



**SAKTHI SUGARS LIMITED**



**ANNUAL REPORT 2020-21**

*BUSINESS WITH VALUES*

इश्वरवश्यायोगित्वात् क्रिया शक्तिः

The capacity to assume any form in the Universe is Kriya Sakthi(Power of action)



## **SAKTHI SUGARS LIMITED**

CIN:L15421TZ1961PLC000396

### **REGISTERED OFFICE**

Sakthinagar - 638 315  
Bhavani Taluk, Erode District,  
Tamilnadu  
Phone : 04256 246241  
Fax : 0422 2220574, 4322488  
E-mail : [shares@sakthisugars.com](mailto:shares@sakthisugars.com)  
Website : [www.sakthisugars.com](http://www.sakthisugars.com)

### **CORPORATE OFFICE**

180, Race Course Road  
Coimbatore - 641 018  
Tamilnadu  
Phone : 0422 4322222, 2221551  
Fax : 0422 2220574, 4322488  
Email : [shares@sakthisugars.com](mailto:shares@sakthisugars.com)  
Website : [www.sakthisugars.com](http://www.sakthisugars.com)

### **AUDITORS**

M/s. P K Nagarajan & Co  
Coimbatore

### **MAIN BANKERS**

Axis Bank Limited  
Bank of India  
Punjab National Bank

### **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Pvt. Limited  
"Surya", 35, May Flower Avenue  
Behind Senthil Nagar  
Sowripalayam Road, Coimbatore - 641 028  
Phone & Fax : 91-422-2314792  
E-mail : [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in)

### **DIRECTORS**

Dr M MANICKAM  
Chairman and Managing Director

Sri M BALASUBRAMANIAM  
Managing Director

Sri M SRINIVAASAN  
Joint Managing Director

Sri C RANGAMANI

Sri S S MUTHUVELAPPAN

Sri P K CHANDRAN

Sri N K VIJAYAN

Sri K V RAMACHANDRAN

Sri S CHANDRASEKHAR

Sri S BALASUBHRAMANIAN

Smt PRIYA BHANSALI

Sri ABHISHEK KUMAR  
(Nominee of ARCIL)

Sri S BASKAR  
Sr. Vice President &  
Company Secretary

Sri C R SANKAR  
Chief Financial Officer





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### Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government, members who have not registered their e-mail addresses so far, are requested to register their e-mail addresses in respect of their holdings in demat form through their concerned Depository Participants. Members who hold shares in physical form are requested to log in to the website of the Company's Registrar and Share Transfer Agents, Link Intime India Pvt. Ltd. [www.linkintime.co.in](http://www.linkintime.co.in), go to Investor Services Section and select "Email / Bank detail Registration", fill in the details and upload the required documents and submit.



## NOTICE TO MEMBERS

Notice is hereby given that 59th Annual General Meeting of the Company will be held on Thursday, the 30th September 2021 at 11.00 a.m. through Video Conferencing/Other Audio Visual Means (VC/OAVM) to transact the following business:

1. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED that the Audited Financial Statements of the Company for the financial year ended 31st March 2021 and Notes thereon, and Reports of the Board of Directors and of the Auditors thereon be and are hereby adopted.”
2. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED that Sri M.Balasubramaniam (holding DIN 00377053), who retires by rotation, be and is hereby reappointed as a Director of the Company, liable to retire by rotation.”

### SPECIAL BUSINESS

3. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:  
“RESOLVED that pursuant to the provisions of Section 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Sri M.Balasubramaniam (holding DIN 00377053), Director, be and is hereby appointed as Managing Director of the Company with substantial power of management, for a period of five years from 27th August 2021 without remuneration.”  
“RESOLVED FURTHER that the directorship of Sri M.Balasubramaniam is liable to determination by retirement by rotation as per Section 152 of the Companies Act, 2013.”  
“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to alter and vary the terms of appointment, including payment of remuneration in accordance with applicable provisions of the Companies Act 2013 and the Rules made thereunder.”
4. To consider and, if thought fit, to pass the following resolutions as Ordinary Resolutions:  
“RESOLVED that pursuant to the provisions of Section 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, Sri M.Srinivaasan (holding DIN 00102387), Director, be and is hereby appointed as Joint Managing Director of the Company with substantial power of management, for a period of five years from 27th August 2021 without remuneration.”  
“RESOLVED FURTHER that the directorship of Sri M.Srinivaasan is liable to determination by retirement by rotation as per Section 152 of the Companies Act, 2013.”  
“RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to alter and vary the terms of appointment, including payment of remuneration in accordance with applicable provisions of the Companies Act 2013 and the Rules made thereunder.”
5. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act 2013 read with the Rules made thereunder, the Company hereby ratifies the remuneration of Rs.5.50 lakhs for the financial year ending 31st March 2022 plus applicable tax thereon and reimbursement of out-of-pocket expenses payable to M/s.STR & Associates, Cost Accountants (Firm No.000029), Tiruchirapalli, who are appointed by the Board of Directors as Cost Auditors of the Company for the said financial year.”
6. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:  
“RESOLVED that pursuant to the provisions of Section 181 of the Companies Act 2013, permission be and is hereby accorded to the Board of Directors of the Company to donate/contribute a sum/sums in the aggregate upto Rs.20 lakhs during the financial year 2022-23 from out of the funds of the Company to bona fide charitable and other funds and for deserving causes and institutions.”

Coimbatore  
27<sup>th</sup> August 2021

By Order of the Board  
S Baskar  
Sr. Vice President &  
Company Secretary

**Notes:**

1. In view of wide spreading of the Covid-19 pandemic, social distancing norms being followed and restriction on movement of persons, the Ministry of Corporate Affairs (MCA) and the Securities and Exchange Board of India (SEBI) had allowed conducting Annual General Meetings of companies through Video Conferencing/Other Audio Visual Means (VC/OAVM) during the calendar year 2020. Considering the continuing threat of Covid-19, MCA, vide General Circular No. 02/2021 dated 13.01.2021 read with circular No. 20/2020 dated 05.05.2020, Circular No. 14/2020 dated 08.04.2020 and Circular No. 17/2020 dated 13.04.2020 (collectively referred to "MCA Circulars") and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/79 dated 12.05.2020 and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 15.01.2021, have allowed companies to hold their AGMs through VC/OAVM till December 2021. Accordingly, the 59th Annual General Meeting ("AGM") of the Company is being conducted through VC/OAVM. The AGM does not require physical presence of members at a common venue. The deemed venue for the AGM shall be the Registered Office of the Company.
2. Since the AGM is being held through VC/OAVM pursuant to the MCA/SEBI Circulars and physical attendance of Members has been dispensed with, there is no requirement for appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Companies Act 2013 (Act) will not be available for the AGM. However, institutional/corporate members may appoint their representatives in pursuance of Sections 112 and 113 of the Act, for the purpose of participation in the AGM through VC/OAVM and to exercise e-voting.
3. Since the AGM will be held through VC/OAVM, the Route Map is not annexed to this Notice.
4. Link Intime India Private Limited will be providing their facility ('InstaMeet') for participation in the AGM through VC/OAVM and e-voting during the AGM, and for voting through remote e-voting ('InstaVote').
5. Members may join the AGM through VC/OAVM by following the procedure mentioned in Note No.27 herein below. The log-in provision for joining the meeting shall be kept open for the Members 30 minutes before the scheduled time for commencement of the AGM (i.e. from 10.30 a.m.) till 15 minutes after the commencement time of the AGM (i.e. upto 11.15 a.m.). Thereafter the log-in provision shall be deactivated.
6. Members may note that the VC/OAVM facility provided by Link Intime India Private Limited allows participation of not less than 1000 Members on first-come-first-served basis. The large shareholders (i.e. shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the AGM without any restriction on account of first-come-first-served basis.
7. Attendance of the Members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
8. Statement pursuant to Section 102 of the Act relating to the Special Business to be transacted at the AGM is attached as Annexure-1. The Board of Directors of the Company at its meeting held on 13.8.2021 and 27.8.2021 considered the special business under Item Nos. 3 to 6 as unavoidable and are to be transacted at this AGM of the Company.
9. Pursuant to Regulation 36(3) of SEBI (LODR) Regulations and Secretarial Standard on General Meetings (SS-2), relevant information on the Directors seeking appointment / reappointment at the Annual General Meeting is provided in Annexure-2.
10. Pursuant to Sections 124 and 125 of the Act (formerly Section 205A and 205C of the Companies Act 1956), all unclaimed dividends up to the financial year ended 31st March 1997 and for the financial years ended 30th June 2006 & 2007 which remained unclaimed for a period of seven years had been transferred to the Investor Education and Protection Fund (IEPF) of the Central Government. Members who have not so far claimed their dividends for the said financial years are requested to forward their claims to IEPF Authority in the prescribed form by following the process mentioned in the IEPF Rules.
11. The Registers that are required to be made available at the Annual General Meeting for Members inspection will be available in electronic mode. Members can send an email for the purpose to [shares@sakthisugars.com](mailto:shares@sakthisugars.com).
12. Notice and Annual Report are being sent electronically to all the shareholders, whose names appear on the Register of Members / List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) / Central Depository Services (India) Limited (CDSL) as on 27th August 2021.
13. The Notice of the AGM along with the Annual Report for the financial year 2020-21 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/RTA/Depositories in accordance with the aforesaid MCA and SEBI circulars. Members may note that physical copy of the Notice and Annual Report will not be sent. The Notice of the AGM and the Annual Report will be available on the website of the Company at [www.sakthisugars.com](http://www.sakthisugars.com), on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) and also on the website of Link Intime India Private Limited (<https://instavote.linkintime.co.in>).



14. In case the shareholder(s) has/have not registered his/her/their email address with the Company/RTA/Depositories, they are requested to register their email ID by following the steps given below:
  - a. In case of shareholders holding shares in physical form:

Kindly log in to the website of the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited [www.linkintime.co.in](http://www.linkintime.co.in), go to investor service section and select 'Email/Bank detail Registration', fill in the details and upload the required documents and submit.
  - b. In case of shareholders holding shares in demat form:

Kindly contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
15. Members can attend and participate in the AGM through VC/OAVM only.
16. The cut-off date (record date) for the purpose of determining the voting rights of the members is 23rd September 2021. The voting rights of the members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date.
17. The persons who have become members of the Company after 27th August 2021 and whose names appear in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date may contact the Company's Registrar and Share Transfer Agents, Link Intime India Private Limited through e-mail at "coimbatore@linkintime.co.in" and provide their e-mail ID and folio/client ID for sending the AGM Notice and the Annual Report electronically. The members can also download the AGM Notice and the Annual Report from the Company's website [www.sakthisugars.com](http://www.sakthisugars.com). Password for e-voting can be generated by the shareholders themselves by following the instructions for e-voting given in Note No.26 herein below.
18. Members holding shares in physical form are requested to notify the change, if any, in their address to the Company or the Registrars and Share Transfer Agents, Link Intime India Private Limited. Members holding shares in electronic form are requested to advise the change in their address to their Depository Participants.
19. As required under Section 108 of the Companies Act 2013 and Regulation 44 of the SEBI Listing Regulations, members are provided with remote e-voting facility and e-voting facility during the AGM for exercising their voting rights.
20. Sri M.D.Selvaraj, Proprietor, M/s. MDS & Associates, Company Secretaries, Coimbatore, has been appointed as Scrutinizer for conducting the remote e-voting and e-voting during the AGM in a fair and transparent manner.
21. The remote e-voting period begins on Monday, 27th September 2021 at 9.00 a.m. and ends on Wednesday, 29th September 2021 at 5.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 23rd September 2021, may cast their vote electronically. The remote e-voting module shall be disabled by Link Intime India Private Limited for voting thereafter.
22. Institutional/Corporate Shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorisation etc., authorising its representative to attend the AGM through VC/OAVM on its behalf and to vote through e-voting. The said Resolution/ Authorization shall be sent by email from their registered email ID to the Scrutinizer's email address at [mds@mdsassociates.in](mailto:mds@mdsassociates.in) with copies marked to the Company at [shares@sakthisugars.com](mailto:shares@sakthisugars.com) and to its RTA at [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in).
23. During the AGM, the Chairman shall inform about opening of e-voting facility on the platform of Link Intime India Private Limited to enable those Members who have not cast their vote and would like to cast their vote at the AGM. The Members who have already cast their vote by remote e-voting cannot vote again at the AGM.
24. In case of joint holders, only such joint holder who is higher in the order of names will be entitled to attend and vote, unless the other joint holder is authorised in writing to do so.
25. Instructions for shareholder to register as speakers during the AGM through VC/OAVM (InstaMeet):

Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request mentioning their name, demat account number/folio number, PAN, email ID, mobile number to [shares@sakthisugars.com](mailto:shares@sakthisugars.com) from 9.00 a.m on 25.09.2021 to 5.00 p.m. on 27.09.2021.

The first 20 speakers on first come basis will only be allowed to express their views/ask questions during the meeting.

Shareholders, who would like to ask questions, may send their questions in advance mentioning their name, demat account number/folio number, email ID, mobile number to [shares@sakthisugars.com](mailto:shares@sakthisugars.com). The same will be replied by the Company suitably.





Note: Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of questions/speakers depending on the availability of time for the AGM.

Shareholders are allowed to use camera and are required to use internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

**26. Instructions for remote e-voting electronically by shareholders (InstaVote):**

Remote e-voting instructions for shareholders post change in the login mechanism for individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:

Pursuant to SEBI circular dated December 9, 2020 on e-voting facility provided by listed companies, individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants.

Shareholders are advised to update their mobile number and email ID in their demat accounts to access e-voting facility.

Login method for individual shareholders holding securities in demat mode/ physical mode is given below:

Type of shareholders	Login Method
Individual shareholders holding securities in demat mode with NSDL	<ul style="list-style-type: none"> <li>If you are already registered for NSDL IDeAS facility, please visit the e-services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and password.</li> <li>After successful authentication, you will be able to see e-voting services. Click on "Access to e-voting" under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</li> <li>If the user is not registered for IDeAS e-services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "Register Online for IDeAS" Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com">https://www.evoting.nsdl.com</a> either on a personal computer or on a mobile. Once the home page of e-voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</li> </ul>
Individual shareholders holding securities in demat mode with CDSL	<ul style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their User ID and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi / Easiest the user will be also able to see the e-voting Menu. The Menu will have links of e-voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-voting service provider name to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered mobile and email as recorded in the demat Account. After successful authentication, user will be provided links for the respective e-voting service provider (ESP) where the e-voting is in progress.</li> </ul>



Individual shareholders (holding securities in demat mode) & login through their depository participants	<ul style="list-style-type: none"> <li>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility.</li> <li>Once login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting and voting during the meeting.</li> </ul>
Individual shareholders holding securities in physical mode & evoting service provider is LINKINTIME.	<ol style="list-style-type: none"> <li>Open the internet browser and launch the URL: <a href="https://instavote.linkintime.co.in">https://instavote.linkintime.co.in</a></li> <li>Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: - <ul style="list-style-type: none"> <li>A. User ID: Shareholders/ members holding shares in physical form shall provide Event No + Folio Number registered with the Company.</li> <li>B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.</li> <li>C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)</li> <li>D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.</li> </ul> </li> <li>Shareholders/ members holding shares in physical form but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above.</li> <li>Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#\$%&amp;*), at least one numeral, at least one alphabet and at least one capital letter).</li> <li>Click "confirm" (Your password is now generated).</li> <li>Click on 'Login' under 'SHARE HOLDER' tab.</li> <li>Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.</li> <li>After successful login, you will be able to see the notification for e-voting. Select 'View' icon.</li> <li>E-voting page will appear.</li> <li>Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).</li> <li>After selecting the desired option i.e. Favour / Against, click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote.</li> </ol>

**Institutional shareholders:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI, etc.) and Custodians are required to log on the e-voting system of Link Intime India Private Limited (LIPL) at <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/ power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

**Individual Shareholders holding securities in Physical mode & evoting service provider is LINKINTIME, have forgotten the password:**

- o Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password?'
- o Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case shareholders/ members are having valid email address, password will be sent to his/her registered e-mail address.
- Shareholders/ members can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one special character (@!#\$%&\*), at least one numeral, at least one alphabet and at least one capital letter.

**Individual shareholders holding securities in demat mode with NSDL/CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

**Helpdesk for individual shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

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

**Helpdesk for individual shareholders holding securities in physical mode/institutional shareholders and evoting service provider is LINKINTIME.**

In case shareholders/ members holding securities in physical mode/institutional shareholders have any queries regarding e-voting, they may refer the Frequently Asked Questions ('FAQs') and InstaVote e-voting manual available at <https://instavote.linkintime.co.in>, under Help section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact InstaVote Support Desk, Link Intime India Private Limited on Tel: 022-4918 6000.

**27. Instructions for attending the AGM through VC/OAVM (InstaMeet):**

- For attending the AGM through VC/OAVM, shareholders may log in InstaMeet portal (<https://instameet.linkintime.co.in>) 30 minutes before the commencement time of the AGM (i.e. from 10.30 a.m.) till 15 minutes after the commencement time (i.e. upto 11.15 a.m.). Thereafter log in provision will be deactivated.
- Open the internet browser and launch the URL for InstaMeet <<<https://instameet.linkintime.co.in>>> and register with your following details:
  - DP ID/Client ID or Folio No. - Enter your 16 digit DP ID / Client ID or Folio Number registered with the Company.
  - PAN - Enter your 10 digit Permanent Account Number (PAN)
  - Mobile No. – Enter your mobile number.
  - Email ID – Enter your e-mail ID.

(iii) Click “Go to Meeting”

Note: Shareholders are encouraged to join the Meeting through Tablets/Laptops connected through broadband for better experience.

Shareholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that shareholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case the shareholders have any queries or issues regarding attending the AGM through VC/OAVM, you can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call Link Intime India Private Limited - Tel : 022-49186175.

**28. Instructions for shareholders to vote during the AGM through VC/OAVM (InstaMeet):**

Once the electronic voting is activated by the scrutinizer during the meeting, shareholders who have not exercised their vote through remote e-voting can cast their vote as under:

- On the Shareholders VC page, click on the link for e-voting “Cast your vote”.
- Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email ID) received during registration for InstaMeet and click on ‘Submit’.



- c. After successful login, you will see “Resolution Description” and against the same the option “Favour/ Against” for voting.
- d. Cast your vote by selecting appropriate option i.e. “Favour/Against” as desired.
- e. Enter the number of shares (which represents no. of votes) as on the cut-off date under ‘Favour/Against’.
- f. After selecting the appropriate option i.e. Favour/Against as desired and you have decided to vote, click on “Save”. A confirmation box will be displayed. If you wish to confirm your vote, click on “Confirm”, else to change your vote, click on “Back” and accordingly modify your vote.
- g. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders who attend the AGM through VC/OAVM (InstaMeet) and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting.

Shareholders who have voted through remote e-Voting prior to the date of the AGM will be eligible to attend/participate in the AGM through VC/OAVM (InstaMeet). However, they will not be eligible to vote again during the meeting.

In case the shareholders have any query or issue regarding e-voting, they can write an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or call Link Intime India Private Limited - Tel : 022-49186175.

29. In case of any query or issue or grievance connected with the facility of remote e-voting, members may contact Sri S Baskar, Sr. Vice President & Company Secretary, through e-mail ID ‘[shares@sakthisugars.com](mailto:shares@sakthisugars.com)’ or through Phone No. 0422 - 4322222.
30. The Scrutinizer shall, immediately after the conclusion of the voting at the AGM, first download the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make a Scrutinizer’s Report of the votes cast in favour or against, if any, within a period not exceeding 48 hours from the conclusion of the Annual General Meeting to the Chairman and Managing Director or the authorized Director/ Executive.
31. The results of voting will be declared by the Chairman and Managing Director or the authorized Director/Executive at the Corporate Office of the Company at 180 Race Course Road, Coimbatore-641 018 within 48 hours from the conclusion of the AGM. The result along with Scrutinizer’s Report will be posted on the Company’s website [www.sakthisugars.com](http://www.sakthisugars.com) and on the website of Link Intime India Private Limited: <https://instavote.linkintime.co.in>. It will also be displayed in the Notice Board of the Company at its Registered Office and at the Corporate Office. It will also be forwarded to the stock exchanges.

**Annexure - 1****Statement pursuant to Section 102 of the Companies Act 2013****Item No.3 and 4**

Considering the financial restructuring of the Company, the Board of Directors at its meeting held on 27th August 2021 decided that it would be beneficial to strengthen the management and, on the recommendation of the Nomination and Remuneration Committee, appointed Sri M.Balasubramaniam as Managing Director and Sri M.Srinivaasan as Joint Managing Director without remuneration for a period of five years from 27th August 2021, subject to the approval of the members of the Company.

Sri M.Balasubramaniam is a post graduate in commerce and holds a Masters Degree in Business Administration (MBA) from the University of Notre Dame, U.S.A. He has expertise in finance and in business management with more than 35 years of experience in management of companies. He has been a Director of the Company since 21st August 1989 and had been Joint Managing Director-Finance from 23rd January 2009 till 27th June 2013. He was appointed as Managing Director on 28th June 2013 and he held that position for a period of five years till 27th June 2018. On account of his other pre-occupation, he did not opt for re-appointment in 2018, but continued his directorship in the Company.

Sri M.Srinivaasan is an engineering graduate and holds a Masters Degree in Business Administration (MBA) from Pennsylvania State University, U.S.A. He has expertise in engineering and technology, especially in sugar manufacturing, and in business management with more than 30 years of experience in managing sugar industry. He has been a Director on the Board of Directors of the Company since 23rd August 1995. He was appointed as Joint Managing Director-Technical on 23rd January 2009 and this position was redesignated as Joint Managing Director in June 2013. He held the position as Joint Managing Director till 12th June 2018. On account of his other pre-occupation, he could not continue the Joint Managing Directorship further, but continued his directorship in the Company. Sri Srinivaasan is Past President of ISMA and SISMA.

The aforesaid appoints have been made without remuneration. The Board may be authorised to modify the terms of appointment, including payment of remuneration in accordance with the applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

The directorships of Sri M.Balasubramaniam and Sri M.Srinivaasan are liable to determination by retirement by rotation as per Section 152 of the Companies Act 2013.



Sri M.Balasubramaniam and Sri M.Srinivaasan are also the Managing Director of Sakthi Finance Limited and Sri Chamundeswari Sugars Limited respectively.

The Details of Sri M. Balasubramaniam and Sri M. Srinivaasan are provided in Annexure-2 to the Notice pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India.

Necessary resolutions are set out under items No.3 and 4 in the Notice of the meeting for members approval.

Sri M.Balasubramaniam and Sri M.Srinivaasan may be deemed to be concerned or interested in the resolutions as they relate to their appointments.

Dr. M. Manickam, Chairman and Managing Director, may be deemed to be concerned or interested in the resolutions as a relative of Sri M. Balasubramaniam and Sri M. Srinivaasan.

None of the other Directors and the Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise in the resolutions.

**Item No.5**

Pursuant to Section 148 of the Companies Act 2013, the Board of Directors of the Company has appointed M/s. STR & Associates, Cost Accountants, Tiruchirappalli, as Cost Auditors for audit of the cost records relating to Sugar, Distillery, Power and Soya Divisions of the Company for the financial year ending 31st March 2022 and fixed a remuneration of Rs.5.50 lakhs. Rule 14 of the Companies (Audit and Auditors) Rules 2014 specifies that the remuneration payable to the Cost Auditors is to be ratified by the members at the General Meeting. Accordingly, necessary resolution is set out in item No.5 of the Notice for the Members approval. The Board of Directors has recommended the resolution for approval of the members.

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

**Item No.6**

To meet certain charitable and social obligations, it is proposed to authorise the Board of Directors to make donations up to Rs.20 lakhs (Rupees twenty lakhs only) during the financial year 2022-23. Necessary resolution is set out in item No.6 of the Notice for members approval. The Board of Directors has recommended the resolution for approval of the members.

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

Coimbatore  
27<sup>th</sup> August 2021

By Order of the Board  
S Baskar  
Sr. Vice President &  
Company Secretary



# Details of Director

Brief resume of the Directors proposed to be appointed / re-appointed are given in terms of Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 and Secretarial Standard-2:

Name of Director	Sri M.Balasubramaniam (DIN - 00377053)	Sri M.Srinivaasan (DIN - 00102387)
Date of birth and age	20-09-1958 / 62 years	02.09.1966 / 54 years
Qualification	M.Com., MBA (USA)	B.E., MBA (USA)
Nature of expertise in functional areas and experience	Has expertise in the area of finance and management with more than 35 years experience.	Has expertise in the area of engineering and technology, especially in sugar manufacturing, with more than 30 years experience in sugar industry. Past president of ISMA and SISMA.
Terms and conditions of re-appointment	a. Re-appointment on retirement by rotation b. Appointment as Managing Director is for a period of five years from 27-08-2021 without remuneration.	Appointment as Joint Managing Director is for a period of five years from 27-08-2021 without remuneration.
Last remuneration drawn, if any	Sitting fees for the meetings of Board and Committees attended	Sitting fees for the meetings of Board attended.
Date of first appointment as Director	21-08-1989	23-08-1995
Shareholding in the company (No. of shares)	3,37,325 Equity shares	2,01,000 Equity Shares
Relationship with other Directors/KMP	Brother of Dr.M.Manickam, Chairman & Managing Director and Sri M.Srinivaasan, Joint Managing Director.	Brother of Dr.M.Manickam, Chairman & Managing Director, and Sri. M. Balasubramaniam, Managing Director.
No. of Board Meetings attended during the year ended 31.3.2021	5	4
Names of the companies in which directorship is held: i) Listed entities ii) Others	Sakthi Finance Limited. Sri Chamundeswari Sugars Ltd., ABT Limited., Sakthi Auto Component Limited, ABT Foods Retailing (India) Ltd., ABT Properties Limited., Anamallais Bus Transport P.Limited, Coimbatore Innovation and Business Incubator, Magnum Foundations P.Limited, The Gounder & Co. Auto Ltd., Sakthi Properties (Cbe) Limited., Nachimuthu Industrial Assn., Sakthifinance Financial Services Limited.,	Sakthi Finance Limited AB T Limited Sri Chamundeswari Sugars Limited Sakthi Auto Component Limited Sakthi Properties (Coimbatore) Limited The Gounder And Company Auto Limited Nachimuthu Industrial Association SCSL Agro P. Limited SCSL Agro Industries P. Limited Chamundeswari Enterprises P. Limited
Chairmanship/Membership of Committees: i) Listed entities ii) Others	Sakthi Finance Limited - SR Committee - Member Sakthi Sugars Limited - SR Committee - Member  Sri Chamundeswari Sugars Limited. - Audit Committee - Member - SR Committee - Member	Sakthi Sugars Limited - CSR Committee - Member Sakthi Finance Limited - Audit Committee - Member  Sri Chamundeswari Sugars Limited Audit Committee - Member SR Committee - Member

SR Committee - Stakeholders Relationship Committee, CSR Committee - Corporate Social Responsibility Committee.



## BOARD'S REPORT

To the Members

The Board of Directors of the Company presents its Annual Report together with the Audited Financial Statements of the Company for the year ended 31st March, 2021.

FINANCIAL HIGHLIGHTS		(Rs in lakhs)
Particulars	2020-21	2019-20
Revenue		
Sugar Division	33911.11	49666.49
Distillery Division	9489.02	13071.72
Cogeneration Division	867.41	1604.67
Soya Division	19070.79	15958.13
Total Revenue	63338.33	80301.01
Other Income	997.51	12089.63
Total Income	64335.84	92390.64
Profit/(Loss) before Finance Cost and Depreciation & Amortisation Expense and Exceptional Items	1987.11	4294.25
Finance Cost	19639.65	20197.10
Provision for Depreciation	3885.39	4931.06
Net Profit before Exceptional Item and Tax	(21537.93)	(20833.91)
Exceptional Items Gain / (Loss)	11186.77	-
Net Profit before Tax	(10351.16)	(20833.91)
Provision for Tax	1275.34	(241.52)
Net Profit after Tax	(11626.50)	(20592.39)
Comprehensive Income	(94.42)	19.44
Total comprehensive Income	(11720.92)	(20572.95)

### REVIEW OF OPERATION

The overall operational performance of the Company for the financial year under review was lower than that of the previous financial year mainly due to inadequate availability of sugarcane for crushing. While there was reduction in the level of crushing in Sakthinagar Unit, there was no crushing operation in Modakurichi and Sivaganga Units during the financial year. The available sugarcane in these two units were taken to Sakthinagar Unit for crushing. The recovery percentage was also slightly less. In Dhenkanal Sugar Unit in Orissa State, there was a marginal reduction in the quantum of cane crushed and in the recovery percentage as compared to the previous financial year. Consequent to reduction in the level of crushing, the operations of other Divisions like distillery and power were also adversely affected. In the selling price of sugar also there was a slight down trend during the financial year. The operational performance of Soya Unit is satisfactory. There is no change in the nature of business during the financial year and until the date of this report.

### SUGAR DIVISION

The quantum of sugarcane crushed at various units of the Company during the year 2020-21 is as under:

Name of the Unit	Cane crushed (in MT)
Sakthinagar	7,32,629
Dhenkanal	2,44,673

During the year under review, 0.87 lakh MT of sugar was produced by the Company as compared to 1.20 lakh MT in the previous year. The quantum of sugar sales and the sale value have also come down as compared to the previous year.

### DISTILLERY DIVISION

During the year under review, 97.26 lakh litres (previous year 142.66 lakh litres) of industrial alcohol was produced at Sakthinagar Distillery Unit and 70.21 lakh litres (previous year 90.71 lakh litres), at Dhenkanal Distillery Unit.

**SOYA DIVISION**

29,082 tonnes (previous year 27,272 tonnes) of soya bean was crushed in the Soya Plant during the year under review. This Division had exported products worth Rs. 2259.74 lakhs (previous year Rs.1672.13 lakhs) to various countries.

**CO-GENERATION DIVISION**

The total power generated in the co-generation plants during the financial year was 663.08 lakh units (previous year 1087.46 lakh units) out of which 301.86 lakh units (previous year 557.45 lakh units) of power was exported. The Company is selling the power through Indian Energy Exchange (IEX) and also directly to third parties.

**IMPACT OF COVID-19 ON OPERATION**

The Covid-19 pandemic devastated the trade and industry during the first quarter of the financial year 2020-21. The crushing operations were stopped for about a month during that quarter. However, as compared to other sectors, the sugar industry was not affected very badly by the pandemic. Upon announcement of the first phase of relaxation of lockdown, the factories were restarted after following the Standard Operation Procedures prescribed by the Government under the Disaster Management Act 2005.

The impact of the second wave of Covid-19 since March 2021 is likely to have lesser impact than the first wave on account of availability of vaccine, improved health infrastructure and better preparedness and experience to face the pandemic.

**FUTURE OUTLOOK**

The monsoon has been normal except some places in the command areas of the Company with satisfactory water storage level in Mettur Dam. The Company looks forward a higher volume of cane crush during the financial year 2021-22 with improved sugar recovery percentage.

**DEPOSITS**

The Company has not accepted any deposit during the financial year under review. At the end of the financial year, there was no unclaimed deposit.

**CORPORATE INFORMATION**

As mentioned in the last report, steps are being taken for reduction of liabilities to a reasonable level. After the closure of the financial year, one of the term lending banks had sanctioned a one-time settlement (OTS) of the loan availed from it and the same has been fully settled under the OTS. Upon such settlement, the application filed by the said bank before National Company Law Tribunal, Chennai for a corporate resolution has been withdrawn by the bank.

**DIRECTORS**

Sri M.Balasubramaniam (DIN 00377053) retires by rotation at the ensuing Annual General Meeting and, being eligible, has offered himself for re-appointment.

Smt. Priya Bhansali, Independent Director, has been re-appointed for the second term of five consecutive years from 1st October 2020 to 30th September 2025 at the last Annual General Meeting of the Company.

After the closure of the financial year under review, Asset Reconstruction Company (India) Limited (ARCIL) has withdrawn its Nominee Director Sri Jigar Dalal and in his place nominated Sri Abhishek Kumar with effect from 6th August 2021. The Board places on record its appreciation of the services rendered by Sri Jigar Dalal during his tenure as Nominee Director of the Company.

**DIRECTORS RESPONSIBILITY STATEMENT**

In pursuance of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the loss of the Company for that financial year;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the annual accounts on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.



**MEETINGS OF BOARD OF DIRECTORS**

The Board met five times during the financial year ended 31st March 2021. The details of the Board Meetings and the attendance of the Directors are given in the Corporate Governance Report.

**COMPOSITION OF AUDIT COMMITTEE**

The Audit Committee comprises the following Directors as its members:

Sri C.Rangamani, Chairman

Sri N.K.Vijayan

Sri K.V.Ramachandran

Smt. Priya Bhansali

Details regarding meetings of the Audit Committee and the attendance of the members are given in the Corporate Governance Report.

**BOARD EVALUATION**

Pursuant to the provisions contained in the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a formal annual evaluation of the performance of the Board, its Committees and of individual Directors has been made. The manner in which the evaluation was carried out and the process adopted are given in the Corporate Governance Report.

**DETAILS OF REMUNERATION TO DIRECTORS**

Details of ratio of remuneration to each Director to the median employee's remuneration and other disclosures required under Section 197(12) of the Companies Act 2013 and Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014 are given in Annexure-A.

**RISK MANAGEMENT POLICY**

The Company has constituted a Risk Management Committee and the details of the Committee are set out in the Corporate Governance Report. Pursuant to Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the Board has laid down risk management policy to identify, evaluate and mitigate risks. It seeks to ensure transparency and to minimise adverse impact on the business operations of the Company.

The Company does not have any exposure to commodity risk except to the extent of its own production of sugar, the main product of manufacture of the Company, the selling price of which is subject to market fluctuations.

**INTERNAL CONTROL**

The Company has internal control system commensurate with the size of the Company. Adequate procedures are set out for detecting and preventing frauds and for protecting the Company's assets. The head of Internal Audit Team reports to the Chairman of the Audit Committee for the purpose of maintaining independence and Internal Audit Reports are placed before the Audit Committee together with statement of significant audit observation and the suggested corrective action followed by a report on action taken thereon. Further the Company has adequate internal financial control with respect to the financial statements.

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

The Company has a whistle blower policy and a vigil mechanism for directors and employees to report genuine concerns in the prescribed manner. The vigil mechanism provides adequate safeguards against victimisation and for direct access to the Chairman of the Audit Committee in appropriate or exceptional cases. The details of the whistle blower policy are posted on the website of the Company. No complaint has been received under this mechanism during the year under review.

**CORPORATE GOVERNANCE**

A Report on Corporate Governance along with Auditors Certificate with respect to its compliance forms part of this Report.

A detailed Management Discussion and Analysis Report also forms part of this Report.

**OTHER DISCLOSURES UNDER THE COMPANIES ACT 2013**

i. Annual Return

A copy of the Annual Return for the financial year 2020-21 will be placed on the website of the Company [www.sakthisugars.com](http://www.sakthisugars.com) within 60 days after conclusion of the 59th AGM.

ii. Changes in Share Capital

There is no change in the share capital during the financial year under review.



iii. Policy on Directors Appointment and Remuneration

The Company's policy for selection and appointment of directors, senior management personnel and fixation of their remuneration, including criteria for determining qualifications, positive attributes, independence of a director, are available in the Company's website [www.sakthisugars.com](http://www.sakthisugars.com) and the salient features of the Policy are given in Annexure-B.

iv. Related Party Transactions

All the related party transactions were on arm's length basis. Prior approval of the Audit Committee and/or Board, as the case may be, has been obtained for the transactions with related parties. A statement of all related party transactions is placed before the Audit Committee on quarterly basis. There has been no contract or arrangement with related parties attracting the provisions of Section 188(1) of the Companies Act 2013 during the financial year under review.

The Related Party Transactions Policy as approved by the Board is available on the Company's website [www.sakthisugars.com](http://www.sakthisugars.com). The details of the transactions with Related Parties are provided in the accompanying financial statements.

v. Statement of declarations given by Independent Directors

The Independent Directors have given their declarations to the Board to the effect that they meet with the criteria of independence as provided in Section 149(6) of the Companies Act, 2013 and the relevant rules. They have also given a declaration confirming compliance with Rule 6(1) and (2) of the Companies (Appointment and Qualification of Directors) Rules 2014 regarding inclusion of their names in the databank maintained by Indian Institute of Corporate Affairs. All the Independent Directors are exempt from the requirement of the written test under Rule 6(4) of the said Rules.

vi. Significant material orders passed by court or authorities

There are no significant orders passed by Court or regulatory authorities which would impact the status of the Company and its future operations.

vii. Particulars of loans, guarantees or investments

The Company has not given any loan or guarantee or has acquired any security during the financial year 2020-21 under Section 186 of the Companies Act, 2013.

viii. Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

The information on conservation of energy, technology absorption and foreign exchange earnings and out go as required under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules 2014 is given in Annexure-C.

ix. There are no material changes affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.

x. The Company has complied with the Secretarial Standards as may be applicable to the Company.

### **STATUTORY AUDITORS**

M/s. P.K. Nagarajan & Co., Chartered Accountants (Firm Registration Number 016676S), have been appointed by the members as Statutory Auditors of the Company for a period of five consecutive years from the conclusion of the 55th Annual General Meeting held on 27th September, 2017 till the conclusion of the 60th Annual General Meeting. They have confirmed that they are not disqualified for continuing as Statutory Auditors of the Company for the financial year 2021-22.

### **SECRETARIAL AUDIT**

Pursuant to Section 204 of the Companies Act 2013 and Regulation 24A of SEBI (LODR) Regulations 2015, the Board of Directors of the Company has appointed M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai as Secretarial Auditors to undertake the secretarial audit of the Company for the year ended 31st March 2021. Secretarial Audit Report of M/s. S.Krishnamurthy & Co., Company Secretaries, Chennai for the year ended 31st March 2021 is annexed as Annexure-D. As the Company does not have any subsidiary, the question of appointment of Secretarial Auditor for material subsidiary does not arise.

### **COST AUDIT**

The Company is required to maintain cost records as specified by the Central Government under Section 148(1) of the Companies Act, 2013 and accordingly such accounts and records are made and maintained by the Company. M/s. STR & Associates, Cost & Management Accountants, Tiruchirapalli, are the Cost Auditors appointed for auditing the cost accounting records relating to Sugar, Distillery, Power and Soya Divisions of the Company for the year ended 31st March 2021.

The said Firm has been appointed for the financial year ending 31st March 2022 and necessary resolution for ratification of their remuneration is included in the Notice for the ensuing Annual General Meeting.

**CORPORATE SOCIAL RESPONSIBILITY (CSR)**

The Company has constituted a CSR Committee and has adopted a CSR Policy and the same is available in the Company's website [www.sakthisugars.com](http://www.sakthisugars.com). The composition of the CSR Committee is given in the Corporate Governance Report. As the Company has incurred loss for the three preceding financial years, the requirement of incurring expenditure towards fulfilment of its corporate social responsibility does not arise during the financial year under review.

**DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the said Act. An Internal Complaints Committee (ICC) has been set up at every work place of business to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. No sexual harassment complaint has been received during the financial year 2020-21.

**AUDITORS' REPORT**

With reference to the Statutory Auditors remark, your Directors wish to state that the Company is confident of obtaining favourable award and considers the full amount as recoverable. The Statement of Impact on Audit Qualification is attached as Annexure-E.

**ACKNOWLEDGEMENT**

Your Directors wish to place on record their appreciation of the valuable assistance and co-operation extended by the shareholders, cane growers, banks, financial institutions and Government authorities. They also wish to appreciate the dedicated services rendered by officers, staff and workers of the Company.

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M Manickam  
Chairman and Managing Director



## ANNEXURE - A TO THE BOARD'S REPORT

### PARTICULARS OF REMUNERATION

The information required under Section 197 of the Companies Act 2013 and the Rules made thereunder in respect of remuneration to Directors/Key Managerial Personnel/employees of the Company is as follows:

- (a) The ratio of the remuneration of each director to the median employee's remuneration of the Company for the financial year ended 31st March 2021:

	Name of Persons	Ratio to median remuneration
I	Non-Executive Directors:	
	Sri M.Balasubramaniam	0.23
	Sri M.Srinivaasan	0.13
	Sri C.Rangamani	0.45
	Sri S.S.Muthuvelappan	0.23
	Sri P.K.Chandran	0.26
	Sri N.K.Vijayan	0.35
	Sri K.V.Ramachandran	0.45
	Sri S.Chandrasekhar	0.29
	Sri S.Balasubhramanian	0.23
	Smt. Priya Bhansali	0.35
	Sri Jigar Dalal	0.16
II	Executive Director:	
	Dr. M.Manickam, Chairman & Managing Director	-

- (b) The percentage of increase in remuneration of each Director, Chief Financial Officer and Company Secretary in the financial year:

	Name of Persons	% increase in remuneration
I	Non-Executive Directors:	
	Sri M.Balasubramaniam	-
	Sri M.Srinivaasan	-
	Sri C.Rangamani	16.67
	Sri S.S.Muthuvelappan	-
	Sri P.K.Chandran	-
	Sri N.K.Vijayan	10.00
	Sri K.V.Ramachandran	27.27
	Sri S.Chandrasekhar	50.00
	Sri S.Balasubhramanian	-
	Smt.Priya Bhansali	37.50
	Sri Jigar Dalal	25.00
II	Executive Director:	
	Dr. M.Manickam, Chairman & Managing Director	-
III	Key Managerial Personnel:	
	Sri.S.Baskar, Sr.Vice President & Company Secretary	-
	Sri C.R.Sankar, Chief Financial Officer	-



- i. The remuneration to Non-Executive Directors consists of sitting fees paid for the meetings of Board and Committees thereof attended by each Director. The sitting fees paid per meeting attended by the Directors is the same as that of the last year.
  - ii. The appointment of Dr. M. Manickam as Chairman and Managing Director with effect from 12th June 2018 is without remuneration.
- (c) The percentage increase in the median remuneration of employees in the financial year is 3.19.
- (d) The number of permanent employees on the rolls of the Company as on 31.3.2021 is 1176.
- (e) There is no increase in the average percentile of salaries of employees other than managerial personnel in the year 2020-21. The managerial personnel has not been paid remuneration.
- (f) Affirmation that the remuneration is as per the remuneration policy of the Company:
- It is affirmed that the remuneration paid during the financial year ended 31.3.2021 to Directors, Key Managerial Personnel and other employees is as per the remuneration policy of the Company.
- (g) The information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 forms part of this Report. However, as per first proviso to Section 136(1) of the Act and Second proviso of Rule 5(2) of the Rules, the Report and Financial Statements are being sent to the members of the Company excluding the statement of particulars of employees under Rule 5(2) of the Rules. Any member interested in obtaining a copy of the said statement may write to the Company Secretary.

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M Manickam  
Chairman and Managing Director



## **ANNEXURE - B TO THE BOARD'S REPORT**

### **SALIENT FEATURES OF POLICY ON APPOINTMENT AND REMUNERATION**

In order to identify, attract, retain and motivate competent persons, a clear relationship of remuneration to performance and a balance between rewarding short and long term performance of the Company, the Board of Directors of the Company, as recommended by the Nomination and Remuneration Committee (NR Committee), has adopted a policy on appointment and remuneration as enumerated in Section 178 of the Companies Act 2013. This policy provides a framework for remuneration of members of the Board of Directors, Key Managerial Personnel and other employees of the Company.

#### **I. Criteria for selection/appointment of and Remuneration to Non-Executive Directors:**

##### **i. Criteria of selection**

- a. The candidate for Non-Executive Directors shall be of high integrity with relevant expertise and experience so as to have a diverse Board with Directors having expertise in any of the fields of engineering, manufacturing, finance, accounts, taxation, agricultural operations, sales & marketing and general management.
- b. In the case of Independent Directors, the candidate, in addition to the requirements under (a) above, should satisfy the criteria of independence as stipulated in the Companies Act and the Listing Regulations.
- c. The NR Committee while recommending a candidate for appointment as a Director, shall consider and get itself satisfied about -
  - The candidate not being disqualified for appointment under Section 164 of the Companies Act, 2013.
  - Attributes/criteria regarding qualification, expertise and experience in relevant field.
  - Personal, professional or business standing.
  - Requirement with respect to Board's diversity.
- d. In the case of re-appointment, the performance evaluation of the Director and his level of participation will be considered.

##### **ii. Remuneration to Non-Executive Directors**

The Non-Executive Directors are entitled to receive remuneration by way of sitting fees for each meeting of the Board or Committees of Board attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. They are also entitled for reimbursement of expenses in connection with participation in the Board/Committee meetings/General Meetings.

The Independent Directors of the Company are not entitled for Stock Option Scheme of the Company, if any.

#### **II. Criteria for selection/appointment of and remuneration to Executive Directors:**

##### **i. Criteria of selection/appointment**

The NR Committee shall identify persons of integrity having relevant experience, expertise and leadership quality for appointment for the position of Executive Directors, viz. Executive Chairman, Managing Director, Joint Managing Director and Executive Director. The NR Committee shall also ensure that the identified persons fulfil the conditions like age limit under the Companies Act and other applicable laws, if any.

##### **ii. Remuneration**

The Executive Directors will be paid such remuneration and perquisites as may be mutually agreed upon at the time of appointment or re-appointment between the Company and the Executive Directors, taking into consideration the profitability of the Company and the overall limits prescribed under the Companies Act 2013.

The remuneration of Executive Chairman, Managing Director and Joint Managing Director of the Company consists of fixed remuneration and variable portion by way of commission calculated in accordance with the Companies Act 2013. The remuneration of Executive Director consists of only fixed remuneration.

The above remuneration will be subject to such approvals and conditions as laid down in applicable statute.

**III. Criteria for selection/appointment of and remuneration to Senior Management Personnel:**

Based on the criticality of the role and responsibility of the Key Managerial Personnel, the NR Committee decides on the required qualifications, experience and attributes for the position and on the remuneration based on the industry bench mark and the current compensation trend in the market. The remuneration consists of fixed components like salaries, perquisites and a variable component comprising of annual bonus, if declared. Based on the selection criteria laid as above and remuneration, the NR Committee identifies persons and recommends to the Board for consideration and appointment.

In respect of other Senior Management Personnel, the NR Committee will recommend to the Board, all remuneration, in whatever form, payable to them for its approval.

Senior management means officers/personnel of the Company who are members of its core management team, excluding Board of Directors, comprising members of management one level below the Chief Executive Officer/Managing Director, including Company Secretary and Chief Financial Officer, and the functional heads.

In respect of other employees, the Chairman and Managing Director is authorised by the NR Committee to fix the remuneration based on the criticality and responsibility of the employees.

Annual increments are given on time scale basis and further increase to deserving employees based on performance review.

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M Manickam  
Chairman and Managing Director



## ANNEXURE - C TO BOARD'S REPORT

INFORMATION PURSUANT TO SECTION 134(3)(m) OF THE COMPANIES ACT 2013

### A. CONSERVATION OF ENERGY

(i) *Steps taken or impact on conservation of energy:*

No major steps have been taken during the year.

(ii) *Steps taken for utilising alternate sources of energy:*

Power generated by the Company in its co-generation plants is used.

(iii) *Capital investment on energy conservation equipments:*

Nil

### B. TECHNOLOGY ABSORPTION

(i) *Efforts made towards technology absorption:*

There is no new technology for absorption.

(ii) *Benefits derived*

Not applicable.

(iii) *In case of imported technology*

a. *details of technology imported*

b. *the year of import*

c. *whether the technology has been fully absorbed*

d. *if not absorbed, areas where absorption has not taken place and reasons thereof*

No technology was imported.

(iv) *Expenditure on Research and Development* - Rs.19.68 lakhs

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange earned      Rs. 2259.74 lakhs

Foreign exchange used      Rs. 2055.82 lakhs

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M Manickam  
Chairman and Managing Director



**ANNEXURE-D TO THE BOARD'S REPORT****Form No. MR-3****Secretarial Audit Report for the financial year ended 31st March 2021**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To

The Members,

**SAKTHI SUGARS LIMITED, [CIN:L15421TZ1961PLC000396]**

Sakthi Nagar, Bhavani Taluk, Erode District, Tamilnadu-638315

We have conducted a Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by SAKTHI SUGARS LIMITED (hereinafter called "the Company") during the financial year from 1st April 2020 to 31st March 2021 ("the year"/ "audit period"/ "period under review").

We conducted the Secretarial Audit in a manner that provided us a reasonable basis for evaluating the Company's corporate conducts/statutory compliances and expressing our opinion thereon.

We are issuing this report based on:

- (i) Our examination/verification of the physical/electronic books, papers, minute books and other records maintained by the Company and furnished to us in physical/electronic form through email, forms/returns filed and compliance related action taken by the Company during the year as well as after 31st March 2021 but before the issue of this audit report;
- (ii) Our observations during our visits to the Corporate office of the Company;
- (iii) Compliance certificates confirming compliance with all laws applicable to the Company given by the key managerial personnel / senior managerial personnel of the Company and taken on record by the Audit Committee/Board of Directors; and
- (iv) Representations made, documents shown and information provided by the Company, its officers, agents and authorised representatives during our conduct of the Secretarial Audit.

We hereby report that, in our opinion, during the audit period covering the financial year ended on 31st March 2021 the Company has

- (i) Complied with the statutory provisions listed hereunder; and
- (ii) Board processes and compliance mechanism in place.

The members are requested to read this report along with our letter of even date annexed to this report as Annexure – A.

**1. Compliance with specific statutory provisions**

We further report that:

1.1. We have examined the books, papers, minute books and other records maintained by the Company and the forms, returns, reports, disclosures and information filed or disseminated during the year, according to the applicable provisions/clauses of:

- (i) The Companies Act, 2013 and the rules made thereunder (the Act).
- (ii) The Securities Contracts (Regulation) Act, 1956 and the rules made thereunder.
- (iii) The Depositories Act, 1996 and the regulations and bye-laws framed thereunder.
- (iv) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Regulations"):-
  - (a) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; and
  - (c) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. (LODR).
- (v) The following laws are specifically applicable to the Company (Specific laws):
  - (a) Essential Commodities Act, 1955 and the rules/orders made thereunder with respect to sugar;
  - (b) Tamil Nadu Prohibition Act, 1937 and the rules made thereunder with respect to molasses and industrial alcohol;



- (c) Sugar Development Fund Act, 1982 and the rules made thereunder;
  - (d) Sugar Cess Act, 1982;
  - (e) Food Safety and Standards Act, 2006 and the rules/regulations made thereunder with respect to sugar and soya; and
  - (f) Electricity Act, 2003 and the rules made thereunder, with respect to co-generation of power.
  - (vi) The listing agreements entered into by the Company with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (Agreements).
  - (vii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings (FEMA);
  - (viii) Secretarial Standards issued by The Institute of Company Secretaries of India (Secretarial Standards).
- 1.2. During the period under review, and also considering the compliance related action taken by the Company after 31st March 2021 but before the issue of this report, the Company has, to the best of our knowledge and belief and based on the records, information, explanations and representations furnished to us:
- (i) Complied with the applicable provisions/ clauses of the Acts, Rules, SEBI Regulations and Specific laws mentioned under sub-paragraphs (i) to (vii) of paragraph 1.1 above; and
  - (ii) Complied with the applicable provisions of Secretarial Standards on Meetings of the Board of Directors (SS-1) and Secretarial Standards on General Meetings (SS-2) mentioned under paragraph 1.1.(viii) above to the extent applicable to Board/ Committee Meetings and General meetings.
- 1.3. We are informed that, during/in respect of the year, due to non-occurrence of certain events, the Company was not required to comply with the following laws/rules/regulations and consequently was not required to maintain any books, papers, minute books or other records or file any forms/returns under:
- (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment (FEMA);
  - (ii) Securities and Exchange Board of India (Registrars to an issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act, 2013 and dealing with the client;
  - (iii) Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998;
  - (iv) Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (v) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; and
  - (vi) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
2. Board processes:
- We further report that:
- 2.1 The constitution of the Board of Directors of the Company during the year was in compliance with the applicable provisions of the Act and SEBI (LODR) Regulations 2015.
- 2.2 As on 31st March 2021, the Board has:
- (i) 1 [One] Executive Director designated as Chairman and Managing Director
  - (ii) 2 [Two] Non-Executive Non-Independent Directors
  - (iii) 1 [One] Nominee Director
  - (iv) 8 [Eight] Non-Executive Independent Directors including a Woman Independent Director.
- 2.3 The processes relating to the following changes in the composition of the Board of Directors during the year were carried out in compliance with the provisions of the Act and LODR:
- (i) Re-appointment of Sri.M.Srinivaasan (DIN 00102387) as Director retiring by rotation at the 58th Annual General Meeting held on 25th September 2020; and
  - (ii) Re-appointment of Smt. Priya Bhansali (DIN 00195848), as Non-Executive Independent Director for the second term of five consecutive years from 1st October 2020 to 30th September 2025 at the 58th Annual General Meeting held on 25th September 2020.
  - (iii) Appointment of Sri. Abhishek Kumar by Asset Reconstruction Company (India) Limited as its Nominee on the Board of Directors of the Company in the place of Sri Jigar Dalal effective from 6th August 2021.



- 2.4 Adequate notice was given to all the directors to enable them to plan their schedule for the Board meetings.
- 2.5 Notice of Board meetings was sent to the directors at least seven days in advance. One Audit Committee Meeting held during the year was convened at a shorter notice, as required under Secretarial Standard (SS 1) 1.3.1 and the same has been ratified by majority of the Directors.
- 2.6 Agenda and detailed notes on agenda were sent to the directors at least seven days before the Board meetings except one Audit Committee Meeting held during the year which was convened at a shorter notice.
- 2.7 Agenda and detailed notes on agenda for the following items were either circulated separately less than seven days before or at the Board meetings and consent of the Board for so circulating them was duly obtained as required under SS-1:
- (i) Supplementary agenda notes and annexures in respect of unpublished price sensitive information such as audited financial statement/results, unaudited financial results and connected papers; and
  - (ii) Additional subjects/information/presentations and supplementary notes.
- 2.8 A system exists for directors to seek and obtain further information and clarifications on the agenda items before the meetings and for their meaningful participation at the meetings.
- 2.9 We are informed that, at the Board meetings held during the year:
- (i) Majority decisions were carried through; and
  - (ii) No dissenting views were expressed by any Board member on any of the subject matters discussed, that were required to be captured and recorded as part of the minutes.
3. Compliance mechanism
- We further report that:
- 3.1 There are reasonably adequate systems and processes in the Company, commensurate with the Company's size and operations, to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
4. Specific events/actions
- 4.1 During the year, there are no specific events/actions having a major bearing on the Company's affairs, in pursuance of the above referred laws, rules, regulations and standards.

For S Krishnamurthy & Co.,  
Company Secretaries

R. Sivasubramanian  
Partner

Date : 13th August 2021  
Place : Coimbatore

Membership No: A22289  
Certificate of Practice No: 12052  
UDIN : A022289C000780805  
Peer Review Certificate No. 733/2020



## Annexure - A to Secretarial Audit Report of even date

To,  
The Members,  
**Sakthi Sugars Limited**, [CIN: L15421TZ1961PLC000396]  
Sakthi Nagar, Bhavani Taluk, Erode District, Tamil Nadu - 638315

**Our Secretarial Audit Report (Form MR-3) of even date for the financial year ended 31st March 2021 is to be read along with this letter.**

1. The Company's management is responsible for maintenance of secretarial records and compliance with the provisions of corporate and other applicable laws, rules, regulations and standards. Our responsibility is to express an opinion on the secretarial records produced for our audit.
2. We have followed such audit practices and processes as we considered appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records.
3. While forming an opinion on compliance and issuing this report, we have also considered compliance related action taken by the Company after 31st March 2021 but before the issue of this report.
4. We have considered compliance related actions taken by the Company based on independent legal/ professional opinion / certification obtained as being in compliance with law.
5. We have verified the secretarial records furnished to us on a test basis to see whether the correct facts are reflected therein. We also examined the compliance procedures followed by the Company on a test basis. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
6. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company as the same are being verified by and reported on by the Statutory Auditors.
7. We have not verified the compliances as regards payments of statutory dues, since the same has been covered by the statutory auditor.
8. We have obtained the Management's representation about compliance of laws, rules and regulations and happening of events, wherever required.
9. Our 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.

For S Krishnamurthy & Co.,  
Company Secretaries

R. Sivasubramanian  
Partner

Date : 13th August 2021  
Place : Coimbatore

Membership No: A22289  
Certificate of Practice No: 12052  
UDIN : A022289C000780805  
Peer Review Certificate No. 733/2020


**ANNEXURE - E TO THE BOARD'S REPORT**
**Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2021**

(Rs. in Lakhs)

I	S.No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Audited Figures (after adjusting for qualifications)
I	1	Turnover / Total income	64,335.84	64,335.84
	2	Total Expenditure (including exceptional items)	85,873.77	85,873.77
	3	Exceptional Items	(11,186.77)	(11,186.77)
	4	Net Profit/(Loss)	(10,351.16)	(10,351.16)
	5	Earnings Per Share (in Rs.)	(9.86)	(9.86)
	6	Total Assets	1,81,241.79	1,81,241.79
	7	Total Liabilities	1,81,241.79	1,81,241.79
	8	Net Worth	(28,405.37)	(28,405.37)
	9	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil

II

**Audit Qualification (each audit qualification separately)**
**a. Details of Audit Qualification**

No provision for the expected credit loss/impairment on interest receivable from an erstwhile associate company of Rs.25219.69 lakhs has been recognized as per the requirement of Ind-As 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/impairment as per the requirements of Ind-AS 109 "Financial Instruments" and its consequential impact on the financial results.

**b. Type of Audit Qualification: Qualified Opinion / Disclaimer of Opinion / Adverse Opinion**

Qualified opinion

**c. Frequency of qualification: Whether appeared first time/repetitive/since how long continuing**

Repetitive from the financial year ended 31st March 2020.

**d. For Audit Qualification where the impact is quantified by the Auditor, Management's views:**

Not applicable.

**e. For Audit Qualification(s) where the impact is not quantified by the auditor:**
**(i) Management's estimation on the impact of audit qualification**

The Impact is unascertainable.

**(ii) If management is unable to estimate the impact, reasons for the same**

The Management is confident of obtaining favourable award and considers the full amount as recoverable. Hence, no provision is made.

**(iii) Auditors' comments on (i) or (ii) above**

The Auditors Report is qualified for non-provision of expected credit loss as per Ind-AS 109.

III

**Signatories**

CEO/Managing Director

Sd.  
(M. Manickam)  
Chairman & Managing Director

CFO

Sd.  
(C.R.Sankar)  
Chief Financial Officer

Audit Committee Chairman

Sd.  
(C.Rangamani)  
Chairman of the Audit Committee

Statutory Auditors

Sd.  
(S.P. Muthusami)  
Partner

Place : Coimbatore

Date : 30th June 2021

Membership No. : 224171  
M/s. P.K. Nagarajan & Co.



## CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY

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

### 2. BOARD OF DIRECTORS

#### a. Composition and category of Directors

The composition of the Board is in conformity with the provisions contained in the Companies Act 2013 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on 31st March 2021, the Board consists of a Chairman and Managing Director, two Non-Executive Non-Independent Directors, eight Independent Directors including a Woman Director, and a Nominee Director representing Asset Reconstruction Company (India) Limited, a lender. The number of Independent Directors is more than 50% of the total number of Directors on the Board.

None of the Directors on the Board is in more than 10 Committees or Chairman of more than 5 Committees across all listed companies in which he/she is a Director, as per the disclosures made by them.

All the Independent Directors have confirmed/declared that they satisfy/meet with the criteria of independence as stipulated under Section 149(6) of the Companies Act 2013 and in Regulation 16(1)(b) of SEBI (LODR) Regulations 2015 and that they have registered their names in the databank for Independent Directors maintained as per Section 150 of the Companies Act 2013. During the financial year ended 31st March 2021, the Independent Directors held a separate meeting on 10.02.2021 without the participation of Non-Independent Directors and members of the management team. All the Independent Directors were present at the meeting.

#### b. Attendance of each Director at the Board Meetings and the last Annual General Meeting

During the financial year ended 31st March 2021, the Board met 5 times on 05.05.2020, 31.07.2020, 15.09.2020, 11.11.2020 and 10.02.2021. The Board is provided with all material information, including the minimum information to be placed before the Board as specified in Part A of Schedule II to the SEBI (LODR) Regulations. The gap between two meetings did not exceed 120 days. The details of attendance of each Director at the Board Meetings held during the year 2020-21 either physically or through video conference, and at the last Annual General Meeting held through video conference on 25.09.2020, and the number of their other Directorships and Committee Chairmanship/ Membership as on 31st March 2021 are given below:

Name of the Director	DIN	Category of Directorship	Attendance at		Number as on 31.03.2021 (Other than SSL)		
			Board Meeting	Annual General Meeting	Directorships	Committee Position*	
						Chairman	Member
Dr.M.Manickam	00102233	Promoter Executive	5	Yes	11	1	-
Sri M.Balasubramaniam	00377053	Promoter Non-executive	5	Yes	13	-	3
Sri M.Srinivaasan	00102387	Promoter Non-executive	4	Yes	10	-	3
Sri C.Rangamani	00090786	Non-executive Independent	5	Yes	1	1	-
Sri S.S.Muthuvelappan	00273870	Non-executive Independent	5	Yes	-	-	-
Sri P.K.Chandran	00273738	Non-executive Independent	5	Yes	-	-	-
Sri N.K.Vijayan	00300871	Non-executive Independent	5	Yes	-	-	-
Sri K.V.Ramachandran	00322331	Non-executive Independent	5	Yes	3	-	1



Name of the Director	DIN	Category of Directorship	Attendance at		Number as on 31.03.2021		
			Board Meeting	Annual General Meeting	Directorships	(Other than SSL)	
						Chairman	Member
Sri S.Chandrasekhar	00011901	Non-executive Independent	5	Yes	10	-	1
Sri S.Balasubhramanian	00458139	Non-executive Independent	5	Yes	2	-	-
Smt. Priya Bhansali	00195848	Non-executive Independent	5	Yes	2	-	-
Sri Jigar Dalal	07681541	Nominee Director (ARCIL)	5	Yes	-	-	-

\* Audit Committee and Stakeholders Relationship Committee of public limited companies alone are considered.

**c. Details of directorships held by the Directors of the Company in other listed entities**

Name of Director	Name of listed entity	Category of directorship
Dr. M. Manickam	Sakthi Finance Limited	Promoter Non-executive
	Kovai Medical Centre & Hospitals Limited	Non-executive Independent
Sri M.Balasubramaniam	Sakthi Finance Limited	Promoter Executive
Sri M.Srinivaasan	Sakthi Finance Limited	Promoter Non-executive
Sri K.V.Ramachandran	E L Forge Limited	Promoter Executive
Smt. Priya Bhansali	Sakthi Finance Limited	Non-executive Independent

**d. Chart/Matrix setting out skills/expertise/competence of the Directors**

The Company being manufacturers of refined white crystal sugar and other bye-products, its Board of Directors are of the view that the Directors would need one or more of the following core skills/expertise/competencies for effective functioning of the Company:

Skill set/expertise/competence required	Names of Directors having it
Entrepreneurial skill and business management	Dr.M.Manickam Sri M.Balasubramaniam Sri M.Srinivaasan Sri K.V.Ramachandran
Engineering and manufacturing expertise with reference to sugar industry	Sri M.Srinivaasan Sri S.Balasubhramanian
Agricultural expertise and experience in sugarcane cultivation	Sri S.S.Muthuvelappan Sri P.K.Chandran Sri N.K.Vijayan
Expertise in finance, accounting, legal and taxation	Sri M.Balasubramaniam Sri C.Rangamani Sri K.V.Ramachandran Smt. Priya Bhansali Sri Jigar Dalal
Sales and marketing expertise and experience	Sri S.Chandrasekhar

**e. Relationship between Directors inter se**

Dr. M. Manickam, Chairman and Managing Director, Sri M.Balasubramaniam and Sri M.Srinivaasan, Directors, are related to each other as brothers.



**f. Number of shares and convertible instruments held by Non-Executive Directors in the Company as on 31st March 2021**

Sl. No	Name of the Non-Executive Director	No. of Equity Shares held
1	Sri M. Balasubramaniam	337325
2	Sri M. Srinivaasan	201000
3	Sri C. Rangamani	500
4	Sri S.S. Muthuvelappan	3009
5	Sri P.K. Chandran	6424
6	Sri N.K. Vijayan	1850
7	Sri K.V. Ramachandran	500
8	Sri S. Chandrasekhar	1990
9	Sri S. Balasubhramanian	23900
10	Smt. Priya Bhansali	-
11	Sri Jigar Dalal	-

The Non-Executive Directors do not hold any convertible instrument.

**g. Familiarisation programme for Independent Directors**

The familiarisation process followed by the Company includes briefing about the Board's composition and conduct, roles, rights, responsibilities of Directors, nature of the industry, details about the Company, Group and its culture and briefing of amendments on Companies Act, SEBI Regulations, etc. The familiarisation process is disclosed at the Company's weblink [www.sakthisugars.com/investorinformation/familiarisationprog.pdf](http://www.sakthisugars.com/investorinformation/familiarisationprog.pdf).

**h. Performance Evaluation**

Pursuant to the provisions of the Companies Act 2013 and SEBI (LODR) Regulations 2015, evaluation of the performance of the Board, Committees and individual Directors was carried out by the Board for the year 2020-21, which included performance of the Directors and fulfilment of independence criteria as specified in SEBI (LODR) Regulations and their independence from the management. The questionnaires were prepared in a structured manner taking into consideration the guidance note on Board Evaluation issued by SEBI. The performance of each of the individual Directors was evaluated on parameters such as attendance, level of participation in the meetings and contribution, independence of judgement, safeguarding the interest of the Company and other stakeholders, etc. The performance evaluation of all the Independent Directors was done by the entire Board excluding the concerned independent director based on the criteria of performance evaluation laid down by the Nomination and Remuneration Committee. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors.

**i. Code of Conduct**

The Board has laid down a code of conduct for all Board Members and Senior Management personnel of the Company and the same has been posted on the website of the Company [www.sakthisugars.com](http://www.sakthisugars.com). All Board Members and Senior Management personnel have confirmed compliance with the code and an annual declaration signed by the Chairman and Managing Director in this regard is attached.

**j. It is confirmed that in the opinion of the Board, the Independent Directors of the Company fulfil the conditions specified in the SEBI (LODR) Regulations 2015 and that they are independent of the management of the Company.**

None of the Independent Directors of the Company has resigned before expiry of his/her tenure of office as Independent Director.

**3. AUDIT COMMITTEE**

**a. Composition and Meetings**

The Audit Committee comprises the following Independent Non-Executive Directors as its members:

Sri C. Rangamani, Chairman

Sri N.K.Vijayan

Sri K.V.Ramachandran

Smt. Priya Bhansali





The Committee met 5 times during the financial year on 05.05.2020, 31.07.2020, 15.09.2020, 11.11.2020 and 10.02.2021 and the attendance of its members are given below. The gap between two meetings did not exceed 120 days.

Members of the Committee	Category	Number of Meetings Attended
Sri C.Rangamani - Chairman	Independent, Non-Executive	5
Sri N.K.Vijayan	Independent, Non-Executive	5
Sri K.V.Ramachandran	Independent, Non-Executive	5
Smt.Priya Bhansali	Independent, Non-Executive	5

All members of the Audit Committee are financially literate. The minutes of the Audit Committee Meetings are placed before the meetings of the Board of Directors. The Chairman of the Audit Committee attended the last Annual General Meeting.

Sri S. Baskar, Company Secretary, functions as Secretary for the Committee.

#### b. Terms of reference

The Audit Committee assists the Board in fulfilling its oversight responsibilities in monitoring financial reporting, reviewing internal financial controls and the statutory and internal audit activities.

The terms of reference of the Audit Committee are as per the guidelines in the Listing Regulations read with Section 177 of the Companies Act, 2013. The role and terms of reference of the Audit Committee, inter alia, include the following:

1. Examination of the financial statement and draft auditors' report.
2. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
3. Recommendation for appointment, remuneration and terms of appointment of statutory auditors and cost auditors of the Company.
4. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
5. Discuss and review, with the management and auditors, the annual / quarterly financial statements before submission to the Board, with particular reference to:
  - a. Matters required to be included in the Directors' Responsibility Statement in the Board's report in terms of sub-section (3)(c) of Section 134 of the Companies Act 2013.
  - b. Disclosure under Management Discussion and Analysis of Financial Condition and Results of Operations.
  - c. Any changes in accounting policies and practices and reasons for them.
  - d. Major accounting entries involving estimates based on exercise of judgment by management.
  - e. Significant adjustments made in the financial statements arising out of audit findings.
  - f. Modified opinions in the draft audit report.
  - g. Disclosure of any related party transaction.
  - h. Compliance with listing and other legal requirements relating to financial statements.
  - i. Review the statement for uses/applications of funds by major category on a quarterly basis, with the financial results and annually the statement of funds utilized for purposes other than as mentioned in the offer document /prospectus/notice. Such review shall be conducted till the full money raised through the issue has been fully spent.
  - j. Evaluation of internal financial controls and risk management systems.
6. Review the financial statements, in particular, the investments made by the unlisted subsidiary company, if any.
7. Approval/recommendation to the Board of related party transactions, including omnibus approval and modification, if any, therein.

The matters reviewed and recommended in the meetings of the Audit Committee were appraised to the Board by the Chairman of the Audit Committee for its approval. All the recommendations of the Audit Committee were accepted by the Board.



The Committee has taken appropriate action with regard to the above references that have arisen during the financial year.

#### **4. NOMINATION AND REMUNERATION COMMITTEE**

##### **a. Composition and Meetings**

The Nomination and Remuneration Committee comprises of the following Independent Non-Executive Directors as its Members:

Sri K.V.Ramachandran, Chairman

Sri C. Rangamani

Sri S.Chandrasekhar

The Nomination and Remuneration Committee met 2 times during the financial year on 31.07.2020 and 09.02.2021 and all the members of the Committee were present in both the meetings.

The Chairman of the Committee was present at the last Annual General Meeting of the Company.

##### **b. Terms of reference**

The terms of reference of the Committee includes the following:

1. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down.
2. Recommend to the Board about appointment and removal of directors and senior management personnel.
3. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors.
4. Carry out evaluation of every Director's performance.
5. Formulate the criteria for determining qualifications, positive attributes and independence of a director.
6. Recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and other employees and to ensure the following:
  - i. the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully.
  - ii. relationship of remuneration to performance is clear and meets the appropriate benchmarks; and
  - iii. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting the short and long term performance, objectives appropriate to the working of the Company and its goals.
7. Review and recommend the compensation and variable pay for Executive Directors to the Board.
8. Recommend on Board diversification.
9. To recommend to the Board, all remuneration, in whatever form, payable to senior management.

##### **c. Performance evaluation criteria for Independent Directors**

Performance evaluation criteria for the Independent Directors covering evaluation of Board process, evaluation of committees and individual evaluation of Board members and the Chairman has been evolved and these evaluations are done based on structured questionnaires.

#### **5. REMUNERATION OF DIRECTORS**

##### **a. Policy on Remuneration**

The Remuneration policy of the Company is in consonance with the industry practices and aims to attract, retain, develop and motivate a high performance workforce. The policy ensures equality, fairness and consistency in rewarding the employees on the basis of performance. The details of Policy on remuneration for Directors, Key Managerial Personnel and other employees of the Company form part of the Board's Report.

**b. Details of remuneration to Directors**

The details of remuneration paid to Executive and Non-Executive Directors during the financial year ended 31st March 2021 are given below:

(Rs. in Lakhs)

Name of Director	Salary	Perquisites	Sitting Fees	Total
Dr.M.Manickam	—	—	—	—
Sri M.Balasubramaniam	—	—	0.70	0.70
Sri M.Srinivaasan	—	—	0.40	0.40
Sri C.Rangamani	—	—	1.40	1.40
Sri S.S.Muthuvelappan	—	—	0.70	0.70
Sri P.K.Chandran	—	—	0.80	0.80
Sri N.K.Vijayan	—	—	1.10	1.10
Sri K.V.Ramachandran	—	—	1.40	1.40
Sri S.Chandrasekhar	—	—	0.90	0.90
Sri S.Balasubramanian	—	—	0.70	0.70
Smt. Priya Bhansali	—	—	1.10	1.10
Sri Jigar Dalal	—	—	0.50	0.50

- The Non-Executive Directors were paid sitting fees for attending the Board and Committee Meetings within the limits prescribed under the Companies Act 2013. The sitting fees paid to any single Non-executive Director does not exceed 50% of the total fees paid to all the Non-executive Directors together. There has been no other pecuniary relationship or transactions with the Non-Executive Directors.
- The appointment of Dr.M.Manickam as Chairman and Managing Director is without remuneration. There is no service contract with the Chairman and the Managing Director.
- No severance fee is payable to the Directors on termination of office/employment.
- The Company has no stock option scheme to its Directors or employees.

**6. STAKEHOLDERS RELATIONSHIP COMMITTEE****a. Composition and Meetings**

The Stakeholders Relationship Committee consists of the following Directors as its Members:

Sri S. Chandrasekhar

Dr. M. Manickam

Sri M. Balasubramaniam

Sri S. Chandrasekhar, an Independent Non-Executive Director, heads the Stakeholder Relationship Committee as its Chairman. He was present at the last Annual General Meeting of the Company.

Sri S. Baskar, Company Secretary, functions as the Compliance Officer.

The Committee met once during the financial year on 03.03.2021 and all the Members of the Committee were present at the meeting.

The Company received 2 complaints during the year under review and the said complaints have been resolved to the satisfaction of the shareholders. There is no complaint remaining unresolved or pending as on 31st March 2021.

**b. Terms of reference**

The terms of reference of the Committee includes the following:

- Resolving the grievances of the security holders of the Company, including complaints relating to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.



2. Reviewing of measures taken for effective exercise of voting rights by shareholders.
3. Reviewing of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Reviewing of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

## 7. RISK MANAGEMENT COMMITTEE

Regulation 21 of SEBI (LODR) Regulations relating to Risk Management Committee is not applicable to the Company in view of sub-regulation 5 of Regulation 21.

A Risk Management Committee has been voluntarily constituted by the Board of Directors of the Company for laying down procedures for risk assessment and mitigation and to report to the Board. The Risk Management Committee consists of the following Directors as its Members:

Sri C. Rangamani, Chairman  
Sri P.K. Chandran  
Sri K.V. Ramachandran

The Committee met once during the financial year on 10.03.2021. All the members of the Committee were present at the meeting. The Board has framed a Risk Management Policy for assessing and mitigating the risks.

## 8. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee has been constituted by the Board pursuant to Section 135 of the Companies Act 2013. This Committee consists of the following Directors as its members:

Sri N.K. Vijayan, Chairman  
Sri M. Srinivasan  
Sri S. Chandrasekhar

Since the Company has incurred loss during the three immediately preceding financial years, the necessity of incurring expenditure towards Corporate Social Responsibility as specified in the Companies Act read with Schedule VII to the Act, has not arisen during the year under review. The Committee did not meet during the financial year under review.

The CSR Policy approved by the Board is displayed on the website of the Company [www.sakthisugars.com](http://www.sakthisugars.com)

## 9. OTHER COMMITTEE OF DIRECTORS

### a. Share Transfer Committee

The Committee met once during the financial year on 27.02.2021 and all the Members of the Committee, viz. Dr. M. Manickam (Chairman), Sri S.S. Muthuvelappan and Sri P.K. Chandran, were present at the meeting.

### b. Committee of Directors (Borrowing)

The Committee met once during the financial year on 22.5.2020. All the Members of the Committee, viz. Dr. M. Manickam (Chairman), Sri M. Balasubramaniam and Sri S. Balasubramanian, were present at the meeting.

## 10. GENERAL BODY MEETINGS

### a. Location and time of last three AGMs

The venue and time of the Annual General Meetings held during the last three years are as follows:

AGM	Date	Venue	Time
56 <sup>th</sup>	28.09.2018	Registered Office at Sakthinagar, Bhavani Taluk, Erode District	02.45 p.m.
57 <sup>th</sup>	27.09.2019	- do -	02.45 p.m.
58 <sup>th</sup>	25.09.2020	Held through Video Conference / Other Audio-Visual Means (VC/OAVM). Deemed venue was Registered Office	02.45 p.m.

**b. Special Resolutions passed in the previous three AGMs**

At the 56th Annual General Meeting held on 28.09.2018, two special resolutions were passed pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 approving continuation of Sri S.S.Muthuvelappan (holding DIN 00273870) and Sri C.Rangamani (holding DIN 00090786), both aged 76 years, as Non-Executive Independent Directors from 1st April 2019 till conclusion of their first term of office i.e. upto 29th September 2019.

At the 57th Annual General Meeting held on 27.09.2019, seven special resolutions were passed pursuant to Sections 149, 150 and 152 of the Companies Act 2013 and, also wherever applicable, pursuant to Regulation 17(1A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding approval of reappointment of Sri C.Rangamani, Sri S.S.Muthuvelappan, Sri P.K.Chandran, Sri N.K.Vijayan, Sri K.V.Ramachandran, Sri S.Chandrasekhar and Sri S.Balasubhramanian as Independent Directors for the second term of five consecutive years from 30th September 2019 to 29th September 2024.

At the 58th Annual General Meeting held on 25.09.2020, one special resolution was passed pursuant to Sections 149, 150 and 152 of the Companies Act 2013 regarding approval of reappointment of Smt. Priya Bhansali as Independent Director for the second term of five consecutive years from 1st October 2020 to 30th September 2025.

**c. Special Resolutions passed through Postal Ballot**

No Special Resolution was passed through Postal Ballot during the financial year 2020-21 or is proposed to be conducted through postal ballot as of now.

**11. MEANS OF COMMUNICATION**

The quarterly/half yearly/annual financial results of the Company are announced within the stipulated time and are normally published in Financial Express and Maalai Malar, English and Tamil Newspapers respectively. The Company displays its periodical results on the Company's website [www.sakthisugars.com](http://www.sakthisugars.com) as required by the Listing Regulations. No presentations were made to institutional investors or to the analysts.

**12. GENERAL SHAREHOLDER INFORMATION****a. Annual General Meeting**

In view of Covid-19 pandemic and in accordance with the relevant circulars of Ministry of Corporate Affairs (MCA) and Securities and Exchange Board of India (SEBI), the 59th Annual General Meeting (AGM) of the Members of the Company will be held through Video Conference / Other Audio Visual Means (VC/OAVM).

Day and Date	:	Thursday, 30th September 2021
Time	:	11.00 a.m.
VC/OAVM facility provider	:	Link Intime India Pvt. Ltd, Mumbai

Details/instructions in respect of participation and voting in the AGM by shareholders are given in the Notice of the AGM.

<b>b. Financial Calendar for the financial year</b>	:	From 1st April 2021 to 31st March 2022
Result for the quarter ending	:	Result announcement
30th June 2021	:	On or before 14th August 2021
30th September 2021	:	On or before 14th November 2021
31st December 2021	:	On or before 14th February 2022
31st March 2022 (Audited)	:	On or before 30th May 2022 or such other extended date as may be permitted by SEBI
<b>c. Cut-off Date (Record Date) for Voting</b>	:	23rd September 2021



**d. Listing on Stock Exchanges:**

The Company's equity shares are listed on the following stock exchanges and the Annual Listing Fees have been paid to all the stock exchanges. The Company's Stock Codes are as follows:

Name of Stock Exchange	Stock Code
National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex Bandra (East), Mumbai – 400 051.	SAKHTISUG
BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai – 400 001.	507315

**e. Market Price Data**

The high and low quotations of the Company's shares on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) from April 2020 to March 2021 are given below:

Month	BSE		NSE		BSE (Sensex)	
	High	Low	High	Low	High	Low
April 2020	13.57	7.70	13.35	7.50	33887.25	27500.79
May 2020	8.79	7.29	8.45	7.25	32845.48	29968.45
June 2020	11.70	7.99	11.60	8.00	35706.55	32348.10
July 2020	10.62	8.50	10.25	8.45	38617.03	34927.20
August 2020	9.95	8.35	10.00	8.55	40010.17	36911.23
September 2020	9.34	7.70	9.30	7.60	39359.51	36495.98
October 2020	8.40	7.58	8.45	7.55	41048.05	38410.20
November 2020	9.77	6.89	9.95	6.95	44825.37	39334.92
December 2020	11.78	8.77	11.50	8.55	47896.97	44118.10
January 2021	11.10	9.30	11.00	9.25	50184.01	46160.46
February 2021	10.30	9.34	10.35	8.90	52516.76	46433.65
March 2021	11.05	8.81	11.05	8.55	51821.84	48236.35

Performance in comparison to BSE Sensex:

	31.03.2021	31.03.2020	% change
Company share price (closing)	9.46	7.30	29.59
SENSEX (closing)	49,509.15	29,468.49	68.01

- f. The equity shares of the Company have not been suspended from trading by National Stock Exchange of India Limited and by BSE Limited.

**g. Registrar and Share Transfer Agents**

Registered Office:  
Link Intime India Pvt Ltd  
C-13, Pannalal Silk Mill Compound  
LBS Marg, Bhandup (W), Mumbai - 400078  
Phone No: 022 - 25963838  
Fax No: 022 - 25946969  
Email: mumbai@linkintime.co.in

Branch Office:  
"Surya" 35, Mayflower Avenue  
Behind Senthil Nagar  
Sowripalayam Road  
Coimbatore – 641 028.  
Phone Nos: 0422 - 2314792 & 2315792  
Fax No: 0422 -2314792  
Email: coimbatore@linkintime.co.in



**h. Share Transfer System**

Transfer of shares in physical form is prohibited pursuant to Regulation 40 of SEBI (LODR) Regulations 2015, as amended. However, transposition and transmission are allowed in physical form. During the financial year 2020-21, no request for transfer of shares in physical mode was received.

**i. Distribution of Shareholding as on 31st March 2021:**

Shareholdings	No. of shareholders	% of shareholders	Number of shares	% of shareholding
1 - 500	31024	82.31	4077736	3.43
501 - 1000	3105	8.24	2590497	2.18
1001 - 2000	1630	4.32	2537051	2.13
2001 - 3000	610	1.62	1559694	1.31
3001 - 4000	286	0.76	1040490	0.88
4001 - 5000	290	0.77	1375556	1.16
5001 - 10000	423	1.12	3107536	2.61
10001 & above	323	0.86	102560476	86.30
Total	37691	100.00	118849036	100.00

**j. Dematerialisation of shares and liquidity**

The shares of the Company are in compulsory demat segment. The Company's shares are available for demat both with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). International Securities Identification Number (ISIN) allotted to the equity shares of the Company is INE 623A01011.

As on 31st March 2021, 11,75,21,519 equity shares of the Company representing 98.88% have been dematerialised.

**k. Outstanding global depository receipts or American depository receipts or warrants or any convertible instruments and impact on equity**

The Company has not issued any global depository receipts or American depository receipts or warrants. As on 31st March 2021, no instrument is outstanding for conversion into equity shares.

**l. Commodity price risk or foreign exchange risk and hedging activities**

The Company does not have any exposure to commodity risk except to the extent of its own production of sugar, the main product of manufacture of the Company.

The prices of the products of the Company are market driven and is fixed based on the prevailing market price. In respect of foreign exchange commitments, no hedging has been made.

**m. Plant Location**

Sugar Unit, Distillery Unit, Ethanol & Co-Generation Plant	:	Sakthi Nagar - 638 315 Erode District, Tamilnadu
Sugar Unit & Beverage Plant and Co-generation Plant	:	Padamathur Village – 630 561 Sivaganga District, Tamil Nadu
Sugar Unit & Distillery Unit and Soya Extrusion Plant	:	Haripur Village, Korian Post -759 013 Dhenkanal District, Orissa
Sugar Unit & Co-Generation Plant	:	Poonthurai Semur Post - 638 115 Modakurichi, Erode District, Tamilnadu
Soya Unit	:	Marchinaickenpalayam Ambarampalayam Post - 642 103 Coimbatore District



Address for correspondence : Sakthi Sugars Limited  
180, Race Course Road  
Coimbatore – 641 018  
Phone No: 0422-4322222  
Fax Nos: 0422-2220574 & 4322488  
E-mail : shares@sakthisugars.com  
Website : www.sakthisugars.com

- n. The Company has not obtained or revised any credit rating during the financial year.

### 13. OTHER DISCLOSURES

**a. Materially significant related party transactions:**

There is no materially significant transaction with the related parties viz. Promoters, Directors, KMPs or the Management, or their relatives or holding company that may have potential conflict with the Company's interest.

**b. Instances of non-compliance, if any:**

There is no instance of non-compliance by the Company on any matter relating to capital markets, nor have any penalty/strictures been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority on any matter relating to capital markets during the last three years.

**c. Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. This policy has been posted on the website of the Company. It is affirmed that no personnel has been denied access to the Audit Committee of the Company. No complaint/report has been received under this Policy during the year under review.

**d. Compliance on Corporate Governance:**

The Company has complied with all mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

The status of adoption of the non-mandatory requirements stipulated by the Regulation is as under:

- i. Shareholders rights: As the quarterly/half yearly financial results are published in newspapers and are also posted in the website of the Company, they are not being sent to the shareholders separately.
- ii. Audit qualification: The audit qualification is relating to estimated credit loss to be made in accordance with Ind-AS in respect of the amount receivable from erstwhile associate company. The Company is thriving for a regime of unqualified financial statements.
- iii. Reporting of Internal Auditor: The Company has in house internal audit system and the head of internal audit team reports to the Audit Committee of the Company.

**e. Subsidiary:**

During the financial year ended 31st March 2021, the Company did not have any subsidiary. As such the need for framing a policy for determining material subsidiary does not arise at present.

**f. Related Party Transactions:**

The details of related party transactions are disclosed in Notes on Financial Statements. Those transactions are not in conflict with the interest of the Company and are on arms length basis. Statements of related party transactions are placed before the Audit Committee periodically.

The Policy on related party transactions is posted on the Company's website [www.sakthisugars.com/investorinformation/rptpolicy.pdf](http://www.sakthisugars.com/investorinformation/rptpolicy.pdf).

**g. Compliance with Accounting Standards:**

The Indian Accounting Standards notified under the Companies (Indian Accounting Standards) Rules, 2015 have been followed by the Company while preparing Financial Statements and the Company has not adopted a treatment different from that prescribed in the Indian Accounting Standards.



**h. Utilisation of funds raised from issue of securities:**

The Company has not raised any fund through issue of securities during the financial year ended 31st March 2021.

- i. A certificate issued by M/s.S.Krishnamurthy & Co., Company Secretaries, Chennai, certifying that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority is annexed.
- j. All the recommendations of the Committees which are mandatorily required have been accepted by the Board of Directors of the Company.
- k. The total fees paid by the Company for all the services to its statutory auditors is Rs.47.65 lakhs plus applicable tax thereon. The statutory auditors of the Company do not have any network arrangement.
- l. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act 2013:
  - a. Number of complaints filed during the financial year : Nil
  - b. Number of complaints disposed of during the financial year : Nil
  - c. Number of complaints pending at the end of the financial year : Nil

**m. Reconciliation of Share Capital Audit:**

As stipulated by SEBI, a qualified Practising Company Secretary carries out the share capital audit of Reconciliation of Share Capital to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital with the Stock Exchanges.

**14. CEO/CFO CERTIFICATION**

The Managing Director and the Chief Financial Officer of the Company have provided to the Board of Directors of the Company Compliance Certificate as required under Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Part B of Schedule II to the said Regulations.

The Senior Management personnel have made disclosures to the Board relating to all material, financial and commercial transaction stating that they did not have personal interest that may have a potential conflict with the interest of the Company at large. The Board of Directors and the Senior Management Personnel have affirmed compliance with the Code of Conduct and Ethics during the year ended 31.3.2021. The Declaration issued by the Chairman and Managing Director in this regard is annexed.

**15. DETAILS OF UNCLAIMED SHARE CERTIFICATES**

Pursuant to Regulation 39 of the SEBI (LODR) Regulations, 2015, the Company has opened a Demat Account in the name of "Sakthi Sugars Limited Unclaimed Suspense Account" with Stock Holding Corporation of India Limited. The details of unclaimed shares as on 31.3.2021 are as under:

Particulars	No. of Shares	No. of Shareholders
Outstanding at the beginning of the year (01.04.2020)	124716	2763
Shareholders approached for transfer during the year	--	--
Transferred during the year	--	--
Outstanding at the end of the year (31.03.2021)	124716	2763

The voting rights on the above shares in the Suspense Account remains frozen till the rightful owner of such shares claims the shares.

**16. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE**

In terms of Regulation 34(3) of the SEBI (LODR) Regulations, 2015, the Auditors Certificate on compliance of conditions of Corporate Governance is annexed.

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M. Manickam  
Chairman and Managing Director

**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[In terms of Regulation 34(3) read with Schedule V Para C Clause(10)(i) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To

The Members of  
SAKTHI SUGARS LIMITED, [CIN:L15421TZ1961PLC000396]  
Sakthi Nagar, Bhavani Taluk,  
Erode District, Tamilnadu – 638315.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Sakthi Sugars Limited [CIN: L15421TZ1961PLC000396] having registered office at Sakthi Nagar, Bhavani Taluk, Erode District, Tamilnadu 638 315 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 and 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 verification at MCA Portal 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 Sakthi Sugars Limited ("the Company") as stated below for the financial year ended as on the 31st March 2021, have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs, Government of India (MCA) or such other Statutory Authority.

S.No	Name of the Director	Nature of Directorship	Director's Identification Number
1.	Mahalingam Manickam	Chairman and Managing Director	00102233
2.	Balasubramaniam Mahalingam	Non-Executive Non-Independent Director	00377053
3.	Srinivaasan Mahalingam	Non-Executive Non-Independent Director	00102387
4.	Shanmugasundaram Chandrasekhar	Independent Director	00011901
5.	Rangamani	Independent Director	00090786
6.	Puliyampatti Karuthirumagounder Chandran	Independent Director	00273738
7.	Savandapur Senniappa Gounder Muthuvellappan	Independent Director	00273870
8.	Nanjagoundenpalayam Kaliappa Gounder Vijayan	Independent Director	00300871
9.	Korukkai Ramachandran Visweswaran	Independent Director	00322331
10.	Swaminathan Balasubhramanian	Independent Director	00458139
11.	Priya Bhansali	Independent Director	00195848
12.	Jigar Chinu Dalal	Nominee Director	07681541

We wish to state that the management of the Company is responsible to ensure the eligibility of a person for appointment/ continuation as a Director on the Board 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.

For S.Krishnamurthy & Co.,  
Company Secretaries,

Coimbatore  
13<sup>th</sup> August 2021

R.Sivasubramanian  
Partner.  
Membership No. A22289  
Certificate of Practice No.12052  
UDIN : A022289C000780871  
Peer Review Certificate No. 733/2020



**Annual Declaration by Chairman and Managing Director pursuant to Schedule V (D) of SEBI (LODR) Regulations, 2015**

As required under Schedule V(D) of the SEBI (LODR) Regulations, 2015, I declare that all Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct and Ethics for the year ended 31.03.2021.

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M. Manickam  
Chairman and Managing Director

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

To

**The Members of Sakthi Sugars Limited**

**Certificate on Corporate Governance**

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

**Management's Responsibility**

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

**Auditor's Responsibility**

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

**Opinion**

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

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

S.P. Muthusami  
Partner

Coimbatore  
August 13, 2021

Membership Number : 224171  
UDIN: 21224171AAAAIU3307



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### A. Industry Structure and Developments

Sugar Industry is the second largest agro-based industry in India next to textiles. The prospects of this industry depend on availability of sugarcane which in turn is subject to vagaries of monsoon and the policies of the Central and State Governments.

India remains to be a major player in production as well as export of sugar globally. With the return of sugar production to normalcy in Maharashtra and Karnataka during the current season 2020-21, the country's estimated production has bounced back to 302 lakh tonnes. In Tamilnadu also, the monsoon has been good for the last two seasons and the area under sugar cane cultivation is on the increase.

The country is facing a problem of excess production of sugar than consumption leading to unremunerative sugar selling price for the mills. The selling price of sugar remains more or less stable within a given range, around the minimum price fixed by the Central Government. The problem of ever-growing sugarcane price with unmatched sugar selling price continues to prevail and the sugar mills find it difficult to pay sugar cane price to farmers on time.

### B. Opportunities and Threats

#### i. Opportunities

Sugarcane as a crop is a long-term crop and hassle free for farmers to grow. There is assured market for the produce with definite price. These factors assure cultivation of sugarcane, subject to factors like good monsoon, etc., and availability of raw material to sugar mills. From the marketing of final products side, at present the per capita consumption of sugar is less and it is likely to grow with the increase in the standard of living of people in the country.

Sugar business is cyclical in nature and is capable of self-adjusting in the long run.

The Central Government has been encouraging ethanol capacity expansion to cut its dependency on imported crude oil and channelize the excess sugar inventories into ethanol production.

Bye-products like molasses, and power, are capable of being used in production of value-added goods.

#### ii. Threats

The price of sugarcane is politically sensitive and is fixed in advance. There is no chance of reducing the price when there is fall in price of the final product sugar.

Behaviour of monsoon, an uncontrollable factor, determines the prospects of sugar industry.

The State getting surplus in power makes the cogeneration operation unviable with low per unit power price.

Urbanisation, non-availability of farm labourers and fragmented land holdings have adverse impact on sugarcane cultivation, which is labour intensive.

### C. Segment wise or Product wise Performance

Segmentwise results are given in the Notes on Financial Statements for the financial year ended 31.3.2021. Productwise performance is furnished in the Board's Report.

### D. Outlook

The south-west monsoon is normal and there is sufficient storage of water in the reservoirs. It is expected that the monsoon will continue to be good during the remaining period and availability of sugarcane would improve from the next crushing season onwards.

### E. Risks and Concerns

Availability of sugarcane for crushing, price realisation on sale of sugar, and the controls imposed by the Governments are the major risks faced by the sugar industry. These factors have direct impact on the financial liquidity and profitability of the Company.

### F. Internal Control Systems and their adequacy

The Company has an in-house internal audit team to ensure that all activities are monitored and controlled. Adequate internal checks are built-in to cover all monetary and material transactions in the system developed by the Company. The Internal



Audit reports are presented to the Audit Committee on a quarterly basis for review and deliberation. The Management has assessed the effectiveness of the Company's internal control over financial reporting as of March 31, 2021 and found the same to be adequate and effective.

**G. Financial Performance with respect to Operational Performance**

The total revenue from operations for the financial year under review is Rs.63338.33 lakhs (previous year Rs.80301.01 lakhs). The financial year has ended with net loss of Rs.11626.50 lakhs (previous year net loss of Rs.20592.39 lakhs) after providing Rs.19639.65 lakhs (Rs.20197.10 lakhs) for finance cost and Rs.3885.39 lakhs (Rs.4931.06 lakhs) for depreciation and amortisation.

**H. Key Financial Ratios**

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios and the reasons therefor are as under:

Description	Unit of measurement	2020-21	2019-20	Change (%)	Explanation
Interest coverage ratio	Times	0.10	0.21	52.41	Reduction in EBITDA due to decrease in quantum of operation.
Debt Equity Ratio	Times	(3.30)	(5.33)	38.08	Reduction in Equity due to increase in accumulated loss.
Return on Networth	%	41.85	128.23	86.38	Reduction in net worth due to increase in accumulated loss.

**I. Material developments in Human Resource/Industrial Relations front, including number of people employed**

The industrial relations at all plants and offices remain cordial. The total number of employees on the rolls of the Company, including temporary employees and apprentice, was 1251 as at the financial year ended on 31st March 2021. Training programmes are conducted depending on the needs for updating the knowledge with respect to the developments in the industry.

On behalf of the Board of Directors

Coimbatore  
13<sup>th</sup> August 2021

M Manickam  
Chairman and Managing Director



## **INDEPENDENT AUDITOR'S REPORT**

**To The Members of Sakthi Sugars Limited**

**Report on the Audit of the Financial Statements**

### **Qualified Opinion**

1. We have audited the accompanying financial statements of Sakthi Sugars Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, except for the effect/possible effect of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, the loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Qualified Opinion**

3. No provision for the expected credit loss/impairment on interest receivable from an erstwhile associate company of Rs. 25219.69 lakhs has been recognized as per the requirement of Ind AS 109 "Financial Instruments". In view of non-recoveries, non-confirmations/reconciliation from the debtor company, initiation of legal action against the interest claim of the company and in absence of clear forward looking information regarding outcome of pending legal actions initiated and time frame and quantum of realisability of the interest receivable, we are unable to determine the amount of expected credit loss/impairment as per the requirements of Ind AS 109 "Financial Instruments" and its consequential impact on the loss for the year/accumulated loss.
4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules 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.

### **Material Uncertainty Related to Going Concern**

5. We draw attention to Note 42 of the Financial Statements. The company has incurred net loss of Rs.11720.92 lakhs during the year ended March 31, 2021 and as of that date, the Company's accumulated losses aggregate to Rs.69802.73 lakhs resulted in complete erosion of its net worth. Further, as of that date, company's current liabilities exceeded its current assets by Rs.110352.69 lakhs. Significant financial ratios are also negative. These factors along with other matters as set forth in said note raise substantial doubt about the company's ability to continue as a going concern in the foreseeable future. However, the company's financial statement has been prepared on going concern basis as disclosed by management in said note. Our opinion is not modified in respect of this matter.

### **Emphasis of Matter**

6. We draw attention to Note 40.2 of the Financial Statements. In terms of Share Pledge Agreement M/s. Asset Reconstruction Company (India) Limited (the "ARCIL") have transferred in their name 6,38,59,394 Equity shares of M/s. Sakthi Auto Component Limited held by the Company. In view of the non-appropriation of value of shares by ARCIL amongst lenders and as per legal opinion obtained Equity shares continue to be shown as asset classified as held for sale. Our opinion is not modified in respect of this matter.
7. Certain banks have classified its advance to company as Non-Performing Assets and are not charging/applying interest accrued. In order to account for all probable liabilities, the management in its best judgement has provided interest including penal interest, as per the terms of original sanction, on such borrowings. The management is of the opinion that the difference in interest, if any, shall be accounted for as and when the interest is charged or adjusted by the banks. Our opinion is not modified in respect of this matter.

### **Key Audit Matters**

8. 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 matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How the matter was addressed in the audit
<p><b>Assessment of litigations and related disclosure of contingent liabilities</b> [Refer to the accompanying note 1.3 and 41A forming integral part of the Financial Statements]</p> <p>As on March 31, 2021, the Company has exposures towards litigations relating to various matters.</p> <p>Significant management judgement is required to assess such matters to determine the probability of occurrence of material outflow of economic resources and whether a provision should be recognised, or a disclosure should be made. The management judgement is also supported with legal advice in certain cases as considered appropriate.</p> <p>As the ultimate outcome of the matters are uncertain and the positions taken by the management are based on the application of their best judgement, related legal advice including those relating to interpretation of laws/regulations, it is considered to be a Key Audit Matter.</p>	<p><b>Our audit procedures included the following:</b></p> <p>(a) We understood, assessed and tested the design and operating effectiveness of key controls surrounding assessment of litigations relating to the relevant laws and regulations;</p> <p>(b) We discussed with management the recent developments and the status of the material litigations which were reviewed and noted by the audit committee;</p> <p>(c) We performed our assessment on a test basis on the underlying calculations supporting the contingent liabilities/ other significant litigations made in the Financial Statements;</p> <p>(d) We evaluated management's assessments by understanding precedents set in similar cases and assessed the reliability of the management's past estimates/judgements; and</p> <p>(e) We assessed the adequacy of the Company's disclosures.</p> <p>Based on the above work performed, management's assessment in respect of litigations and related disclosures relating to contingent liabilities/other significant litigations in the Financial Statements are considered to be reasonable.</p>

#### Other Information

9. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.
10. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
11. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

12. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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.
13. In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
14. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

15. 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.

16. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - (b) Obtain an understanding of internal 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.
  - (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
17. 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.
18. 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.
19. 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**

20. 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, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
21. In our opinion and according to the information and explanations given to us, the Company has not paid/provided any managerial remuneration during the year. Hence the reporting requirement under Section 197(16) of the Act, does not arise.
22. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, except for the effect/possible effect of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
  - (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may not have an adverse effect on the functioning of the company.





- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
- (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".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 41A to the financial statements;
  - (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For P.K.NAGARAJAN & CO.,  
Chartered Accountants  
Firm Registration Number: 016676S

Coimbatore  
June 30, 2021

S P Muthusami  
Partner  
Membership Number: 224171  
UDIN: 21224171AAAAHW3228

### **Annexure - A to the Independent Auditor's Report**

Referred to in paragraph 20 of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the financial statements for the year ended March 31, 2021

- i. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) These fixed assets have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (c) The title deeds of immovable properties, as disclosed on Note No. 2 on Property, Plant and Equipment to the financial statements, are held in the name of the Company, except for land of Soya division acquired, pursuant to scheme of amalgamation having a carrying value of Rs.2438.28 lakhs as at March 31, 2021. In respect of immovable properties taken on lease and disclosed as right-of-use assets in the financial statements, the lease agreements are in the name of the company.
- ii. As explained to us, inventories have been physically verified by the management at regular intervals during the year. In our opinion, the frequency of verification is reasonable. No material discrepancies were noticed on such physical verification.
- iii. The Company had granted unsecured loan in earlier years to an erstwhile associate company covered in the register maintained under Section 189 of the Act and the loan has been fully repaid and there is an outstanding balance of Rs. 25219.69 lakhs towards interest as at the date of balance sheet.
  - (a) The terms and conditions, of the grant of loan to the erstwhile associate company, are not prejudicial to the interest of the company.
  - (b) Principal amount of the loan has already been fully repaid. Interest has been charged after the repayment of principal. As per the representation of the management of the company, the interest has become due and payable on demand.
  - (c) In respect of the aforesaid loan, the entire amount of interest is overdue for more than ninety days. The company has initiated legal actions for recovery of the outstanding interest.
- iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, in respect of the loan given, investments made, security provided, and guarantee given.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
- vi. We have broadly reviewed the cost records maintained by the company specified under sub-section (1) of Section 148 of the Act, and are of the opinion that, 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 our examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues with appropriate authorities except undisputed statutory dues relating to provident fund, income tax and goods and services tax that have not generally 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 payable in respect of provident fund, employee state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and services tax and other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable, except Electricity Generation Tax as mentioned below:

Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates
Tamil Nadu Tax on Consumption or Sale of Electricity Act, 2003	Electricity Generation Tax	174.24	June 30, 2016 to May 31, 2020
	Interest on Electricity Generation Tax	54.03	June 30, 2016 to May 31, 2020

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of duty of customs and value added tax, which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of excise and service tax as at March 31, 2021, which have not been deposited on account of dispute, are as follows:

Name of the Statute	Nature of dues	Amount (Rs.in lakhs)	Period to which the amount relates	Forum where the dispute is pending
The Income Tax Act, 1961	Penalty	3,680.04	2005-06, 2010-11, 2011-12, 2012-13, 2014-15, 2016-17 and 2017-18	Commissioner of Income Tax (Appeals), Coimbatore
		187.41	2011-12	DCIT, Coimbatore
Tamilnadu General Sales Tax Act, 1959	Sales Tax	803.44	1989-90 to 1992-93	Madras High Court, Chennai
		28.24	2000-01	Additional Commissioner (CT)/(RP), Chennai.
The Central Excise Act, 1944	Excise Duty	442.26	2007-08, 2010-12, 2015	CESTAT, Chennai.
		22.29	2010-11 to 2015-16	Commissioner of Central Excise (Appeals), Bhubaneswar
The Bihar & Orissa Excise Act, 1915	Excise Duty	12.63	2002-03	High Court of Orissa, Cuttack.

- viii. According to the records of the Company examined by us and the information and explanations given by the management, the Company has not issued debentures. The defaults by the Company as at the balance sheet date in repayment of loans to banks, financial institutions and Government are as under:

- (a) Default in repayment of loans to Banks:

S. No.	Particulars	Amount of default as at 31.03.2021 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
1	Restructured Loan from Bank of India	9,195.35	2,244.35	March 2021	July 2019 to March 2021
2	Rupee Term Loan from Punjab National Bank	1,643.59	4,488.35	October 2012 to January 2019	January 2013 to March 2021
3	Funded Interest Term Loan from Punjab National Bank	324.31	307.92	December 2012 to January 2019	August 2016 to March 2021
4	FCCB Term Loan from Axis Bank Limited	2,903.10	373.95	March 2021	April 2020 to March 2021
5	Soft Loan from Axis Bank Limited	--	79.23	--	April 2020 to March 2021



## (b) Default in repayment of loans to Financial Institutions:

S. No.	Particulars	Amount of default as at 31.03.2021 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
1	Asset Reconstruction Company (India) Limited [HDFC Bank Limited]	2,308.97	5,634.76	February 2019	October 2015 to March 2021
2	Asset Reconstruction Company (India) Limited [Canara Bank]	8,100.92	13,882.82	February 2019	October 2015 to March 2021
3	Asset Reconstruction Company (India) Limited [State Bank of India]	7,050.49	11,916.44	February 2019	October 2015 to March 2021
4	Asset Reconstruction Company (India) Limited [IDBI Bank]	3,847.98	8,755.38	February 2019	October 2015 to March 2021
5	Asset Reconstruction Company (India) Limited [Indian Overseas Bank]	6,241.17	9,946.31	February 2019	October 2015 to March 2021
6	Asset Reconstruction Company (India) Limited [Allahabad Bank]	1,730.62	2,656.84	February 2019	October 2015 to March 2021
7	Edelweiss Asset Reconstruction Limited [IDFC Limited]	2,260.00	884.63	May 2019 to March 2021	May 2019 to March 2021
8	Edelweiss Asset Reconstruction Limited [Oriental Bank of Commerce]	230.00	976.23	May 2019 to March 2021	May 2019 to March 2021

## (c) Default in repayment of loan to Government:

S. No.	Particulars	Amount of default as at 31.03.2021 (Rs.in lakhs)		Period of Default	
		Principal	Interest	Principal	Interest
1	Sugar Development Fund Loan	4,416.42	5,194.19	May 2013 to August 2018	February 2012 to March 2021

- ix. The Company has neither raised any money by way of initial public offer or further public offer (including debt instruments) nor availed any term loan during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the 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 not paid/provided any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the Order is not applicable.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act. The details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- 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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For P.K. NAGARAJAN & Co.,  
Chartered Accountants  
Firm Registration Number: 016676S  
S P Muthusami  
Partner  
Membership Number: 224171  
UDIN: 21224171AAAAHW3228

Coimbatore  
June 30, 2021

**Annexure - B to the Independent Auditor's Report**

Referred to in paragraph 22(g) of the Independent Auditor's Report of even date to the members of Sakthi Sugars Limited on the financial statements for the year ended March 31, 2021.

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

1. We have audited the internal financial controls over financial reporting of Sakthi Sugars Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial Statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:
  - (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
  - (c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

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

For P.K. NAGARAJAN & Co.,  
Chartered Accountants  
Firm Registration Number: 016676S

Coimbatore  
June 30, 2021

S P Muthusami  
Partner  
Membership Number: 224171  
UDIN: 21224171AAAAHW3228



## BALANCE SHEET AS AT 31.03.2021

(Rs. in lakhs)

	Note No.	As at 31.03.2021	As at 31.03.2020
<b>I. ASSETS</b>			
<b>(1) NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	2	95,641.51	99,283.85
(b) Capital work-in-progress	2	60.79	20.23
(c) Right-of-use Assets	3	56.24	112.49
(d) Financial Assets			
i) Investments	4	1,962.64	1,656.43
ii) Loans	5	69.90	82.86
iii) Other financial assets	6	729.76	780.11
(e) Deferred tax assets (Net)	23	--	1,249.30
(f) Other Non-current Assets	7	3,318.17	3,411.58
Total Non-current Assets		101,839.01	106,596.85
<b>(2) CURRENT ASSETS</b>			
(a) Inventories	8	8,033.58	6,765.47
(b) Biological Assets	9	4.32	7.43
(c) Financial Assets			
i) Trade receivables	10	1,323.90	979.28
ii) Cash and cash equivalents	11	350.02	892.48
iii) Bank balances other than cash and cash equivalents	12	31.64	1.49
iv) Loans	13	24,797.61	24,787.14
v) Other Financial Assets	14	935.35	829.78
(d) Current tax assets (Net)	15	409.82	390.91
(e) Other current assets	16	5,631.81	3,998.17
(f) Assets Classified as held for sale	17	37,884.73	37,998.14
Total Current Assets		79,402.78	76,650.29
<b>TOTAL ASSETS (1 to 2)</b>		<b>181,241.79</b>	<b>183,247.14</b>
<b>II. EQUITY AND LIABILITIES</b>			
<b>(1) EQUITY</b>			
(a) Equity Share Capital	18	11,884.90	11,884.90
(b) Other Equity	19	(39,665.03)	(27,944.11)
Total Equity		(27,780.13)	(16,059.21)
<b>(2) LIABILITIES</b>			
<b>A) NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	20	9,390.79	9,342.71
ii) Other Financial Liabilities	21	215.18	349.94
(b) Provisions	22	2,737.35	2,564.19
(c) Other non-current liabilities	24	6,923.13	--
Total Non-Current Liabilities		19,266.45	12,256.84

**BALANCE SHEET AS AT 31.03.2021 (CONT....)**

(Rs. in lakhs)

	Note No.	As at 31.03.2021	As at 31.03.2020
<b>B) CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
i) Borrowings	25	<b>22,167.68</b>	13,578.64
ii) Trade Payables	26		
a) Total outstanding dues of micro and small enterprises		<b>478.17</b>	391.12
b) Total outstanding dues of other than (ii) (a) above		<b>21,497.84</b>	27,218.74
iii) Other financial liabilities	27	<b>135,384.20</b>	132,787.11
(b) Other current liabilities	28	<b>9,749.96</b>	12,610.07
(c) Provisions	29	<b>477.62</b>	463.83
Total Current Liabilities		<b>189,755.47</b>	187,049.51
Total Liabilities		<b>209,021.92</b>	199,306.35
<b>TOTAL EQUITY AND LIABILITIES (1 to 2)</b>		<b>181,241.79</b>	183,247.14
Significant Accounting Policies	1		
See accompanying notes to financial statements			

Vide our report annexed  
For P K NAGARAJAN & Co  
Chartered Accountants  
Firm Registration Number : 016676S  
S P MUTHUSAMI  
Partner  
Membership Number : 224171  
Coimbatore  
30<sup>th</sup> June 2021

M MANICKAM  
Chairman and Managing Director

M BALASUBRAMANIAM  
Director

S BASKAR  
Sr. Vice President &  
Company Secretary

C.R. SANKAR  
Chief Financial Officer



# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31.03.2021

(Rs. in lakhs)

	Note No.	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>CONTINUING OPERATIONS</b>			
<b>I. Income</b>			
Revenue from Operations	30	63,338.33	80,301.01
Other Income	31	997.51	12,089.63
Total Income		64,335.84	92,390.64
<b>II. EXPENSES</b>			
Cost of material consumed	32	44,418.96	55,268.43
Purchase of stock in trade	33	77.39	428.45
Changes in inventories of finished goods, work-in-progress and stock in trade	34	306.88	3,922.05
Employee benefits expense	35	5,807.53	6,171.43
Finance costs	36	19,639.65	20,197.10
Depreciation and amortization expense	37	3,885.39	4,931.06
Other expenses	38	11,737.97	22,306.03
Total expenses		85,873.77	113,224.55
<b>III. Profit/(Loss) before exceptional items and tax (I-II)</b>		(21,537.93)	(20,833.91)
<b>IV. Exceptional Items</b>	39	(11,186.77)	--
<b>V. Profit/(Loss) before tax (III-IV)</b>		(10,351.16)	(20,833.91)
<b>VI. Tax Expense:</b>	23		
1. Current tax		--	--
2. Deferred tax		1,275.34	(241.52)
		1,275.34	(241.52)
<b>VII. Profit/(Loss) for the year from continuing operations (V-VI)</b>		(11,626.50)	(20,592.39)
<b>VIII. Other Comprehensive Income</b>			
Items that will not be reclassified to Statement of Profit and Loss			
i) Remeasurement benefit of defined benefit plans		(120.46)	34.87
ii) Income tax expense on remeasurement benefit of defined benefit plans		26.04	(15.43)
<b>IX. Total Comprehensive Income for the year</b>		(11,720.92)	(20,572.95)
<b>X. Earnings per equity share (for Continuing Operations)</b>			
1. Basic	48	(9.86)	(17.31)
2. Diluted	48	(9.86)	(17.31)
Significant Accounting Policies	1		

See accompanying notes to financial statements

Vide our report annexed  
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30<sup>th</sup> June 2021

M MANICKAM  
Chairman and Managing Director

M BALASUBRAMANIAM  
Director

S BASKAR  
Sr. Vice President &  
Company Secretary

C.R. SANKAR  
Chief Financial Officer





## CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2021

(Rs. in lakhs)

Particulars	2020-21		2019-20	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>				
Net Profit before tax as per statement of Profit and Loss		(10,351.16)		(20,833.91)
Adjustment for:				
Depreciation on Property, Plant and Equipment	3,885.39		4,931.06	
Finance Cost	19,639.65		20,197.10	
Remission of Interest/Liability	(11,186.77)		--	
Provision for Expected credit loss	1.09		6,437.46	
Remission/Unclaimed Liability	--		(689.18)	
Reversal of Sundry deposit / Capital Advance	--		1,713.18	
(Profit) / Loss on Property, Plant and Equipment Sold / Discarded (Net)	(0.39)		(4.02)	
Impairment loss on Non-Financial Assets	--		675.94	
(Gain) / Loss on Fair Valuation of Non-Current Investment through Profit and Loss (Net)	(306.20)		(326.85)	
Dividend Income	(5.90)		(14.57)	
Interest Income	(130.43)		(10,684.88)	
		11,896.44		22,235.24
Operating Profit before Working Capital / Other Changes		1,545.28		1,401.33
Changes in Working Capital:				
Adjustments for (Increase) / Decrease in Operating Assets:				
Inventories/Biological Assets	(1,265.00)		4,555.58	
Trade Receivables	(345.71)		(656.02)	
Other Financial Assets	(55.22)		(835.01)	
Other Current Assets	(1,634.98)		(790.09)	
Other Non-current Assets	106.37		42.80	
Adjustments for Increase/(Decrease) in Operating Liabilities:				
Trade Payables	1,062.94		1,608.70	
Other Financial Liabilities	(59.96)		(3,635.83)	
Other Current Liabilities	2,672.06		2,870.22	
Other Long Term Liabilities	1,132.70		89.47	
		1,613.20		3,249.82
Cash Generated from Operations		3,158.48		4,651.15
Income Tax Paid (Net)		(18.91)		122.85
<b>Net Cash from / (used in) Operating Activities (A)</b>		3,139.57		4,774.00
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Purchase of Property, Plant and Equipment	(230.07)		(126.70)	
Proceeds from Disposal of Property, Plant and Equipment	116.51		32.26	
Dividend received	5.90		14.57	
Interest Income	130.43		176.67	
Loans and Advances - Related Parties	(9.13)		503.29	
<b>Net Cash from / (used in) Investing Activities (B)</b>		13.64		600.09



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

(Rs. in lakhs)

Particulars	2020-21		2019-20	
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>				
Finance Costs Paid	(2,585.08)		(2,784.27)	
Principal Payment of Lease Liabilities	(55.72)		(45.84)	
Interest Paid on Lease Liabilities	(17.21)		(23.62)	
Long Term Borrowings (Net)	(986.52)		(2,120.53)	
Short Term Borrowings (Net)	—		(367.00)	
Loans from Body corporate (Net)	(20.99)		(463.34)	
<b>Net Cash from / (used in) Financing Activities (C)</b>		<b>(3,665.52)</b>		<b>(5,804.60)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents (A+B+C)</b>		<b>(512.31)</b>		<b>(430.51)</b>
Cash and cash equivalents at the beginning of the year		<b>893.97</b>		1,324.48
Cash and cash equivalents at the end of the year		<b>381.66</b>		893.97
Cash and cash equivalents at the end of the year comprises of				
(a) Cash on hand		<b>18.50</b>		23.33
(b) Balances with banks:				
i) In Current Accounts		<b>299.92</b>		868.60
ii) Margin Money with banks / Security against borrowings		<b>63.24</b>		2.04
Cash and cash equivalents as at the end of the year		<b>381.66</b>		893.97

Vide our report annexed  
For P K NAGARAJAN & Co  
Chartered Accountants  
Firm Registration Number : 016676S  
S P MUTHUSAMI  
Partner  
Membership Number : 224171  
  
Coimbatore  
30<sup>th</sup> June 2021

M MANICKAM  
Chairman and Managing Director

M BALASUBRAMANIAM  
Director

S BASKAR  
Sr. Vice President &  
Company Secretary

C.R. SANKAR  
Chief Financial Officer



## STATEMENT OF CHANGES IN EQUITY

### A. Equity Share Capital

Particulars	Note No.	No of Shares	(Rs. In lakhs)
Balance as at 01.04.2019	18	118849036	11884.90
Changes in Equity Share Capital during the year ended 31.3.2020		--	--
Balance as at 31.03.2020		118849036	11884.90
Changes in Equity Share Capital during the year ended 31.3.2021		--	--
Balance as at 31.03.2021		118849036	11884.90

### B. Other Equity

(Rs. In lakhs)

Particulars	Note No.	Reserves and Surplus					
		Capital Reserve	Capital Re-deemption Reserve	Securities Premium Account	Retained Earnings	Other Comprehensive Income	Total
<b>Balance as at 01.04.2019</b>	19	<b>625.24</b>	<b>2512.27</b>	<b>27000.19</b>	<b>(37429.82)</b>	<b>(79.04)</b>	<b>(7371.16)</b>
Profit / (Loss) for the Year		--	--	--	(20592.39)	--	(20592.39)
Other Comprehensive Income		--	--	--	--	19.44	19.44
<b>Balance as at 31.03.2020</b>		<b>625.24</b>	<b>2512.27</b>	<b>27000.19</b>	<b>(58022.21)</b>	<b>(59.60)</b>	<b>(27944.11)</b>
<b>Balance as at 01.04.2020</b>		<b>625.24</b>	<b>2512.27</b>	<b>27000.19</b>	<b>(58022.21)</b>	<b>(59.60)</b>	<b>(27944.11)</b>
Profit / (Loss) for the Year		--	--	--	(11626.50)	--	(11626.50)
Comprehensive Income for the year		--	--	--	--	(94.42)	(94.42)
<b>Balance as at 31.03.2021</b>		<b>625.24</b>	<b>2512.27</b>	<b>27000.19</b>	<b>(69648.71)</b>	<b>(154.02)</b>	<b>(39665.03)</b>

Vide our report annexed  
For P K NAGARAJAN & Co  
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S P MUTHUSAMI  
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Coimbatore  
30<sup>th</sup> June 2021

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Director

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Chief Financial Officer



## NOTES TO FINANCIAL STATEMENTS

Note No. 1

### SIGNIFICANT ACCOUNTING POLICIES

#### Corporate Information:

Sakthi Sugars Limited is engaged in the business of manufacture of sugar, industrial alcohol, power and soya products. The Company's segments include sugar, industrial alcohol, soya products and power. The by-products/waste products include molasses, bagasse and press mud.

The installed capacity of sugar division is 19000 tons of cane crush per day (TCD). Its power division has co-generation power plants at Sakthinagar, Sivaganga and Modakurichi, and the aggregate power generation capacity of all three plants is 92 MW.

Its distillery produces rectified spirit, extra neutral alcohol and ethanol, and has a distillation capacity of 150 kiloliters per day (KLPD) and ethanol plant capacity of over 50 KLPD.

The Company has the capacity to process 90,000 tons soya beans per annum.

The company shares are listed in BSE Ltd and National Stock Exchange of India Ltd.

#### Significant Accounting Policies:

##### 1.1 Basis of Preparation and Presentation:

These financial statements are the separate financial statements of the Company prepared in accordance with Indian Accounting Standards ('Ind AS') notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 as amended.

These financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting except for certain financial assets and financial liabilities that are measured at fair values at the end of each reporting period, as stated in the accounting policies set out below. The accounting policies have been applied consistently over all the periods presented in these financial statements.

##### 1.2 Current/Non-Current Classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification

(a) An asset is treated as current when it is:

- (i) Expected to be realised or intended to be sold or consumed in normal operating cycle
- (ii) Expected to be realised within twelve months after the reporting period, or
- (iii) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
- (iv) Held primarily for the purpose of trading.

All other assets are classified as non-current.

(b) A liability is current when:

- (i) It is expected to be settled in normal operating cycle
- (ii) It is due to be settled within twelve months after the reporting period, or
- (iii) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.
- (iv) Held primarily for the purpose of trading

All other liabilities are classified as non-current.

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

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

##### 1.3 Use of Estimates and Judgements:

The preparation of the financial statements in conformity with Ind AS requires the Management to make judgements, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) as of the date of the financial statements and the reported income and expenses like provision for employee benefits, provision for doubtful trade receivables/advances/contingencies, provision for warranties, allowance for slow/non-moving inventories, useful life of Property, Plant and Equipment, provision for taxation, etc., during the reporting year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results may vary from these estimates.



The estimates and judgements used in the preparation of the financial statements are continuously evaluated by the Company and are based on historical experience and various other assumptions and factors (including expectations of future events) that the Company believes to be reasonable under the existing circumstances. Differences between actual results and estimates are recognised in the period in which the results are known/materialised.

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

#### 1.4 Inventory:

Inventories of raw materials, work-in-progress, stores, finished products and stock-in-trade are valued at the lower of cost or net realizable value.

Cost is ascertained on seasonal weighted average for sugar and yearly average for stores and soya products.

Soya Bean, Stock-in-trade of fertilizer and newsprint cost ascertained on FIFO basis.

By-products are valued at Net realizable value

#### 1.5 Biological Assets:

Biological assets comprise Standing crops (crops under development) of sugarcane.

The biological process starts with preparation of land for planting, seedlings and ends with the harvesting of crops.

Biological assets are measured at fair value less cost to sell or at cost whichever is applicable.

In respect of Standing crop, where little biological transformation has taken place since the initial cost was incurred before the balance sheet date, such biological assets are measured at cost i.e., expenses incurred on such plantation upto the balance sheet date. When harvested, crop is transferred to inventory at fair value less costs to sell.

Changes in fair value of biological assets is recognised in the statement of profit and loss.

#### 1.6 Property, Plant and Equipment:

**Measurement at recognition:** Property, Plant and Equipment assets are carried at cost net of tax / duty credit availed less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Historical cost includes taxes, duties, freight, insurance etc., attributable to acquisition and installation of assets and borrowing cost incurred upto the date of commencing operations but excludes duties and taxes that are recoverable from taxing authorities. Indirect expenses during construction period, which are required to bring the asset in the condition for its intended use by the management and are directly attributable to bringing the asset to its position, are also capitalized.

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

Assets which are not ready for their intended use and Capital work-in-progress are carried at cost comprising direct cost, related incidental expenses and attributable interest. Advances given towards acquisition of property, plant and equipment outstanding at each balance sheet date are disclosed as capital advance under other non-current assets.

**Depreciation:** Depreciation on Property, Plant and Equipment is provided on the straight-line method over the useful life in the manner prescribed in the Schedule II of the Companies Act 2013.

Depreciation on addition to assets or on sale/discardment of assets, is calculated on pro-rata from the month of such addition or up to the month of such sale/discarding, as the case may be.

**De-recognition:** 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 asset.

Gains and losses on disposals or retirement of assets are determined by comparing proceeds with carrying amount. These are recognized in the Statement of Profit and Loss.

#### 1.7 Intangible assets

**Measurement at recognition:** Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition. Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment loss, if any.



**Amortization:** Intangible Assets with finite lives are amortized on a Straight-Line basis over the estimated useful economic life. The amortization expense on intangible assets with finite lives is recognized in the Statement of Profit and Loss. The amortization period and the amortization method for an intangible asset with finite useful life is reviewed at the end of each financial year. If any of these expectations differ from previous estimates, such change is accounted for as a change in an accounting estimate.

**De-recognition:** The carrying amount of an intangible asset is derecognized on disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the De-recognition of an intangible asset is measured as the difference between the net disposal proceeds and the carrying amount of the intangible asset and is recognized in the Statement of Profit and Loss when the asset is derecognized.

### 1.8 Impairment of Assets

The carrying values of assets/cash generating units are reviewed at each Balance Sheet date to determine whether there is any indication of impairment of the carrying amount of the Company's assets. If any indication exists, an asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of the asset exceeds the recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the Statement of Profit and Loss.

### 1.9 Revenue Recognition:

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold, and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract. This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

#### a) Sale of goods:

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

Revenue is measured based on the transaction price, which is the consideration, net of customer incentives, discounts, variable considerations, payments made to customers, other similar charges, as specified in the contract with the customer. Additionally, revenue excludes taxes collected from customers, which are subsequently remitted to governmental authorities.

#### b) Dividend and interest income:

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

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

#### c) Insurance Claims:

Insurance claims are accounted for on the basis of claims admitted/ expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

#### d) Export Benefits:

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.



**e) Rental Income:**

Rental income arising from operating leases is accounted for on a straight-line basis over the lease terms and is included in revenue in the Statement of Profit and Loss due to its operating nature.

All other income and expenses are accounted for on accrual basis.

**1.10 Foreign Currency Transactions:**

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the Statement of Profit and Loss.

Foreign currency monetary items of the Company are translated at the closing exchange rates. Non-monetary items that are measured at historical cost in a foreign currency, are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in a foreign currency, are translated using the exchange rates at the date when the fair value is measured.

Exchange differences arising out of these translations are recognized in the Statement of Profit and Loss.

**1.11 Employee Benefits:**

**a) Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short-term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**b) Post-employment benefits:**

**i) Defined contribution plans:**

Defined contribution plans are Employee Provident Fund, Employee State Insurance scheme for all applicable employees and superannuation scheme for eligible employees.

**Recognition and measurement of defined contribution plans:**

The Company recognizes contribution payable to a defined contribution plan as an expense in the Statement of Profit and Loss when the employees render services to the Company during the reporting period. If the contribution payable for services received from employees before the reporting date exceeds the contributions already paid, the deficit payable is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the reporting date, the excess is recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

**ii) Defined benefit plans:**

**Gratuity:** Liabilities with regard to the gratuity benefits payable in future are determined by actuarial valuation at each Balance Sheet date. Actuarial gains and losses arising from changes in actuarial assumptions are recognized in other comprehensive income and shall not be reclassified to the Statement of Profit and Loss in a subsequent period.

**Leave encashment / Compensated absences:** The Company provides for the encashment of leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment / availment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial gains and losses arising from changes in actuarial assumptions are recognised in the other comprehensive income.

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

**1.12 Segment Reporting:**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker ('CODM') of the Company. The CODM is responsible for allocating resources and assessing performance of the operating segments of the Company.

**1.13 Non-Current Assets held for sale:**

The Company classifies non-current assets as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use of the assets and actions required to complete such sale indicate that it is unlikely that significant changes to the plan to sell will be made or that the decision to sell will be withdrawn. Also, such assets are classified as held for sale only if the management expects to complete the sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their carrying amount and the fair value less cost to sell. Non-current assets are not depreciated or amortized while they are classified as held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

**1.14 Government Grants:**

Government grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the company recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

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 recognised in Statement of Profit and Loss in the period in which they become receivable.

**1.15 Income Taxes**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

**Current Tax:**

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting 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 based on amounts expected to be paid to the tax authorities.

As per the company's assessment on uncertainty over tax treatment on recognising Income Tax with respect to Appendix C to Ind AS 12, there are no material uncertainties over tax treatments.

**Deferred Tax:**

Deferred income tax is provided in full, using the Balance Sheet method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the same can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably, and it is probable that the future economic benefit associated with the asset will be realised.

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has written off accumulated MAT credit and re-measured provision for taxation.





Current and deferred tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Presentation of Current and Deferred Tax:**

Current and deferred tax are recognized as income or an expense in the Statement of Profit and Loss, except when they relate to items that are recognized in Other Comprehensive Income, in which case, the current and deferred tax income/expense are recognized in Other Comprehensive Income.

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously. In case of deferred tax assets and deferred tax liabilities, the same are offset if the Company has a legally enforceable right to set off corresponding current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the Company.

**1.16 Earnings per share**

Basic earnings per share is calculated by dividing the profit for the period attributable to the owners of Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the profit for the period attributable to the owners of the Company and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**1.17 Provisions and Contingencies**

The company recognizes provisions when a present obligation (legal or constructive) as a result of a past event exists and it is probable that an outflow of resources embodying economic benefits will be required to settle such obligation and the amount of such obligation can be reliably estimated.

If the effect of 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 recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is probable that an outflow of resources will not be required to settle the obligation. However, if the possibility of outflow of resources, arising out of present obligation, is remote, it is not even disclosed as contingent liability.

A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the notes to financial statements. A Contingent asset is not recognized in financial statements, however, the same is disclosed where an inflow of economic benefit is probable.

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims subject to negotiated settlement, mediation, arbitration or government regulation, as well as other contingent liabilities. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

**1.18 Leases:****a) Company as Lessee:**

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the 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.

As a lessee, the Company recognises a right-of-use (ROU) asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to



dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU 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 ROU asset or the end of the lease term. The estimated useful lives of ROU assets are determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

The Company has used number of practical expedients when applying Ind AS 116. The Company has elected not to recognise ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments relating to these leases as an expense on a straight-line basis over the lease term. The Company applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The Company's lease asset classes primarily consist of leases for land and building for offices, and vehicles.

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

**b) Company as Lessor:**

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancellable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease. Rental income from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**1.19 Borrowing Costs:**

Borrowing cost includes interest, amortisation of ancillary cost incurred in connection with the arrangement of borrowings and the exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

**1.20 Financial Instrument:**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are 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) 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) Fair Value Measurement:**

The Company measures financial instruments, such as, investments at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- i) In the principal market for the asset or liability, or
- ii) In the absence of a principal market, in the most advantageous market for the asset or liability.



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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- i) Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ii) Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- iii) Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

**b) Financial Assets:**

**i) Initial recognition and measurement:**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

**ii) Subsequent measurement:**

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments.

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair value through Other Comprehensive Income (FVOCI):**

Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in Statement of Profit and Loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

**Fair Value through Profit or Loss (FVTPL):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss is recognised in Statement of Profit and Loss in the period in which it arises. Interest income from these financial assets is included in other income.

**iii) De-recognition :**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised primarily when:

- (a) The rights to receive cash flows from the asset have expired, or
- (b) The Company has transferred substantially all the risks and rewards of the asset.

**iv) 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 financial assets and credit risk exposure that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

The Company follows simplified approach for recognition of impairment loss allowance on Trade receivables. The Company recognises impairment loss allowance based on lifetime 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-month 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-month ECL.

ECL impairment loss 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 Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is that in the case of financial assets measured as at amortised cost, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the group does not reduce impairment allowance from the gross carrying amount.

**c) Financial Liabilities :****i) Initial recognition and measurement :**

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

**ii) Subsequent measurement :**

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

Financial liabilities designated upon initial recognition at Fair Value Through Profit or Loss (FVTPL) are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains / losses attributable to changes in own credit risks are recognized in OCI. These gains/ losses are not subsequently transferred to Statement of 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 and Loss.

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of the subsequent accounting period. The carrying amount of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest rate method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance costs" in Statement of Profit and Loss.

**iii) De-recognition :**

A financial liability is 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 de-recognition 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 and Loss.

**1.21 Exceptional Items :**

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is treated as an exceptional item and disclosed as such in the financial statements.

**1.22 Events after Reporting date :**

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

**1.23 Cash and Cash Equivalents :**

Cash and cash equivalents in the Balance Sheet comprise of cash on hand, demand deposits with Banks, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, demand deposits with banks, short-term balances (with an original maturity of three months or less from date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**1.24 Cash flow Statement :**

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

**1.25 Rounding off amounts**

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

**1.26 Recent 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. The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.



NOTE No. 2

PROPERTY, PLANT AND EQUIPMENT

(Rs. in lakhs)

PARTICULARS	Land	Buildings	Plant & Equipment	Furniture & Fixtures	Vehicles	Office Equipment	Others	Total	CWIP*
<b>Gross Carrying Amount :</b>									
Deemed cost as at 1st April, 2019	31037.18	16016.43	87252.92	386.37	989.02	487.80	23.60	136193.32	--
Additions	--	1.87	77.80	2.58	--	24.22	--	106.47	20.23
Reclassification on account of adoption of Ind AS-116	--	--	--	--	(9.03)	--	--	(9.03)	--
Disposals / Transfer	--	--	(32.70)	(1.40)	(34.49)	(1.70)	--	(70.29)	--
Asset classified as held for sale	(2923.99)	(3309.02)	(11969.29)	(48.96)	--	(40.71)	(1.72)	(18293.69)	--
Balance as at 31st March, 2020	28113.19	12709.28	75328.73	338.59	945.50	469.61	21.88	117926.78	20.23
<b>Accumulated Depreciation :</b>									
Balance as at 1st April, 2019	--	1919.30	13743.90	359.41	864.60	439.55	--	17326.76	--
Additions	--	634.74	4195.94	2.77	17.01	15.33	--	4865.79	--
Reclassification on account of adoption of Ind AS-116	--	--	--	--	(9.03)	--	--	(9.03)	--
Disposals / Adjustments	--	--	(6.83)	(1.17)	(23.72)	(1.30)	--	(33.02)	--
Asset classified as held for sale	--	(513.73)	(2909.83)	(46.43)	--	(37.58)	--	(3507.57)	--
Balance as at 31st March, 2020	--	2040.31	15023.18	314.58	848.86	416.00	--	18642.93	--
<b>Net Carrying Amount :</b>									
Balance as at 1st April, 2019	31037.18	14097.13	73509.02	26.96	124.42	48.25	23.60	118866.56	--
Balance as at 31st March, 2020	28113.19	10668.97	60305.55	24.01	96.64	53.61	21.88	99283.85	20.23
<b>Gross Carrying Amount :</b>									
Deemed cost as at 1st April, 2020	28113.19	12709.28	75328.73	338.59	945.50	469.61	21.88	117926.78	20.23
Additions	--	2.44	159.46	0.37	--	27.24	--	189.51	60.79
Disposals / Adjustments	--	--	(3.71)	(0.86)	--	--	--	(4.57)	(20.23)
Balance as at 31st March, 2021	28113.19	12711.72	75484.48	338.10	945.50	496.85	21.88	118111.72	60.79
<b>Accumulated Depreciation :</b>									
Balance as at 1st April, 2020	--	2040.31	15023.18	314.58	848.86	416.00	--	18642.93	--
Additions	--	511.58	3277.76	2.02	15.81	21.97	--	3829.14	--
Disposals / Adjustments	--	--	(1.05)	(0.81)	--	--	--	(1.86)	--
Balance as at 31st March, 2021	--	2551.89	18299.89	315.79	864.67	437.97	--	22470.21	--
<b>Net Carrying Amount :</b>									
Balance as at 1st April, 2020	28113.19	10668.97	60305.55	24.01	96.64	53.61	21.88	99283.85	20.23
Balance as at 31st March, 2021	28113.19	10159.83	57184.59	22.31	80.83	58.88	21.88	95641.51	60.79

\*Capital Work-in-Progress



(Rs. In lakhs)

As at 31.03.2021 As at 31.03.2020

**NOTE No. 3**

**RIGHT-OF-USE ASSETS**

Opening Balance	112.49	168.73
Reclassified on account of adoption of Ind AS 116 (Refer to Note. 52)	--	9.03
Additions	--	--
Deletions	--	--
Depreciation	56.25	65.27
	<b>56.24</b>	<b>112.49</b>

**NOTE No. 4**

**NON-CURRENT INVESTMENTS**

**I. Investments in Equity Instruments**

**a. Quoted Equity Shares**

In Other Entities at FVTPL		
Sakthi Finance Limited		
10,40,000 (10,40,000) Shares of Rs.10 each	172.12	130.21
ICICI Bank Limited		
2,425 (2,425) Shares of Rs.2 each	14.10	7.87
NIIT Limited		
2,527 (2,527) Shares of Rs. 2 each	3.48	2.07
Coforge Limited (Formerly NIIT Technologies Limited)		
759 (759) Shares of Rs. 10 each	22.23	8.71
K G Denim Limited		
16,129 (16,129) Shares of Rs.10 each	4.47	2.76
IFCI Limited		
100 (100) Shares of Rs.10 each	0.01	0.01
The Industrial Development Bank of India Limited		
1,360 (1,360) Shares of Rs.10 each	0.52	0.26
The South Indian Bank Limited		
1,65,000 (1,65,000) Shares of Re.1 each	13.68	9.50
Kovai Medical Centre and Hospital Limited		
52,217 (52,217) Shares of Rs.10 each	575.80	355.02
Total of Quoted equity shares	<b>806.41</b>	<b>516.41</b>

**b. Unquoted Equity Shares**

**i. Other Entities (Measured at Cost)**

The ABT Co-operative Stores Limited		
1,000 (1,000) Shares of Rs. 10 each	0.10	0.10
Sakthi Sugars Co-operative Stores Limited		
760 (760) Shares of Rs.10 each	0.08	0.08
Angul Central Co-op Bank Limited		
100 (100) Shares of Rs.100 each	0.10	0.10
Shamarao Vithal Co-op Bank Limited		
25 (25) Shares of Rs.25 each	0.01	0.01
	<b>0.29</b>	<b>0.29</b>

**ii. Other Entities (Measured at FVTPL)**

Sri Chamundeswari Sugars Limited		
6,81,146 (6,81,146) Shares of Rs.10 each	510.04	493.83



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	As at 31.03.2021	As at 31.03.2020
<b>II. Investments in Preference Shares</b>		
Sri Chamundeswari Sugars Ltd		
6,45,900 (6,45,900) 5% Redeemable Non-Convertible		
Cumulative Preference Shares of Rs. 100 each	645.90	645.90
<b>TOTAL</b>	<b>1,962.64</b>	<b>1,656.43</b>
Aggregate cost of Quoted Investments	295.71	295.71
Aggregate cost of Unquoted Investments	1156.23	1,140.02
Aggregate market value of Quoted Investments	806.41	516.41
<b>NOTE No. 5</b>		
<b>NON-CURRENT LOANS</b>		
Loans to Employees	69.90	82.86
	69.90	82.86
Less : Provision for Expected Credit Loss	—	—
<b>TOTAL</b>	<b>69.90</b>	<b>82.86</b>
Security-wise Breakup:		
Loans Receivables considered good - Secured	—	—
Loans Receivables considered good - Unsecured	69.90	82.86
Loans Receivables which have significant increase in Credit Risk	—	—
Loans Receivables - Credit Impaired	—	—
	69.90	82.86
Less : Provision for Expected Credit Loss	—	—
	69.90	82.86
<b>NOTE No. 6</b>		
<b>OTHER NON-CURRENT FINANCIAL ASSETS</b>		
Security Deposits	716.43	737.78
Margin Money / Fixed Deposits - Maturing after 12 Months	13.33	42.33
<b>TOTAL</b>	<b>729.76</b>	<b>780.11</b>
<b>NOTE No. 7</b>		
<b>OTHER NON-CURRENT ASSETS</b>		
Capital advances	2,218.56	2,248.50
Sundry Deposits	1,025.72	1,097.51
Advance for Purchases & Others	73.89	65.57
<b>TOTAL</b>	<b>3,318.17</b>	<b>3,411.58</b>
<b>NOTE No. 8</b>		
<b>INVENTORIES</b>		
<b>(a) Raw Materials:</b>		
Molasses - Distillery Unit	98.16	525.27
Soyabbeans	3,118.48	1,127.57
Soya Flour	57.94	85.52
News print paper	1.39	1.30
	3,275.97	1,739.66





## NOTES TO FINANCIAL STATEMENTS

(Rs. In lakhs)

	As at 31.03.2021	As at 31.03.2020
<b>(b) Work in Progress:</b>		
Sugar	182.34	30.71
Molasses	48.13	1.91
	<b>230.47</b>	<b>32.62</b>
<b>(c) Finished goods:</b>		
Sugar	144.27	531.61
Molasses - Sugar Unit	190.22	217.18
Industrial Alcohol	1,174.97	544.51
Ethanol	—	11.69
Soya Products	775.09	1,288.29
Bio-Earth	71.67	106.83
Fusel Oil	0.06	1.67
Bagasse	—	8.04
	<b>2,356.28</b>	<b>2,709.82</b>
<b>(d) Stock in Trade:</b>		
Chemicals, Fertilisers & Others	150.37	301.56
<b>(e) Stores and spares:</b>		
Stores and spares	2,020.49	1,981.81
<b>TOTAL</b>	<b>8,033.58</b>	<b>6,765.47</b>
For mode of valuation please refer Sl. No.1.4 in Significant Accounting Policies.		
<b>NOTE No. 9</b>		
<b>BIOLOGICAL ASSETS</b>		
Opening Balance	7.44	3.18
Changes in Fair value	21.23	27.32
Harvested sugar cane transferred to Inventory	(24.35)	(23.07)
<b>TOTAL</b>	<b>4.32</b>	<b>7.43</b>
<b>NOTE No. 10</b>		
<b>CURRENT TRADE RECEIVABLES</b>		
Trade Receivables	7,757.42	7,402.28
Receivable from Related Parties (Refer Note No. 50)	5.03	14.46
	<b>7,762.45</b>	<b>7,416.74</b>
Less : Provision for Expected Credit Loss	6,438.55	6,437.46
<b>TOTAL</b>	<b>1,323.90</b>	<b>979.28</b>
<b>Security-wise Breakup:</b>		
Trade Receivables Considered good - Secured	69.00	15.76
Trade Receivables Considered good - Unsecured	1,254.90	963.52
Trade Receivables which have significant increase in Credit Risk	6,438.55	6,437.46
Trade Receivables - Credit Impaired	—	—
	<b>7,762.45</b>	<b>7,416.74</b>
Less : Provision for Expected Credit Loss	6,438.55	6,437.46
	<b>1,323.90</b>	<b>979.28</b>



## NOTES TO FINANCIAL STATEMENTS

(Rs. In lakhs)

	As at 31.03.2021	As at 31.03.2020
<b>NOTE No. 11</b>		
<b>CASH AND CASH EQUIVALENTS</b>		
Bank balances in current accounts	299.92	868.60
Fixed Deposits with maturity of less than three months	31.60	0.55
Cash on hand	18.50	23.33
<b>TOTAL</b>	<b>350.02</b>	<b>892.48</b>
<b>NOTE No. 12</b>		
<b>BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS</b>		
Fixed deposits with maturity more than 3 Months but less than 12 months	31.64	1.49
<b>NOTE No. 13</b>		
<b>CURRENT LOANS</b>		
(Unsecured, Considered good)		
Loans to Employees	31.82	30.48
Loans and Advances to Related Parties	24,765.79	24,756.66
	24,797.61	24,787.14
Less : Provision for Expected Credit Loss	--	--
<b>TOTAL</b>	<b>24,797.61</b>	<b>24,787.14</b>
<b>Security-wise Breakup:</b>		
Loans Receivables considered good - Secured	--	--
Loans Receivables considered good - Unsecured	24,797.61	24,787.14
Loans Receivables which have significant increase in Credit Risk	--	--
Loans Receivables - Credit impaired	--	--
	24,797.61	24,787.14
Less : Provision for Expected Credit Loss	--	--
	24,797.61	24,787.14
<b>NOTE No. 14</b>		
<b>OTHER CURRENT FINANCIAL ASSETS</b>		
Outstanding interest receivable	4.99	2.23
Income Receivable	930.36	827.55
<b>TOTAL</b>	<b>935.35</b>	<b>829.78</b>
<b>NOTE No. 15</b>		
<b>CURRENT TAX ASSETS (NET)</b>		
Advance Income Tax and TDS	409.82	390.91



## NOTES TO FINANCIAL STATEMENTS

(Rs. In lakhs)

	As at 31.03.2021	As at 31.03.2020
<b>NOTE No. 16</b>		
<b>OTHER CURRENT ASSETS</b>		
Employee related Loans and Advances	13.85	9.27
Prepaid expenses	356.84	364.21
Deposits with Government authorities	1,321.03	1,174.56
Advance for purchases & others	3,940.09	2,450.13
<b>TOTAL</b>	<b>5,631.81</b>	<b>3,998.17</b>
<b>NOTE No. 17</b>		
<b>ASSETS CLASSIFIED AS HELD FOR SALE</b>		
Land and Building	5,508.95	5,508.95
Plant and Equipment	3,221.16	3,221.16
Investment in Equity instruments :		
Sakthi Auto Component Limited (Erstwhile Associate)	15,157.86	15,157.86
6,38,60,000 (63860000) Shares of Rs.10 each		
(In terms of pledge agreement 6,38,59,394 shares have been transferred to ARCIL)		
	23,887.97	23,887.97
Less : Impairment Loss	675.94	675.94
	23,212.03	23,212.03
Disposal Group (Refer Note No. 40.3)	14,672.70	14,786.11
<b>TOTAL</b>	<b>37,884.73</b>	<b>37,998.14</b>
<b>NOTE No. 18</b>		
<b>EQUITY SHARE CAPITAL</b>		
Authorised		
12,00,00,000 (12,00,00,000) Equity Shares of Rs.10 each	12,000.00	12,000.00
50,00,000 (50,00,000) Preference Shares of Rs.100 each	5,000.00	5,000.00
	17,000.00	17,000.00
Issued		
11,89,65,705 (11,89,65,705) Equity Shares of Rs.10 each	11,896.57	11,896.57
	11,896.57	11,896.57
Subscribed and Paid up		
11,88,49,036 (11,88,49,036) Equity Shares of Rs.10 each fully paid up	11,884.90	11,884.90
<b>TOTAL</b>	<b>11,884.90</b>	<b>11,884.90</b>



	As at 31.03.2021	As at 31.03.2020
<b>Reconciliation of Number of Shares</b>	No. of Shares	No. of Shares
Equity Shares at the beginning of the year	118,849,036	118,849,036
Add: Shares issued/allotted during the year	--	--
Equity Shares at the end of the year	118,849,036	118,849,036

#### Rights, Preferences and Restrictions of each class of Shares

The Company has only one class of equity shares having a face value of Rs.10 each. Each shareholder is eligible for one vote per share held. Dividend is payable when it is recommended by the Board of Directors and approved by the Members at the Annual General Meeting. In the event of liquidation, the equity shareholders will get the remaining assets of the Company after payment of all the preferential amounts.

#### Shares held by the holding company

Particulars	As at 31.03.2021	As at 31.03.2020
ABT Investments (India) Private Ltd.	66473540	66473540

#### List of shareholders holding more than 5%

Particulars	As at 31.03.2021		As at 31.03.2020	
	No. of Shares	%	No. of Shares	%
ABT Investments (India) Private Ltd.	66473540	55.93	66473540	55.93
Asset Reconstruction Company (India) Ltd.	21634059	18.20	22635757	19.05

#### Terms of security convertible into equity shares

The Company does not have any security convertible into equity shares as at 31st March 2021.

#### Details of Equity shares allotted as fully paid up pursuant to the terms of restructure by an Asset Reconstruction Company

Name of the Allottee	Date of allotment
Asset Reconstruction Company (India) Limited (ARCIL)	24.06.2016

(Rs. in lakhs)

	As at 31.03.2021	As at 31.03.2020
<b>NOTE No. 19</b>		
<b>OTHER EQUITY</b>		
Capital reserve	625.24	625.24
Capital redemption reserve	2,512.27	2,512.27
Securities premium account	27,000.19	27,000.19
Retained Earnings	(69,648.71)	(58,022.21)
Other Comprehensive Income	(154.02)	(59.60)
	<b>(39,665.03)</b>	<b>(27,944.11)</b>
<b>Capital reserve</b>		
Balance as per last Balance Sheet	625.24	625.24
<b>Capital redemption reserve</b>		
Balance as per last Balance Sheet	2,512.27	2,512.27
<b>Securities premium account</b>		
Balance as per last Balance Sheet	27,000.19	27,000.19
<b>Retained Earnings</b>		
Balance as per last Balance Sheet	(58,022.21)	(37,429.82)
Net Profit/(Loss) after tax for the year	(11,626.50)	(20,592.39)
	<b>(69,648.71)</b>	<b>(58,022.21)</b>



## NOTES TO FINANCIAL STATEMENTS

(Rs. In lakhs)

	As at 31.03.2021	As at 31.03.2020
<b>Other Comprehensive Income</b>		
Balance as per last Balance Sheet	(59.60)	(79.04)
Addition/(Deletion) during the year	94.42	19.44
	(154.02)	(59.60)
<b>TOTAL</b>	<b>(39,665.03)</b>	<b>(27,944.11)</b>

### Nature and Purpose of Reserves

#### Capital reserve

It represents the gains of capital nature which mainly includes the excess of value of net assets acquired over consideration paid by the Company for business amalgamation transaction in earlier years.

#### Capital redemption reserve

Capital redemption reserve was created in respect of the preference shares redeemed by the Company. This reserve shall be utilised in accordance with the provisions of the Companies Act, 2013.

#### Securities premium account

Securities premium represents the amount of premium received on the equity shares issued by the Company. It is to be utilised in accordance with the provisions of the Companies Act, 2013.

#### Retained Earnings

Retained earnings are the profits/losses that the company has earned/incurred till the date of the Balance Sheet, less any transfers to other reserves, dividends paid or other distributions made to shareholders, if any.

#### Other Comprehensive Income

Other Comprehensive income (OCI) represents the balance in equity relating to re-measurement gain/(loss) of defined benefit obligation. This would not be re-classified to Statement of Profit and Loss.

### NOTE No. 20

#### NON-CURRENT BORROWINGS

##### (a) Secured Loans

Term Loans

From Banks

From Other Parties

Less:- Current maturities

Total of Secured Loans

##### (b) Unsecured Loans

Term Loans

From Other Parties

Less:- Current maturities

Total of Unsecured Loans

**TOTAL**

	16,153.20	20,795.64
	40,896.38	40,855.61
	57,049.58	61,651.25
	54,005.77	56,982.21
	3,043.81	4,669.04
	12,522.22	8,864.23
	6,175.24	4,190.56
	6,346.98	4,673.67
	9,390.79	9,342.71



**A) SECURED LOANS FROM BANKS**

Nature of Security	Terms of Repayment
<p>1 i) Bank of India Term Loans Rs.7376.71 lakhs (Rs.9861.78 lakhs)</p> <p>ii) Punjab National Bank Term Loans Rs. 1967.90 lakhs (Rs.1967.90 lakhs)</p> <p>The above loans are secured by :-</p> <p>a. Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.</p> <p>b. Pari passu second charge on the current assets of the Company, except the assets charged on exclusive basis.</p> <p>c. Pledge of shares held by the promoters in the Company.</p>	<p>The Term Loan is repayable on or before March 2021 (The Term Loan is repayable before March 2020.)</p> <p>Rate of Interest as at the year end 10.45% p.a (10.45% p.a).</p> <p>Repayable in 32 quarterly instalments commencing from April 2011.</p> <p>Rate of Interest as at the year end 10.50% p.a (10.50% p.a)</p>
<p>2 i) Bank of India Term Loan Rs.534.24 lakhs (Rs.534.24 lakhs)</p> <p>ii) Indian Overseas Bank Term Loan Rs. 2086.85 lakhs (Rs.2846.44 lakhs)</p> <p>The above loans are secured by :-</p> <p>a. Pari passu first charge on fixed assets pertaining to Co-generation plant at Sakthinagar.</p> <p>b. Subservient pari passu charge on the fixed assets of the Company after the existing CDR Loans, except the assets charged on exclusive basis.</p>	<p>The Term Loan is repayable on or before March 2021. (The Term Loan is repayable before March 2020.)</p> <p>Rate of Interest as at the year end 10.45% p.a. (10.45% p.a)</p> <p>The Term Loan is repayable before June 2021. (The Loan is repayable in 36 monthly instalments commencing from May 2016.)</p> <p>Rate of Interest 12% p.a (12% p.a)</p>
<p>3 i) Bank of India Term Loan Rs. 1284.40 lakhs (Rs.1284.40 lakhs)</p> <p>ii) Axis Bank Limited Term Loan Rs.2903.10 lakhs (3403.10 lakhs)</p> <p>The above loans are secured by :-</p> <p>a. Subservient charge on the fixed assets of the Company after the existing loans, except the assets charged on exclusive basis.</p> <p>b. Bank of India Term Loan is additionally secured by corporate guarantee and collateral security given a group company.</p>	<p>The Term Loan is repayable on or before March 2021. (The Term Loan is repayable before March 2020.)</p> <p>Rate of Interest as at the year end 10.45%p.a (10.45% p.a).</p> <p>The Term Loan is repayable on or before March 2021 (Repayable in 8 quarterly installments commencing from August 2017.)</p> <p>Rate of Interest as at the year end 10.50% p.a (10.90% p.a)</p>
<p>4 Axis Bank Term Loan Rs.Nil (Rs.899.84 lakhs) is secured by</p> <p>a. Extention of first charge on the Company's property situated at 180 Race Course Road, Coimbatore.</p> <p>b. Subservient charge on the fixed assets of the Company except, the assets charged on exclusive basis.</p> <p>c. Term Loan is additionally secured by collateral security given by promoters.</p>	<p>(The Loan is repayable in 16 quarterly instalments commencing from September 2016)</p> <p>Rate of Interest as at the year end Nil (11.55% p.a).</p>
<p>5 Guarantees given by Directors/Others:</p> <p>Term Loans amounting to Rs. 16153.20 lakhs (Rs.20797.70 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan.</p>	



6 Period and amount of continuing default as on the date of Balance Sheet:

(Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2021		Period of Default	
	Principal	Interest	Principal	Interest
Term Loan from Bank of India under OTS *	9,195.35	2,244.35	Mar 21	Jul 19 to Mar 21
Rupee Term Loan from PNB	1,643.59	4,488.35	Oct 12 to Jan 19	Jan 13 to Mar 21
FITL from Punjab National Bank	324.31	307.92	Dec 12 to Jan 19	Aug 16 to Mar 21
FCCB Term Loan from Axis Bank Ltd **	2,903.10	373.95	Mar 21	Apr 20 to Mar 21
Soft Loan from Axis Bank Ltd	--	79.23	--	Apr 20 to Mar 21

\* Bank of India has extended the time for payment of OTS from 31.03.2021 to 31.07.2021.

\*\* Axis Bank Limited has sanctioned OTS on 31.12.2020 and stipulating to pay on or before 31.03.2021. Further, the Company has requested the bank to grant time upto 31.08.2021 for payment of balance amount to complete the OTS and are waiting a favourable reply from the bank.

7 Amount of Rs.Nil (Rs.2.05 lakhs) relating to deferred expenses towards processing charges is netted off against Loan.

**B) SECURED LOANS FROM OTHER PARTIES**

Nature of Security	Terms of Repayment
1 i) Asset Reconstruction Company (India) Limited Term Loan Rs. 29280.15 lakhs (Rs.29280.15 lakhs)	The loan has become current and due for repayment. Rate of Interest as at the year end 12% p.a (12% p.a)
ii) Edelweiss Asset Reconstruction Company Limited Term Loans Rs.7244.50 lakhs (Rs.7244.50 lakhs)	Term loan of Rs.3296 lakhs (Rs.3296 lakhs) is repayable in 36 monthly instalments commencing from January 2019. Rate of Interest as at the year end 12.00% p.a (12.00% p.a) Term loan of Rs.3948.50 lakhs (Rs. 3948.50 lakhs) is repayable in 57 monthly instalments commencing from January 2019 Rate of Interest as at the year end 12.00% p.a (12.00% p.a)
The above loans are secured by	
a. Pari passu first charge on the entire movable and immovable properties of the Company except the assets charged on exclusive basis.	
b. Pari passu second Charge on the current assets of the Company, except the assets charged on exclusive basis.	
c. Pledge of shares held by the promoters in the Company	
d. Term Loan sanctioned by Asset Reconstruction Company (India) Limited amounting to Rs.1500 lakhs (Rs.1500 lakhs) is additionally secured by exclusive first charge on the Bottling Plant at Sivaganga.	
e. Term Loans amounting to Rs.35024.65 lakhs (Rs.35024.65 lakhs) are guaranteed by Dr. M.Manickam, Sri.M.Balasubramaniam and Sri.M.Srinivaasan.	
f. Term Loan amounting to Rs.1500 lakhs (Rs.1500 lakhs) is guaranteed by Dr.M.Manickam	



2 a) Sugar Development Fund Loan amounting to Rs.3614.56 lakhs (Rs.3614.56 lakhs) is secured by exclusive second charge on the Sugar and Cogen units of the Company at Sivaganga.	Repayable in 10 half yearly instalments commencing from May 2013. Rate of Interest as at the year end 4.00% p.a (4.00% p.a)
b) Sugar Development Fund Loan amounting to Rs.801.86 lakhs (Rs.801.86 lakhs) is secured by exclusive second charge on the Sugar and Cogen units of the Company at Modakuruchi.	Repayable in 10 half yearly instalments commencing from February 2014. Rate of Interest as at the year end 4.00% p.a (4.00% p.a)

3 Period and amount of continuing default as on the date of Balance Sheet (Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2021		Period of Default	
	Principal	Interest	Principal	Interest
Asset Reconstruction Company (India) Limited [HDFC Bank Limited]	2,308.97	5,634.76	Feb 19	Oct 15 to Mar 21
Asset Reconstruction Company (India) Limited [Canara Bank]	8,100.92	13,882.82	Feb 19	Oct 15 to Mar 21
Asset Reconstruction Company (India) Limited [State Bank of India]	7,050.49	11,916.44	Feb 19	Oct 15 to Mar 21
Asset Reconstruction Company (India) Limited [IDBI Bank]	3,847.98	8,755.38	Feb 19	Oct 15 to Mar 21
Asset Reconstruction Company (India) Limited [Indian Overseas Bank]	6,241.17	9,946.31	Feb 19	Oct 15 to Mar 21
Asset Reconstruction Company (India) Limited [Allahabad Bank]	1,730.62	2,656.84	Feb 19	Oct 15 to Mar 21
Edelweiss Asset Reconstruction Limited [IDFC Limited]	2,260.00	884.63	May 19 to Mar 21	May 19 to Mar 21
Edelweiss Asset Reconstruction Limited [OBC]	230.00	976.23	May 19 to Mar 21	May 19 to Mar 21

4 Default in repayment of loan to Government (Rs. in lakhs)

Particulars	Amount of Default as at 31.03.2021		Period of Default	
	Principal	Interest	Principal	Interest
Sugar Development Fund Loan	4,416.42	5,194.19	May 13 to Aug 18	Feb 12 to Mar 21

5 Amount of Rs.44.69 Lakhs (Rs.85.46 Lakhs) relating to deferred expenses towards processing charges is netted off against Loan.

**UNSECURED LOANS FROM OTHER PARTIES**

Nature of Loan	Terms of Repayment
1 Loan amounting to Rs.10966.83 lakhs (Rs.6611.98 lakhs) from various parties	Repayable in varying instalments from 2021 to 2024.
2 Tamilnadu Newsprint and Papers Limited Loan amounting to Rs.1262.56 lakhs (Rs.1950.71 lakhs)	Repayable in 60 instalments commencing from August 2020. Rate of Interest as at the year end 9.00% p.a (10.50% p.a)
3 Foreign Currency Convertible Bonds - Rs.292.83 lakhs (Rs.301.54 lakhs)	Matured for Redemption.





(Rs. in lakhs)

As at 31.03.2021

As at 31.03.2020

**NOTE No. 21**

**OTHER NON-CURRENT FINANCIAL LIABILITIES**

Lease liabilities (Refer Note No. 52)

Provision for superannuation contribution

**TOTAL**

—

**215.18**

**215.18**

67.17

282.77

349.94

**NOTE No. 22**

**NON-CURRENT PROVISIONS**

Provision for gratuity

Provision for compensated absence

**TOTAL**

**1,851.77**

**885.58**

**2,737.35**

1,713.85

850.34

2,564.19

**NOTE No. 23**

**INCOME TAXES**

**23.1 Tax expense recognized in the Statement of Profit and Loss**

(Rs. in lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>(i) Income Tax recognised in Statement of Profit and Loss</b>		
Current tax		
Current Tax on taxable income for the year	--	--
<b>Total current tax expense</b>	--	--
<b>Deferred tax</b>		
Deferred tax charge/(credit)	<b>1,275.34</b>	(241.52)
Total deferred income tax expense/(benefit)	<b>1,275.34</b>	(241.52)
Total income tax expense	<b>1,275.34</b>	(241.52)
<b>(ii) Income tax recognised in Other Comprehensive Income</b>		
Deferred Tax		
Deferred Tax Expenses on remeasurement of defined benefit plans	<b>26.04</b>	(15.43)

**23.2 A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:**

(Rs. in lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
<b>Enacted income tax rate in India applicable to the Company</b>	<b>25.626%</b>	31.200%
Profit before tax	<b>(10,351.16)</b>	(20,833.91)
Current tax expenses on Profit before tax expenses at the enacted income tax rate in India	<b>(2,652.59)</b>	(6,500.18)
<b>Tax effect of the amounts which are not deductible/(taxable) in calculating taxable income</b>		
Effect of expenses that are not deductible in determining taxable profit	<b>2,758.71</b>	6,264.46
Income exempted from income taxes	<b>(80.08)</b>	(5.80)
Other items	<b>1,249.30</b>	--
	<b>3,927.93</b>	6,258.66
Total Tax Expenses	<b>1,275.34</b>	(241.52)



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

**As at 31.03.2021**

(Rs. in lakhs)

Particulars	Balance sheet 01.04.2020	Profit & Loss 2020-21	OCI 2020-21	Balance sheet 31.03.2021
<b>A. Deferred tax Liabilities:</b>				
Difference between WDV/CWIP of PPE as per books of accounts and income tax	32,532.20	(5,812.00)	--	26,720.20
Total deferred tax liabilities (A)	32,532.20	(5,812.00)	--	26,720.20
<b>B. Deferred tax assets:</b>				
Carry forward business loss/unabsorbed depreciation	20,484.05	(5,680.85)	--	14,803.20
43B Disallowances, etc.	12,021.12	(157.19)	--	11,863.93
Remeasurement benefit of the defined benefit plans	27.03	--	26.04	53.07
MAT Credit Entitlement/Reversal	1,249.30	(1,249.30)	--	--
Total deferred tax assets (B)	33,781.50	(7,087.34)	26.04	26,720.20
Net deferred tax liabilities (Net) (A-B)	(1,249.30)	1,275.34	(26.04)	--

**As at 31.03.2020**

Particulars	Balance sheet 01.04.2019	Profit & Loss 2019-20	OCI 2019-20	Balance sheet 31.03.2020
<b>A. Deferred tax Liabilities:</b>				
Difference between WDV/CWIP of PPE as per books of accounts and income tax	36,436.06	(3,903.86)	--	32,532.20
Total deferred tax liabilities (A)	36,436.06	(3,903.86)	--	32,532.20
<b>B. Deferred tax assets:</b>				
Carry forward business loss/unabsorbed depreciation	27,128.20	(6,644.15)	--	20,484.05
43B Disallowances, etc.	9,039.31	2,981.81	--	12,021.12
Remeasurement benefit of the defined benefit plans	42.46	--	(15.43)	27.03
MAT Credit Entitlement	1,249.30	--	--	1,249.30
Total deferred tax assets (B)	37,459.27	(3,662.34)	(15.43)	33,781.50
Net deferred tax liabilities (Net) (A-B)	(1,023.21)	(241.52)	15.43	(1,249.30)

(Rs. in lakhs)

**As at 31.03.2021**      **As at 31.03.2020**

23.4 Deferred tax assets / (liabilities)

Significant components of deferred tax asset/(liabilities) recognised in the financial statements are as follows:

Deferred tax liabilities (net)

Less : MAT credit entitlement

Deferred tax (assets) / liabilities (net)

	--	--
	--	1,249.30
	--	(1,249.30)

In absence of reasonable certainty of taxable income in future years, during the year ended March 31, 2021 the Company has created deferred tax asset on unabsorbed depreciation and other items to the extent of deferred tax liability. During the year ended March 31, 2020, the Company had recognised deferred tax asset to the extent of deferred tax liability only.

The Company has elected to exercise the option permitted under section 115BAA of the Income Tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has written off accumulated MAT credit of Rs. 1249.30 lakhs and re-measured provision for taxation.



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

As at 31.03.2021 As at 31.03.2020

### NOTE No. 24

#### OTHER NON-CURRENT LIABILITIES

Advance from Customers

1,080.00

--

Advance for Properties

5,843.13

--

**TOTAL**

6,923.13

--

### NOTE No. 25

#### CURRENT BORROWINGS

(a) Secured loans

From other parties

100.00

100.00

Total of secured loans

100.00

100.00

(b) Unsecured loans

Loan from related party

22,067.68

13,478.64

Total of unsecured loans

22,067.68

13,478.64

**TOTAL**

22,167.68

13,578.64

Nature of Security	Terms of Repayment
<b>SECURED LOANS FROM OTHER PARTIES</b>	
Loan amounting to Rs.100 lakhs (Rs.100 lakhs) is secured by pledge of shares held by the Company in a listed Company.	The loan is Repayable in May 2021. (The Loan is Repayable in May 2020). Rate of Interest as at the year end 19.50% p.a (17.50% p.a)

As at 31.03.2021 As at 31.03.2020

### NOTE No. 26

#### TRADE PAYABLE

Dues of micro and small enterprises (Refer Note No. 45)

Amount due to Related Party

19.78

22.98

Other trade creditors

458.39

368.14

478.17

391.12

Dues of creditors other than micro and small enterprises

Amount due to Related Party

415.96

424.98

Other trade creditors

21,081.88

26,793.76

21,497.84

27,218.74

**TOTAL**

21,976.01

27,609.86



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

As at 31.03.2021

As at 31.03.2020

### NOTE No. 27

#### OTHER CURRENT FINANCIAL LIABILITIES

Current maturities of long term debts	60,181.01	61,172.78
Interest accrued but not due on borrowings	18.61	16.17
Interest accrued and due on borrowings	72,844.35	69,277.01
Lease liabilities (Refer Note No. 52)	67.17	55.72
Expenses payable	1,001.27	982.07
Security deposits	1,271.79	1,283.36
<b>TOTAL</b>	<b>1,35,384.20</b>	<b>1,32,787.11</b>

### NOTE No. 28

#### OTHER CURRENT LIABILITIES

Statutory remittances	2,686.38	2,701.07
Advance from customers	3,217.15	1,861.40
Liabilities for capital expenditure	210.00	537.20
Employee related obligations	1,089.03	1,021.12
Other liabilities	2,547.40	6,489.28
<b>TOTAL</b>	<b>9,749.96</b>	<b>12,610.07</b>

### NOTE No. 29

#### CURRENT PROVISIONS

Provision for gratuity	401.04	384.21
Provision for compensated absence	76.58	79.62
<b>TOTAL</b>	<b>477.62</b>	<b>463.83</b>



(Rs. in lakhs)

	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>NOTE No. 30</b>		
<b>REVENUE FROM OPERATIONS</b>		
<b>(a) Sale of products</b>		
Manufactured Goods:		
Sugar	28,551.04	43,061.97
Industrial alcohol	9,248.88	12,853.24
Power	864.40	1,599.55
Ethanol	21.52	2.74
Soya products	18,900.82	15,787.29
Bio earth	58.98	98.81
Carbon-di-oxide	--	2.89
Fusel oil	4.50	2.79
Magazines	12.26	25.31
Bagasse	4,578.56	6,096.31
Ash	3.01	5.12
	<b>62,243.97</b>	<b>79,536.02</b>
Traded Goods:		
Fertilisers & chemicals	392.72	469.71
Seeds	0.14	--
	<b>392.86</b>	<b>469.71</b>
<b>Total (a)</b>	<b>62,636.83</b>	<b>80,005.73</b>
<b>(b) Other Operating revenues</b>		
Sale of used materials	153.51	186.72
Bagasse handling charges	454.14	--
Duty drawback/other export incentive	93.85	108.56
<b>Total (b)</b>	<b>701.50</b>	<b>295.28</b>
<b>TOTAL (a+b)</b>	<b>63,338.33</b>	<b>80,301.01</b>
<b>NOTE No. 31</b>		
<b>OTHER INCOME</b>		
(a) Interest income from financial assets at amortised cost	130.43	10,684.88
(b) Dividend income from investments mandatorily measured at FVTPL	5.90	14.57
(c) Remission/Unclaimed liability	--	689.18
(d) Other non-operating income		
Rent receipts	149.77	152.48
Net gain on disposal of Property, Plant and Equipment	0.39	4.02
Net gain on investments carried at FVTPL	306.20	458.07
Sundry balances written back	344.78	12.65
Other miscellaneous income	60.04	73.78
	<b>861.18</b>	<b>701.00</b>
<b>TOTAL</b>	<b>997.51</b>	<b>12,089.63</b>



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>NOTE No. 32</b>		
<b>COST OF MATERIAL CONSUMED</b>		
<b>(a) Opening Stock</b>		
Molasses	525.27	178.69
Newsprint paper	1.30	1.36
Soyabean seeds & others	1,127.57	1,989.80
Soya products	85.52	31.42
Total (a)	1,739.66	2,201.27
<b>(b) Purchases</b>		
Sugarcane	29,254.63	40,708.91
Molasses	564.62	2,487.38
Newsprint paper	7.73	18.72
Soyabean seeds & others	15,942.24	11,503.45
Soya products	186.05	88.36
Total (b)	45,955.27	54,806.82
<b>(c) Closing Stock</b>		
Molasses	98.16	525.27
Newsprint paper	1.39	1.30
Soyabean seeds & others	3,118.48	1,127.57
Soya products	57.94	85.52
Total (c)	3,275.97	1,739.66
<b>TOTAL (a+b-c)</b>	<b>44,418.96</b>	<b>55,268.43</b>
<b>NOTE No. 33</b>		
<b>PURCHASES OF STOCK IN TRADE</b>		
Fertiliser & chemicals	77.39	428.45
<b>NOTE No. 34</b>		
<b>CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND STOCK IN TRADE</b>		
<b>(a) Opening Stock</b>		
Finished goods:		
Sugar	531.61	4,396.61
Molasses	217.18	249.33
Industrial alcohol	544.51	271.48
Ethanol	11.69	13.26
Soya products	1,288.29	1,235.70
Bagasse	8.04	5.59
Bio earth	106.83	58.15
Fusel oil	1.67	1.10
	2,709.82	6,231.22



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

	Year Ended 31.03.2021	Year Ended 31.03.2020
Work in Progress and Stock in trade:		
Sugar in process	30.71	427.60
Molasses in process	1.91	92.51
Fertilisers & chemicals	301.56	214.72
	334.18	734.83
Total (a)	3,044.00	6,966.05
<b>(b) Closing Stock</b>		
Finished goods:		
Sugar	144.27	531.61
Molasses	190.22	217.18
Industrial alcohol	1,174.97	544.51
Ethanol	--	11.69
Soya products	775.09	1,288.29
Bagasse	--	8.04
Bio earth	71.67	106.83
Fusel oil	0.06	1.67
	2,356.28	2,709.82
Work in Progress and Stock in trade:		
Sugar in process	182.34	30.71
Molasses in process	48.13	1.91
Fertilisers & chemicals	150.37	301.56
	380.84	334.18
Total (b)	2,737.12	3,044.00
<b>TOTAL (a-b)</b>	306.88	3,922.05
<b>NOTE No. 35</b>		
<b>EMPLOYEE BENEFIT EXPENSES</b>		
Salaries and wages	4,970.11	5,239.81
Contribution to provident fund and other funds	463.06	500.58
Workmen and Staff welfare expenses	374.36	431.04
<b>TOTAL</b>	5,807.53	6,171.43
<b>NOTE No. 36</b>		
<b>FINANCE COSTS</b>		
Interest Expenses on:		
Borrowings	18,881.57	18,245.91
Trade payable	362.28	573.41
Lease liabilities	17.21	23.62
Taxes	130.30	1,473.23
Others	207.32	268.60
Other borrowing costs	49.84	96.73
Exchange differences regarded as an adjustment to borrowing costs	(8.87)	(484.40)
<b>TOTAL</b>	19,639.65	20,197.10



(Rs. in lakhs)

	Year Ended 31.03.2021	Year Ended 31.03.2020
<b>NOTE No. 37</b>		
<b>DEPRECIATION AND AMORTIZATION EXPENSES</b>		
Depreciation on Property, Plant and Equipment	3,829.14	4,865.79
Depreciation on Right-of-use Assets	56.25	65.27
<b>TOTAL</b>	<b>3,885.39</b>	<b>4,931.06</b>
<b>NOTE No. 38</b>		
<b>OTHER EXPENSES</b>		
<b>Manufacturing Expenses:</b>		
Consumption of stores and spares	1,464.75	1,636.83
Printing and publication charges	13.80	44.08
Power and fuel	1,367.25	1,651.41
Consumption of coal	4,680.85	6,379.23
Water charges	93.40	98.50
Rent	52.00	53.69
Repairs to buildings	179.29	233.51
Repairs to machinery	1,421.32	2,078.13
Repairs to others	245.38	289.89
Insurance	147.78	105.90
Rates and taxes	471.13	733.69
Effluent disposal expenses	248.80	314.79
State administrative service fees	48.72	71.44
<b>Selling and Distribution Expenses:</b>		
Selling and distribution expenses	9.04	10.26
Freight & transport on finished goods	384.64	324.71
Commission and brokerage	62.98	53.19
<b>Other Administrative Expenses:</b>		
Travelling expenses	142.65	226.66
Printing, postage & telephone	78.28	107.76
Freight and transport	21.05	24.60
Donations	7.25	6.88
Legal and professional charges	170.39	155.46
Administrative and other expenses	284.09	351.48
Bank charges	11.89	17.75
Provision for expected credit losses	1.09	6,437.46
R & D expenses	19.68	22.17
Data processing charges	28.28	19.84
Auditors remuneration	47.65	38.84
Directors sitting fees	9.70	9.00
Loss on sale of used materials	--	0.78
Net Loss on Fair Valuation of Investment through Profit and Loss	--	131.22
Irrecoverable advances written off	24.84	0.94
Impairment loss on Non-Financial Assets	--	675.94
<b>TOTAL</b>	<b>11,737.97</b>	<b>22,306.03</b>





## NOTES FORMING PART OF FINANCIAL STATEMENTS AS AT 31.03.2021

## 39 EXCEPTIONAL ITEMS

(Rs. in lakhs)

Particulars	2020-21	2019-20
Remission of Interest / Liability	11,186.77	--
	11,186.77	--

Exceptional Items amounting to Rs. 11186.77 lakhs represent remission of interest / liability by Bank of India of Rs. 9058.10 lakhs and Indian Overseas Bank of Rs. 2128.67 lakhs as per the terms of OTS sanctioned by them.

## 40 ASSETS CLASSIFIED AS HELD FOR SALE

40.1 The Company intends to dispose off, certain non-core assets (land and building and certain plant and equipment) it no longer requires, in the next 12 months. A search for buyers is underway. Impairment loss of Rs. Nil (Previous year - Rs. 675.94 Lakhs) is recognised in the Statement of Profit and Loss under other expenses.

40.2 The Company had pledged 6,38,59,394 Equity shares held in Sakthi Auto Component Limited ("SACL") in favour of Asset Reconstruction Company (India) Limited ("ARCIL") in terms of Share Pledge Agreement entered into with ARCIL on March 3, 2020 as security for the credit facilities availed by the Company from ARCIL and various other banks. ARCIL has invoked the security over the pledged shares vide its pledge invocation notice dated March 8, 2021. The subject shares have been transferred to ARCIL on March 10, 2021. ARCIL has not valued the shares and appropriated such value amongst the lenders. In view of the non-appropriation of value of shares by ARCIL amongst lenders and as per legal opinion obtained Equity shares continue to be shown as current investments held for sale.

## 40.3 Assets and liabilities of disposal group classified as held for sale

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
(a) Land and Building	5,717.07	5,717.07
(b) Plant and Equipment	8,948.27	9,061.68
(c) Other Assets	7.36	7.36
Total assets of disposal group held for sale	14,672.70	14,786.11
(d) Liabilities directly associated with assets classified as held for sale	--	--
Total liabilities of disposal group held for sale	--	--

(a) The Company intends to dispose off land and buildings (including factory buildings) in the next 12 months which it no longer intends to utilise. These were previously used as manufacturing facilities. A search for potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

(b) The Company intends to dispose off plant and equipment in the next 12 months which it no longer intends to utilise. It was previously used in its manufacturing facility at plants. A search for potential buyers is underway. No impairment loss was recognised on reclassification of the plant and equipment as held for sale and the Company expects the fair value less cost to sell to be higher than carrying amount.

## 41 CONTINGENT LIABILITIES AND COMMITMENTS

## A. CONTINGENT LIABILITIES

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
<b>Claims against the Company not acknowledged as debts:-</b>		
a. Income tax matters	3,867.45	3,867.45
b. Purchase tax/sales tax matters	831.68	831.68
c. Cane price (refer Note. 41.1)	9,504.47	9,504.47
d. Differential price of levy sugar (refer Note 41.2)	2,128.81	2,038.58
e. Excise Duty / Service Tax	477.19	586.27
f. Water tax	988.08	988.08
g. Electricity tax and start-up power charges	5,094.55	4,809.39
h. Others	8.67	8.67

**B. COMMITMENTS**

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Towards Property, Plant and Equipment	11.15	72.50

- 41.1 The sugarcane price for crushing season 2013-14 notified by the State Government over and above FRP announced by the Central Government is disputed and the writ petition filed by the Association in Madras High Court is pending disposal. The differential price on this account is Rs.9504.47 lakhs for the seasons from 2013-14 to 2016-17.
- 41.2 Writ petitions were filed by the Company before the High Court of Orissa, Cuttack challenging the Orders passed by the Deputy Director (Cost), Ministry of Consumer Affairs relating to price payable for supply of levy quotas of sugar for the years from 1999-2000 to 2009-2010. The recall/review petitions filed by the Company are pending. The amount under dispute is Rs.2128.81 Lakhs.

**42. GOING CONCERN ASSUMPTION**

The financial statement of the Company has been prepared on going concern basis as in the opinion of the directors, there is a reasonable expectation that the Company will continue its operations for the foreseeable future. The Directors have examined the following points in order to ascertain the validity of going concern assumption:

- The Company has incurred a loss of Rs.11720.92 lakhs during the year ended March 31, 2021 and as of that date the Company's accumulated losses amount to Rs.69802.73 lakhs resulted in complete erosion of its network. Further as of that date, Company's current liabilities exceeded its current assets by Rs.110352.69 lakhs. Significant financial ratios are also negative.
- The Company has defaulted in repayment of dues to SDF, banks and Asset Reconstruction Companies for principal amount of Rs.50252.92 lakhs and interest amount of Rs.67341.40 lakhs since February 2012. The Company has received recall notice from one of the Asset Reconstruction Company for non-payment of principal and interest thereon after the due date by the Company.
- In terms of Share Pledge Agreement, Asset Reconstruction Company (India) Limited (the "ARCIL") have transferred in their name 6,38,59,394 Equity shares of Sakthi Auto Component Limited ("SACL") held by the Company.

The conditions explained above indicate existence of material uncertainty that may cast significant doubt of the Company's ability to continue as going concern due to which the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

The Company has taken steps for restructuring its liabilities with banks and other lenders/creditors which will result in significant reduction of the liabilities and revive its ability to continue as a going concern. Further, the Company is in the process of selling certain investments, non-core assets and group of core assets subject to approval of Banks, Asset Reconstruction Companies and Members of the Company, as may be required. The management is hopeful of finalizing a restructuring package and sale of assets soon.

Dues to one of the lenders Indian Overseas Bank have been settled in full under One Time Settlement ("OTS") Agreement and Bank of India has given time till July 31, 2021 for settling dues under OTS scheme. The management is in discussion with other lenders for a similar OTS settlement. In light of the above, the financial statement has been prepared on going concern basis.

**43 EXPENDITURE ON RESEARCH AND DEVELOPMENT****REVENUE EXPENDITURE**

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
Revenue expenses (excluding depreciation and fixed assets scrapped):		
a. Employee cost	21.20	23.81
b. Stores and spares	0.05	0.10
c. Materials consumed	0.66	1.47
	<u>21.91</u>	<u>25.38</u>
Less : Sale of agri products	2.23	3.21
Net revenue expenses on Research and Development	<u>19.68</u>	<u>22.17</u>

**44 AUDITORS' REMUNERATION :**

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
Statutory audit fee	24.00	24.00
Other services	22.92	13.43
Reimbursement of expenses	0.73	1.41
	47.65	38.84

**45 Disclosure under the Micro, Small and Medium Enterprises Development Act, 2006 are provided as under for the year 2020-21, to the extent the Company has received intimation from the "Suppliers" regarding their status under the Act.**

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
(i) Principal amount and the interest due thereon remaining unpaid to each supplier at the end of each accounting year (but within due date as per the MSMED Act)		
Principal amount due to micro and small enterprise	294.76	269.86
Interest due on above	31.62	39.28
(ii) Interest paid by the Company in terms of Section 16 of the MSMED Act, alongwith the amount of the payment made to the supplier beyond the appointed day during the period	5.31	13.47
(iii) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding interest specified under the MSMED Act	35.84	25.08
(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year	62.15	50.89
(v) 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 enterprises	183.41	121.26

Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

**46 DISCLOSURE AS PER SECTION 186 OF THE COMPANIES ACT, 2013**

The Company has not given any loan, guarantees or made any investment under Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 during the Financial year ended 31.03.2021.

**47 EMPLOYEE BENEFITS****A. Defined contribution plans**

The Company makes Provident Fund, Superannuation Fund and Employee State Insurance Scheme contributions which are defined contribution plans, for qualifying employees. Under the Schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised Rs.309.82 lakhs (Rs.345.76 lakhs) for Provident Fund contributions, Rs.43.94 lakhs (Rs.44.81 lakhs) for Superannuation Fund contributions and Rs.4.38 lakhs (Rs.7.40 lakhs) for Employee State Insurance Scheme contributions in the Statement of Profit and Loss for the year ended 31st March 2021. The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**B. Defined benefit plans : Gratuity**

In respect of Gratuity plan, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at March 31, 2021 by Mr. Srinivasan Nagasubramanian, Fellow of the Institute of Actuaries of India. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit cost method. The following table sets forth the status of the Gratuity Plan of the Company and the amount recognised in the Balance Sheet and Statement of Profit and Loss. The Company provides the gratuity benefit through annual contributions to a fund managed by the Life Insurance Corporation of India (LIC).

The Company is exposed to various risks in providing the above gratuity benefit which are as follows:

**Interest rate risk :** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).



**Investment risk :** The probability or likelihood of occurrence of losses relating to the expected return on any particular investment.

**Salary Escalation risk :** The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

**Demographic risk :** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

(Rs. in lakhs)

Particulars	Gratuity Funded	
	2020-21	2019-20
<b>Present Value of obligations at the beginning of the year</b>	<b>2,169.40</b>	<b>2,075.69</b>
Current service cost	104.92	102.62
Interest Cost	130.44	126.17
Re-measurement (gains)/losses:		
- Actuarial gains and losses arising from change in financial assumption	129.79	134.04
Benefits paid	(243.28)	(269.12)
<b>Present Value of obligations at the end of the year</b>	<b>2,291.27</b>	<b>2,169.40</b>
<b>Changes in the fair value of planned assets</b>		
Fair value of plan assets at beginning of year	<b>71.35</b>	<b>76.25</b>
Interest Income	3.39	4.62
Return on plan assets	--	0.73
Contributions from the employer	207.00	258.88
Benefits paid	(243.28)	(269.13)
<b>Fair Value of plan assets at the end of the year</b>	<b>38.46</b>	<b>71.35</b>
<b>Amounts recognised in the Balance Sheet</b>		
Projected benefit obligation at the end of the year	2,291.27	2,169.40
Fair value of plan assets at end of the year	38.46	71.35
<b>Funded status of the plans – Liability recognised in the balance sheet</b>	<b>2,252.81</b>	<b>2,098.05</b>
<b>Components of defined benefit cost recognised in Profit and Loss</b>		
Current service cost	104.92	102.62
Net interest expense	127.05	121.55
<b>Net Cost in Profit and Loss</b>	<b>231.97</b>	<b>224.17</b>
<b>Components of defined benefit cost recognised in Other Comprehensive Income</b>		
Re-measurement on the net defined benefit liability:		
- Actuarial gains and losses arising from change in financial assumption	129.79	134.04
Return on plan assets	--	0.73
<b>Net Cost in Other Comprehensive Income</b>	<b>129.79</b>	<b>134.77</b>

Particulars	31.03.2021	31.03.2020
<b>Assumptions:</b>		
Discount rate	6.37%	6.50%
Expected rate of salary increases	4.00%	4.00%
Expected rate of attrition	4.00%	4.00%
Average age of members	47.16	46.66
Average remaining working life	12.84	13.34
Mortality (IALM (2006-2008) Ultimate)	100%	100%



The Company has invested the plan assets with the insurer managed funds. The insurance company has invested the plan assets in Government Securities, Debt Funds, Equity shares, Mutual Funds, Money Market Instruments and Time Deposits. The expected rate of return on plan asset is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligation.

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The results of sensitivity analysis is given below:

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
Discount rate		
+ 100 Basic Points	2,172.74	2,051.07
- 100 Basic Points	2,422.68	2,300.69
Salary growth rate		
+ 100 Basic Points	2,423.15	2,301.07
- 100 Basic Points	2,170.40	2,048.85
Attrition rate		
+ 100 Basic Points	2,302.39	2,182.34
- 100 Basic Points	2,279.20	2,155.34
Mortality rate		
+ 10% up	2,291.67	2,170.22

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

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods of assumptions used in preparing the sensitivity analysis from prior years.

The Company has purchased insurance policy, which is basically a year-on-year cash accumulation plan in which the interest rate is declared on yearly basis and is guaranteed for a period of one year. The insurance company, as part of the policy rules, makes payment of all gratuity outgoes happening during the year (subject to sufficiency of funds under the policy). The policy, thus, mitigates the liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of liabilities. Thus, the Company is exposed to movement in interest rate (in particular, the significant fall in interest rates, which should result in increase in liability without corresponding increase in the asset).

Expected contributions to the plan for the next annual periods is given below:

(Rs. in lakhs)

Particulars	31.03.2021	31.03.2020
Year - I - 31.03.2022	207.68	183.40
Year - II - 31.03.2023	227.66	176.50
Year - III - 31.03.2024	207.00	266.99
Year - IV - 31.03.2025	309.97	170.56
Year - V - 31.03.2026	173.98	264.24



**C. Note on Provident Fund**

With respect to employees, who are covered under Provident Fund Trust administered by the Company, the Company shall make good deficiency, if any, in the interest rate declared by Trust over statutory limit. Having regards to the assets of the Fund and the return on the investments, the Company does not expect any deficiency in the foreseeable future.

**D. Long Term Compensated Absence**

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

Particulars	2020-21	2019-20
Discount rate	6.37%	6.50%
Attrition rate	4.00%	4.00%
Expected rate of salary increase	4.00%	4.00%

**48 EARNINGS PER SHARE**

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Basic earnings per share (Rs.)	(9.86)	(17.31)
Diluted earnings per share (Rs.)	(9.86)	(17.31)

**48.1 Basic Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Profit after taxation (Rs.in lakhs)	(11,720.92)	(20,572.95)
Earnings used in the calculation of basic earnings per share (Rs. in lakhs)	(11,720.92)	(20,572.95)
Number of equity shares of Rs.10 each outstanding at the beginning of the year	118849036	118849036
Add: Equity shares issued/allotted during the year	--	--
Revised number of equity shares of Rs. 10 each outstanding at the end of the year	118849036	118849036
(a) Number of equity Shares of Rs.10 each outstanding at the end of the year	118849036	118849036
(b) Weighted average number of equity shares	118849036	118849036

**48.2 Diluted Earnings per share**

The earnings and weighted average number of equity shares used in the calculation of diluted earnings per share are as follows: (Rs. in lakhs)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Earnings used in the calculation of basic earnings per share	(11,720.92)	(20,572.95)
Adjustments	--	--
Earnings used in the calculation of diluted earnings per share	(11,720.92)	(20,572.95)

The weighted average number of equity shares for the purposes of diluted earnings per share reconciles to the weighted average number of equity shares used in the calculation of basic earnings per share are as follows:

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Weighted average number of equity shares used in the calculation of basic earnings per share	118849036	118849036
Adjustments	--	--
Weighted average number of equity shares used in the calculation of diluted earnings per share	118849036	118849036



#### 49 FINANCIAL INSTRUMENT

##### 49.1 Capital Management

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximising the return to stakeholders through optimisation of debt and equity balance.

The capital structure of the Company consists of net debt and total equity of the Company.

##### 49.2 Gearing Ratio

The gearing ratio at the end of the reporting period was as follows:

(Rs. in lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Debt	91,739.48	84,094.13
Cash and Cash Equivalent	(350.02)	(892.48)
<b>Net Debt</b>	<b>91,389.46</b>	<b>83,201.65</b>
Total Equity	(27,780.13)	(16,059.21)
<b>Net Debt to Equity Ratio</b>	<b>(3.29)</b>	<b>(5.18)</b>

##### 49.3 Category-wise Classification of Financial Instruments

(Rs. in lakhs)

Particulars	Non-Current		Current	
	As at 31.03.2021	As at 31.03.2020	As at 31.03.2021	As at 31.03.2020
<b>Financial Assets measured at Fair Value Through Profit &amp; Loss [FVTPL]</b>				
Investment in quoted equity instruments	806.41	516.41	--	--
Investment in unquoted equity instruments	510.04	493.83	--	--
	1,316.45	1,010.24	--	--
<b>Financial assets measured at Amortised Cost</b>				
Investments	646.19	646.19	--	--
Trade receivables	--	--	1,323.90	979.28
Loans	69.90	82.86	24,797.61	24,787.14
Cash and cash equivalents	--	--	350.02	892.48
Other balances with banks	--	--	31.64	1.49
Other financial assets	729.76	780.11	935.35	829.78
	1,445.85	1,509.16	27,438.52	27,490.17
<b>Total</b>	<b>2,762.30</b>	<b>2,519.40</b>	<b>27,438.52</b>	<b>27,490.17</b>
<b>Financial Liabilities measured at Fair Value Through Profit &amp; Loss [FVTPL]</b>	--	--	--	--
<b>Financial Liabilities measured at Amortised Cost</b>				
Borrowings	9,390.79	9,342.71	22,167.68	13,578.64
Trade payables :				
Dues of micro enterprises and small enterprises	--	--	478.17	391.12
Dues of creditors other than micro enterprises and small enterprises	--	--	21,497.84	27,218.74
Other financial liabilities	215.18	349.94	135,384.20	132,787.11
<b>Total</b>	<b>9,605.97</b>	<b>9,692.65</b>	<b>179,527.89</b>	<b>173,975.61</b>

##### 49.4 Fair Value Measurements

The following table provides the fair value measurement hierarchy of the Company's Financial Assets and Liabilities:

##### 49.4.1 Quoted prices in an active market (Level 1)

This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, and mutual fund investments.



#### 49.4.2 Valuation techniques with observable inputs (Level 2)

This level of hierarchy includes financial assets and liabilities, measured using 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). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

#### 49.4.3 Valuation techniques with significant unobservable inputs (Level 3)

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

#### 49.4.4 As at March 31, 2021

(Rs. in lakhs)

Particulars	Fair Value as at 31.03.2021	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at Fair Value through Profit and Loss [FVTPL]				
Investment in quoted equity instruments	806.41	806.41	--	--
Investment in unquoted equity instruments	1,156.23	--	--	1,156.23

#### 49.4.5 As at March 31, 2020

Particulars	Fair Value as at 31.03.2020	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Financial Assets measured at Fair Value through Profit and Loss [FVTPL]				
Investment in quoted equity instruments	516.41	516.41	--	--
Investment in unquoted equity instruments	1,140.02	--	--	1,140.02

#### 49.4.6 Financial Instrument measured at Amortised Cost

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

#### 49.5 Financial Risk Management Objectives

The Company's Corporate finance department provides services to business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyse the exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

The Corporate Treasury function reports quarterly to the Company's risk management committee, an independent body that monitors risks and policies implemented to mitigate risk exposures.

##### 49.5.1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk includes borrowings, investments, trade payables, trade receivables, loans and derivative financial instruments.



**49.5.2 Foreign Currency Exchange Rate Risk**

The fluctuation in foreign currency exchange rates may have potential impact on the income statement and equity, where any transaction references more than one currency. The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks.

**49.5.3 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, and arises principally from the Company's receivables from customers and investment securities. 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.

**49.5.4 Credit Risk Management**

The Company does not have significant credit risk exposure to any single counterparty. Concentration of credit risk related to the Company did not exceed 10% of gross monetary assets at any time during the year. Concentration of credit risk to any other counterparty did not exceed 10% of gross monetary assets at any time during the year.

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment.

**49.5.5 Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk through borrowings.

The Company's corporate treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management.

The liquidity position of the Company is given below:

(Rs. in Lakhs)

Particulars	As at 31.03.2021	As at 31.03.2020
Cash and Cash Equivalents	350.02	892.48

The table below provides details regarding the contractual maturities of significant financial liabilities as at March 31, 2021 and March 31, 2020:

(Rs. in Lakhs)

Particulars	As at	Less than 1 Year	1-2 Years	2 Years and above
Borrowings	March 31, 2021	82,348.69	5,099.74	4,335.73
	March 31, 2020	74,751.42	3,027.48	6,402.74
Trade payables	March 31, 2021	21,976.01	--	--
	March 31, 2020	27,609.86	--	--
Other financial liabilities	March 31, 2021	75,418.37	--	--
	March 31, 2020	71,908.55	--	--

**49.5.6 Foreign Currency Sensitivity Analysis**

The Company is mainly exposed to the currency USD on account of outstanding trade receivables, trade payables and FCCB in USD.

The following table details the Company's sensitivity to a 5% increase and decrease in INR against the USD. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 5% change in foreign currency rates. A positive number below indicates an increase in profit or equity where the INR strengthens 5% against the relevant currency. For a 5% weakening of the INR against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. in lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Impact on Profit or (Loss) for the year	284.54	295.41

**49.5.7 Interest Rate Risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs. The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

**49.5.8 Interest Rate Sensitivity Analysis**

If interest rates had been 1% higher and all other variables were held constant, the Company's profit for the year ended would have impacted in the following manner:

(Rs. in lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Impact on Profit or (Loss) for the year	6.47	54.64

**50 INFORMATION ON RELATED PARTY TRANSACTIONS AS REQUIRED BY INDAS-24 - 'RELATED PARTY DISCLOSURES' FOR THE YEAR ENDED 31.03.2021.****50.1 Name of Related Parties and nature of relationship:**

Holding Company	ABT Investments (India) Pvt Limited
Associates	Sakthi Auto Component Limited Sakthi Finance Limited Sri Chamundeswari Sugars Limited
Key Management Personnel (KMP)	Executive Director Sri M Manickam, Chairman and Managing Director Non-Executive Directors Sri M Balasubramaniam, Promotor Director Sri M Srinivaasan, Promotor Director Sri C Rangamani, Independent Director Sri S S Muthuvelappan, Independent Director Sri P K Chandran, Independent Director Sri N K Vijayan, Independent Director Sri K V Ramachandran, Independent Director Sri S Chandrasekar, Independent Director Sri S Balasubhramanian, Independent Director Smt Priya Bhansali, Independent Director Sri Jigar Dalal, Nominee Director



Executive Officers

Sri S Baskar, Sr. Vice President & Company Secretary

Sri C R Sankar, Chief Financial Officer

Relatives of KMP

There have been no transactions with relatives of Key Management Personnel.

Other entities over which there is a significant influence

ABT Limited  
 ABT (Madras) Private Limited  
 ABT Info Systems Private Limited  
 ABT Foods Limited  
 ABT (Madurai) Private Limited  
 ABT Two Wheelers Private Limited  
 Anamallais Bus Transport Private Limited  
 ARC Retreading Company Private Limited  
 Chamundeswari Enterprises Private Limited  
 Nachimuthu Industrial Association  
 Sakthi Coffee Estates Private Limited  
 ABT Textiles Private Limited  
 Anamallais Retreading Corporation  
 Anamallais Engineering Private Limited  
 N.Mahalingam and Company  
 Sakthi Automobiles  
 The Gounder and Company  
 Sakthifinance Financial Services Limited

Note : Related party relationships are as identified by the management and relied upon by the auditors.

50.2 Transaction with Related Parties:

50.2.1 Key management personnel compensation

(Rs. in lakhs)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Short-term employee benefits	58.96	63.91
Post-employment benefits	--	1.97
Total Compensation	58.96	65.88
Remuneration / sitting fees to Non-Executive and Independent Directors	9.70	9.00

50.2.2 Details of Related Party transactions during the year ended 31.03.2021 and balances outstanding as at 31.03.2021

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
<b>Purchases:</b>					
Purchase of materials					
- Sakthi Auto Component Limited		3.79 (6.01)			3.79 (6.01)
- The Gounder and Company				-- (19.55)	-- (19.55)
- N. Mahalingam and Company				1.80 (1.20)	1.80 (1.20)



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
- ABT Limited				3.74 (0.69)	3.74 (0.69)
<b>Purchase of Fuel</b>					
- N. Mahalingam and Company				18.07 (20.84)	18.07 (20.84)
<b>Sales:</b>					
Sale of materials					
- Sakthi Auto Component Limited		2.36 (5.90)			2.36 (5.90)
- N. Mahalingam and Company				1.70 (1.85)	1.70 (1.85)
- ABT Foods Limited				2.20 (5.86)	2.20 (5.86)
- Sakthi Coffee Estates Private Limited				0.32 (--)	0.32 (--)
<b>Sale of Sugar</b>					
- Nachimuthu Industrial Association (MCET)				-- (2.27)	-- (2.27)
- ABT Limited				3.58 (0.62)	3.58 (0.62)
<b>Sale of Hand Sanitizer</b>					
- ABT Limited				18.41 (--)	18.41 (--)
- Anamallais Engineering Private Limited				0.01 (--)	0.01 (--)
- Nachimuthu Industrial Association (MCET)				0.11 (--)	0.11 (--)
- N. Mahalingam and Company				0.12 (--)	0.12 (--)
- Sakthi Finance Limited				0.13 (--)	0.13 (--)
- Sakthi Coffee Estates Private Limited				0.01 (--)	0.01 (--)
<b>Conversion Charges</b>					
- ABT Limited				4.77 (--)	4.77 (--)
<b>Interest Income</b>					
- Sakthi Auto Component Limited		-- (10,508.21)			-- (10,508.21)



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
<b>Rendering of services:</b>					
<b>Rent and other receipts</b>					
- Sakthi Auto Component Limited		9.18 (7.41)			9.18 (7.41)
- ABT Limited				69.46 (67.55)	69.46 (67.55)
- Sri Chamundeswari Sugars Limited		-- (2.32)			-- (2.32)
<b>Advertisement Receipts</b>					
- Sakthi Finance Limited		3.10 (3.60)			3.10 (3.60)
- Sri Chamundeswari Sugars Limited		2.00 (2.40)			2.00 (2.40)
- N. Mahalingam and Company				4.10 (4.80)	4.10 (4.80)
- ABT Limited				3.10 (3.60)	3.10 (3.60)
- Nachimuthu Industrial Association (MCET)				3.10 (3.60)	3.10 (3.60)
- ARC Retreading Company Private Limited				1.50 (1.80)	1.50 (1.80)
<b>Receiving of services:</b>					
<b>Interest payments</b>					
- ABT Limited				1,550.96 (1,391.75)	1,550.96 (1,391.75)
- Anamallais Bus Transport Private Limited				-- (137.71)	-- (137.71)
<b>Printing charges</b>					
- Nachimuthu Industrial Association (Rukmani Offset Press)				19.79 (54.58)	19.79 (54.58)
<b>Lease Rent</b>					
- ABT Limited				72.93 (69.46)	72.93 (69.46)
<b>Vehicle purchase / manitenance</b>					
- ABT Limited				1.73 (3.07)	1.73 (3.07)
- ARC Retreading Company Private Limited				1.29 (1.41)	1.29 (1.41)
<b>Transport charges</b>					
- ABT Limited				20.02 (1.80)	20.02 (1.80)



## NOTES TO FINANCIAL STATEMENTS

(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
<b>Purchase of computer consumables</b>					
- ABT Limited				49.68 (30.08)	49.68 (30.08)
<b>Remuneration to KMP</b>					
- S Baskar			33.87 (36.34)		33.87 (36.34)
- C R Sankar			25.09 (29.54)		25.09 (29.54)
<b>Balances outstanding at the end of the year</b>					
Key Managerial Personnel					
- Sri M Manickam Chairman and Managing Director			35.90 (37.64)		35.90 (37.64)
<b>Loans and advances</b>					
- Sakthi Auto Component Limited		24,729.79 (24,720.67)			24,729.79 (24,720.67)
- ABT Limited				36.00 (36.00)	36.00 (36.00)
<b>Trade Receivable</b>					
- Sakthi Finance Limited		1.64 (1.28)			1.64 (1.28)
- Sri Chamundeswari Sugars Limited		0.45 (2.32)			0.45 (2.32)
- Nachimuthu Industrial Association (MCET)				0.76 (4.65)	0.76 (4.65)
- ABT Limited				1.54 (3.86)	1.54 (3.86)
- N.Mahalingam and Company				0.44 (0.41)	0.44 (0.41)
- Sakthifinance Financial Services Limited				0.04 (0.07)	0.04 (0.07)
- ARC Retreading Company Private Limited				0.16 (0.46)	0.16 (0.46)
- ABT Foods Limited				-- (1.40)	-- (1.40)
<b>Loans from Body Corporate</b>					
- ABT Investments (India) Private Limited	400.00 (400.00)				400.00 (400.00)
- Anamallais Bus Transport Private Limited				1,027.71 (1,027.71)	1,027.71 (1,027.71)
- ABT Limited				20,639.97 (12,050.92)	20,639.97 (12,050.92)



(Rs. in lakhs)

Nature of transactions	Holding Company	Associate	Key Management Personnel	Other entities over which there is a significant influence	Total
<b>Advance from Body Corporate</b>					
- Sri Chamundeswari Sugars Limited		877.93 (877.93)			877.93 (877.93)
<b>Trade Payables</b>					
- ABT Limited				384.09 (383.74)	384.09 (383.74)
- ABT (Madras) Private Limited				27.43 (27.43)	27.43 (27.43)
- Nachimuthu Industrial Association (MCET)				19.78 (22.98)	19.78 (22.98)
- ARC Retreading Company Private Limited				0.42 (0.11)	0.42 (0.11)
- N.Mahalingam and Company				1.37 (0.74)	1.37 (0.74)
- The Gounder and Company				2.66 (12.97)	2.66 (12.97)

Note:-

- Information has been furnished with respect to individuals/entities with whom/which related party transactions had taken place during the year.
- Figures in bracket pertain to previous year

50.2.3 Details of transactions during the financial year ended 31st March 2021 with any person or entity belonging to Promoter/ Promoters Group who/which holds 10% or more shareholding in the Company

Name of the Person / Entity	Details of Transaction
ABT Investments (India) Private Limited	Nil

## 51 SEGMENT REPORTING

### Basis of Segmentation:

Factors used to identify the reportable segments:

The Company has the following business segments, which are its reportable segments. These segments offer different products and services, and are managed separately because they require different technology and production processes. Operating segment disclosures are consistent with the information provided to and reviewed by the chief operating decision maker.

Reportable Segment	Products/Service
Sugar	Manufacturing and trading of sugar and its by-products
Industrial alcohol	Manufacturing and trading of Industrial Alcohol and its by-products
Soya products	Manufacturing and trading of Soya and its by-products
Power	Generation and trading of Power

Revenue and expenses directly attributable to segments are reported under each reportable segment. Other expenses and income which are not attributable or allocable to segments have been disclosed as net un-allocable expenses/income.

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.

### Inter segment Transfer Pricing:

Inter Segment prices are normally negotiated amongst the segments with reference to cost, market prices and business risks, within an overall optimisation objective for the enterprise.



## NOTES TO FINANCIAL STATEMENTS

### 51.1 Operating segments revenue and results:

(Rs. in lakhs)

Particulars	Sugar		Industrial Alcohol		Soya Products		Power		Total	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue (Sales/Income):										
External Customers	33911.10	49666.49	9489.03	13071.72	19070.79	15958.13	867.41	1604.67	63338.33	80301.01
Inter-segmental Sales	4579.39	6192.22	26.44	1.37	--	--	5740.43	7903.10	10346.26	14096.69
	38490.49	55858.71	9515.47	13073.09	19070.79	15958.13	6607.84	9507.77	73684.59	94397.70
<b>Operating Profit (+)/ Loss (-)</b>	(5392.22)	(13996.78)	3180.19	3289.97	1350.60	577.53	(985.32)	(993.94)	(1846.75)	(11123.22)
Other Unallocated Expenses/Income(-) (Net)									(11135.24)	(10486.41)
Finance Cost									19639.65	20197.10
Profit/(Loss) before Tax									(10351.16)	(20833.91)
Less: Income-tax:-										
Current Tax									--	--
Deferred Tax									1275.34	(241.52)
Total Tax									1275.34	(241.52)
<b>Net Profit/Loss after Tax</b>									(11626.50)	(20592.39)
Other Information:-										
Segment Assets	122362.14	124034.99	11255.87	11361.65	14003.96	12399.83	29581.78	30391.76	177203.75	178188.23
Unallocated Corporate Assets									4038.04	5058.91
<b>Total Assets</b>									181241.79	183247.14
Segment Liabilities	59591.66	64440.12	1749.11	1964.77	4510.85	2492.52	11805.44	11124.09	77657.06	80021.50
Unallocated Corporate Liabilities									131364.86	119284.85
<b>Total Liabilities</b>									209021.92	199306.35
Capital Expenditure	77.33	106.72	61.04	0.29	21.11	17.83	70.59	1.86	230.07	126.70
Depreciation & Amortization	1993.59	2983.83	651.62	706.73	357.11	357.67	883.07	882.83	3885.39	4931.06

### 51.2 Geographical information

(Rs. in lakhs)

Country	2020-21	2019-20
India	71,424.85	92,725.57
Korea	990.88	752.85
Malaysia	184.27	134.14
Philippines	16.07	7.46
Vietnam	1,050.56	777.68
United Kingdom	17.05	--
Saudi Arabia	0.91	--
Total	73,684.59	94,397.70

51.3 The entire Non-current assets of the Company are located in India.

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

## 52 LEASES

### 52.1 The Company as a Lessee

52.1.1 Maturity Analysis of future contractual maturities of lease liabilities as on March 31, 2021 on an undiscounted basis:

(Rs. in lakhs)

0-1 Years	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Over 5 Years	Total
67.17	--	--	--	--	--	67.17
(55.72)	(67.17)	(--)	(--)	(--)	(--)	(122.89)





## 52.1.2 Amounts recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	2020-21	2019-20
Interest on Lease liability	17.21	23.62
Expenses relating to short-term leases	51.44	52.35
Expenses relating to leases of low-value assets, excluding short-term leases of low value assets	0.56	1.34
Depreciation and amortisation expenses on right-of-use assets	56.25	65.27

## Break-up of lease liabilities recognised in Statement of Profit and Loss

(Rs. in lakhs)

Particulars	2020-21	2019-20
Current lease liabilities	67.17	55.72
Non-current lease liabilities	--	67.17
	67.17	122.89

## 52.1.3 Amounts recognised in the cash flow statement

(Rs. in lakhs)

Particulars	2020-21	2019-20
Principal payment of Lease liabilities	55.72	45.84
Interest paid on Lease liabilities	17.21	23.62
	72.93	69.46

## 52.1.4 Incremental borrowing rate:

The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2020 is 14%

## 52.2 The Company as a Lessor

(Rs. in lakhs)

Particulars	2020-21	2019-20
Annual lease receipts included as income in the Statement of Profit and Loss	149.77	152.48
<b>Future Minimum Lease Receivable</b>		
Not later than one year	137.85	139.82
Later than one year and not later than five years	157.89	254.19
Later than five years	238.73	246.37

## 53 Impact of COVID-19 on Operation

The Covid-19 pandemic has not made a material impact on the sugar industry as its outbreak was almost at the fag end of crushing period for the season. The Company's factories remained shut down for almost one month due to dislocation of labour force. After resuming operation, crushing of the backlog of sugar cane available was completed with slight reduction in recovery, the effect of which is not significant.

Since sugar industry is agro based and labour intensive, availability of working labour places a major role in carrying out the agricultural operation on which success of sugar industry depends. It is not possible to assess the overall impact of Covid-19 at present.

**54** The financial statements are approved for issue by the Audit Committee at its meeting held on June 30, 2021 and by the Board of Directors on June 30, 2021.

**55** The comparative figures have been regrouped/ rearranged wherever considered necessary to make them comparable with current year figures.

Vide our report annexed

For P K NAGARAJAN & Co

Chartered Accountants

Firm Registration Number : 016676S

S P MUTHUSAMI

Partner

Membership Number : 224171

Coimbatore

30<sup>th</sup> June 2021

M MANICKAM

Chairman and Managing Director

S BASKAR

Sr. Vice President &

Company Secretary

M BALASUBRAMANIAM

Director

C.R. SANKAR

Chief Financial Officer



## COMPANY'S PERFORMANCE AT A GLANCE

YEAR	SUGARCANE CRUSHED (TONNES)	SUGAR PRODUCED (TONNES)	RECOVERY (%)	TURNOVER (Rs.in Lakhs)	PROFIT BEFORE DEPRN (Rs. In Lakhs)	DEPRECIATION (Rs. In Lakhs)	PROFIT AFTER DEPRN (Rs. In Lakhs)	EQUITY DIVIDEND (%)	GROSS BLOCK (Rs. In Lakhs)
1966	332794	28741	8.64	328.24	18.47	11.63	6.84	6	180.66
1967	202641	16750	8.27	346.46	3.08	12.78	-9.70	-	181.33
1968	195997	17614	8.99	346.60	74.97	14.90	60.07	12	173.51
1969	332822	27955	8.40	520.65	31.09	13.74	17.35	12	179.75
1970	460457	38704	8.41	536.07	10.30	15.23	-4.93	6	312.82
1971	434862	40159	9.23	692.62	55.05	20.04	35.01	12	345.52
1972	526103	50063	9.52	1112.43	135.34	29.89	104.45	15	466.18
1973	687892	59691	8.72	1358.41	67.83	34.66	33.17	15	567.55
1974	813430	67776	8.33	1779.28	72.04	46.99	25.05	12	958.57
1975	1002544	84494	8.43	2324.35	128.52	65.61	62.91	-	1014.43
1976	311774	28025	8.98	1395.33	19.20	64.00	-44.80	-	1026.49
1977	298725	22692	7.60	653.64	-98.96	0.00	-98.96	-	1020.98
1978	366487	33883	9.25	706.32	-27.36	0.00	-27.36	-	1021.26
1979	767844	64299	8.37	1201.64	52.40	0.00	52.40	-	1037.86
1980	624399	54680	8.76	2323.30	303.52	58.24	245.28	12	1068.08
1981	648514	57236	8.83	2400.96	138.32	67.22	71.10	17.5	1207.00
1982	1121964	104305	9.30	3861.03	322.10	99.89	222.21	20	1396.35
1983▲	803716	79295	9.87	3371.42	248.52	194.78	53.74	15	1846.66
1984	336704	34375	10.12	3063.41	109.28	108.20	1.08	15	2024.62
1985	697491	70103	10.05	3211.28	297.71	128.91	168.80	16	2122.82
1986	704626	72150	10.24	3739.00	211.46	116.05	95.41	15	2229.53
1987	496762	48791	9.82	3647.90	173.62	150.86	22.76	-	2443.58
1989	934601	96145	10.28	5087.15	849.45	249.08	600.37	30	4530.72
1990	1122219	108421	9.66	8762.84	989.65	377.09	612.56	20	6101.95
1991	1130173	107984	9.55	7474.44	801.55	394.37	407.18	20	6617.61
1992	1091843	103723	9.50	11200.64	1010.49	409.11	601.38	20	8540.39
1993	1115158	107158	9.61	11547.77	1027.03	411.07	615.96	20	11387.44
1994	956993	89163	9.36	18109.42	1521.21	489.38	1031.83	24	17649.21
1995	1724621	159199	9.28	21701.32	1859.60	782.45	1077.15	24	18638.23
1996	2345289	211267	9.00	33568.19	2953.13	857.58	2095.55	24	26042.75
1997	2106840	191940	9.11	33442.13	2022.05	1019.11	1002.94	20	30242.48
1998	1569438	143991	9.21	36753.07	2478.28	1414.47	1063.81	-	32548.89
1999	2607462	246609	9.43	40788.52	2298.23	1860.97	437.26	-	35155.94
2000▲	2161594	212600	9.86	36393.04	2102.55	1485.66	616.89	-	28394.91
2001	2316874	233278	10.04	45197.53	1596.80	1272.83	323.97	-	29463.22
2002	1914453	193302	10.04	45022.47	1791.99	1309.48	482.51	-	30771.78
2003	1472547	192505	9.80	32221.35	-3968.28	1347.49	-5315.77	-	61006.09
2004	499480	124559 ■	10.15	30313.24	-3339.32	948.67	-4287.99	-	56054.15*
2005	847934	257611 ■	9.30	63942.19	3972.94	1158.49	2814.45	-	56273.16
2006	2746916	347702 ■	9.52	89601.78	10835.71	1218.85	9616.86	15	60637.41
2007	3477203	336996 ■	9.56	76651.73	4358.84	1340.87	3017.97	15	91376.04
2008	4416309	400678 ■	9.07	103847.83	-4419.38	4294.29	-8713.67	-	136053.62
2009●	2045681	427288	9.22	140435.07	15496.43	3025.71	12470.72	-	138730.83*
2011	2356303	536973 ■	9.47	216553.65	-8915.89	3878.48	-12794.37	-	142173.20
2012▲	2900630	278431 ■	9.60	112126.99	-2187.62	3162.85	-5350.47	-	143553.93
2013	3056321	286296	9.37	118989.97	-8515.22	3232.54	-11747.76	-	146750.52
2014	1653822	147240	8.82	71704.59	-20165.02	3272.67	-23437.69	-	146898.93
2015	1476477	131893	8.90	84748.61	-1924.07	3013.82	-4937.89	-	147110.70
2016	1562489	121622	7.93	83034.12	-2903.08	4621.12	-7524.20	-	147317.80
2017	1975869	175613	8.83	93897.56	10015.62	5700.47	4315.15	-	145679.38
2018	549241	84800	8.97	53020.06	-19938.69	5281.69	-25220.38	-	139330.95*
2019	849503	81216	9.63	50505.93	-21517.69	5158.53	-26676.22	-	136193.32#
2020	1295177	120227	9.18	80301.01	-15902.85	4931.06	-20833.91	-	117947.01#
2021	977302	86994	8.96	63338.33	-6465.77	3885.39	-10351.16	-	118172.51#

▲ 15 Months

● 18 Months

■ Includes sugar produced out of Raw sugar

# Excluding assets classified as held for sale.

\* Including increase in value on account of revaluation of fixed assets Rs.30045.71 Lakhs

\* Including increase in value on account of revaluation of fixed assets Rs.38696.60 Lakhs

\* Including net increase of Rs.36642.32 Lakhs on account of adoption of fair value under Ind AS



