Gloves & Disposable Caps given to treat emergency cases | Covid-19 | VIRRD Trust Hospital, Timmapuram village, Dwaraka Tirumala Mandal | 88,480 | 31.08.2020 |
| 7 | Multi-purpose Motorised Surgical Table | Hospital | VIRRD Trust Hospital, Timmapuram village, Dwaraka Tirumala Mandal | 619,500 | 24.03.2021 |
| | | | Total | 1,345,884 | |

BOTTLING UNIT - SATHUPALLY

| S.No. | CSR Project / Activity | Activity Sector | Location | Amount (₹) | Amount spent on |
|-------|--|------------------------------|------------|------------------|-----------------|
| 1 | Grocery items distributed to local Villagers | Covid-19 | Sathupally | 298,500 | 08.06.2020 |
| 2 | WasteBins – 50 Nos. | Environmental | Sathupally | 274,300 | 29.03.2021 |
| | | Total | | 572,800 | |
| | | BeverageDivisionTotal | | 5,775,466 | |

SUGAR DIVISION

| S.No. | CSR Project / Activity | Activity Sector | Location | Amount (₹) | Amount spent on |
|--|--|-----------------|--------------------------|------------------|-----------------|
| 1 | Food Expenses | Covid-19 | Ramachandrapuram | 7,713 | 14.04.2020 |
| 2 | Food Expenses | Covid-19 | Ramachandrapuram | 5,041 | 16.04.2020 |
| 3 | Food Expenses | Covid-19 | Ramachandrapuram | 33,513 | 23.04.2020 |
| 4 | Food Expenses | Covid-19 | Ramachandrapuram | 10,004 | 30.04.2020 |
| 5 | Bleaching Powder and Sodium Hypochloride | Covid-19 | Chelluru Village | 3,105 | 30.04.2020 |
| 6 | Grocery items for distribution to local Villagers | Covid-19 | Chelluru Village | 5,810 | 07.08.2020 |
| 7 | Grocery items for distribution to local Villagers. | Covid-19 | Chelluru Village | 1,770 | 19.08.2020 |
| 8 | Grocery items for distribution to local Villagers | Covid-19 | Chelluru Village | 10,288 | 24.08.2020 |
| | | | Total | 77,244 | |
| CSR expenses incurred during the year 2020-21 | | | Grand Total (Rs.) | 5,852,710 | |

S.B.P. Madan Mohan
(Chairman, CSR Committee)
DIN 06592268

Sri Sarvaraya Sugars Limited

ANNEXURE - IV EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2021

[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 | Yes |
| 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 | 88.68 |
| 2 | Industrial Alcohol | 11019 | 8.71 |
| 3 | Sugar | 10721 | 2.17 |
| 4 | Electricity | 35106 | 0.00 |
| 5 | Others | - | 0.45 |

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 | 2211174 | — | 2211174 | 72.54 | 2256174 | — | 2256174 | 74.02 | 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) | 2211174 | — | 2211174 | 72.54 | 2256174 | — | 2256174 | 74.02 | 0 |
| (2) Foreign | | | | | | | | | |
| a) NRIs – | | | | | | | | | |
| Individuals | 9495 | - | 9495 | 0.31 | 9495 | - | 9495 | 0.31 | 0 |
| b) Other – | | | | | | | | | |
| Individuals | | | | | | | | | |
| c) Bodies Corp. | | | | | | | | | |
| d) Banks/ FI | | | | | | | | | |
| e) Any Other... | | | | | | | | | |
| Sub-total (A)(2) | | - | - | - | - | - | - | - | - |
| Total | | | | | | | | | |
| Shareholding of Promoter | 2220669 | - | 2220669 | 72.85 | 2265669 | - | 2265669 | 74.33 | +1.48 |
| (A)=(A)(1)+(A)(2) | 2220669 | | 2220669 | 72.85 | 2265669 | - | 2265669 | 74.33 | +1.48 |
| B. Public | | | | | | | | | |
| Shareholding | | | | | | | | | |
| 1. Institutions | | | | | | | | | |
| a) Mutual Funds | 0 | | | | | | 0 | | |
| b) Banks/FI | 0 | | | | | | 0 | | |
| c) Central Govt. | 0 | | | | | | 0 | | |
| d) State Govt(s) | 0 | | | | | | 0 | | |
| e) Venture | | | | | | | | | |
| Capital Funds | 0 | | | | | | 0 | | |
| f) Insurance | | | | | | | | | |
| Companies | 0 | | | | | | 0 | | |
| g) FIIS | 0 | | | | | | 0 | | |
| h) Foreign Venture | | | | | | | | | |
| Capital Funds | 0 | | | | | | 0 | | |
| Others (specify) | 0 | | | | | | 0 | | |
| Sub-total (B)(1) | 0 | | | | | | 0 | — | — |
| 2. Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 453000 | 21150 | 474150 | 15.56 | 453000 | 21150 | 474150 | 15.56 | |
| ii) Overseas | | | | | | | | | |
| b) Individuals | | | | | | | | | |
| i) Individual Shareholders holding nominal share capital up to Rs.1 lakh | 55767 | 52106 | 107873 | 3.54 | 57947 | 46356 | 104303 | 3.42 | -0.12 |
| ii) Individual Shareholders holding nominal share capital in excess of Rs.1 Lakh | 36180 | 0 | 36180 | 1.18 | 36180 | 0 | 36180 | 1.18 | 0 |
| c) Others (specify Trust) | 0 | 1500 | 1500 | 0.05 | 0 | 1500 | 1500 | 0.05 | 0 |

Sri Sarvaraya Sugars Limited

| | | | | | | | | | |
|---|---------|-------|---------|-------|---------|-------|---------|--------|-------|
| IEPF SSSL UNCLAIMED SHARE ACCOUNT | 33417 | 0 | 33417 | 0.99 | 33417 | 0 | 33417 | 0.99 | 0 |
| | 174295 | 0 | 174295 | 5.72 | 132865 | 0 | 132865 | 4.36 | -1.36 |
| Sub-total (B)(2) | 752659 | 74756 | 827415 | 27.15 | 713409 | 69006 | 782415 | 25.67 | -1.48 |
| Total Public Shareholding (B)=(B)(1)+(B)(2) | 752659 | 74756 | 827415 | 27.15 | 713409 | 69006 | 782415 | 25.67 | -1.48 |
| C. Shares held by Custodian for GDRs & ADRs | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Grand Total (A+B+C) | 2973328 | 74756 | 3048084 | 100.0 | 2979078 | 69006 | 3048084 | 100.00 | |

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 | 291600 | 9.57 | - | 300305 | 9.85 | - | 0.28 |
| 2 | Sri.S.B.P.S.Krishna Mohan | 330138 | 10.83 | - | 337988 | 11.09 | - | 0.26 |
| 3 | Sri.S.B.P.Madan Mohan | 230949 | 7.58 | - | 236199 | 7.75 | - | 0.17 |
| 4 | Smt.Y.A.S.Ramalakshmi Devi | 217944 | 7.15 | - | 217944 | 7.15 | - | - |
| 5 | Dr.S.B.P.P.Rammohan | 331719 | 10.88 | - | 342569 | 11.24 | - | 0.36 |
| 6 | Smt.SribalusuRanganayaki | 179181 | 5.88 | - | 179181 | 5.88 | - | - |
| 7 | Smt.AshaRammohan | 126000 | 4.13 | - | 129400 | 4.25 | - | 0.12 |
| 8 | Smt.UshaSarvarayalu | 153246 | 5.03 | - | 153246 | 5.03 | - | - |
| 9 | Smt.Radhika Mohan | 10800 | 0.35 | - | 10800 | 0.35 | - | - |
| 10 | Ms.Perna Mohan | 8550 | 0.28 | - | 8550 | 0.28 | - | - |
| 11 | Smt.Priyadarsini Ananda Mohan | 10800 | 0.35 | - | 10800 | 0.35 | - | - |
| 12 | Sri.S.B.P.S.Ajay | 74685 | 2.45 | - | 74685 | 2.45 | - | - |
| 13 | Sri.S.B.Rajeev Mohan | 4500 | 0.15 | - | 7045 | 0.23 | - | 0.08 |
| 14 | Smt.NithyaRammohan | 9495 | 0.31 | - | 9495 | 0.31 | - | - |
| 15 | Sri.SanjaySribalusu | 74055 | 2.43 | - | 80455 | 2.64 | - | 0.21 |
| 16 | Sri.Y.Satyajit Prasad | 1950 | 0.06 | - | 1950 | 0.06 | - | - |
| 17 | Smt.ArchanaPrasad Kilaru | 100170 | 3.29 | - | 100170 | 3.29 | - | - |
| 18 | Sri.Gaurav Sarvaraya Kilaru | 60000 | 1.97 | - | 60000 | 1.97 | - | - |
| 19 | Sri.S.B.Sanjeev Mohan | 4887 | 0.16 | - | 4887 | 0.16 | - | - |
| | Total | 2220669 | 72.85 | - | 2265669 | 74.33 | - | 1.48 |

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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 01.04.2020 Date wise Increase/(Decrease) 11.12.2020 21.12.2020 Promoters Shareholding Closing Balance as on 31.03.2021 | 291600 | 9.57 | 5315 3390 300305 | 9.85 |
| 2 | Sri. S.B.P.S. Krishna Mohan Opening Balance 01.04.2020 Date wise Increase/(Decrease)16.12.2020 Promoters Shareholding Closing Balance as on 31.03.2021 | 330138 | 10.83 | 7850 337988 | 11.09 |
| 3 | Sri. S.B.P. Madan Mohan Opening Balance 01.04.2020 Date wise Increase/(Decrease)24.12.2020 Promoters Shareholding Closing Balance as on 31.03.2021 | 230949 | 7.58 | 5250 236199 | 7.75 |
| 4 | Dr. S.B.P.P. Rammohan Opening Balance 01.04.2020 Date wise Increase/(Decrease) 16.12.2020 18.12.2020 Promoters Shareholding Closing Balance as on 31.03.2021 | 331719 | 10.88 | 7850 3000 342569 | 11.24 |
| 5 | Mr.Sanjay Sribalusu Opening Balance 01.04.2020 Date wise Increase/(Decrease) 11.12.2020 16.12.2020 Promoters Shareholding Closing Balance as on 31.03.2021 | 74055 | 2.43 | 3400 3000 80455 | 2.64 |

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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 PAN:AAACK2325F Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 450000 | 14.763 | | | 450000 | 14.763 |
| 2 | VELAGAPUDI LAKSHMANA INDIRA DUTT PAN:AAAPD6756A Opening Balance as on 01/04/2020 12/06/2020 Closing Balance as on 31/03/2021 | 36000 | 1.181 | 180 | 0.006 | 36180 36180 | 1.187 1.187 |
| 3 | KIRLOSKAR INVESTMENTS & FINANCE LTD., Folio No.:130126 Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 21000 | 0.689 | | | 21000 | 0.689 |
| 4 | PRASHANTH SHRIMAL PAN:ADKPS8554Q Opening Balance as on 01/04/2020 04/12/2020 11/12/2020 18/12/2020 25/12/2020 Closing Balance as on 25/12/2020 | 15000 | 0.492 | 30000 -11260 -25100 -8640 | 0.984 -0.369 -0.823 -0.283 | 45000 33740 8640 0 0 | 1.476 1.107 0.283 0.000 0.000 |
| 5 | GOGINENI VIJAYA LAKSHMI Folio No.:120055 Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 6000 | 0.197 | | | 6000 | 0.197 |
| 6 | DEEPAK ARORA PAN:AAJPA7390Q Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 5040 | 0.165 | | | 5040 | 0.165 |
| 7 | SUNDARAMBAL, T.S. PAN:AAHPS0095A Opening Balance as on 01/04/2020 17/07/2020 Closing Balance as on 31/03/2021 | 3590 | 0.118 1000 | 0.033 | 4590 | 0.151 4590 | 0.151 |
| 8 | LAKSHMI DWIBHASHYAM PAN:ABHPD2071N Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 4500 | 0.148 | | | 4500 | 0.148 |

Sri Sarvaraya Sugars Limited

| | | | | | | | |
|----|---|------|---------------|-------|------|---------------|-------|
| 9 | DWIBHASHYAM VENKATA SRIRAMA MURTY Folio No.:100235 Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 3000 | 0.098 | | | 3000 | 0.098 |
| 10 | MURUGAPPA EDUCATIONAL AND MEDICAL FOUNDATION PAN:AAFCA0141E Opening Balance as on 01/04/2020 Closing Balance as on 31/03/2021 | 3000 | 0.098 | | | 3000 | 0.098 |
| 11 | B.RAMESH KUMAR PAN:ABQPB9670E Opening Balance as on 01/04/2020 06/11/2020 Closing Balance as on 31/03/2021 | 0 | 0.000 3000 | 0.098 | 3000 | 0.098 3000 | 0.098 |

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 01.04.2020 Date wise Increase/ (decrease) in shareholding 16.12.2020 18.12.2020 Closing Balance 31.3.2021 | 331719 | 10.88 | 7850 3000 342569 | 11.24 |
| 2 | Sri.S.B.P.S.Krishna Mohan Opening Balance 01.04.2020 Date wise Increase/ (decrease) in shareholding 16.12.2020 Closing Balance 31.03.2021 | 330138 | 10.83 | 7850 337988 | 11.09 |
| 3 | Sri.S.B.P.Madan Mohan Opening Balance 01.04.2020 Date wise Increase/ (decrease) in shareholding 24.12.2020 Closing Balance 31.03.2021 | 230949 | 7.58 | 5250 236199 | 7.75 |
| 4 | Sri.S.B.P.Anand Mohan Opening Balance 01.04.2020 Date wise Increase/ (decrease) in shareholding 11.12.2020 21.12.2020 Closing Balance 31.3.2021 | 291600 | 9.57 | 5315 3390 300305 | 9.85 |

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| | | | | | |
|---|---|-----------|-----------|-----------------------|------|
| 5 | Sri. Sanjay Sribalusu Opening balance 01.04.2020 Date wise Increase/ (decrease) in shareholding 11.12.2020 16.12.2020 Closing Balance 31.3.2021 | 74055 | 2.43 | 3400 3000 80455 | 2.64 |
| 6 | Sri.R.Sudhakar Choudary Opening Balance 01.04.2020 Date wise Increase/ (decrease) in Shareholding Closing Balance 31.03.2021 | 1044 0 | 0.03 0 | 1044 0 1044 | 0.03 |

IX. INDEBTEDNESS

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

| | Secured Loans excluding deposits ₹ | Unsecured Loans ₹ | Deposits ₹ | Total Indebtedness ₹ |
|--|---|-------------------------|----------------|----------------------------|
| Indebtedness at the beginning 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 | 78.37 | - | 121.33 | 199.70 |
| Total (i+ii+iii) | 15426.17 | - | 1101.30 | 16527.47 |
| Change in Indebtedness during the Financial Year | | | | |
| · Addition | 3015.96 | - | 573.51 | 3589.48 |
| · Reduction | 5489.52 | - | 428.83 | 5918.35 |
| Net Change | -2473.56 | - | 144.68 | -2328.87 |
| Indebtedness at the end of the Financial Year | | | | |
| i) Principal Amount | 12950.25 | - | 1147.65 | 14097.90 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | 2.36 | - | 98.33 | 100.69 |
| Total (i+ii+iii) | 12952.61 | - | 1245.98 | 14198.59 |

Sri Sarvaraya Sugars Limited

X. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

₹ in Lakhs

| 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 b) Value of Perquisites u/s17(2) Income-Tax Act, 1961 c) Profits in lieu of salaryunder Section 17(3) IncomeTax Act, 1961 | 103.01 | 98.38 | 96.46 | 96.61 | 86.70 | 65.62 | 546.77 |
| 2 | Stock Option | — | — | — | — | — | — | — |
| 3 | Sweat Equity | — | — | — | — | — | — | — |
| 4 | Commission a. % of profit Others, ex- gratia | 35.20 — 20.00 | 32.50 — 20.00 | 32.50 — 20.00 | 29.79 — 20.00 | 29.79 — 20.00 | 21.43 — 10.00 | 181.20 — 110.00 |
| 5 | Others, please specify | — | — | — | — | — | — | — |
| | Total (A) | 158.22 | 150.87 | 148.95 | 146.40 | 136.48 | 97.05 | 837.97 |

B. Remuneration to other Directors:

₹ in Lakhs

| Sl. No. | Particulars of Remuneration | Name of Directors | | | | | | Total ₹ |
|---------|--|-------------------------|--------------------|------------------|-----------------|----------------------|---------------------------|---------------|
| | | Sri R.Sudhakar Choudary | Sri. V.S.N. Murthy | Sri. G. Raghavan | Sri. P.S. Kumar | Sri. G.V.R.S. Manian | Smt. Lakshmmi Subramanian | |
| | Independent Directors · Fee for attending Board/ Committee Meetings · Commission · Others, please specify | 3.55 | 1.55 | 0.30 | 3.05 | 2.45 | 3.70 | 14.60 |
| | Total (1) | 3.55 | 1.55 | 0.30 | 3.05 | 2.45 | 3.70 | 14.60 |
| | Total Managerial Remuneration | | | | | | | 852.57 |

Sri Sarvaraya Sugars Limited

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

| 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 | — | 5.09 | 34.43 | 39.52 |
| 2 | Stock Option | | | | |
| 3 | Sweat Equity | | | | |
| 4 | Commission - a % of profit - Others, specify... | | | | |
| 5 | Others, please specify | | | | |
| | Total | - | 5.09 | 34.43 | 39.52 |

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 ₹ in Lakhs

| 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. | 79 | 44.06 | 46 | 21/11/1974 Regular | Kirlampudi Sugars, Pithapuram |
| 2 | NavaduVenu Madhava Rao | Sales Manager | B.Sc., E.P.B.M | 48 | 30.36 | 12 | 09/10/2008 Regular | Zydus Cadila Health Care, Srikakulam |
| 3 | Patamsetti V.Seshagiri Rao | Factory Manager | B.Tech. (Mechanical) | 57 | 27.74 | 28 | 11/03/1993 Regular | Nil |
| 4 | G.V.V.Satyanarayana | Factory Manager | B.Tech. (Mechanical) | 54 | 23.44 | 8 | 15/07/2013 Regular | Jaymahesh Sugars Ltd., Pawarwadi |
| 5 | MekaKusu Kumar | Production Manager | B.Tech (Electronics) | 54 | 23.05 | 26 | 24/02/1995 Regular | ICB Limited, Mumbai |
| 6 | Karri Krishna Murthy | Manager-H.R | M.B.A (H.R) | 57 | 23.00 | 23 | 16/06/1997 Regular | Safepack Polymers Ltd., Chityala, Nalgonda Dist. |
| 7 | Kodavati Surya Bhaskara Rao | Quality Assurance Manager | B.Sc. | 71 | 20.46 | 42 | 01/10/1979 Regular | - |

Sri Sarvaraya Sugars Limited

| | | | | | | | | |
|----|---|---------------------------------------|-------|----|-------|----|-----------------------|-----|
| 8 | Edala Mohana Rao | Quality Assurance Manager | B.Sc. | 58 | 18.55 | 34 | 05/02/1987 Regular | Nil |
| 9 | Nekkanti Veera Venkata Abbulu Chowdary | Regional Sales Manager | B.Com | 55 | 17.84 | 34 | 19.08.1987 Regular | Nil |
| 10 | Gummadi Koteswara Rao | Senior General Manager (Technical) | M.Sc | 54 | 17.07 | 27 | 01.03.1995 Regular | |

ANNEXURE III

a) Ratio 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 (₹) | Ratio Number of Times |
|--------|-------------------------------|------------------------------|---------------------------------------|-----------------------------|
| 1 | Smt.RajarajeswarammaSribalusu | 15821839 | 312523 | 50.63 |
| 2 | Dr.S.B.P.P.Rammohan | 15087268 | 312523 | 48.28 |
| 3 | Sri.S.B.P.S.Krishna Mohan | 14895206 | 312523 | 47.66 |
| 4 | Sri.S.B.P.Madan Mohan | 14639505 | 312523 | 46.84 |
| 5 | Sri.S.B.P.Anand Mohan | 13648352 | 312523 | 43.67 |
| 6 | Sri.Sanjay Sri Balusu | 9704566 | 312523 | 31.05 |

b) The percentage increase/decrease in the median remuneration of employees in the Financial Year: 6.32%

c) Number of Permanent Employees on the rolls of the Company:1214

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:5.90%

e) If remuneration is as per the remuneration policy of the Company: Yes

XI. 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— | | |

Sri Sarvaraya Sugars Limited

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 arms length transaction under third proviso thereto.

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

| Sl. 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:

| Sl. 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 | Rs. 1,90,37,914 | Rs.2,52,32,671 |
| f) | Date of approval by the Board | 29.06.2020,12.08.2020, 11.11.2020,10.02.2021 & 03.05.2021 | 29.06.2020,12.08.2020, 11.11.2020,10.02.2021 & 03.05.2021 |
| g) | Amount paid as advances, if any | Nil | Nil |

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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 31.03.2021 | For the year ended 31.03.2020 |
|--|--------|----------------------------------|----------------------------------|
| A) POWER AND FUEL CONSUMPTION | | | |
| 1) ELECTRICITY | | | |
| (a) Purchased Units | | | |
| Quantity | Kwh | 1,114,000 | 1,312,000 |
| Cost per Unit * | Rs. | 9.33 | 11.77 |
| Total Amount | Rs. | 10,398,528 | 15,437,443 |
| (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 | 3,305,606 | 3,767,882 |
| Units per Liter of Fuel Oil/Fire Wood | | - | - |
| Cost per Tonne of Coal/Bagasse per Unit | Rs. | 10.17 | 7.09 |
| Power Transferred to other units excluding Co-Gen Axillaries | Units | 3,478,345 | 3,840,061 |
| 2) COAL | | | |
| Quantity | Tonnes | 8,865 | 9,008 |
| Total Cost | Rs. | 31,276,240 | 31,290,027 |
| Average Cost | Rs. | 3,529.79 | 3,473.53 |
| 3) CANE TRASH | | | |
| Quantity | Tonnes | - | 637 |
| Total Cost | Rs. | - | 2,247,220 |
| Average Cost | Rs. | - | 3,525 |
| 4) RICE HUSK | | | |
| Quantity | Tonnes | 1,955 | 497 |
| Total Cost | Rs. | 4,959,471 | 1,168,248 |
| Average Cost | Rs. | 2,537 | 2,351 |

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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:

Research & Development activities:

1. **Organic Manures production:** Production of Organic manure under our Corporate brands Bhoo Shakthi (Premium Organic manure), Bhoo Shakthi Plus (Super Premium Enriched Organic manure) and Vermi Shakthi (Enriched Vermi compost) are being sold in the states of Andhra Pradesh and Telangana. Company is also conducting research and developing crop specific organic manures for Coconut and Palm Oil plantations. Company also plans to expand its 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.

In 2020-21 crop season, we had supplied 25 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 2020-21 season we have done paddy trash baling of 250 acres and for next year (i.e. 2021-22) we plan to bale in 500 acres.

4. Future plan of action:

- a. Impart 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. Planning production of exotic vegetables (Viz. Broccoli, Lettuce, Leafy vegetables, Cherry tomato and others) with hydroponic cultivation techniques in controlled conditions.
- d. Plan to start online marketing of our organic manures under the brand name "ORGANIGROW" to cater to the domestic segment of the market.

Sri Sarvaraya Sugars Limited

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 an 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.RajareswarammaSribalusu, Managing Director, Dr.S.B.P.P.Rammohan and Sri.S.B.P.S.Krishna Mohan, Jt. Managing Directors, Sri.S.B.P.Madan Mohan and Sri.S.B.P.Anand Mohan, Executive Directors and Sri.Sanjay Sri Balusu, Director (Operations). The strength of the Board as on March 31, 2021 was twelve Directors including two Non-Executive Directors, Independent Director as Chairman, Managing Director, Joint Managing Directors, Executive Directors and four Independent Directors.

Board Meetings

During the financial year 2020-2021, seven 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.

The composition of the Board of Directors meets with the requirement of the Companies Act, 2013. As on 31st March 2021 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 Sri Balusu, Director (Operations) |
| Independent / Non-Executive Directors | Sri.P.S.Kumar Sri.G.V.R.S.Manian Sri.V.S.N.Murthy Sri.R.Sudhakar Choudary Smt.Lakshmmi Subramanian Sri G. Raghavan |

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

During the year the Board appointed Sri.G.Raghavan 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 an Independent Director as the Chairman for the Board Meetings.

Number of Meetings of the Board

During the year seven (7) Meetings were held as per the details given below:

| Sl. No. | Date of Board Meeting |
|---------|-----------------------|
| 1. | 29.06.2020 |
| 2. | 12.08.2020 |
| 3. | 24.09.2020 |
| 4. | 11.11.2020 |
| 5. | 30.11.2020 |
| 6. | 06.01.2021 |
| 7. | 10.02.2021 |

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 the year:

| Name of the Director | No. of Board Meetings held | No. of Board Meetings attended |
|--------------------------------|----------------------------|--------------------------------|
| Sri.S.B.P.Madan Mohan | 7 | 7 |
| Sri.S.B.P.S. Krishna Mohan | 7 | 7 |
| Dr.S.B.P.P.Rammohan | 7 | 7 |
| Sri.Sanjay Sri Balusu | 7 | 7 |
| Sri.S.B.P.Anand Mohan | 7 | 7 |
| Smt.Rajarajeswaramma Sribalusu | 7 | 2 |
| Sri.R.Sudhakar Choudary | 7 | 7 |
| Sri.G.V.R.S.Manian | 7 | 7 |
| Sri V.S.N.Murthy | 7 | 7 |
| Sri.P.S. Kumar | 7 | 7 |
| Smt.Lakshmmi Subramanian | 7 | 7 |
| Sri G Raghavan* | 2 | 2 |

*Joined from 15.12.2020

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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 timelines 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 Smt.Rajarajeswaramma Sribalusu and Sri V.S.N. Murthy attended the last Annual General Meeting of the Company held on 24th September 2020.

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 31.3.2021

| Name of Director | No. of shares held in the Company | No. of other Directorship/ Partnership/ Membership |
|---------------------------------|-----------------------------------|--|
| Sri.S.B.P.Madan Mohan | 236199 | Director – India Forge & Drop Stampings Limited. Partner: Southern Agencies Partner: Sri Godavari Transports Trustee: Kapileswarapuram Kothavuru Annasatram |
| Sri.S.B.P.S.Krishna Mohan | 337988 | Managing Director: Sarvaraya Textiles Ltd. Partner: Southern Agencies Partner: Sri Godavari Transports Trustee: Kapileswarapuram Kothavuru Annasatram |
| Dr.S.B.P.P.Rammohan | 342569 | Managing Director: Sarvaraya Textiles Ltd. Partner: Southern Agencies Relative-Partner:Sri Godavari Transports Trustee: Sarvaraya Educational Trust Trustee: Kapileswarapuram Kothavuru Annasatram |
| Sri. Sanjay Sribalusu | 80455 | - |
| Sri.S.B.P.Anand Mohan | 300305 | Partner: Southern Agencies Relative-Partner:Sri Godavari Transports Trustee: Kapileswarapuram Kothavuru Annasatram |
| Smt. Rajarajeswaramma Sribalusu | Nil- | Managing Trustee: Sarvaraya Educational Trust Trustee: Kapileswarapuram Kothavuru Annasatram |
| Sri R.Sudhakar Choudary | 1044 | Trident Sugars Limited Farm Tech Engineering Pvt Ltd. |
| Sri P.S.Kumar | Nil | The KCP Limited KCP Vietnam Industries Limited |

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| | | |
|--------------------------|-----|--|
| Sri G.V.R.S.Manian | Nil | Nil |
| Sri V.S.N. Murthy | Nil | Sarvaraya Textiles Limited Kallam Textiles Limited |
| Smt.Lakshmmi Subramanian | Nil | 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 and 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.RajarajeswarammaSribalusu, Managing Director and Smt.Lakshmmi Subramanian are the Women Directors on the Board of the Company. During the year 2020-2021 Sri.G.Raghavan was appointed as Non-Executive Director in place of Dr.K.Mohan Naidu who resigned.

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 an 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.

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 |
|--------------------------|----------------------|--------------------------|
| Sri.P.S.Kumar | 6 | 6 |
| Sri.R.Sudhakar Choudary | 6 | 6 |
| Smt.Lakshmmi Subramanian | 6 | 6 |
| Sri.G.V.R.S.Manian | 6 | 6 |

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During the year ended on 31.03.2021, six meetings of the Audit Committee were held on 29th June 2020, 12th August 2020, 11th November 2020, 30th November 2020, 6th January 2021 and 10th February 2021. 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 Sri.R.Sudhakar Choudary as Chairman, and Sri.P.S Kumar and Smt.Lakshmmi Subramanian as Members. During the year there were four meetings as under:

| Date | Total members | Attendance by number of members |
|------------|---------------|---------------------------------|
| 29.06.2020 | 3 | 3 |
| 11.11.2020 | 3 | 3 |
| 06.01.2021 | 3 | 3 |
| 10.02.2021 | 3 | 3 |

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 for 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.

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 2021 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

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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 and transmission of securities.

The Committee is having the following directors as at 31.3.2021 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.RajarajeswarammaSribalusu | Member |
| Sri.S.B.P.Anand Mohan | Member |

During the year the Committee held meetings on 30th November 2020 and 10th February 2021

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

Number of complaints received from the Investors during the year 2020-2021 and their status are as follows.

| | |
|---|---|
| No. of Complaints received | 9 |
| No. of Complaints disposed of | 9 |
| 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 |
|----------------------|------------|-----------|--|-----------------------------------|
| 62 nd AGM | 24-09-2020 | 11:30 A.M | AGM by Video Conference | 1 |
| 61 st AGM | 26-09-2019 | 11:45 A.M | Registered Office: 12 Ethiraj Salai, Chennai 600 008 | 6 |
| 60 th AGM | 26-09-2018 | 11:00 A.M | Registered Office: 12 Ethiraj Salai Chennai 600 008 | 6 |

Special Resolutions passed in previous 3 AGMS:

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

AGM 2020

1. Reappointment of Mr Sanjay Sribalusu as Director (Operations) for a further period of 5 years.

AGM 2019

1. Reappointment of Smt.RajarajeswarammaSribalusu 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.SanjaySribalusu, 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.RajarajeswarammaSribalusu, 92 years, as Managing Director for the remaining term
6. To sell, transfer, convey or otherwise dispose of Company's immovable properties

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POSTAL BALLOTS DURING THE YEAR 2020- 21

| Date of issue of Postal Ballot | Resolutions passed | Date of declaring results |
|--------------------------------|--|---------------------------|
| 20.01.2021 | Appointment of Sri.G.Raghavan as a Non Executive Director for a period of five years | 22.02.2021 |
| | Adoption of New Set of Articles of Association of the Company | |
| | Ratification of sitting fees paid since 12.02.2020 | |

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 11th August 2021.

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 2020-2021 are published in Financial Express (in English) and MaalaiSudar (in Tamil)

General Shareholder Information

- The 63rd Annual General Meeting of the Company will be held on Monday, 27th September, 2021 by Video Conference / OVAC at 10.15 AM.
- Date of Book Closure: The Register of Members and Share Transfer Book of the Company will remain closed from 21st September 2021 to 27th September 2021 (both days inclusive).
- Financial Calendar: April 1, 2021 to March 31, 2022

Reporting for:

- Quarter ending June 30, 2021
- Quarter ending September 30, 2021
- Quarter ending December 31, 2021
- Year ending March 31, 2022
- Annual General Meeting

with Limited Review

- 14th August, 2021
- 14th November, 2021
- 14th February, 2022
- 30th May, 2022 (Audited)
- On or before 30th September 2022

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

Sri Sarvaraya Sugars Limited

Distribution Schedule as on 31/03/2021

| S. No. | Category of Shares | Holders | % to Holders | Shares | % to Shares |
|--------|--------------------|------------|---------------|----------------|---------------|
| 1 | up to 5000 | 204 | 89.08 | 98030 | 3.22 |
| 2 | 5001-10000 | 6 | 2.62 | 43030 | 1.41 |
| 3 | 10001-20000 | 2 | 0.87 | 21600 | 0.71 |
| 4 | 20001-30000 | 1 | 0.44 | 21000 | 0.69 |
| 5 | 30001-40000 | 2 | 0.87 | 69417 | 2.28 |
| 6 | 40001-50000 | 0 | 0 | 0 | 0 |
| 7 | 50001-100000 | 3 | 1.31 | 215140 | 7.06 |
| 8 | 100001 and above | 11 | 4.80 | 2579867 | 84.64 |
| | Total | 229 | 100.00 | 3048084 | 100.00 |

| S. No. | Category | Holders | Shares | % to Shares |
|--------|-------------------------------|------------|----------------|---------------|
| 1 | Bodies Corporate | 5 | 475650 | 15.60 |
| 2 | IEPF | 1 | 33417 | 1.10 |
| 3 | Promoters | 19 | 2265669 | 74.33 |
| 4 | Resident Indian | 203 | 140483 | 4.61 |
| 5 | SSL Unclaimed SuspenseAccount | 1 | 132865 | 4.36 |
| | Total | 229 | 3048084 | 100.00 |

Demat holding as on 31/03/2021

| Sl.No | Holders | % to holders | Shares | % to shares |
|-------|---------|--------------|---------|---------------|
| 1 | 75 | 32.75 | 2979078 | 97.74% |

Location of Plants:

Sugar, Distillery and Electricity Units

Chelluru 533261
Rayavaram Mandal
East Godavari District
Andhra Pradesh

Aerated Water Units

Vemagiri 533 125
East Godavari District
Andhra Pradesh

Kesavaram 533341
East Godavari District
Andhra Pradesh

Sri Sarvaraya Sugars Limited

Gopalapuram 534425
Dwaraka Thirumala 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, Dr.S.B.P.P.Rammohan and S.B.P.S.Krishna Mohan, 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

DISTILLERY:

ETHANOL BLENDING PROGRAM:

The Central Government is very keen on implementing the National Bio-fuel Policy 2018 of the Ethanol Blended Petrol (EBP) programme to achieve 10% by 2022 and 20% by 2030. In the recently announced E20 Policy of the Central Government, the EPB programme has been advanced to achieve the 20% blending by 2025 itself.

Consequently the OilMarketing Companies (OMC) called for expression of interest (EOI) for the supply of Ethanol to meet the current 10% blending Programme. Currently the contracted quantity to supply Ethanol during December 2020 to November 2021 is around 332 crore Ltrs. which comes to around 8.5% only. To achieve the target of 20% blending by 2025 and to increase Ethanol production in the country, the Central Government has announced financial assistance byway 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 Central Government has announced to assist not only molasses based captive distilleries but also standalone distilleries with feedstock of either Molasses or Grain. The Central Government will provide interest subvention for five years and one year moratorium to such loans by paying interest at a maximum of 6% or 50% of the interest as charged by the lending bank whichever is lower. The Central Government is also encouraging to have a tripartite agreement between the Banks, OMCs and borrower(Ethanol supplier) for repayment guaranty to the banks.

To reduce the sugar production and also to encourage Ethanol blended petrol (EBP) in the country, the Central Government has increased the prices in the tender from December 2020 to November 2021 for Ethanol derived out of C-Heavy molasses at Rs.45.69/- per litre (previous year it was Rs.43.75/-), Ethanol derived out of B-heavy molasses at Rs.57.61/-per litre (previous year it was Rs.54.27/-) and Ethanol derived out of direct sugar cane juice at Rs. 62.65/-per litre (previous year it was Rs.59.48/-). In addition the Central Government has decided to procure Ethanol for OMCs from Grain based Distilleries and announced the prices for the Ethanol derived from Damaged food grains/ Broken rice/ maize at Rs.51.55/- per litre and Ethanol derived from Rice available with FCI at Rs. 56.87/- per litre.

The declining availability of Sugarcane in the Southern states and consequently the availability of molasses has become a big challenge. Hence, sugar mills having distilleries may be converted to grain based distilleries or arrange to operate at dual mode, since the back end equipment will be suitable for the grain based operation. Only the front end machinery is to be added to convert the existing molasses based distilleries to grain based distilleries. Since the procurement price of grain is currently low, the viability of grain based alcohol plants is very encouraging and pollution load is also less compared with the molasses based alcohol plants. In Southern parts of the country, new grain based plants are coming up vigorously to meet the Ethanol demand.

Sri Sarvaraya Sugars Limited

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 31.03.2021 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 10.02.2021
- b. We have examined the compliance of conditions of Corporate Governance by Sri Sarvaraya Sugars Limited ('the Company'), for the year ended 31st March 2021, 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

Our 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 our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

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

Place: Chennai

Date: 22.06.2021

Srividhya Narasimhan
Practising Company Secretary
CP No. 14058
ACS No.: 34428
UDIN: A034428C000496241

Sri Sarvaraya Sugars Limited

Independent Auditors' Report on Annual Financial Results of Sri Sarvaraya Sugars Limited pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Sri Sarvaraya Sugars Limited

Report on the audit of the Annual Financial Results

Opinion

We have audited the accompanying financial statements of **Sri Sarvaraya Sugars Limited**, ("the Company"), which comprise the Balance Sheet as at 31st March, 2021, 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, 2021, 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. 14A 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, 2021 amounting to Rs.1742.33 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.

Key Audit Matters

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

| Sl.No | Key Audit matter | How the matter was addressed in our audit |
|-------|---|---|
| 1 | Verification of expansion project capital work in progress and costs of plant trail run production. Bifurcation of costs related to capital cost, trail run costs & regular expenses is a challenge. | Our audit procedures to verify the capital work in progress and verification of plant test run production included the following: We have verified the supplier bills and bifurcated all the expenses related to trail run production and regular expenses of the company. We verified the various disclosures of the same in the financial statements to be appropriate. |

Sri Sarvaraya Sugars Limited

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.

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.

Sri Sarvaraya Sugars Limited

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. As required by 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.

Sri Sarvaraya Sugars Limited

- 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, 2021 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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:

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.

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

(G. RAJASEKHAR)
Partner
Membership Number: 236023
UDIN:21236023AAAAAS3178

Place: Sambalpur
Date: 28.06.2021

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, 2021. 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 2021 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, 2021. 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:

Sri Sarvaraya Sugars Limited

| 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 | Non maintenance of separate books for inputs& input services | 473.73 | Apr 2003 to Dec 2007 | Hon'ble High court of A.P. |
| Central Excise Act, 1944 | Non- payment of duty on sale of scrap and irregular availment of input credit on services | 29.92 | Apr 2014 to Jun 2017 | Commissioner of Customs, Central Excise & Service Tax (Appeals), Guntur, Sub- Office-Visakhapatnam |
| Finance Act, 1994 | Non Payment of Service Tax on Transportation of Sugar Cane | 285.54 | Jan 2005 to March 2010 | CESTAT, Hyderabad |
| Finance Act, 1994 | Non -payment of Service Tax on concentrate rebate claim | 71.43 | April 2016 to June 2017 | Commissioner of Customs, Central Excise & Service Tax (Appeals), Guntur, Sub- Office-Visakhapatnam |
| Finance Act, 1994 | irregular availment of CENVAT credit on certain ineligible input services received | 131.77 | Oct 2015 to June 2017 | Principal Commissioner of GST & Customs (Appeals), Guntur |
| APGST Act | Sales tax demands | 8.55 | AY 1995-96 | Hon'ble Highcourt 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 | 5.91 | 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 | ineligible Input Tax on Cooler Repairs and Consumables etc. | 23.85 | October 2015 to June 2017 | Appellate Joint Commissioner (ST), 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 | 240.46 | AYs 2006-07 to 2014-15 | JCIT (OSD), Kakinada |
| Sugarcane Regulation Act, 1976 | Purchase Tax | 59.45 | 1998-99 | Cane Development Commissioner, Vijayawada |
| Customs Act, 1962 | Undue availment of exemption on coal, due to Misclassification | 20.72 | 2013 | CESTAT, Hyderabad |
| Building and Other Construction Workers Welfare Cess Act, 1966 | Non payment of Cess on value of Civil Constructions | 77.43 | Dec 2015 to March 2017 | Joint Commissioner of Labour, Eluru |
| Electricity Act, 2003 | Cess on sale of power | 299.04 | 2003-04 Onwards | Hon'ble Supreme Court of India |

*Net of Deposits

Sri Sarvaraya Sugars Limited

- 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.
- 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:21236023AAAAAS3178

Place: Sambalpur
Date: 28.06.2021

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, 2021 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, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Sambalpur
Date: 28.06.2021

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

(G. RAJASEKHAR)
Partner
Membership Number: 236023
UDIN:21236023AAAAAS3178

Sri Sarvaraya Sugars Limited

BALANCE SHEET AS AT 31st MARCH 2021

₹ in Lakhs

| Particulars | Note No. | ASAT 31st March, 2021 | ASAT 31st March, 2020 |
|--|----------|--------------------------|--------------------------|
| ASSETS | | | |
| A. Non-Current Assets | | | |
| Property, plant and equipment | 2 | 39,487.42 | 41,271.43 |
| Capital work-in-progress | 3 | 6,247.90 | 4,580.90 |
| Right of Use Assets | 4&47 | 1,352.07 | 18.39 |
| Intangible assets | 5 | 15.28 | 16.72 |
| Financial Assets | | | |
| Investments | 6 | 8.60 | 3.28 |
| Loans and advances | 7 | 292.41 | 280.99 |
| Other non-current assets | 8 | 334.70 | 316.74 |
| Sub Total (A) | | 47,738.38 | 46,488.45 |
| B. Current Assets | | | |
| Inventories | 9 | 6,808.57 | 6,626.95 |
| Financial Assets | | | |
| Trade receivables | 10 | 2,287.70 | 1,352.15 |
| Cash and cash equivalents | 11 | 78.28 | 206.36 |
| Bank balances other than cash and cash equivalents | 12 | 268.46 | 245.83 |
| Other financial assets | 13 | 1,158.09 | 386.62 |
| Other current assets | 14 | 3,266.52 | 2,993.22 |
| Sub Total (B) | | 13,867.62 | 11,811.13 |
| Total Assets (A+B) | | 61,606.00 | 58,299.58 |
| EQUITY AND LIABILITIES | | | |
| A. Equity | | | |
| Equity share capital | 15 | 304.81 | 304.81 |
| Other equity | | 26,985.83 | 20,787.85 |
| Sub Total (A) | | 27,290.64 | 21,092.66 |
| B. Non-Current Liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 16 | 5,601.50 | 4,996.61 |
| Other financial liabilities | 17 | 2,565.83 | 2,499.04 |
| Lease Liabilities | 47 | 797.28 | 15.14 |
| Provisions | 18 | 325.38 | 312.09 |
| Deferred tax liabilities (Net) | 19 | 4,156.01 | 5,063.97 |
| Sub Total (B) | | 13,446.00 | 12,886.85 |

Sri Sarvaraya Sugars Limited

₹ in Lakhs

| Particulars | Note No. | ASAT 31st March, 2021 | ASAT 31st March, 2020 |
|---|----------|--------------------------|--------------------------|
| C. Current liabilities | | | |
| Financial Liabilities | | | |
| Borrowings | 20 | 7,208.17 | 9,157.71 |
| Trade payables | 21 | 3,971.57 | 4,464.62 |
| Other financial liabilities | 22 | 5,707.54 | 5,829.84 |
| Other current liabilities | 23 | 2,648.41 | 4,035.76 |
| Lease Liabilities | 47 | 377.16 | 3.82 |
| Provisions | 24 | 448.12 | 655.90 |
| Income tax liabilities (net) | 25 | 508.39 | 172.42 |
| Sub Total (C) | | 20,869.36 | 24,320.07 |
| Total Equity and Liabilities (A+B+C) | | 61,606.00 | 58,299.58 |

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: Sambalpur

Date: 28.06.2021

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
Company Secretary

Sri Sarvaraya Sugars Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2021

₹ in Lakhs

| PARTICULARS | Note No. | FOR THE YEAR ENDED 31st March, 2021 | FOR THE YEAR ENDED 31st March, 2020 |
|--|----------|--|--|
| INCOME | | | |
| I. Revenue from operations | 26 | 60021.83 | 59459.33 |
| II. Other income | 27 | 2359.07 | 1939.65 |
| III. Total Income (I+II) | | 62380.90 | 61398.98 |
| IV. Expenses | | | |
| Cost of materials consumed | 28 | 26841.51 | 27007.43 |
| Purchases of stock-in-trade | 29 | 8986.21 | 8159.67 |
| Changes in inventories of finished goods, work-in-progress and stock-in-trade | 30 | (23.77) | 389.88 |
| Manufacturing expenses | 31 | 4723.20 | 5500.21 |
| Employee benefits expenses | 32 | 6791.61 | 6545.44 |
| Finance costs | 33 | 1864.95 | 2301.08 |
| Depreciation and amortization expenses | 34 | 3009.24 | 2800.26 |
| Other expenses | 35 | 2669.53 | 2991.17 |
| Total Expenses | | 54862.48 | 55695.14 |
| V. Profit before extraordinary items& tax (III-IV): | | 7518.42 | 5703.84 |
| VI. Exceptional Items | 36 | 283.00 | (110.18) |
| VII. Profit before tax (V-VI) | | 7235.42 | 5814.02 |
| VIII. Tax expenses | 37 | 844.65 | 2245.66 |
| IX. Profit for the year (VII-VIII) | | 6390.77 | 3568.36 |
| X. Other comprehensive income | 38 | | |
| A i) Items that will not be reclassified to profit or loss | | 45.80 | (221.82) |
| ii) Income tax relating to items that will not be reclassified to Profit or Loss | | (9.99) | 71.40 |
| B i) Items that will be reclassified to profit or loss | | 0.00 | 0.00 |
| ii) Income tax relating to items that will be reclassified to Profit or Loss | | 0.00 | 0.00 |
| XI. Total comprehensive income (IX + X) | | 6426.58 | 3417.94 |
| XII. Earnings per share (Face value Rs 10 each) (Basic and diluted) | 40 | 209.67 | 117.07 |

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: Sambalpur

Date: 28.06.2021

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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
Company Secretary

Sri Sarvaraya Sugars Limited

Statement of Changes in Equity for year ended 31st March, 2021

a) Equity Share Capital

| Equity shares of Rs 10 each issued, subscribed and fully paid | Nos. | Rs.in Lakhs |
|---|-----------|-------------|
| Balance as at 1 st April, 2020 | 3,048,084 | 304.81 |
| Changes in Equity share capital during the year | - | - |
| Balance as at 31 st March, 2021 | 3,048,084 | 304.81 |

b) Other Equity

Rs.in Lakhs

| Particulars | Attributable to the equity holders | | | |
|--|------------------------------------|-------------------|---|-----------|
| | Reserves and Surplus | | Items of Other comprehensive income (OCI) | Total |
| | General Reserve | Retained Earnings | Fair Value Through OCI | |
| Balance as at 1 st April, 2020 | 10,786.18 | 10,266.40 | (264.73) | 20,787.85 |
| Other comprehensive income for the year | | | 35.81 | 35.81 |
| Comprehensive income for the year | | 6,390.77 | | 6,390.77 |
| Transfer to general reserve | 4,500.00 | (4,500.00) | | - |
| Dividends paid | | (228.60) | | (228.60) |
| Corporate Dividend Tax | | | | - |
| Balance as at 31 st March, 2021 | 15,286.18 | 11,928.57 | (228.92) | 26,985.83 |

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 to retained earnings when the relevant financial instruments are disposed.
- 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, 2021 | | 31 st March, 2020 | |
| <u>Cash flow from operating activities:</u> | | | | |
| Net Profit Before Tax | | 7,235.42 | | 5,814.02 |
| <u>Adjustments for:</u> | | | | |
| Depreciation and amortisation | 3,009.24 | | 2,800.26 | |
| Finance costs | 1,858.42 | | 2,297.31 | |
| Dividend from investments | - | | (0.02) | |
| Interest income | (38.13) | | (47.99) | |
| Profit on sale of Assets | (17.18) | | (200.50) | |
| Loss on sale of Assets | 77.19 | | 0.61 | |
| Net value of discarded Assets | 49.14 | | 124.10 | |
| Tools written off | 0.43 | | 2.69 | |
| Stores written off | 11.37 | | 15.93 | |
| Unwinding cost on decommissioning liability | 6.53 | | 3.78 | |
| Remeasurament of Defined benefits for Leave encashment | 5.60 | | 37.49 | |
| Remeasurament of Defined benefits for Gratuity | 34.87 | | 166.87 | |
| Excess provisions for earlier years written back | (24.32) | | (69.91) | |
| Provision For Bad & Doubtful Debts | - | | 4.97 | |
| | | 4,973.16 | | 5,135.59 |
| Operating Profit before working capital changes | | 12,208.58 | | 10,949.61 |
| <u>Adjustments for:</u> | | | | |
| (Increase)/Decrease in Trade receivables | (935.54) | | 837.05 | |
| (Increase)/Decrease in Inventories | (193.41) | | (35.18) | |
| (Increase)/Decrease in long term loans and advances | (11.43) | | 7.06 | |
| (Increase)/Decrease in other non current assets | (17.97) | | (42.72) | |
| (Increase)/Decrease in other current assets | (1,044.77) | | (230.42) | |
| Increase/(Decrease) in Trade payables | (468.74) | | (2,899.11) | |
| Increase/(Decrease) in other long term liabilities | 66.78 | | 18.33 | |
| Increase/(Decrease) in other current liabilities | (1,394.70) | | (347.18) | |
| | | (3,999.78) | | (2,692.17) |
| Cash generated from operations | | 8,208.80 | | 8,257.44 |
| Direct taxes paid (net of refunds) | | 1,762.59 | | 966.21 |
| Net cash used in operating activities (A) | | 6,446.21 | | 7,291.23 |

Sri Sarvaraya Sugars Limited

| | FOR THE YEAR ENDED | | | |
|--|------------------------------|------------|------------------------------|------------|
| | 31 st March, 2021 | | 31 st March, 2020 | |
| Cash flow from investing activities: | | | | \ |
| Purchase of Property, plant & equipment | (1,463.99) | | (1,591.71) | |
| Purchase of Intangible assets | (5.00) | | (14.47) | |
| Change in Capital work-in-progress | (1,667.01) | | (3,218.37) | |
| Sale of Property, plant & equipment | 216.11 | | 936.90 | |
| Dividend income | - | | 0.02 | |
| Interest income | 38.14 | | 47.99 | |
| Net cash used for investing activities (B) | | (2,881.75) | | (3,839.64) |
| Cash flow from financing activities: | | | | |
| Proceeds/(repayment) from short-term borrowings (Net) | (1,949.56) | | (291.18) | |
| Proceeds/(repayment) from long-term borrowings (Net) | 604.90 | | (715.27) | |
| Effect of changes in foreign exchange rates | (21.64) | | (6.48) | |
| Finance Costs including payment of lease liability | (2,075.01) | | (2,278.35) | |
| Dividends paid (including Dividend Distribution Tax) | (228.60) | | (183.74) | |
| Net cash generated from financing activities (C) | | (3,669.91) | | (3,475.02) |
| Net increase/ (Decrease) in cash and cash equivalents (A+B+C) | | (105.45) | | (23.43) |
| Cash and Cash Equivalents at the beginning of the period | 206.36 | | 88.30 | |
| Other Bank Balances at the beginning of the period | 245.83 | 452.19 | 387.32 | 475.62 |
| Total | | 346.74 | | 452.19 |
| Cash and Cash Equivalents at the closing of the period | | 78.28 | | 206.36 |
| Other Bank Balances at the closing of the period | | 268.46 | | 245.83 |
| Total | | 346.74 | | 452.19 |

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: Sambalpur

Date: 28.06.2021

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
Company 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, 2021 was approved for issue by the Board of Directors of the Company on 28th June, 2021 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.

Sri Sarvaraya Sugars Limited

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.

Sri Sarvaraya Sugars Limited

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 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 judgment 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.

Sri Sarvaraya Sugars Limited

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.
 - 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.

Sri Sarvaraya Sugars Limited

| 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 |

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.

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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 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.

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- > 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.

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.

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- 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 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.

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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.

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.

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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.

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.

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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".

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 up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(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 up to the end of reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. 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,

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(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.

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.

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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.

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.

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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.

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)

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Financial assets measured at amortised cost

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

- 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.

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- ii) Financial assets that are debt instruments and are measured as at FVTOCI
- iii) Lease receivables under Ind AS 116
- 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.

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b) Financial liabilities

Initial recognition and measurement

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

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.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest rate (EIR) method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Embedded derivatives

If the hybrid contract contains a host that is a financial asset within the scope of Ind AS 109, the Company does not separate embedded derivatives. Rather, it applies the classification requirements contained in Ind AS 109 to the entire hybrid contract. Derivatives embedded in all other host contracts are accounted for as separate derivatives and

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recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value through profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss, unless designated as effective hedging instruments.

Derivative financial instruments

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counterparty for these contracts is generally a bank. The gain or loss on the hedging instrument will be recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

1.31. Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet :

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of Profit and Loss :

Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The Company will evaluate the same to give effect to them as required by law.

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NOTE 2: PROPERTY, PLANT AND EQUIPMENT

₹ in Lakhs

| S. No. | Description | GROSS BLOCK | | | | ACCUMULATED DEPRECIATION | | | | NET BLOCK | |
|--------|------------------------|-----------------------|------------------------|-------------------------|-----------------------|--------------------------|--------------|-------------------------|------------------|------------------|------------------|
| | | Cost up to 01.04.2020 | Additions/ Adjustments | Deductions/ Adjustments | Cost up to 31.03.2021 | Up to 01.04.2020 | For the Year | Deductions/ Adjustments | Up to 31.03.2021 | As at 31.03.2021 | As at 31.03.2021 |
| 1 | Land | 1,975.05 | - | - | 1,975.05 | - | - | - | - | 1,975.05 | 1,975.05 |
| 2 | Buildings | 15,680.62 | 83.97 | 10.04 | 15,754.55 | 4,336.40 | 533.13 | 1.54 | 4,867.99 | 10,886.56 | 11,344.22 |
| 3 | Plant and Equipment* | 37,836.08 | 602.97 | 101.55 | 38,337.50 | 15,355.10 | 1,249.35 | 63.64 | 16,540.81 | 21,796.69 | 22,480.98 |
| 4 | Furniture and Fixtures | 6,135.90 | 176.92 | 109.52 | 6,203.30 | 5,017.41 | 361.10 | 104.57 | 5,273.94 | 929.36 | 1,118.49 |
| 5 | Office Equipment | 185.41 | 13.42 | - | 198.83 | 140.85 | 13.89 | - | 154.74 | 44.09 | 44.56 |
| 6 | Vehicles | 1,076.32 | 18.27 | 24.04 | 1,070.55 | 891.78 | 31.50 | 22.81 | 900.47 | 170.08 | 184.54 |
| 7 | Crates & Glass Bottles | 6,417.18 | 310.89 | 600.54 | 6,127.53 | 2,293.59 | 476.26 | 327.91 | 2,441.94 | 3,685.59 | 4,123.59 |
| | Total | 69,306.56 | 1,206.44 | 845.69 | 69,667.31 | 28,035.13 | 2,665.23 | 520.47 | 30,179.89 | 39,487.42 | 41,271.43 |

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 good as specified in Govt's relaxations, all the property, plant & equipment as on 31.03.2021 of Bottling Units of the Company have temporarily kept idle from 01.04.2020 till 31.05.2020. WDV of the idle property, plant & equipment as on 31.03.2021 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.21.64 lakhs** (Previous year - Rs.26.23 lakhs)

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Notes to financial statements for the year ended 31st March, 2021

Note No 3: CAPITAL WORK IN PROGRESS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|-----------------|---------------------|-----------------|
| Capital works under progress | | 6,031.21 | | 4,424.75 |
| Expenditure incidental to construction awaiting allocation to fixed assets | | 216.69 | | 156.15 |
| Total | | 6,247.90 | | 4,580.90 |

Note No 3A: EXPENDITURE INCIDENTAL TO CONSTRUCTION AWAITING ALLOCATION

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|---------------|---------------------|---------------|
| a. Balance at the beginning of the year | | 156.15 | | 139.57 |
| b. Net expenditure incurred during the year: | | | | |
| Staff cost | 17.16 | | 8.50 | |
| Professional and Consultancy charges | 3.58 | | - | |
| Administrative Expenses | 13.66 | | - | |
| Rent | 0.30 | | 0.29 | |
| Insurance | - | | 0.10 | |
| Interest | 23.77 | | 7.69 | |
| Others | 2.07 | | - | |
| | | 60.54 | | 16.58 |
| Expenditure awaiting allocation to fixed assets | | 216.69 | | 156.15 |

Note No.3B: Borrowing costs incurred during construction period to property, plant & equipment during the year for specific borrowings amounting to **Rs.23.77 Lakhs** (Previous Year 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 01.04.2020 | Additions/ Adjustments | Deductions/ Adjustments | Cost up to 31.03.2021 | Up to 01.04.2020 | For the Year | Deductions/ Adjustments | Up to 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| | Buildings | 19.94 | - | - | 19.94 | 1.55 | 3.21 | - | 4.76 | 15.18 | 18.39 |
| | Plant & Machinery | - | 1,671.25 | - | 1,671.25 | - | 334.36 | - | 334.36 | 1,336.89 | - |
| | Total | 19.94 | 1,671.25 | - | 1,691.19 | 1.55 | 337.57 | - | 339.12 | 1,352.07 | 18.39 |

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Note 5: Intangible Assets

₹ in Lakhs

| S. No. | Description | GROSS BLOCK | | | | ACCUMULATED AMORTISATION | | | | NET BLOCK | |
|--------|-------------------|-----------------------|------------------------|-------------------------|-----------------------|--------------------------|--------------|-------------------------|------------------|------------------|------------------|
| | | Cost up to 01.04.2020 | Additions/ Adjustments | Deductions/ Adjustments | Cost up to 31.03.2021 | Up to 01.04.2020 | For the Year | Deductions/ Adjustments | Up to 31.03.2021 | As at 31.03.2021 | As at 31.03.2020 |
| | Computer software | 22.63 | 5.00 | - | 27.63 | 5.91 | 6.44 | - | 12.35 | 15.28 | 16.72 |
| | Total | 22.63 | 5.00 | - | 27.63 | 5.91 | 6.44 | - | 12.35 | 15.28 | 16.72 |

Note No 6: NON CURRENT INVESTMENTS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|------------------|-------------|------------------|-------------|
| Investments measured at Fair Value through Other Comprehensive Income | | | | |
| i) Quoted | | | | |
| In Equity shares fully paid up of Rs 10 each | | | | |
| Union Bank of India (3,044 Equity shares (PY 3,044 Equity shares)) | 0.37 | | 0.28 | |
| Indian Bank (6,975 Equity shares (PY 6,975 Equity shares)) | 8.23 | | 3.01 | |
| | | 8.60 | | 3.28 |
| 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)) | 38.42 | | 38.42 | |
| 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 | | 8.60 | | 3.28 |
| Note No: | | | | |
| a) Aggregate amount of quoted investments | | 8.60 | 3.28 | |
| b) Market value of quoted investments | | 8.60 | 3.28 | |
| c) Aggregate amount of unquoted investments | | 88.60 | 88.60 | |
| d) Aggregate provision for diminution in value of investments | | 88.60 | 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.

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Note No 7: NON CURRENT LOANS AND ADVANCES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|----------------------------|---------------------|---------------|---------------------|---------------|
| Unsecured, considered good | | | | |
| Security deposits | | 291.42 | | 280.24 |
| Loans | | 0.99 | | 0.75 |
| Total | | 292.41 | | 280.99 |

Note No 8: OTHER NON CURRENT ASSETS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|---------------|---------------------|---------------|
| Unsecured, considered good, otherwise stated and recoverable in cash or kind or for value to be received | | | | |
| Capital advances | | 325.17 | | 295.68 |
| Prepaid expenses | | 9.53 | | 21.06 |
| Total | | 334.70 | | 316.74 |

Note No 9: INVENTORIES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---------------------|---------------------|----------------|---------------------|----------------|
| Raw materials | | 1,896.23 | | 2,531.01 |
| Work-in-progress | | 121.96 | | 85.68 |
| Finished goods | | 1,029.81 | | 843.11 |
| Stock-in-trade | | 349.54 | | 548.75 |
| Stores and spares | | 3,075.93 | | 2,433.98 |
| Packing materials | | 221.05 | | 176.15 |
| Material-in-transit | | 114.05 | | 8.27 |
| Total | | 6808.57 | | 6626.95 |

Note No 10: TRADE RECEIVABLES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|------------------------------------|---------------------|-----------------|---------------------|-----------------|
| Unsecured and considered good | 2,287.70 | | 1,352.15 | |
| Unsecured and considered doubtful | 55.97 | | 56.12 | |
| | 2,343.67 | | 1,408.27 | |
| Less: Provision for doubtful debts | 55.97 | | 56.12 | |
| | | 2,287.70 | | 1,352.15 |
| Total | | 2,287.70 | | 1,352.15 |

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Note No. 10A :

Details of dues 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 :

- a) From M/s.Southern Agencies (a firm in which some of the directors of the company are partners): **Rs.74.39 lakhs** as at 31st March, 2021 (previous year Rs. Nil)

Note No 11: CASH AND CASH EQUIVALENTS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---|---------------------|--------------|---------------------|---------------|
| Balances with banks in current accounts | | 73.76 | | 202.95 |
| Cash on hand | | 4.52 | | 3.41 |
| Total | | 78.28 | | 206.36 |

Note No 12: BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|---------------|---------------------|---------------|
| Margin money deposits (with remaining maturity period of more than three months but less than 12 months) | | 233.26 | | 215.66 |
| Earmarked balances with banks (Unpaid Dividends) | | 35.20 | | 30.17 |
| Total | | 268.46 | | 245.83 |

Note No 12A: 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 13: OTHER CURRENT FINANCIAL ASSETS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|-------------------|---------------------|----------------|---------------------|---------------|
| Claims receivable | | 1112.28 | | 339.75 |
| Accrued income | | 16.11 | | 17.66 |
| Loans | | 29.70 | | 29.21 |
| Total | | 1158.09 | | 386.62 |

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Note No 14: OTHER CURRENT ASSETS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|-----------------|---------------------|-----------------|
| Unsecured, considered good and recoverable in cash or kind or for value to be received | | | | |
| Advances recoverable: | | | | |
| Considered Good | 1,952.60 | | 2,061.80 | |
| Considered doubtful | 42.78 | | 45.96 | |
| | 1,995.38 | | 2,107.76 | |
| Less: Provision for doubtful advances | 42.78 | | 45.96 | |
| | | 1,952.60 | | 2,061.80 |
| Prepaid expenses | | 175.52 | | 157.63 |
| Balances with Statutory Authorities | | 858.47 | | 519.94 |
| Income Tax refunds receivable | | 152.53 | | 130.73 |
| Taxes and duties paid under protest | | 127.40 | | 123.12 |
| Total | | 3,266.52 | | 2,993.22 |

Note No 14A: 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.1,742.33 lakhs** (PY: 1,762.33 lakhs) which in the opinion of the Board of Directors are fully recoverable. An amount of Rs.20 Lakhs has been recovered during the year.

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Note No 15: EQUITY SHARE CAPITAL

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|---------------|---------------------|---------------|
| | No. of Shares | ₹ | No. of Shares | ₹ |
| a. Authorised | | | | |
| Equity Shares of Rs.10/- each | 7000000 | 700.00 | 7000000 | 700.00 |
| 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) | 300000 | 300.00 | 300000 | 300.00 |
| | | 1,000.00 | | 1,000.00 |
| b. Issued, Subscribed & Paid-Up | | | | |
| Equity Shares of Rs.10/- each fully paid up | 3,048,084 | 304.81 | 3,048,084 | 304.81 |
| TOTAL | 3,048,084 | 304.81 | 3,048,084 | 304.81 |

Note No 15A: Details of shareholders holding more than 5% equity shares in the Company

| Name of the Share Holder | As at 31-03-2021 | | As at 31-03-2020 | |
|---|-----------------------|------------------|-----------------------|------------------|
| | % 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% | 450,000 |
| Dr S B P P Rammohan | 11.24% | 342,569 | 10.88% | 331,719 |
| Sri S B P S Krishna Mohan | 11.09% | 337,988 | 10.83% | 330,138 |
| Sri S B P Madan Mohan | 7.75% | 236,199 | 7.58% | 230,949 |
| Sri S B P Anand Mohan | 9.85% | 300,305 | 9.57% | 291,600 |
| Smt.Y A S Ramalakshmi Devi | 7.15% | 217,944 | 7.15% | 217,944 |
| Smt.Sribalusu Ranganayaki | 5.88% | 179,181 | 5.88% | 179,181 |
| Smt. Usha Sarvarayulu | 5.03% | 153,246 | 5.03% | 153,246 |

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Note No 15B: 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 31-03-2021 | | As at 31-03-2020 | |
|---|------------------|--------|------------------|--------|
| | ₹ | Nos. | ₹ | Nos. |
| Balance as at the beginning of the year | 3,048,084 | 304.81 | 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 | 3,048,084 | 304.81 |

Note No 15C: 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 15D: In respect of the year ended 31st March, 2021, the Board of Directors has proposed a dividend of Rs.10 /- 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, 2020, the Company paid dividend of Rs.7.50 per equity share as approved by the Shareholders in its respective Annual General Meeting

Note No 16: BORROWINGS

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---|------------------|----------|------------------|----------|
| | | | | |
| 1. Secured: | | | | |
| From Scheduled Banks: (Refer to Note No 52) | | | | |
| a. SOFT Loans | 25.50 | | 66.00 | |
| b. Covid-19 Loans | 2,471.35 | | | |
| c. Other Term Loans | 1,764.68 | 4,261.53 | 3,276.19 | 3,342.19 |
| d. Suppliers' Credit | | 464.60 | 1,089.45 | 1,089.45 |
| e. Non- current Maturities of hypothecation loans | | - | | 0.55 |
| 2. Unsecured deposits: | | | | |
| From Directors | | 518.94 | | 257.01 |
| From Public | | 356.43 | | 307.41 |
| Total | | 5,601.50 | | 4,996.61 |

Note No 17: OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---|------------------|----------|------------------|----------|
| | | | | |
| Interest accrued but not due on Public deposits | | 74.10 | | 33.31 |
| Deposits refundable | | 2,491.73 | | 2,465.73 |
| Total | | 2,565.83 | | 2,499.04 |

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Note No 18: PROVISIONS (LONG TERM)

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---|---------------------|---------------|---------------------|---------------|
| Employee benefits: | | | | |
| Compensated absences | | 254.15 | | 267.39 |
| Provision for decommissioning liability | | 71.23 | | 44.70 |
| Total | | 325.38 | | 312.09 |

Note No 19: DEFERRED TAX LIABILITY (NET)

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|-------------------------------------|---------------------|-----------------|---------------------|-----------------|
| Deferred tax liabilities | | 4,563.19 | | 6,130.96 |
| Less: Deferred tax assets | | 407.18 | | 1,066.99 |
| Deferred tax liability (Net) | | 4,156.01 | | 5,063.97 |

Note No 19A: MOVEMENT IN DEFERRED TAX LIABILITIES/ASSETS BALANCES

₹ in Lakhs

| Particulars | As at 31-03-2020 | Recognised in P/L account | Recognised in OCI | As at 31-03-2021 |
|--|---------------------|------------------------------|----------------------|---------------------|
| I. Deferred tax liabilities in relation to: | | | | |
| Timing difference between book and tax depreciation on Property, plant and equipment | 6,126.85 | (1,610.09) | - | 4,516.76 |
| Other timing differences | 4.11 | 42.32 | - | 46.43 |
| Total deferred tax liabilities | 6,130.96 | (1,567.77) | - | 4,563.19 |
| II. Deferred tax assets in relation to: | | | | |
| Items covered under section 43B of the Income Tax Act, 1961 | 838.20 | (454.38) | (9.99) | 373.83 |
| Items covered under section 40(a)(ia) of the Income Tax Act, 1961 | 15.22 | 2.76 | - | 17.98 |
| Voluntary retirement scheme expense | 5.76 | (3.29) | - | 2.47 |
| MAT credit entitlement | 100.46 | (100.46) | - | - |
| Unabsorbed depreciation | 57.41 | (57.41) | - | - |
| On provision for doubtful debts and advances | 49.94 | (37.04) | - | 12.90 |
| Total deferred tax assets | 1,066.99 | (649.82) | (9.99) | 407.18 |
| Deferred tax liability (Net) | 5,063.97 | (917.95) | 9.99 | 4,156.01 |

Note No 19B: 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.

Sri Sarvaraya Sugars Limited

Note No 20: BORROWINGS (SHORT TERM)

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---|---------------------|-----------------|---------------------|-----------------|
| 1. Secured: | | | | |
| Cash Credit from Banks | | | | |
| Bank of Baroda | | 3,442.95 | | 4,144.15 |
| State Bank of India | | 131.59 | | 191.70 |
| Indian Bank | | 1,540.99 | | 2,196.35 |
| Central Bank of India | | 529.99 | | 762.19 |
| Union Bank of India | | 1,290.37 | | 1,451.54 |
| | | 6,935.89 | | 8,745.92 |
| Sugar and Distillery Units: | | | | |
| Cash Credit from Bank of Baroda, Indian Bank, State Bank of India, Central Bank of India and Union Bank of India (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 Union Bank of India 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 | | 143.61 | | 225.00 |
| From Public | | 128.67 | | 186.79 |
| Total | | 7,208.17 | | 9,157.71 |

Note No 21: TRADE PAYABLES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|-----------------|---------------------|-----------------|
| Total outstanding dues of micro enterprises and small enterprises | | - | | - |
| Total outstanding dues of creditors other than micro enterprises and small enterprises | | 3,971.57 | | 4,464.62 |
| Total | | 3,971.57 | | 4,464.62 |

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Note No 22: CURRENT FINANCIAL LIABILITIES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---|---------------------|-----------------|---------------------|-----------------|
| Current maturities of long term debts | | 1,999.52 | | 1,563.42 |
| Current maturities of Suppliers' credit | | 644.96 | | 603.62 |
| Current maturities of hypothecation loans | | 0.54 | | 2.64 |
| Interest accrued but not due on term borrowings | | 2.36 | | 78.37 |
| Interest accrued and due on Public deposits | | - | | 3.76 |
| Interest accrued but not due on public deposits | | 24.23 | | 88.03 |
| Creditors for capital expenditure | | 463.56 | | 803.80 |
| Liability for salary, wages and allowances | | 1,760.13 | | 1,800.42 |
| Accrued expenses | | 777.04 | | 855.61 |
| Unclaimed dividends | | 35.20 | | 30.17 |
| Total | | 5,707.54 | | 5,829.84 |

Note No 23: OTHER CURRENT LIABILITIES

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|-------------------------|---------------------|-----------------|---------------------|-----------------|
| Advances from customers | | 243.61 | | 1,620.30 |
| Statutory dues payable | | 2,254.96 | | 2,260.87 |
| Others | | 149.84 | | 154.59 |
| Total | | 2,648.41 | | 4,035.76 |

Note No 24: PROVISIONS (SHORT TERM)

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|--|---------------------|---------------|---------------------|---------------|
| Provision for employee benefits | | | | |
| Gratuity (Funded) | 420.91 | | 622.48 | |
| Compensated absences | 27.21 | | 33.42 | |
| | | 448.12 | | 655.90 |
| Total | | 448.12 | | 655.90 |

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Note No 25: INCOME TAX LIABILITIES (NET)

₹ in Lakhs

| Particulars | As at 31-03-2021 | | As at 31-03-2020 | |
|---------------------------------|---------------------|---------|---------------------|---------|
| Current tax liabilities | | | | |
| Provision for Income tax | 1812.14 | | 966.21 | |
| Income tax payables | 240.46 | | 246.73 | |
| Less: Current tax assets | | 2052.60 | | 1212.94 |
| Advance payment of Direct Taxes | 1513.34 | | 1035.00 | |
| Income Tax deducted at source | 30.87 | | 5.52 | |
| | | 1544.21 | | 1040.52 |
| Net | | 508.39 | | 172.42 |

Note No 26: REVENUE FROM OPERATIONS

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|------------------------------------|----------------------------------|-----------|----------------------------------|-----------|
| (a) Sale of manufactured goods: | | | | |
| Sugar | - | | 419.02 | |
| Industrial alcohol | 5,224.91 | | 4,728.58 | |
| Sanitizers | 148.33 | | | |
| Aerated Waters & PRP foods | 44,188.14 | | 42,801.28 | |
| Packaged drinking water | 10.09 | | 2,466.62 | |
| Co2 Gas | 33.56 | | 64.61 | |
| Bio compost | 84.44 | | 299.52 | |
| Others including biological assets | - | | 3.60 | |
| | | 49,689.47 | | 50,783.23 |
| (b) Other operating revenues: | | | | |
| i. Sale of trading goods | | | | |
| Aerated Waters & PRP foods | 5,082.39 | | 5,048.14 | |
| Packaged Drinking Water | 3,946.77 | | 2,269.16 | |
| HSD oil & motor spirit | 1,300.57 | | 1,345.02 | |
| Others | 0.34 | | 11.94 | |
| ii. Profit on sale of coal | - | | 1.84 | |
| iii. Sale of Bottle Holders | 2.29 | | - | |
| | | 10,332.36 | | 8,676.10 |
| Total | | 60,021.83 | | 59,459.33 |

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Note 26 (A): Revenue disaggregation by industry vertical is as follows:

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|------------------|----------------------------------|------------------|
| Fixed price manufacturing contracts | | 44,198.23 | | 50,360.62 |
| Variable price manufacturing contracts | | 5,493.53 | | 422.61 |
| Fixed price Trading contracts | | 10,330.07 | | 8,676.10 |
| Total | | 60,021.83 | | 59,459.33 |

Note 26 (B): Revenue disaggregation by geography is as follows:

₹ in Lakhs

| Particulars * | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--------------------------|----------------------------------|------------------|----------------------------------|------------------|
| Southern region of India | | 60,021.83 | | 59,040.31 |
| Eastern region of India | | - | | 419.02 |
| Northern region of India | | - | | - |
| Total | | 60,021.83 | | 59,459.33 |

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

Note 26 (C): Reconciliation of revenue recognized with the contracted price is as follows:

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|------------------|----------------------------------|------------------|
| Contracted price with customers | | 66,338.00 | | 66,464.87 |
| Less: Amounts adjusted for Discounts, refunds etc | | 6,316.17 | | 7,005.54 |
| Total | | 60,021.83 | - | 59,459.33 |

Note 26 (D): Changes in advances received from customers (Contract liability) are as follows:

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|---------------|----------------------------------|-----------------|
| Balance at the beginning of the year | | 1,620.30 | | 420.17 |
| Amounts received during the year | | 2,616.74 | | 4,704.45 |
| Less: Revenue recognised during the year | | 3,993.43 | | 3,504.32 |
| Balance at the end of the year | | 243.61 | | 1,620.30 |

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Note No 27: OTHER INCOME

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---|----------------------------------|-----------------|----------------------------------|-----------------|
| Interest received from: Banks | 15.53 | | 20.00 | |
| On Income tax refunds | 4.52 | | - | |
| Others | 18.08 | | 27.99 | |
| | | 38.13 | | 47.99 |
| Dividend income | | - | | 0.02 |
| Government grants received | | 0.87 | | 3.42 |
| Claims Received | | 1,954.68 | | 1,605.91 |
| Transshipment Penalties recovered | | 167.20 | | - |
| Rent received | | 6.38 | | 3.78 |
| Profit on sale of assets | | 17.18 | | 90.31 |
| Gain on Foreign currency fluctuations | | 25.83 | | - |
| Miscellaneous receipts | | 124.48 | | 118.32 |
| Excess provisions made for earlier years written back | | 0.15 | | 1.78 |
| Unclaimed Credit Balances written back | | 24.17 | | 68.12 |
| Total | | 2,359.07 | | 1,939.65 |

Note No 28: CONSUMPTION OF MATERIALS

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|----------------------|----------------------------------|-----------|----------------------------------|-----------|
| Opening stock | | 2,531.01 | | 2,112.35 |
| Add: Purchases (Net) | | 26,206.73 | | 27,426.08 |
| | | 28,737.74 | | 29,538.43 |
| Less: Closing stock | | 1,896.23 | | 2,531.01 |
| | | 26,841.51 | | 27,007.43 |

Note No 28A: VALUE OF IMPORTS OF RAW MATERIALS CALCULATED ON C I F BASIS

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---------------|----------------------------------|---|----------------------------------|--------|
| Imported Coal | | - | | 231.02 |

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Note No 28B: COMPARISON BETWEEN CONSUMPTION OF IMPORTED AND INDIGENOUS RAW MATERIALS DURING THE FINANCIAL YEAR

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|----------------|----------------------------------|---------------|----------------------------------|---------------|
| | Value Rs. | % | Value Rs. | % |
| Raw materials | | | | |
| i) Imported | - | - | 231.02 | 0.00 |
| ii) Indigenous | 26,841.51 | 100.00 | 26,776.41 | 100.00 |
| Total | 26,841.51 | 100.00 | 27,007.43 | 100.00 |

Note No 28C: PARTICULARS OF RAW MATERIALS CONSUMED

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|------------------|----------------------------------|------------------|
| | | | | |
| A. Imported: | | | | |
| 1. Coal | - | | 231.02 | |
| Total (A) | | - | | 231.02 |
| B. Indigenous: | | | | |
| 1. Sugarcane | - | | | - |
| 2. Distillery molasses (Other than own Production) | 2,944.54 | | 2,446.42 | |
| 3. Sanitizer-Ethanol | 57.04 | | | |
| 4. Aerated waters & soft drinks | | | | |
| (a) Essence | 9,890.73 | | 9,430.36 | |
| (b) Fruit juice & pulp | 430.77 | | 446.61 | |
| (c) Sugar | 6,264.72 | | 6,004.66 | |
| (d) Preforms | 4,599.20 | | 5,013.62 | |
| (e) Plastic closures | 800.35 | | 744.74 | |
| (f) Co2 gas | 261.42 | | 261.18 | |
| (g) Crowns | 383.85 | | 612.50 | |
| (h) Labels | 231.40 | | 218.76 | |
| (i) Bags | 6.75 | | 15.86 | |
| (j) Laminates | 560.17 | | 417.49 | |
| 5. Packaged drinking water | | | | |
| (a) Essence | - | | 199.77 | |
| (b) Preforms | - | | 668.01 | |
| (c) Plastic closures | - | | 105.78 | |
| (d) Labels | - | | 37.61 | |
| 6. Biomass | 77.00 | | 34.82 | |
| 7. Coal | 312.76 | | 85.39 | |
| 8. Others | 20.81 | | 32.83 | |
| Total (B) | | 26,841.51 | | 26,776.41 |
| Total (A+B) | | 26,841.51 | | 27,007.43 |

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Note No 29: PURCHASES OF STOCK-IN-TRADE

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|------------------------------|----------------------------------|-----------------|----------------------------------|-----------------|
| Aerated waters & soft drinks | | 7,720.41 | | 6,865.19 |
| H S D oil & motor spirits | | 1,265.80 | | 1,294.48 |
| Total | | 8,986.21 | | 8,159.67 |

Note No 30: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK-IN-TRADE

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---|----------------------------------|----------|----------------------------------|----------|
| A) Closing Stock: | | | | |
| Finished goods | 1,029.81 | | 843.11 | |
| Stock-in-trade | 349.54 | | 548.75 | |
| Work -in-progress | 121.96 | | 85.68 | |
| Total (A) | | 1,501.31 | | 1,477.54 |
| B) Opening Stock: | | | | |
| Finished goods | 843.11 | | 1,389.92 | |
| Stock-in-trade | 548.75 | | 330.65 | |
| Work -in-progress | 85.68 | | 146.85 | |
| Total (B) | | 1,477.54 | | 1,867.42 |
| Net (increase) / decrease in stocks (B-A) | | (23.77) | | 389.88 |

Note No 31: MANUFACTURING EXPENSES

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---------------------------------------|----------------------------------|-----------------|----------------------------------|-----------------|
| Consumption of stores and spare parts | | 904.84 | | 1,095.21 |
| Packing materials consumed | | 1,069.02 | | 1,342.73 |
| Power & fuel | | 1,335.23 | | 1,436.61 |
| Repairs & maintenance | | | | |
| Plant and machinery | 830.21 | | 898.32 | |
| Buildings | 193.79 | | 207.96 | |
| Others | 260.83 | | 337.24 | |
| | | 1,284.83 | | 1,443.52 |
| Lease rent on Plant and Machinery | | - | | 68.63 |
| Insurance | | 117.24 | | 70.51 |
| Research & development expenses | | 0.24 | | 24.38 |
| Tools written off | | 0.43 | | 2.69 |
| Stores written off | | 11.37 | | 15.93 |
| Total | | 4,723.20 | | 5,500.21 |

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Note No 31A: VALUE OF IMPORTS OF COMPONENTS AND SPARE PARTS CALCULATED ON C I F BASIS: ₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|-------------------|----------------------------------|--------|----------------------------------|----------|
| Capital Goods | | 235.13 | | 2,289.26 |
| Stores and Spares | | 563.63 | | 389.71 |

Note No 31B: COMPARISON BETWEEN CONSUMPTION OF SPARE PARTS AND COMPONENTS DURING THE FINANCIAL YEAR ₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|---------------|----------------------------------|---------------|
| Spare parts and components (debited to respective heads of account) | | | | |
| i) Imported | 563.63 | 28.55 | 389.71 | 15.99 |
| ii) Indigenous | 1,410.23 | 71.45 | 2,048.23 | 84.01 |
| Total | 1,973.86 | 100.00 | 2,437.94 | 100.00 |

Note No 32: EMPLOYEE BENEFIT EXPENSES ₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---|----------------------------------|-----------------|----------------------------------|-----------------|
| Salaries and wages | | 5,019.78 | | 5,065.66 |
| Contribution to provident and other funds | | 440.79 | | 457.77 |
| Contribution to gratuity fund | | 144.03 | | 136.84 |
| Staff welfare expenses | | 349.03 | | 296.41 |
| Remuneration to whole time directors | | 837.98 | | 588.76 |
| Total | | 6,791.61 | | 6,545.44 |

Note No 33: FINANCE COSTS ₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---|----------------------------------|-----------------|----------------------------------|-----------------|
| Interest paid on: | | | | |
| Working capital loans | 972.90 | | 1,247.96 | |
| Term loans | 533.26 | | 901.56 | |
| Others | 139.49 | | 131.19 | |
| | | 1,645.65 | | 2,280.71 |
| Interest expense on lease liability | | 160.58 | | 1.10 |
| Other borrowing costs | | 52.19 | | 15.48 |
| Unwinding cost on decommissioning liability | | 6.53 | | 3.79 |
| Total | | 1,864.95 | | 2,301.08 |

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Note No 34: DEPRECIATION AND AMORTIZATION EXPENSES

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|-----------------|----------------------------------|-----------------|
| Depreciation and amortisation of property, plant and equipment | | 2,665.23 | | 2,795.38 |
| Amortization of intangible assets | | 6.44 | | 3.33 |
| Amortization of Right to use assets | | 337.57 | | 1.55 |
| Total | | 3,009.24 | | 2,800.26 |

Note No 35: OTHER EXPENSES

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|-----------------|----------------------------------|-----------------|
| Rent | | 6.40 | | 6.08 |
| Rates and taxes | | 169.96 | | 407.70 |
| Directors' fees and expenses | | 14.66 | | 11.18 |
| Legal and professional charges | | 61.22 | | 57.99 |
| Auditors' remuneration towards: | | | | |
| As Auditor | | 10.00 | | 10.00 |
| For Tax audit | | 2.50 | | 2.25 |
| For Company law matters | | 2.40 | | 4.00 |
| For Other services | | 7.10 | | 10.25 |
| Cost audit fees | | 3.80 | | 4.14 |
| Commission on sales | | 0.11 | | 0.52 |
| Advertising and sales promotion | | 978.78 | | 919.57 |
| Selling & distribution expenses | | 677.67 | | 683.36 |
| Travelling and conveyance | | 174.51 | | 270.01 |
| Vehicles maintenance | | 28.60 | | 53.59 |
| Communication expenses | | 17.69 | | 12.95 |
| Bank charges | | 43.62 | | 53.63 |
| Security charges | | 175.62 | | 140.03 |
| Donations | | 17.00 | | 8.50 |
| Administrative expenses | | 80.15 | | 140.16 |
| Printing and stationery | | 11.12 | | 13.99 |
| Expenditure on corporate social responsibility | | 58.52 | | 51.49 |
| Loss on sale of assets | | 77.19 | | 0.61 |
| Loss on foreign exchange fluctuations | | 1.77 | | 0.11 |
| Net value of assets discarded | | 49.14 | | 124.10 |
| Provision for Doubtful Debts & Advances | | - | | 4.96 |
| Total | | 2,669.53 | | 2,991.17 |

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Note No 35A: EXPENDITURE IN FOREIGN CURRENCY

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|-------------------------------|----------------------------------|--------------|----------------------------------|--------------|
| Consultancy Fees | | 14.17 | | 4.95 |
| Interest on suppliers' credit | | 2.58 | | 12.25 |
| Total | | 16.75 | | 17.20 |

Note No 36: EXCEPTIONAL ITEMS

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---|----------------------------------|---------------|----------------------------------|-----------------|
| <i>Income:</i> | | | | |
| Acquisition of Land & Buildings by NHAI | | - | | (110.18) |
| <i>Expenditure:</i> | | | | |
| Paid towards Retirement Compensation | | 283.00 | | - |
| Total | | 283.00 | | (110.18) |

Note No. 36A : As the sugar cane operations of the Sugar Unit have been suspended due to non-availability of sugar cane for crushing since last couple of years, the said Unit has been incurring losses, resulting in negative cash flows and consequently accumulation of wages & allowances to the workers, which has resulted in Workers' union approaching the labour authorities. In terms of the settlement reached, the Company has compulsorily retired 146 workers and the compensation paid of Rs. 283 Lakhs, has been disclosed as "Exceptional item" to the profit & loss account.

Note No 37: TAX EXPENSES

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|------------------------------------|----------------------------------|---------------|----------------------------------|-----------------|
| Current tax: For the year | 1,766.34 | | 1,534.42 | |
| For earlier years | (3.74) | | - | |
| Deferred tax | (1,018.41) | 1,762.60 | 711.24 | 1,534.42 |
| Reversal of MAT credit entitlement | 100.46 | | - | |
| | | (917.95) | | 711.24 |
| Total | | 844.65 | | 2,245.66 |

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Note No 37A: RECONCILIATION OF EFFECTIVE TAX EXPENSES TO THE ACCOUNTING PROFIT ₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|---|----------------------------------|----------|----------------------------------|----------|
| Profit before tax | 7,235.42 | | 5,814.01 | |
| Applicable tax rate to the Company as per normal provisions | 25.168% | | 34.944% | |
| Computed tax expense (A) | 1,821.01 | | 2,031.65 | |
| Adjustments for: | | | | |
| Income exempt for tax purpose | - | | (38.51) | |
| Expenses not allowed under income tax | 295.95 | | 579.35 | |
| Expenses that are allowed under payment basis | (251.88) | | (433.96) | |
| Change in depreciation | (119.30) | | (585.14) | |
| CSR expenses | 14.73 | | 17.99 | |
| Other adjustments | 5.83 | | (36.95) | |
| Net adjustments (B) | (54.66) | | (497.23) | |
| Tax (Loss) as per normal provisions of Income Tax Act (C=A+B) | | 1,766.35 | | 1,534.42 |
| Applicable tax rate to the Company as per MAT provisions | | | 17.472% | |
| MAT profit | | | 980.12 | |
| Increase/(decrease) in MAT tax expenses on account of: | | | | |
| Exempted income U/s.10 except 10(38) | - | | (23.75) | |
| Other adjustments | - | | 0.81 | |
| 1/5th of transition amount u/s 115JB (2C) | - | | 4.69 | |
| MAT tax provision under 115JB (D) | - | | 961.87 | |
| Income Tax for earlier years (E) | | (3.74) | | - |
| Tax Expenses recognised in Statement of Profit and Loss [(Higher of C and D) + E] | | 1,762.61 | | 1,534.42 |

Note No 37B: Tax rate changes

The Company has opted during the year for the lower rate of corporate taxation permitted under section 115BAA of the Income Tax Act, 1961. Consequently, the company has reversed Rs 100.46 Lakhs of MAT credit entitlement available to it to the profit & loss.

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Note No 38: OTHER COMPREHENSIVE INCOME

₹ in Lakhs

| Particulars | For the year ended 31.03.2021 | | For the year ended 31.03.2020 | |
|--|----------------------------------|--------------|----------------------------------|-----------------|
| A i) Items that will not be reclassified to profit or loss | | | | |
| Re-measurements loss of the defined benefit plans | | 45.80 | | (204.36) |
| Net Gain/(Loss) on FVTOCI equity instruments | | - | | (17.46) |
| ii) Income tax relating to items that will not be reclassified to Profit or Loss | | (9.99) | | 71.40 |
| 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) | | 35.81 | | (150.42) |

Note No 39:

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 40: EARNING PER SHARE

| Particulars | This Year | Previous Year |
|---|-----------|---------------|
| a) Net profit after tax attributable to Equity Shareholders (Rs.in Lakhs) | 6,390.77 | 3,568.36 |
| 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) | 209.67 | 117.07 |

Note No 41: CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Lakhs

| Particulars | This Year | Previous Year |
|---|---------------|---------------|
| I. Guarantees executed remaining unexpired | 247.23 | 247.25 |
| II. Claims against the Company not acknowledged as debts: | | |
| (a) Disputed sales tax demands (Amount paid Rs.31.99 Lakhs Previous period Rs.31.67 Lakhs) paid under protest is grouped under "Other Current Assets" | 179.49 | 183.36 |
| (b) Disputed Central excise and alleged wrong utilisation of CENVAT of service tax demands. Amount paid Rs.3.95 Lakhs (Previous period Rs Nil) under protest is grouped under "Other Current Assets" | 237.06 | 1.17 |
| (c) 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" | 101.53 | 101.53 |
| (d) 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. | 226.46 | 225.20 |

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Note No 41: CONTINGENT LIABILITIES AND COMMITMENTS

₹ in Lakhs

| Particulars | This Year | Previous Year |
|--|-----------------|---------------|
| (e) 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 |
| (f) Others | 105.51 | 28.08 |
| III. Commitments: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances given) | 1,062.66 | 1,751.29 |

The amounts shown in (II) 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 42:

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, 2021 & 31st March, 2020 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 43: 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, 2020 | 44.70 | 56.12 | 45.96 |
| <i>Charged/ (credited) to profit/loss account</i> | | | |
| Additional provision recognised | 20.00 | - | - |
| Unused amounts reversed | - | 0.15 | 3.18 |
| Unwinding of discount on provisions | 6.53 | - | - |
| Balance as at 31st March, 2021 | 71.23 | 55.97 | 42.78 |
| Non-current | 71.23 | - | - |
| Current | - | 55.97 | 42.78 |

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 44:

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 | | 0.87 | 3.03 |
| Interest on term loans | | - | 0.39 |

Note No 45: 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 | 57.94 | 52.00 |
| b) Amount spent during the year on : | | |
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 58.52 | 51.49 |

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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) | 33.82 | 9.72 |
| b) Promoting education, including special education and employment enhancing vocational training and livelihood enhancement projects | Clause (ii) | 13.01 | 18.97 |
| c) Ensuring environmental sustainability | Clause (iv) | 8.79 | 22.61 |
| d) Rural development projects | Clause (x) | 2.90 | 0.18 |
| | | 58.52 | 51.49 |

Note No 46: Details of Research and Development expenditure recognised as an expense ₹ in Lakhs

| Particulars | This Year | Previous Year |
|--------------|-------------|---------------|
| a) Capital | - | - |
| b) Revenue | 0.24 | 24.38 |
| Total | 0.24 | 24.38 |

Note No 47: Movement in Right of use assets is as follows:

₹ in Lakhs

| Particulars | Balance as at 01.04.2020 | Additions | (Deletions) | Amortization | Balance as at 31.03.2021 |
|-------------------|--------------------------|-----------------|-------------|---------------|--------------------------|
| Building | 18.39 | - | - | 3.21 | 15.18 |
| Plant & Machinery | - | 1,671.25 | - | 334.36 | 1,336.89 |
| Total | 18.39 | 1,671.25 | - | 337.57 | 1,352.07 |

Note 47A: 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 | 1,372.07 |
| Increase in rights of use assets by | 1,671.25 |
| Decrease in Retained earnings | - |
| Increase/(Decrease) in finance cost by | 160.58 |
| Increase/(Decrease) in Amortisation expense by | 337.57 |

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Note No 47B: The following is the movement in the lease liabilities during the year ended March 31, 2021:

| Particulars | ₹ in Lakhs |
|---|-----------------|
| Lease commitments as at March 31, 2020 | 18.96 |
| Add/(less): on account of adoption of Ind AS 116 | - |
| Lease liabilities as on April 1, 2020 | 18.96 |
| Add/(less): new lease contracts entered during year | 1,372.07 |
| Add: Finance cost accrued during the period | 160.58 |
| Less: Payment of lease liabilities | 377.16 |
| Balance as on March 31, 2021 | 1,174.45 |

Note No 47C: The following is the break-up of current and non-current lease liabilities as at March 31, 2021

| Particulars | ₹ in Lakhs |
|-------------------------------|-----------------|
| Current lease liabilities | 377.16 |
| Non-current lease liabilities | 797.28 |
| Total | 1,174.44 |

Note No 47D: The following provides details regarding the contractual maturities of lease liabilities as at March 31, 2020 (Undiscounted)

| Particulars | ₹ in Lakhs |
|------------------------|-----------------|
| Less than one year | 377.16 |
| One year to five years | 797.28 |
| More than five years | - |
| Total | 1,174.44 |

Note No 47E: Amounts recognised in profit or loss for the financial year 2020-21 on adoption of Ind AS 116

| Particulars | ₹ in Lakhs |
|--|------------|
| Interest on lease liabilities | 160.58 |
| Amortisation of Right of use assets | 337.57 |
| 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 | - |
| Expenses relating to leases of low-value assets | 4.84 |

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Note No 48: 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, 2021 | | |
| Suppliers' Credit | 1,316,244 | 1,128.68 |
| Interest Payable | 903 | 0.77 |
| Capital Creditors | 41,000 | 35.16 |
| As at 31st March, 2020 | | |
| Suppliers' Credit | 2,047,663 | 1,693.08 |
| Interest Payable | 10,180 | 8.43 |
| Capital Creditors | 176,999 | 146.50 |
| Trade Payables (Goods) | 5,500 | 4.55 |
| Trade Payables (Services) | 14,500 | 12.00 |

Note No 49: 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, 2021 | | |
| Trade Payable (Forward Contract) | Nil | Nil |
| As at 31st March, 2020 | | |
| Trade Payable (Forward Contract) | Nil | Nil |

Note No 50:

A) Nature of Securities:

- COVID-19 ECL 1.0 Scheme loans for Sugar & Distillery Units from Bank of India, Central Bank of India and Union Bank of India are secured by pari passu first charge on Current Assets and Fixed assets (excluding Plant & Machinery funded out of term loans from other Banks) of Sugar and Distillery units of the Company and 3rd (now 2nd pari passu) charge on Fixed Assets at Vemagiri, Kesavaram and Sathupally Units of the Company. Loan for Beverage Division from Bank of Baroda is secured by pari passu first charge on Current Assets and Fixed Assets of Bottling Units at Vemagiri, Kesavaram and Sathupally of the Company.
COVID-19 ECL 2.0 Scheme loan from Standard Chartered Bank is secured by second charge on Land, Buildings & structures there on and Plant & Equipment at Gopalapuram Unit funded out of term loans from Standard Chartered Bank and Central Bank of India. Charge yet to be created.
- SOFT Loan from State Bank of India is secured by pari passu first charge on Property, Plant & Equipment 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 & 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 & Distillery Units of the Company.

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3. All other Term loans are secured by first charge on all the movable & immovable properties of, both present and future, excluding book debts, pertaining to:
 - a) Exclusive charge on Land and Building of specific properties at Hyderabad and Registered Office on term loan from State Bank of India.
 - b) 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.
 - c) Exclusive charge on plant and machinery at Distillery unit being funded out of term loan from Central Bank of India. Charge yet to be created.
 - d) Exclusive charge on specific Plant and Machinery supplied under Supplier's credit to the supplier of the said Plant and Machinery at Sathupally unit.
4. 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.
5. 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 31.03.2021 | | | | |
|---|-------------------|------------------------|---|-----------------------|--------------------------|
| | 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 COVID -19: | | | | | |
| ECL 1.0 Scheme: | | | | | |
| Bank of Baroda | 391.05 | 77.85 | 313.20 | - | - |
| Central Bank of India | 63.82 | 12.58 | 51.24 | - | - |
| Union Bank of India | 43.44 | 12.84 | 30.60 | - | - |
| ECL 2.0 Scheme: | | | | | |
| Standard Chartered Bank | 2,418.46 | 2,368.08 | 50.38 | | |
| Total (A) | 2,916.77 | 2,471.35 | 445.42 | - | - |
| B. Under SOFT: | | | | | |
| State Bank of India | 67.10 | 25.50 | 41.60 | - | - |
| Total (A) | 67.10 | 25.50 | 41.60 | - | - |
| C. Other Term Loans: | | | | | |
| State Bank of India | 1,385.23 | 1,147.73 | 237.50 | - | - |
| Central Bank of India | 729.45 | 354.45 | 375.00 | - | - |
| Standard Chartered Bank | 1,162.50 | 262.50 | 900.00 | | - |
| Total (B) | 3,277.18 | 1,764.68 | 1,512.50 | - | - |
| D. Supplier's Credit | 1,109.56 | 464.60 | 644.96 | - | - |
| E. Hypothecation of Vehicles | 0.54 | - | 0.54 | | |
| Unsecured: | | | | | |
| F. Public Deposits | 1,147.65 | 875.37 | 272.28 | | - |
| GRAND TOTAL (A+B+C+D+E+F) | 8,518.80 | 5,601.50 | 2,917.30 | - | - |

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Note 50B: 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 |
|--|-----------------------|--------------------|---------------------------|
| A. COVID -19 Loans | | | |
| <i>Sugar Unit</i> | | | |
| Bank Of Baroda | 16.66 | 18 Months | January 2021 |
| Central Bank Of India | 4.27 | 18 Months | January 2021 |
| Andhra Bank | 2.55 | 18 Months | January 2021 |
| <i>Vemagiri Unit</i> | | | |
| Bank Of Baroda | 9.44 | 18 Months | January 2021 |
| Standarad Chartered Bank | 50.38 | 48 Months | March 2022 |
| B. 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 |
| C. 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 |
| D. Supplier's Credit | | | |
| <i>Sathupally Unit</i> | | | |
| Suppliers' Credit (First two installments totalling Rs.311.27 lakhs starting from March, 2021) | 155.64 | 9 Quarterly | March, 2021 |
| E. Vehicle Loans | | | |
| <i>Sugar Unit</i> | | | |
| ICICI Bank Hypothecation Loan - Tractor Loan | 0.18 | 60 Monthly | April 2015 |

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Note 50C: ASSETS PLEDGED AS SECURITY

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

| Particulars | As at 31-03-2021 | As at 31-03-2020 |
|---------------------------------|---------------------|---------------------|
| Current financial assets | | |
| Trade receivables | 2,287.70 | 1,352.15 |
| Non-financial assets | | |
| Inventories | 6,808.57 | 6,626.95 |
| Non-current assets | | |
| Land | 1,975.05 | 1,975.05 |
| Buildings | 10,886.54 | 11,344.20 |
| Plant and Equipment | 21,796.69 | 22,480.98 |
| Furniture and Fixtures | 927.93 | 1,116.64 |
| Office equipment | 41.51 | 41.10 |
| Vehicles | 159.24 | 172.21 |
| Crates & Glass Bottles | 3,685.58 | 4,123.58 |

Note No 51: 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 | 348.39 | 348.53 |
| Employer's Contributions to Employees State Insurance | 16.58 | 29.29 |
| Employer's Contributions to Superannuation | 75.82 | 77.91 |

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 | 93.89 | 138.02 |

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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, 2021:

₹ 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 | 1,897.60 | 1,650.40 | 300.79 | 267.49 |
| Interest Cost | 115.38 | 117.49 | 15.84 | 16.31 |
| Current Service Cost | 141.30 | 125.02 | 76.28 | 66.38 |
| Benefits paid | (275.38) | (157.72) | (105.98) | (86.86) |
| Actuarial loss / (gain) on obligation | (24.25) | 162.41 | (5.60) | 37.49 |
| Defined Benefit obligation at year end | 1,854.65 | 1,897.60 | 281.33 | 300.81 |

₹ in Lakhs

| Particulars | Gratuity (Funded) | |
|---|-------------------|---------------|
| | This Year | Previous Year |
| Change in plan assets | | |
| Fair value of plan assets at beginning of the year | 1,275.12 | 1,161.69 |
| Expected return on plan assets | 90.45 | 88.98 |
| Contributions | 459.35 | 186.62 |
| Benefits paid | (275.38) | (157.72) |
| Actuarial loss / (gain) on plan assets | 10.62 | (4.45) |
| Fair value of plan assets as at the end of the year | 1,560.16 | 1,275.12 |

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 | 141.30 | 125.02 | 76.28 | 66.38 |
| Interest cost on benefit obligation (Net) | 24.93 | 28.51 | 15.84 | 16.31 |
| Actuarial (gain)/ loss | - | - | (5.60) | 37.49 |
| Expenses recognized in the statement of Profit & Loss | 166.23 | 153.53 | 86.52 | 120.18 |

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RECOGNISED IN OTHER COMPREHENSIVE INCOME (OCI) FOR THE YEAR

₹ in Lakhs

| Particulars | Gratuity (Funded) & leave encashment | |
|--|--------------------------------------|---------------|
| | This Year | Previous Year |
| Actuarial (gain)/loss on Plan Obligations | (24.25) | 162.41 |
| Difference between Actual Return and Interest Income on Plan Assets- (gain)/loss | (10.62) | 4.45 |
| Recognised in other comprehensive income | (34.87) | 166.86 |

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 | 168.86 | 159.57 | 13.81 | 18.84 |
| Between 2 and 5 years | 688.44 | 793.83 | 80.34 | 97.34 |
| Beyond 5 years | 724.95 | 708.37 | 89.21 | 93.66 |

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 | (126.61) | (134.55) |
| 0.5% decrease | 140.80 | 148.63 |
| (b) Effect of 0.5% change in assumed salary escalation rate | | |
| 0.5% increase | (140.90) | (148.74) |
| 0.5% decrease | 126.46 | 134.38 |

₹ in Lakhs

| Particulars | Compensated absences (Unfunded) | |
|---|---------------------------------|---------------|
| | This Year | Previous Year |
| (a) Effect of 0.5% change in assumed discount rate | | |
| 0.5% increase | (70.35) | (72.68) |
| 0.5% decrease | 78.08 | 80.21 |
| (b) Effect of 0.5% change in assumed salary escalation rate | | |
| 0.5% increase | (78.06) | (80.18) |
| 0.5% decrease | 70.33 | 72.67 |

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| Particulars | Gratuity (Funded) & Compensated absences (unfunded) | |
|-------------------|---|----------------|
| | This Year | Previous Year |
| Discount rate | 6.07% to 6.93% | 6.23% to 6.62% |
| Salary escalation | 5.00% to 7.00% | 5.00% to 7.00% |

Notes:

- i) The actuarial valuation of plan assets and the present value of the defined benefit obligation were carried out at 31st March, 2021. 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.
- ii) 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 52: 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.

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

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b) 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 | 6,794.10 | 6,862.19 | 53,227.73 | 52,597.15 | 60,021.83 | 59,459.33 |
| Other Income | 73.53 | 153.64 | 2,281.03 | 1,785.29 | 2,354.56 | 1,938.93 |
| Total Revenue | 6,867.63 | 7,015.83 | 55,508.76 | 54,382.44 | 62,376.39 | 61,398.26 |
| Result: | | | | | | |
| Segment result before interest & tax | 256.89 | 295.59 | 9,479.65 | 8,377.94 | 9,736.54 | 8,673.53 |
| Unallocated Corporate income | - | - | - | - | 4.51 | 0.72 |
| Unallocated Corporate expenses | - | - | - | - | (640.68) | (559.26) |
| Operating profit | | | | | 9,100.37 | 8,114.99 |
| Less: Finance costs | | | | | 1,864.95 | 2,300.97 |
| Profit before tax | | | | | 7,235.42 | 5,814.02 |
| Less: Tax expenses | | | | | 844.65 | 2,245.66 |
| Profit after tax | | | | | 6,390.77 | 3,568.36 |
| Add: Other comprehensive income | | | | | 35.81 | (150.42) |
| Total comprehensive income | | | | | 6,426.58 | 3,417.94 |
| Other Information: | | | | | | |
| Segment Assets | 9,575.06 | 10,537.53 | 51,795.48 | 47,552.49 | 61,370.54 | 58,090.02 |
| Unallocated Corporate Assets | - | - | - | - | 235.46 | 209.56 |
| Total Assets | | | | | 61,606.00 | 58,299.58 |
| Segment Liabilities | 13,356.18 | 17,362.43 | 20,310.70 | 19,660.19 | 33,666.87 | 37,022.62 |
| Unallocated Corporate Liabilities | - | - | - | - | 648.47 | 184.30 |
| Total Liabilities | | | | | 34,315.34 | 37,206.92 |
| Capital employed | (12,610.31) | (11,966.54) | 39,901.42 | 33,065.00 | 27,291.12 | 21,098.46 |
| Capital expenditure | 12.03 | 2.33 | 1,194.42 | 1,592.84 | 1,206.45 | 1,595.17 |
| Depreciation | 348.34 | 364.16 | 2,312.76 | 2,425.91 | 2,661.10 | 2,790.07 |
| Non-cash expenditure other than depreciation | 32.34 | 2.43 | 107.56 | 140.99 | 139.90 | 143.43 |

Notes:

c) Geographical information:

The Company operated only in India during the year ended 31st March, 2021 and 31st March, 2020.

d) Information about major customers:

No single customer contributed 10% or more of the total revenue of the Company for the year ended 31st March, 2021 and 31st March, 2020.

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Note No 53: RELATED PARTY DISCLOSURES

A. Key Management Personnel:

| | | |
|-------------------------|-------|-----------------------------|
| Managing Director | ————> | Smt. S.B. Raja Rajeswaramma |
| 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 S.B.P.V.C. Sanjay |

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 S.B.P.V.C. Sanjay | 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. Rajiv 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
Santez Healthcare Pvt. Ltd.
Sarvaraya Educational Trust
Sri Sarvaraya Dharmica Vidya Trust
The Kapileswarapuram Kothavuru Annasatram

Sri Sarvaraya Sugars Limited

₹ in Lakhs

| Particulars | This Year | Previous Year |
|--|-----------|---------------|
| A. Transactions with the Key Managerial Personnel: | | |
| 1. Managerial remuneration: | | |
| Smt. S.B. Raja Rajeswaramma | 158.22 | 108.25 |
| Dr. S.B.P.P. Rammohan | 150.88 | 116.09 |
| Sri S.B.P.S. Krishna Mohan | 148.95 | 112.51 |
| Sri S.B.P. Madan Mohan | 146.41 | 108.00 |
| Sri S.B.P. Anand Mohan | 136.48 | 91.20 |
| Sri S.B.P.V.C. Sanjay | 97.05 | 65.10 |
| 2. Public Deposits Received | | |
| Smt. S.B. Raja Rajeswaramma | 130.00 | 230.00 |
| Sri S.B.P.V.C. Sanjay | 218.94 | - |
| Sri S.B.P.S. Krishna Mohan (HUF) | 20.00 | - |
| Sri Ravi Sudhakar Chudary | 50.00 | 70.00 |
| 3. Public Deposits Re-paid | | |
| Smt. S.B. Raja Rajeswaramma | 13.40 | - |
| Sri S.B.P.V.C. Sanjay | 165.00 | - |
| Sri Ravi Sudhakar Choudary | 60.00 | 120.00 |
| 4. Interest paid on Public Deposits: | | |
| Smt. S.B. Raja Rajeswaramma | 2.28 | - |
| Sri S.B.P.V.C. Sanjay | 53.97 | - |
| Sri Ravi Sudhakar Choudary | 4.67 | 6.75 |
| 5. Dividend paid: | | |
| Dr. S.B.P.P. Rammohan | 24.88 | 16.59 |
| Sri S.B.P.S. Krishna Mohan | 24.76 | 16.51 |
| Sri S.B.P. Madan Mohan | 17.32 | 11.55 |
| Sri S.B.P. Anand Mohan | 21.87 | 14.58 |
| Sri S.B.P.V.C. Sanjay | 5.55 | 3.70 |
| 6. Lease Rent paid: | | |
| Sri S.B.P.S. Krishna Mohan | - | 4.37 |
| Sri S.B.P. Anand Mohan | 1.55 | - |
| B. Transactions with relatives of Key management personnel: | | |
| 1. Interest paid on Public Deposits to: | | |
| Smt. Y.A.S. Ramalakshmi Devi | - | 8.16 |
| Smt. S.B. Radhika | 17.07 | - |
| Sri S.B.P.S. Ajay | 22.84 | - |
| 2. Public Deposits Received | | |
| Smt. Priyadharshini Anand Mohan | 10.00 | - |
| Smt. S.B. Radhika | 67.06 | - |
| Sri S.B.P.S. Ajay | 14.38 | 35.00 |

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₹ in Lakhs

| Particulars | This Year | Previous Year |
|--|-----------|---------------|
| 3. Public Deposits Re-paid | | |
| Smt.Y.A.S.Ramalakshmi Devi | - | 53.04 |
| Smt.S.B.Radhika | 50.00 | - |
| Sri S.B.P.S.Ajay | 68.00 | - |
| 4. Dividend paid to: | | |
| Smt.Y.A.S.Ramalakshmi Devi | 16.35 | 10.90 |
| Smt.Asha Rammohan | 9.45 | 6.30 |
| Smt.S.B.Radhika | 13.44 | 8.96 |
| Smt.Radhika Mohan | 0.81 | 0.54 |
| Smt.Priyadarsini Anand Mohan | 0.81 | 0.54 |
| Sri S.B.P.S.Ajay | 5.60 | 3.73 |
| Smt.Nithya V Rammohan | 0.71 | 0.47 |
| Miss.Prerna Mohan | 0.64 | 0.43 |
| Sri S.B.Rajiv Mohan | 0.34 | 0.23 |
| Sri S.B.Sanjeev Mohan | 0.37 | 0.24 |
| 4. Salaries & Allowances | | |
| Sri S.B.Rajeev Mohan* | 31.05 | 22.23 |
| Sri S.B.P.S.Ajay | 2.82 | - |
| * Excess remuneration of Rs. 1.05 Lakhs paid during the year is subject to the ratification of shareholders. | | |
| C. Enterprises in which Key Management Personnel and/or their relatives have significant influence: | | |
| 1. Purchase of goods from: | | |
| Southern Agencies | 9.48 | 23.83 |
| 2. Purchase of fixed assets from: | | |
| Southern Agencies | 1.11 | 1.78 |
| 3. Sale to goods to : | | |
| Southern Agencies | 101.13 | - |
| 4. Services received from: | | |
| Southern Agencies | 78.65 | 151.17 |
| Sri Godavari Transports | 252.33 | 216.45 |
| 5. Donations given to: | | |
| Sarvaraya Educational Trust | 17.00 | 8.00 |
| Balances as at the end of the year: | | |
| Trade payables: | | |
| Southern Agencies | 10.51 | 47.80 |
| Sri Godavari Transports | 75.79 | 95.53 |
| Trade Receivables: | | |
| Southern Agencies | 74.39 | - |
| Amounts payable to Key Management Personnel: | | |
| Smt. S.B.Raja Rajeswaramma | 58.79 | 22.80 |
| Dr.S.B.P.P.Rammohan | 55.78 | 30.76 |
| Sri S.B.P.S.Krishna Mohan | 65.62 | 35.05 |

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₹ in Lakhs

| | This Year | Previous Year |
|--|---------------|-------------------|
| Sri S.B.P.Madan Mohan | 53.20 | 20.30 |
| Sri S.B.P.Anand Mohan | 52.84 | 20.95 |
| Sri S.B.P.V.C.Sanjay | 31.98 | 16.77 |
| Sri S.B.Rajeev Mohan | 5.32 | - |
| Sri S.B.P.S.Ajay | 2.21 | - |
| Public Deposits including interest accrued but not due: | | |
| Smt. S.B.Raja Rajeswaramma | 404.64 | 260.59 |
| Dr.S.B.P.P.Rammohan | 9.92 | 9.05 |
| Sri S.B.P.Anand Mohan | 6.77 | 6.18 |
| Sri S.B.P.V.C.Sanjay | 230.29 | 209.95 |
| Sri S.B.P.S.Krishna Mohan (HUF) | 20.28 | - |
| Smt.S.B.Radhika | 71.53 | 65.15 |
| Sri S.B.P.S.Ajay | 105.56 | 170.75 |
| Smt.Nithya V Rammohan | 6.11 | 5.58 |
| Smt.Priyadarsini Anand Mohan | 10.18 | - |
| Compensation to Key Management Personnel of the Company | | ₹ in Lakhs |
| Short-term employee benefits | 716.99 | 485.20 |
| Post-employment benefits | 120.99 | 115.95 |
| | 837.98 | 601.1 |

Note No 54: FINANCIAL INSTRUMENTS

Financial Instruments by Category

The carrying value and fair value of financial instruments by categories as of **31st March, 2021** 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 | - | - | - | 8.61 | - | 8.61 | 8.61 |
| Trade receivables | 2,287.70 | - | - | - | - | 2,287.70 | 2,287.70 |
| Cash and cash equivalents | 78.30 | - | - | - | - | 78.30 | 78.30 |
| Other bank balances | 268.46 | - | - | - | - | 268.46 | 268.46 |
| Loans and advances | - | 292.41 | - | - | - | 292.41 | 292.41 |
| Other financial assets | 1,141.99 | 16.10 | - | - | - | 1,158.09 | 1,158.09 |
| Total | 3,776.45 | 308.51 | - | 8.61 | - | 4,093.57 | 4,093.57 |
| Liabilities: | | | | | | | |
| Borrowings | 12,809.67 | - | - | - | - | 12,809.67 | 12,809.67 |
| Trade payables | 3,971.57 | - | - | - | - | 3,971.57 | 3,971.57 |
| Other financial liabilities | 5,136.75 | 3,136.62 | - | - | - | 8,273.37 | 8,273.37 |
| Total | 21,917.99 | 3,136.62 | - | - | - | 25,054.61 | 25,054.61 |

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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 | - | 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 |

- 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 55: 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 directly (i.e. as prices) or indirectly (i.e. derived from prices).

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, 2021

₹ in Lakhs

| Particulars | As of 31st March, 2021 | Level 1 | Level 2 | Level 3 |
|----------------------------------|------------------------|-------------|-----------------|----------|
| Assets | | | | |
| Investment in equity instruments | 8.61 | 8.61 | - | - |
| Security deposits | 291.42 | - | 291.42 | - |
| Loans | 0.99 | - | 0.99 | - |
| Accrued income | 16.10 | - | 16.10 | - |
| | 317.12 | 8.61 | 308.51 | - |
| Liabilities | | | | |
| Accrued expenses | 777.04 | - | 777.04 | - |
| Creditors for Capital items | 463.57 | - | 463.57 | - |
| Unclaimed dividends | 35.20 | - | 35.20 | - |
| Due to staff | 1,760.12 | - | 1,760.12 | - |
| Interest accrued but not due | 100.69 | - | 100.69 | - |
| | 3,136.62 | - | 3,136.62 | - |

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 | 855.62 | - | 855.62 | - |
| Creditors for Capital items | 803.80 | - | 803.80 | - |
| Unclaimed dividends | 30.17 | - | 30.17 | - |
| Due to staff | 1,800.43 | - | 1,800.43 | - |
| Interest accrued but not due | 199.71 | - | 199.71 | - |
| | 3,689.73 | - | 3,689.73 | - |

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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
 - 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 56: 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 31-03-2021 | As at 31-03-2020 |
|---------------------------------------|---------------------|---------------------|
| Outstanding for more than 6 months | 540.83 | 504.14 |
| Others | 1,746.87 | 848.01 |
| Balance at the end of the year | 2,287.70 | 1,352.15 |

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, 2021 | | |
| USD | - | - |
| EURO | 1,358,147 | 1,164.61 |
| As at 31st March, 2020 | | |
| USD | - | - |
| EURO | 2,254,843 | 1,701.51 |

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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 instruments.

₹ in Lakhs

| Currency | Buy / Sell | In Foreign Currency | In Indian Rupees |
|--|------------|---------------------|------------------|
| As at 31st March, 2021 USD forward contract | Nil | Nil | Nil |
| As at 31st March, 2020 USD forward contract | Nil | Nil | Nil |

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 31-03-2021 | As at 31-03-2020 |
|------------------------------|---------------------|---------------------|
| INR/USD - Increase by 2% (*) | - | - |
| INR/EURO - Increase by 2% | 23.29 | 34.03 |
| INR/USD - Decrease by 2% (*) | - | - |
| INR/EURO - Decrease by 2% | (23.29) | (34.03) |

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

₹ in Lakhs

| Particulars | Impact on profit | |
|---|------------------|------------|
| | FY 2020-21 | FY 2019-20 |
| Increase in selling prices @ 5% | | |
| Sugar | - | 20.95 |
| Carbonated and non-carbonated soft drinks | 2,209.41 | 2,140.06 |
| Packaged drinking water | 0.50 | 123.33 |
| Industrial alcohol | 261.25 | 236.43 |
| Decrease in selling prices @ 5% | | |
| Sugar | - | (20.95) |
| Carbonated and non-carbonated soft drinks | (2,209.41) | (2,140.06) |
| Packaged drinking water | (0.50) | (123.33) |
| Industrial alcohol | (261.25) | (236.43) |

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Raw Materials price risk

₹ in Lakhs

| Particulars | Impact on profit | |
|----------------------------------|------------------|------------|
| | FY 2020-21 | FY 2019-20 |
| Increase in material prices @ 5% | | |
| Sugarcane | - | - |
| Essence | 494.54 | 481.51 |
| Mango Pulp | 21.54 | 22.33 |
| Preforms | 229.96 | 250.68 |
| Crowns | 19.19 | 30.63 |
| Cartons | 53.45 | 67.14 |
| Molasses | 147.23 | 122.3 |
| Decrease in material prices @ 5% | | |
| Sugarcane | - | - |
| Essence | (494.54) | (481.51) |
| Mango Pulp | (21.54) | (22.33) |
| Preforms | (229.96) | (250.68) |
| Crowns | (19.19) | (30.63) |
| Cartons | (53.45) | (67.14) |
| Industrial alcohol | (147.23) | (122.32) |

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 2020-21 | FY 2019-20 |
|-------------------------------------|------------|------------|
| Increased by | | |
| INR - Borrowings (50 basis points) | 63.57 | 86.05 |
| EURO - Borrowings (10 basis points) | 1.83 | 2.00 |
| Decreased by | | |
| INR - Borrowings (50 basis points) | (63.57) | (86.05) |
| EURO - Borrowings (10 basis points) | (1.83) | (2.00) |

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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 31-03-2021 | Less than 1 year | 1 to 2 years | Above 2 to 5 years | Above 5 years |
|-----------------------------|------------------|-----------------|--------------------|---------------|
| Borrowings | 5,831.56 | 1,425.57 | 712.50 | 203.62 |
| Trade payables | 3,971.57 | - | - | - |
| Other financial liabilities | 6,084.71 | 880.82 | 2,482.28 | - |
| Total | 15,887.84 | 2,306.39 | 3,194.78 | 203.62 |

₹ 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 |

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 31-03-2021 | As at 31-03-2020 |
|---|------------------|------------------|
| Borrowings | 12,809.67 | 14,154.33 |
| Current maturities of debts outstanding | 2,645.02 | 2,169.68 |
| Total debt | 15,454.69 | 16,324.01 |
| Equity share capital | 304.81 | 304.81 |
| Other equity | 26,985.83 | 20,787.85 |
| Total equity | 27,290.64 | 21,092.66 |
| Net debt to equity ratio | 56.63% | 77.39% |

Sri Sarvaraya Sugars Limited

Note No 57: 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 58: In terms of the tripartite agreement between the Company, cane growers and ICICI bank, the Company should recover the loans disbursed by the bank to the growers out of the monies payable by it to the growers towards cane supplies made by them to the Company. The bank has sanctioned a OTS during march 2021, requiring the Company to remit in 7 monthly instalments totalling to Rs. 11.20 Crores before 30.09.2021. Any failure on behalf of the Company, the banker would recover the entire amount from the Company. As the issue has not reached its finality the Company has not recognised the waiver of the interest in its accounts for the year ended 31.03.2021.

Note No 59: Impact of COVID-19 Pandemic :

There has been no significant impact on the operations of the Company due the COVID-19 Pandemic except delay in completion of expansion of Packaged Drinking Water Plant at Sathupally unit by 10 months. The Commercial operations of the Plant started on 22.04.2021

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: 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: Sambalpur

Date: 28.06.2021

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

Board of Directors

| | |
|---------------------------------|--|
| Sri. P.S. Kumar | (Chairman) (Independent 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) |
| Sri. R. Sudhakar Choudary | (Independent Director) |
| Sri. G.V.R.S. Manian | (Independent Director) |
| Sri. V.S.N. Murthy | (Independent Director) |
| Mrs. Lakshmmi Subramanian | (Non-Executive Director) |
| Sri G. Raghavan | (Non-Executive Director) (From 15.12.2020) |

Audit Committee

Sri P.S.Kumar - Chairman
Sri.R.Sudhakar Choudary
Sri. G.V.R.S. Manian
Mrs. Lakshmmi Subramanian

Nomination & Remuneration Committee

Sri. R.Sudhakar Choudary-Chairman
Sri P.S.Kumar
Mrs. Lakshmmi Subramanian

Stakeholders Relationship Committee

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

CSR Committee

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

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

Sr.General Manager

Sri.G.Koteswara Rao

Company Secretary

Sri.P.R.Krishnan

Chief Financial Officer

Sri. K.Sridhar

Bankers

Bank of Baroda, Kakinada, Ramachandrapuram, Chelluru, Rajahmundry, Chennai
Indian Bank, Kakinada, Chennai
Central Bank of India, Rajahmundry
State Bank of India, Commercial Branch, Kakinada
Union 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: corpserv@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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